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Coca-Cola®



Coca-Cola West Japan Company, Limited

Year ended December 31, 2002

Corporate Book 2002

Profile

On July 1, 1999, Sanyo Coca-Cola Bottling Co., Ltd. and Kita Kyushu Coca-Cola Bottling Co., Ltd. merged to form Coca-Cola West Japan Company, Limited (CCWJ). Backed by an equity investment from The Coca-Cola Company, Japan's first Coca-Cola Anchor Bottler was born.

As an Anchor Bottler and strategic partner of The Coca-Cola Company, CCWJ now plays a central role in promoting Coca-Cola's business in Japan.

April 2002

Restructuring begins at Coca-Cola West Japan

April 2001

Mikasa Coca-Cola Bottling Co., Ltd. becomes a subsidiary of CCWJ

August 2000

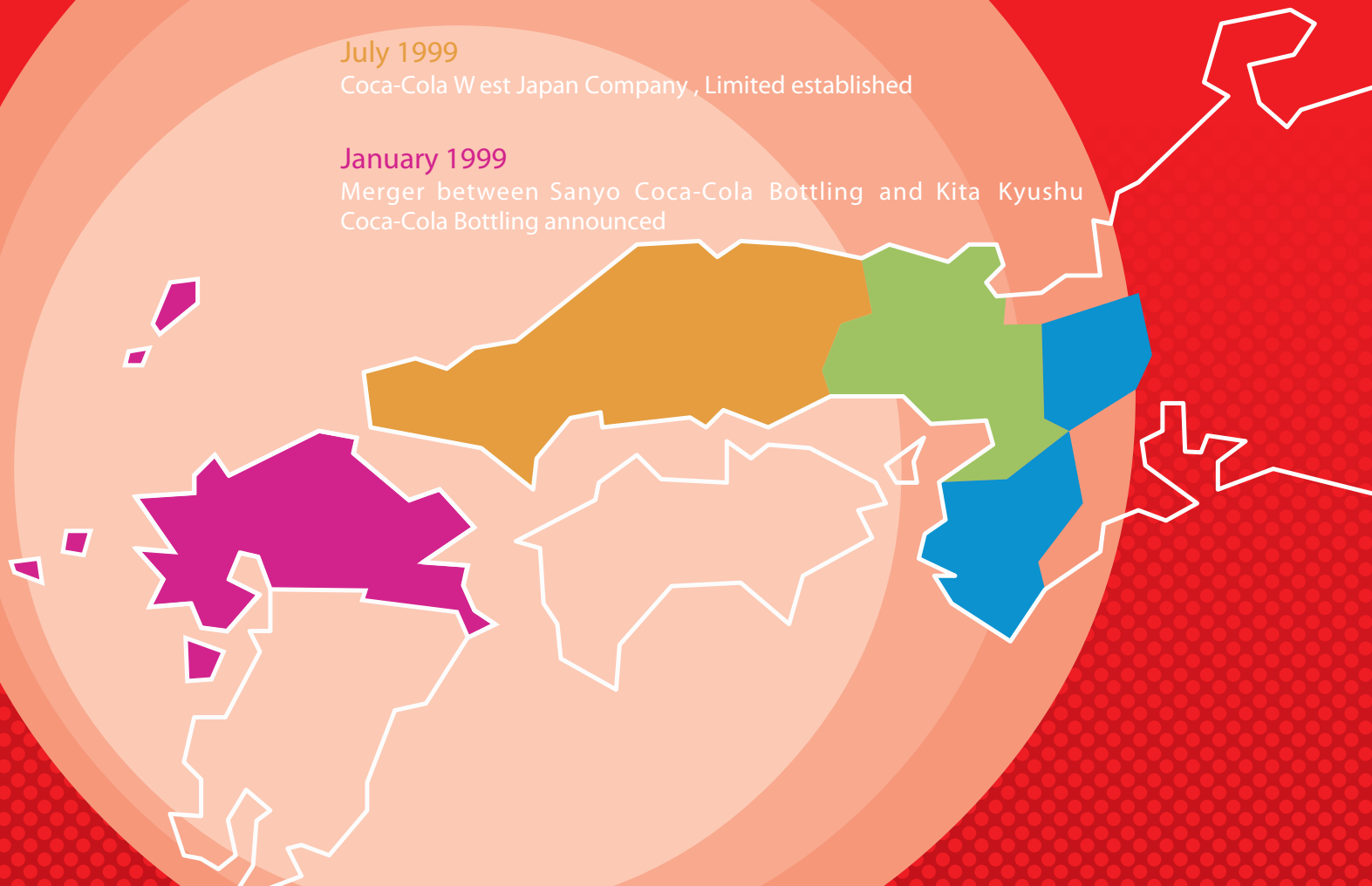
Joint project launched with Kinki Coca-Cola Bottling Co., Ltd.

July 1999

Coca-Cola West Japan Company, Limited established

January 1999

Merger between Sanyo Coca-Cola Bottling and Kita Kyushu Coca-Cola Bottling announced





A New Look for the World-Famous Coca-Cola Logo



With an image of youth and exhilaration, the revamped design expresses an even more modern image of the real thing and encompasses a sense of brightness and fun. The new Coca-Cola logo further freshens and strengthens the appeal of the brand.

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To Our Shareholders



Operating Result

In fiscal 2002, ended December 31, 2002, a protracted slump in capital and public expenditure, a severe employment situation and falling incomes combined to keep the Japanese economy in the doldrums. The outlook for any rebound remained highly uncertain.

Companies in the soft drink sector were under pressure from all corners— the market was flat and there was fierce competition on price in our sales channels. This was compounded by the fact that an increasing proportion of products are now packaged in high-cost materials. As a result, in an effort to maintain earnings, the battle for market share grew more intense.

Against this background, we implemented a radical group restructuring program including the mergers of subsidiaries. This program was carried out based on our corporate creed "Our Total Happiness" with the goal of meeting the key objective in our management policy: to make our product at lower cost, even if only for one yen less, and by selling one bottle more, earning an extra yen. Through this restructuring, we believe we have put in place a management base built on an effective manufacturing, distribution and sales framework to ensure we can sustain growth and development even in the most challenging operating environment.

On the sales front, we increased our main brand items and strengthened our packaging options, enabling us to introduce 107 new products. And with the world's attention on the Korea Japan 2002 FIFA World Cup, we launched a range of sales activities including campaigns and promotions.

On the manufacturing side, in collaboration with Coca-Cola West Japan Products Co., Ltd., we worked to reduce manufacturing expenses to realize the lowest costs, and strengthened our product management system to offer higher quality products to provide our customers with the highest reassurance on product safety. In addition, in response to the growing number of packaging types, we invested in new equipment to manufacture small-sized PET bottles and bottle-cans.

CCWJ's consolidated results for fiscal 2002 saw net sales rise 9.6% to ¥247.7 billion and operating income increase 0.4% to ¥16.7 billion. Recurring profit increased 6.1% to ¥17.0 billion. However, absent an extraordinary loss booked in fiscal 2001 for the amortization of transitional obligation arising from the adoption of new accounting standards for

retirement benefits, net income in fiscal 2002 increased 399.0% to ¥7.1 billion.

Strengthening Competitiveness through Group Restructuring

The key objective for CCWJ during fiscal 2002 was the implementation of a group restructuring program. To strengthen operating capabilities, CCWJ absorbed two sales subsidiaries, and to reduce costs, transferred its manufacturing operations to Coca-Cola West Japan Products, a new subsidiary established specifically to carry out these operations.

CCWJ also took steps to clarify the roles of each of its group companies and, to strengthen functions and increase management efficiency, we integrated companies operating in the same areas, such as the vending business, the distribution business and the vending machine related business. This step reduced group companies from 20 to 12.

In addition, subsidiary Mikasa Coca-Cola Bottling Co., Ltd. established a collaborative bottling system with Kinki Coca-Cola Bottling Co., Ltd. to strengthen management and efficiency. And through a joint venture with a bottler in Western Japan, CCWJ established Daisen Beverage Co., Ltd. to handle the supply of mineral water. The aim is to get operations underway before the 2003 summer peak season. These measures have strengthened our cooperative bottling system and are targeted at further enhancing management efficiency.

Growth Strategy in the Medium-term Management Plan

In order to respond to shifts in its market and remain competitive in a challenging operating environment, the CCWJ group has formulated a three-year Medium-term Management Plan, which runs to the end of fiscal 2005. The key policy in this management plan is Reform From Within. By Reform From Within we mean the change and transformation of the group driven from within, with a role in this process to be played by every member of our team: CCWJ executives and personnel alike. Working together as a close-knit team will also be crucial if we are to achieve our targets for fiscal 2005—net sales of ¥269.5 billion, net income of ¥11.6 billion and a market share of 37%.

In order to achieve the above objectives, the following four fundamental measures will be key.

1. Build a New Business System

Incorporate measures to foster and establish markets and strengthen our earnings capability by revamping our comprehensive sales strategy and creating a business system that responds to both buy-side customers and sell-side clients.

2. Strengthen Group Management

Take steps to appropriately position businesses within the group and streamline indirect business operations. This will result in a structure that responds seamlessly through business cycles across the entire group and improves management efficiency.

3. Restructure Personnel Management

Create a system that maximizes the potential power of our employees and further enhances competitiveness. In conjunction with steps to appropriately positioning businesses within the group, we will introduce a new personnel and welfare system that supports to enhanced employee functions and roles.

4. Coexist With Society

Reaffirm our role as responsible corporate citizen by augmenting our corporate ethics framework, upgrading environmental management systems and making greater contributions to local communities.

We have positioned fiscal 2003 as the year we complete the groundwork necessary to drive the company to future growth. In order to create a strong and reenergized group by 2005, capable of rapidly responding to market shifts and achieving high growth, harnessing every ounce of our people's capabilities will be vital.

We are grateful for the support of all our shareholders and look forward to their continued understanding and support.

May 2003

Representative Director
President & CEO

Norio Sueyoshi

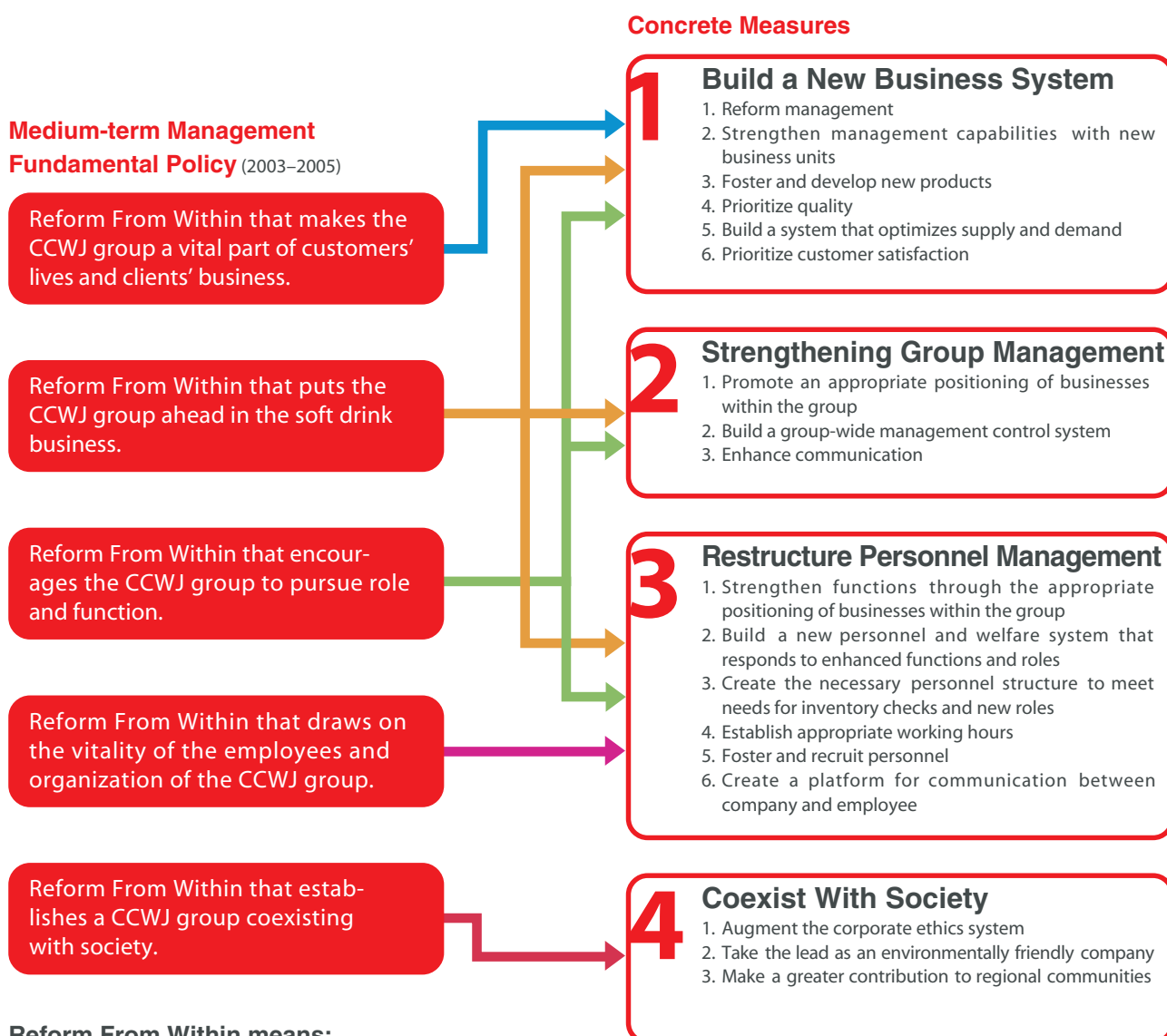


ACHIEVING REFORM FROM WITHIN

The CCWJ Medium-term Management Plan runs from the beginning of fiscal 2003 to the end of fiscal 2005.

The fundamental policy of the Medium-term Management Plan is Reform From Within, which is made up of five key areas of reform to be targeted by the entire group. These have been distilled down to four concrete measures outlined below. CCWJ has also positioned 2003 as the year to establish the groundwork necessary to drive the company to future growth.

Based on these radical reforms, CCWJ aims to start building a strong and reenergized group from fiscal 2004. This will enable the Company to react quickly to market change and achieve high-growth.



Reform From Within means:

- Change must come from within all executives and personnel in the group
- Change in building companies and a group must come from within all executives and personnel in the group



● **Nishinihon Beverage Co., Ltd.**
(Vending Sales)

Responsible for managing CCWJ's network of vending machines, with a focus on Coca-Cola products, Nishinihon Beverage pursues increased sales and profits by providing high quality vending machine services to customers.



● **Coca-Cola West Japan Company, Limited**
(Product Management)

Responsible for product management, or more accurately, marketing, CCWJ puts together proposals for sales promotion plans and installs new vending machines as it seeks to help business partners boost their sales of Coca-Cola products. In this way, CCWJ is working to increase earnings and market share, and ultimately, working hand in hand with other group companies, to enhance the corporate value of the group as a whole.



● **Coca-Cola West Japan Vending Co., Ltd.**
(Vending Machine Operations)

Responsible for vending machine operations, Coca-Cola West Japan Vending works hard to ensure our customers keep coming back for more. This is achieved by positioning machines in optimum locations, adjusting the type of drinks loaded in machines to meet seasonal requirements, and ensuring machines are always full.



● **Coca-Cola West Japan Products Co., Ltd.**
(Manufacturing)

As the manufacturing arm of the group, Coca-Cola West Japan Products provides the high quality, dependable soft drinks that our clients want. Offering the a broad range of manufacturing services, the company constantly endeavors to supply products more quickly at lower cost to other parts of the CCWJ group.



● **Logicom Japan Co., Ltd. (Logistics)**

Logicom Japan is responsible for the logistical operations of the group, providing high quality distribution services based on safety, precision, speed, care and courtesy, to ensure our business partners always receive the products they want, when they want.



● **Nishinihon Customer Service Co., Ltd.**
(Equipment Service)

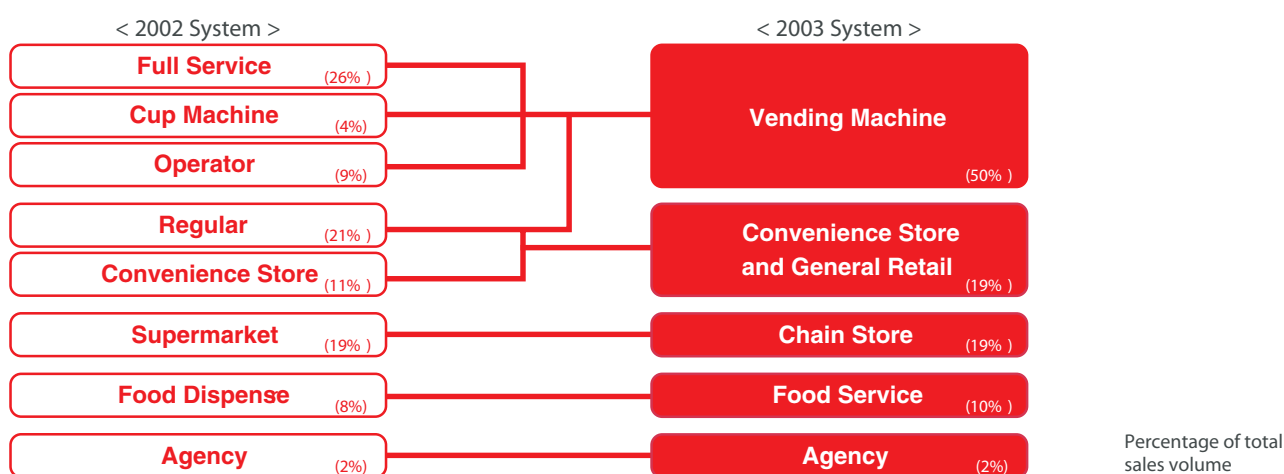
Responsible for the installation, repair and satellite monitoring of vending machines, Nishinihon Customer Service provides the best in equipment support services that ensure our customers can always buy our products.

BUILDING A NEW BUSINESS SYSTEM

Business System

Shifting to a business system that responds to both buy-side customers and sell-side clients.

Creating a comprehensive business system, from planning to sales, through the creation of a family of new business units.



Vending Machine Business Unit

Providing about 50% of total sales volume, the vending machine business unit is a key source of earnings. CCWJ aims to enhance competitiveness and earnings capability underpinned by a full range of consumer and account services.

In 2003, CCWJ will concentrate on three main areas: reenergizing existing accounts, scaling back areas identified as promising new businesses, and lowering the breakeven point.

1. Reenergizing Existing Accounts

Specific measures to reenergize accounts include actively introducing containers with caps (PET bottles and bottle-cans), rolling out C-mode vending machines and sales support vending machines with IT capabilities, and conducting promotional campaigns that make use of IT. These efforts are designed to create vending machines that customers find more attractive to use. CCWJ is rolling out full vending machine services for general retail outlets.

2. Scaling Back New Business Areas

In the outdoor market in CCWJ's operating area, vending machines occupy a 53% market share. Half of these are Coca-Cola machines. However, in the indoor market, vending machines have a 35% market share and therefore still have sufficient room to extend their position. Together with group company Nishinohon Beverage Co., Ltd., CCWJ is

making a concerted effort to develop this indoor market, narrowing its focus in building an indoor network in workplaces, hospitals and schools with a view to raising market share by one percentage point.

3. Lowering the Breakeven Point

CCWJ is putting in place a framework so that it can still generate profits from vending machines installed in low sales locations, based on the premise that there is specific request to locate a vending machine in that location.

For this reason, and to lower costs, all group vending machine operations were transferred to Coca-Cola West Japan Vending. To reduce vending machine monitoring costs, a joint supply deal was formed with bottlers countrywide and a joint operations agreement through CCWJ group-company Nishinohon Customer Service.

With these measures CCWJ is aiming to raise its operating income as a proportion of net sales by one percentage point in fiscal 2003.

Chain Store (Supermarket) Business Unit

In the last four years CCWJ has raised its sales volume by about 70% in this area. The supermarket sales channel, in particular has shown remarkable growth, thanks to efforts to expand both volume and market share with an emphasis

on profitability In fiscal 2005 CCWJ plans to raise operating income as a proportion of net sales to 5%.

To achieve this goal, in fiscal 2003, CCWJ will focus on two priorities: expanding sales volume by strengthening marketing capabilities, and enhancing profitability.

1. Expanding Sales Volume by Strengthening Marketing Capabilities

Specific activities are being developed to strengthen marketing capabilities, centered on the two spheres main product flow and store product flow. These activities will be focused on 20 key clients in the key operating areas of Hiroshima, Okayama and Fukuoka.

2. Enhancing Profitability

CCWJ will work to develop a mix of packaging types that meet the needs of consumers. Until now, CCWJ has marketed products in large, easy-to-sell packaging formats at highly competitive prices. Looking ahead, CCWJ will market products using packaging formats that closely match consumer needs, through the use of market surveys. Pricing will also change, based on a more appropriate pricing policy. In addition, we have plans to distribute water and tea products in large packaging formats, directly from the factory to clients.

	2002		2005	(%) Market share*
2 liter PET	43		30	30
1.5 liter PET	21		19	18
500ml PET	14		17	17
160ml can	10		11	2
190ml can	4		5	3
Other	7		17	29
Total	100		100	100

Note: Nielsen Market Survey (2002)

Convenience Store and General Retail Business Unit

In the convenience store and general retail market, CCWJ will conduct comprehensive, effective marketing activities through a process of selection and concentration.

1. Convenience Store

CCWJ will strengthen marketing activities through cooperation with Western Japan Bottlers. This will go hand in hand with efforts to expand the number of items CCWJ handles, to meet the product distribution criteria of individual stores

and to provide more opportunity for customers to purchase Coca-Cola products.

In addition, CCWJ will strengthen its relationship with regional headquarters and implement promotional campaigns exclusively for use in specific regions.

2. General Retail Stores

General retail stores are large volume retail stores such as drug stores, home improvement centers and discount liquor stores. CCWJ will work to respond to the unique operating characteristics—opening hours, pricing policies and sales methods—of each different client.

Food Service Business Unit

The food service Business Unit includes syrup sales, a market focusing on younger people, a target age group for CCWJ. In this business, CCWJ will restructure its earnings structure based on enhancements in market development capabilities and cost reductions.

1. Enhancing Market Development

CCWJ will aggressively develop its markets, including plans to strengthen its hand in the drink bar market at family restaurants by widening the company's current focus on cold drinks to include hot drinks. CCWJ will also use promotions and the careful management and strengthening of existing business relationships to further enhance its position in the market.

2. Efficiency Measures and Reducing Costs

For clients with annual sales of less than 250 cases, CCWJ will encourage a switch to bottles and cans. Also, efficiency initiatives will focus on restricting vending machine models and the number of products handled.

Agency Business Unit

CCWJ is strengthening partnership arrangements with agencies, which handle operations for remote islands and regions, to support these agencies in the aggressive development and nurturing of their markets.

Marketing activities for new product promotions in these areas will be of the same high quality and standard as those in more populous areas, while vending machines will also actively be introduced. To strengthen marketing capabilities, CCWJ will further enhance education and training for its sales force.

CCWJ' s Four Main Brands

CCWJ is bolstering its four main brands- Coca-Cola, Georgia, Sokenbicha and Aquarius. Positioned as the Company's key brands, they are a stable source of sales and represent about 60% of CCWJ's sales volume. Due to their already dominant position, Coca-Cola and Georgia in particular are not brands where dramatic growth can be expected, however, they are highly profitable and maintaining their strength is a priority for CCWJ.



Enjoy!
Coca-Cola
Coca-Cola
Trademark Regd.



Contributing about 10% to CCWJ's sales volume, Coca-Cola has a market share in Japan of 75.6%. In CCWJ's operating area Coca-Cola has a dominant market share of greater than 82.2%.

In fiscal 2002, the "No Reason" campaign was continued from two years earlier and further strengthened through campaigns that tied in with the Korea Japan 2002 FIFA World Cup.

For fiscal 2003, ending December 2003, the Coca-Cola logo has been revamped to give a fresher image and to further strengthen the appeal of the Coca-Cola brand. CCWJ also established a collaborative relationship with the stars of the talent agency Johnny's and aims to further expand market share through the "Shop No Reason" campaign.

AQUARIUS
TRADE MARK REGD.

Aquarius

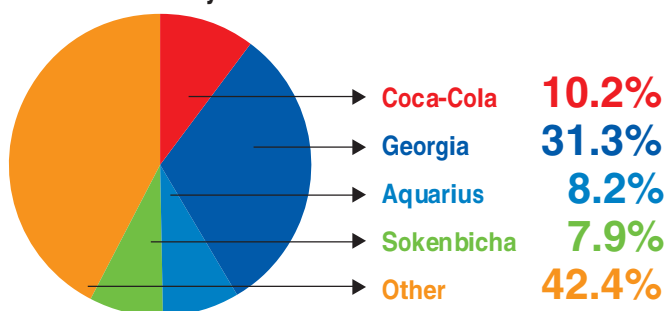
Developed in Japan and growing as a global brand, Aquarius is Japan's number one sports drink.

In fiscal 2002, the Korea Japan 2002 FIFA World Cup campaign proved effective and sales volume climbed 7.9%. Market share increased 3.8 percentage points to 56.4%.

For fiscal 2003, CCWJ will maintain and strengthen the "Sport for Life" campaign using all sports as the theme. Further increasing market share will naturally be a main objective.

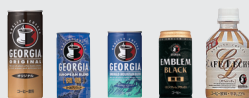


Sales Volume by Brand



Enjoy GEORGIA®

Georgia



Launched in 1975 and now a byword for canned coffee, Georgia's nationwide pioneering launch was carried out by CCWJ. Georgia represents about 30% of CCWJ sales volume and holds a market share of 48.8%. In CCWJ's area Georgia boasts a powerful 72.7% market share.

In fiscal 2002, Georgia was able to gain broad support from a wide age group. And thanks to the "Tomorrow is Another Day" campaign, which became a social phenomenon in Japan, Georgia succeeded in further strengthening its preeminent position.

For fiscal 2003 CCWJ has created the "Tomorrow is Another Day 2." Other ideas on the table aimed at creating an unassailable lead in the market are the development of new flavors, the introduction of smaller cans to target women and the launch of medium-sized products in PET bottles.



爽健美茶®

Sokenbicha



Underpinned by the keywords refreshing, healthy and beautiful, Sokenbicha is a tea for health and beauty conscious people. CCWJ pioneered this product for introduction throughout Japan.

In fiscal 2002, we increased market share by 4.4 percentage points to 76.9% on the back of the launch of a medium-strength flavor, a packaging renewal and cooperation with leading media celebrities.

For fiscal 2003, ending December 2003, CCWJ will maintain the "Naturally Naturally Sokenbicha" campaign and is aiming to further expand consumer promotions and develop vending machines for 280ml PET bottles.



Contributions to Regional Society and Environmental Activities

The CCWJ group makes every effort to be a good corporate citizen and always thinks and acts from a social standpoint. Consequently, CCWJ is developing a range of activities and measures that contribute to regional society and the environment.

CCWJ allocates a fixed portion of revenue every year to fund ongoing social and environmental activities. This is made possible through the understanding and support of our shareholders.

CONTRIBUTIONS TO REGIONAL SOCIETY

FUNDAMENTAL STANCE

Together With Society

CCWJ supports the healthy development of the young, strives for close relationships with communities and takes on a supporting role for community welfare, sporting activities, cultural activities and community events.

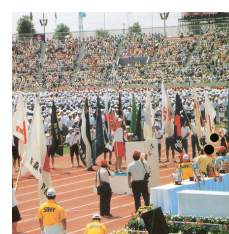


CULTURAL ACTIVITIES

- Coca-Cola West Japan Family Musical
- Sawayaka Classical Concert
- Sawayaka Concert
- Ichimura's nature school in Kyushu (Inaugurated in March 2003)

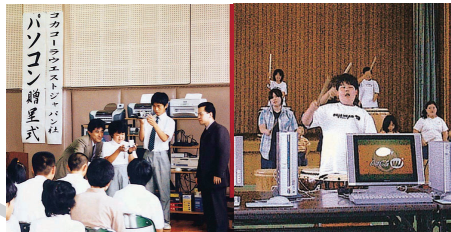
OTHER

- Japan Inter-High School Sports meet
- Japan Youth Soccer Tournament
- H.I.H. Prince Takamado Trophy All Japan Inter-Middle School English Oratorical Contest



- Donation of educational materials to special schools

SOCIAL WELFARE SERVICES



CONTRIBUTIONS TO REGIONAL SOCIETY



SPORTS ACTIVITIES

- Donation of unicycles to elementary schools
- Sawayaka Rugby Clinic
- Sawayaka Youth Rugby Tournament
- Sawayaka Youth Soccer Tournament
- Coca-Cola West Japan Youth Soccer Tournament

REGIONAL EVENTS

- RoboCup 2002 Fukuoka/Busan
- Kinshuki Gyokuryuki High School Judo and Kendo Tournament
- World Wheelchair Basketball Championships



ENVIRONMENTAL ACTIVITIES

An Industry Leader on Environmental Issues

CCWJ promotes its business activities based on being a responsible corporate citizen and respecting human, social and environmental harmony. The Company recognizes that it owes a debt of gratitude to its customers and society. It repays this debt through efforts to beautify and preserve the environment and recycle waste. All employees throughout the CCWJ group take responsibility for the environment in their workplaces and contribute to building a rich society.

Reducing Waste and Saving Energy

Accredited with ISO 14001 certification

Three production plants of Coca-Cola West Japan Products and the CCWJ headquarters have attained ISO 14001 accreditation for environment management. From 2003, all business offices related to the Coca-Cola are establishing environmental management systems and aim to acquire ISO 14001 accreditation.



Recycling

Construction of the Kitakyushu Sawayaka Recycling Center

In the Ecotown precinct of Kitakyushu City construction is underway on the Kitakyushu Sawayaka Recycling Center. This center will collect empty cans, glass bottles and PET bottles for Fukuoka and Saga prefectures.



Green

Introduction of the Eco Car

To reduce carbon dioxide emissions from vehicle exhaust gases, CCWJ has introduced hybrid vehicles and vehicles that run on natural gas.



Promoting environmentally friendly purchases

The CCWJ group promotes the use of recycled products, and is pouring special effort into the use of products that make use of recycled PET bottles.



ACTIVITIES

- Offering safe environmentally safe products and services
- Working to reduce waste and save energy by promoting recycling activities
- Developing an environmentally friendly procurement stance, including reuse of resources
- Vigorously developing regional environmental activities
- Using training programs to raise environmental awareness

Regional Environmental Activities

School Biotopes

Biotopes provide a refuge for wilderness life to breathe. A school biotope aims to provide natural systems and special experiences by encouraging children, along with the efforts of teachers, brothers and sisters, to build refuges where living things can breathe. In 2002, three schools in Fukuoka, one school in Nagasaki and one school in Hiroshima completed magnificent biotopes.



School Tree Planting

With the catch cry "Let's create an oak forest" children become the foster parents of seedlings sprouted from acorns and nurture them into large seedlings.



Coca-Cola Ecology School

Under the guidance of natural environment education instructors and with trees in the country and insects as the textbook, CCWJ holds environmental education classes that provide important experiences for coexisting with nature. In 2002, 40 children participated in this precious experience.



Regional Environmental Preservation Activities

Coca-Cola Clean Day

With the aim of self-enlightenment on environmental issues for each and every employee of the group, CCWJ runs its Clean Day activities on the 8th of every month in regional communities.



CORPORATE DATA

Trade name:	Coca-Cola West Japan Company, Limited
Head office:	7-9-66 Hakozaki, Higashi-ku, Fukuoka 812-8650, Japan
Phone:	092-641-8581
Established:	December 20, 1960
Outstanding shares:	82,898,654
Paid-in capital:	¥15,231,000,000
Employees:	1,753
Principal businesses:	Manufacture and sales of beverages, mainly Coca-Cola, Sprite, Fanta, and Georgia
Stock exchange listings:	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section) Fukuoka Stock Exchange



MANAGEMENT

Directors

Representative Director	Hisashi Kubo	Chairman
Representative Director	Norio Sueyoshi	*
Director	Yasumasa Niimi	*
Director	Hiroshi Hamada	Ricoh Company, Ltd. Chairman
Director	Tadashi Teshima	Nichirei Corp. Adviser
Director	Masahiko Uotani	Coca-Cola Japan President
Director	Takemoto Oto	Nichirei Corp. Chairman
Director	Yusuke Inoue	The Fukuoka City Bank, Ltd. Deputy President
Director	Sadahiro Arikawa	Ricoh Kyushu Co., Ltd. Fukuoka Branch, President

Note: *Executive Corporate Officer

Auditors

Executive Corporate Auditor	Tadao Fujino
Executive Corporate Auditor	Kounosuke Hamada
Auditor	Tatsuo Hirakawa
Auditor	Isanari Ohuchida

Ricoh Company, Ltd.
Deputy President
The Fukuoka City Bank, Ltd.
Senior Managing Director

Executive Officers

President & CEO	Norio Sueyoshi	Presidential Adviser (Compliance and Special Projects), Head of Offices for Corporate Ethics, Environmental Policy and Quality Assurance
Executive Vice President	Yasumasa Niimi	Presidential Adviser (Operations and Public Relations)
Executive Vice President	Haruhiro Nishiyama	Reform from Within Committee and Reform From Within Promotions Office, Manager of Coca- Cola West Japan University
Executive Corporate Officer	Kouichi Morii	Sales Planning Division Manager
Executive Corporate Officer	Hijiri Morita	Administration Division Manager
Executive Corporate Officer	Tadatsugu Harada	General Affairs Division Manager
Senior Corporate Officer	Nobuo Shibata	Food Service Sales Division Manager
Senior Corporate Officer	Junji Katsura	Vending Business Division Manager
Senior Corporate Officer	Yukio Sako	

Senior Corporate Officer
Corporate Officer

Corporate Officer
Corporate Officer
Corporate Officer
Corporate Officer

Corporate Officer
Corporate Officer
Corporate Officer

Masami Nomiyama
Sohtaroh Akatsuka

Ryuji Nakagawa
Masayuki Yamasaki
Masuo Miyake
Tatsuhiko Ike

Toshinori Seto
Hayao Ogawa
Katsuzou Tsugawa

Manager, Vending Operation Dept.
CVS-Retail Sales Division
Manager
Manager, Humanresource Dept.
Project Manager
Manager, Agents Sales Dept.
Chainstore Sales Division
Manager
Manager, Partner Relationship
Manager, CS Activities
Manager, Sales Promotion Dept.

Group Executive Officers

Group Senior Corporate Officer	Takeaki Sueyasu	Nishinihon Beverage Co., Ltd. President
Group Senior Corporate Officer	Katsuyoshi Kawabe	LOGICOM JAPAN CO., LTD. President
Group Senior Corporate Officer	Akira Gohhara	COCA-COLA WEST JAPAN PRODUCTS CO., LTD. President
Group Senior Corporate Officer	Toshiki Miyake	TakaMasamune Co., Ltd. President
Group Senior Corporate Officer	Masazumi Gotoh	Nishinihon Customer Service Co., Ltd. President
Group Senior Corporate Officer	Nobuji Kihara	Mikasa Coca-Cola Bottling Co., Ltd. Director and Executive Corporate Officer
Group Senior Corporate Officer	Yuji Yamasaki	COCA-COLA WEST JAPAN VENDING CO., LTD. President
Group Senior Corporate Officer	Shinji Oda	WEST JAPAN SERVICE CO., LTD. President
Group Senior Corporate Officer	Mitsuo Isobe	Coca-Cola Beverage Service Co., Ltd. Director and Senior Corporate Officer
Group Senior Corporate Officer	Seiji Moriwake	Nishinihon Beverage Co., Ltd. Director and Vice President
Group Corporate Officer	Naofumi Morisue	Nishinihon Customer Service Co., Ltd. Director and Vice President
Group Corporate Officer	Takuo Shibata	Nishinihon Customer Service Co., Ltd. Director and Senior Corporate Officer
Group Corporate Officer	Mikitoshi Hagiwara	SAP Promotion Dept. Manager

Group Corporations (As of April 1, 2003)

COCA-COLA WEST JAPAN PRODUCTS CO., LTD.

- Principal businesses: Beverage production
- Head Office: 1670-2 Nihonmatsu, Todorokimachi, Tosu
- Paid-in capital: ¥100 million
- Representative: Akira Gohhara

WEST JAPAN SERVICE CO., LTD.

- Principal businesses: Insurance, leasing, and real estate-related businesses
- Head Office: 7-9-66 Hakozaki, Higashi-ku, Fukuoka
- Paid-in capital: ¥60 million
- Representative: Shinji Oda

Nishinihon Beverage Co., Ltd.

- Principal businesses: Beverage sales, food service operations
- Head Office: 5-1-6 Hakozakifuto, Higashi-ku, Fukuoka
- Paid-in capital: ¥100 million
- Representative: Takeaki Sueyasu

NICHIBEI CO., LTD.

- Principal businesses: Manufacture of processed foods
- Head Office: 6-9, Wakazakura, Fujinokimachi, Tosu
- Paid-in capital: ¥80 million
- Representative: Katsuhiko Machida

COCA-COLA WEST JAPAN VENDING CO., LTD.

- Principal businesses: Vending machine operations
- Head Office: 2-2-32 Matsuda, Higashi-ku, Fukuoka
- Paid-in capital: ¥80 million
- Representatives: Tomitaka Hara
Yuji Yamasaki

TakaMasamune Co., Ltd.

- Principal businesses: Production and sale of alcoholic beverages
- Head Office: 297 Kuroda, Daizenjimachi, Kurume
- Paid-in capital: ¥90 million
- Representative: Toshiki Miyake

Nishinihon Customer Service Co., Ltd.

- Principal businesses: Vending machine-related businesses
- Head Office: 871 Taniyama, Koga, Fukuoka
- Paid-in capital: ¥22 million
- Representative: Masazumi Gotoh

Mikasa Coca-Cola Bottling Co., Ltd.

- Principal businesses: Beverage production and sales
- Head Office: 643 Kabata-machi, Tenri, Nara
- Paid-in capital: ¥4,159 million
- Representative: Nobutsugu Nakajima

LOGICOM JAPAN CO., LTD.

- Principal businesses: Freight transport operations
- Head Office: 2-11-20 Higashisendamachi, Naka-ku, Hiroshima
- Paid-in capital: ¥70 million
- Representative: Katsuyoshi Kawabe

MIKASA LOGISTICS CO., LTD.

- Principal businesses: Freight transport operations
- Head Office: 643 Kabata-machi, Tenri, Nara
- Paid-in capital: ¥50 million
- Representative: Kiyoharu Tsuchiya

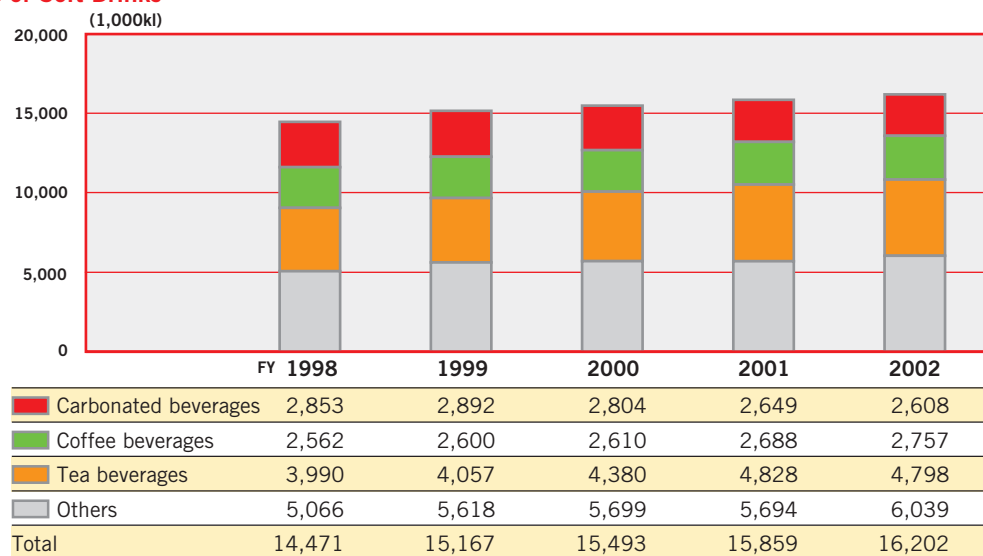
MIKASA SERVICE CO., LTD.

- Principal businesses: Vending machine-related businesses
- Head Office: 643 Kabata-machi, Tenri, Nara
- Paid-in capital: ¥90 million
- Representative: Hideyuki Nagao

Market Information/Sales Trends

Trends in Japan's Soft Drink Market

Overall Production Volume of Soft Drinks

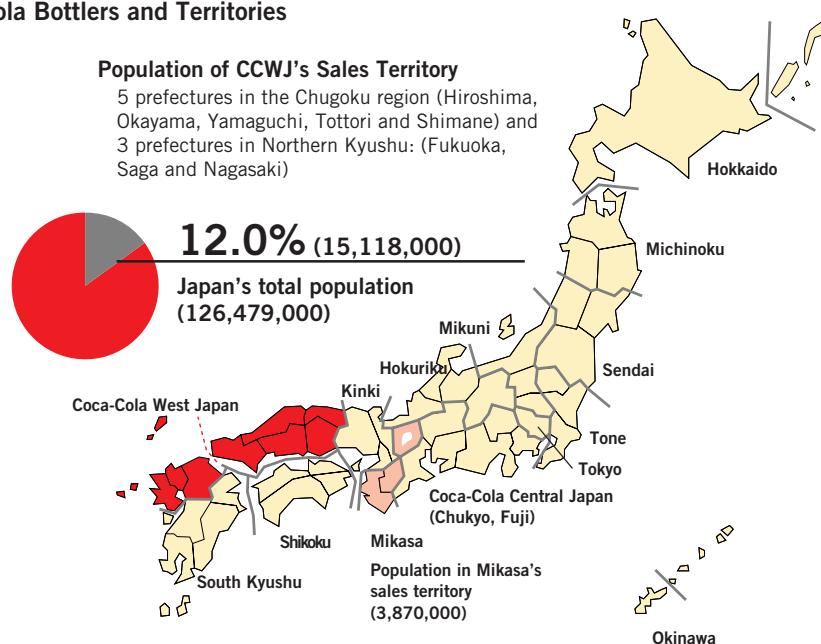


Note: Tea beverages includes both green and black teas

Source: Japan Soft Drinks Association (Annual Statistic Report on Soft Drinks FY2002)

Japan's Coca-Cola Bottlers and CCWJ's Market

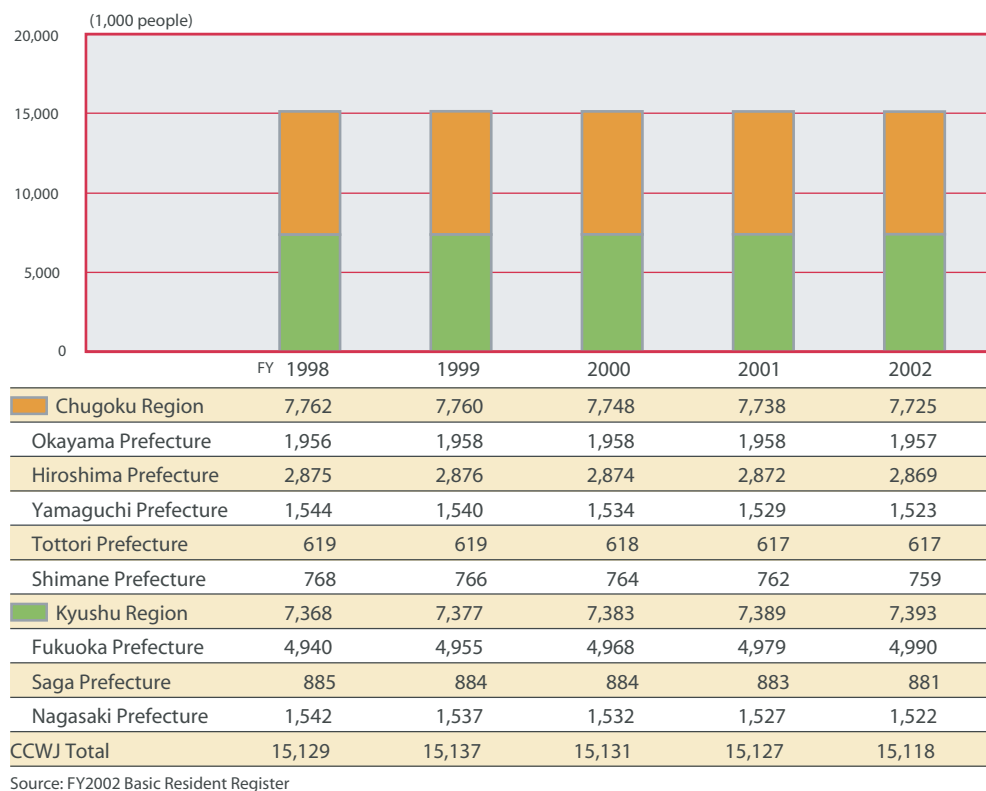
Coca-Cola Bottlers and Territories



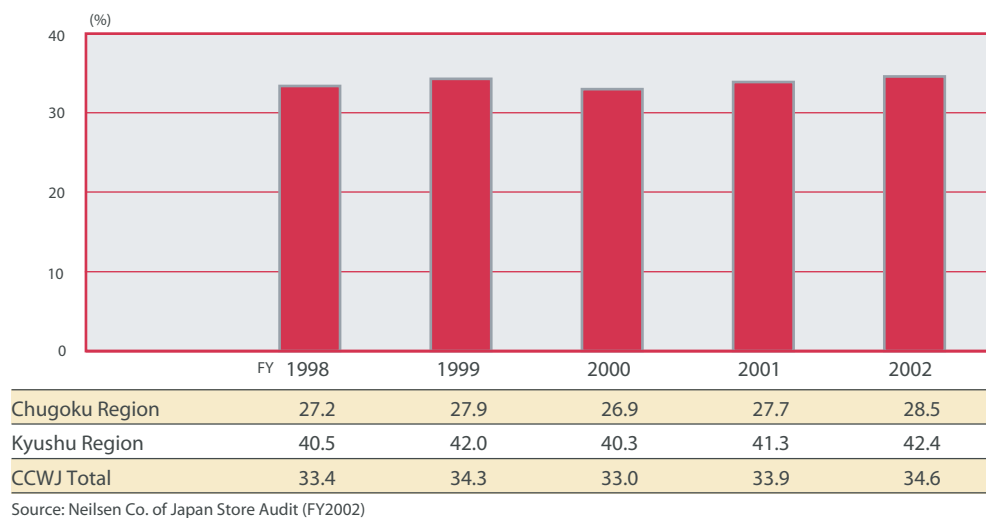
Source: FY2002 Basic Resident Register

The Coca-Cola Group in Japan comprises 15 bottlers which are located throughout Japan. The companies are primarily engaged in the manufacturing and marketing of Coca-Cola, Sprite, Fanta, Georgia and other beverages using base materials provided by Coca-Cola (Japan) Co., Ltd., a wholly owned subsidiary of The Coca-Cola Company of the United States.

Population by CCWJ Territory

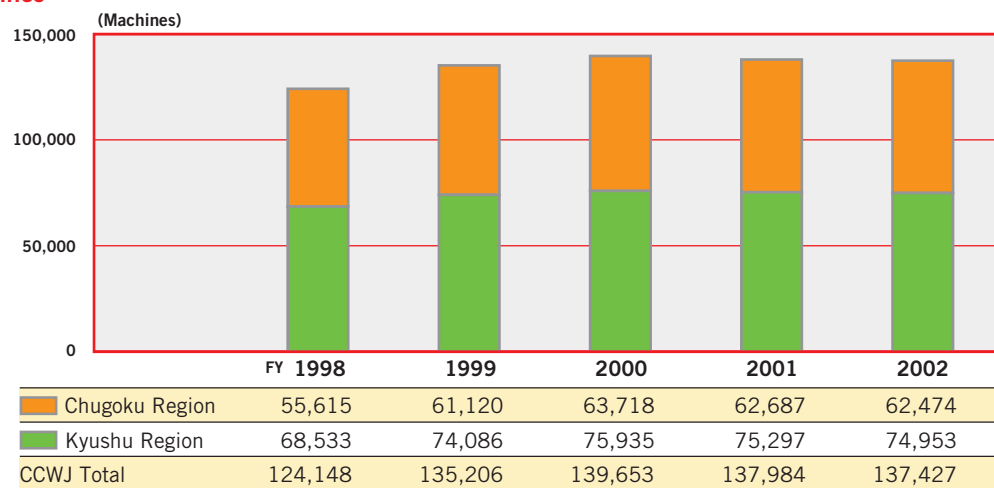


CCWJ's Share of the Soft Drink Market in its Sales Territory

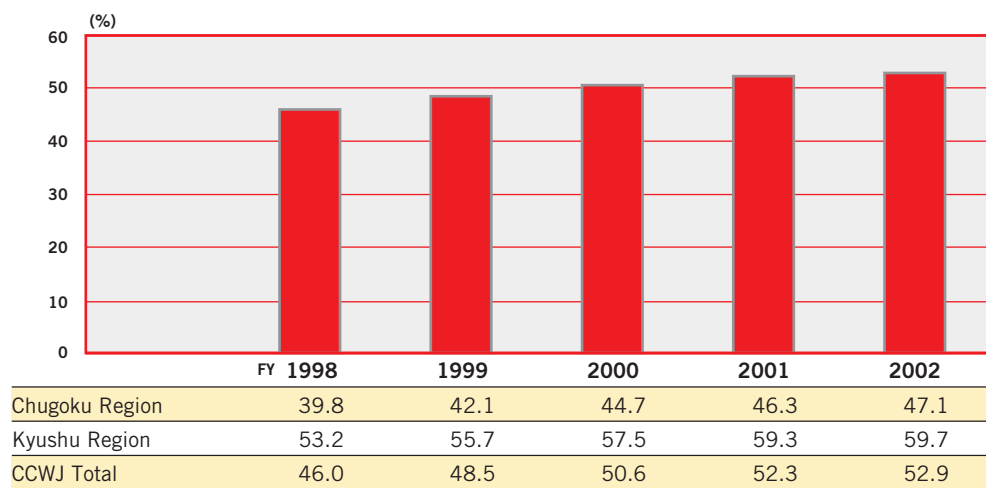


Vending Machines

Number of Vending Machines

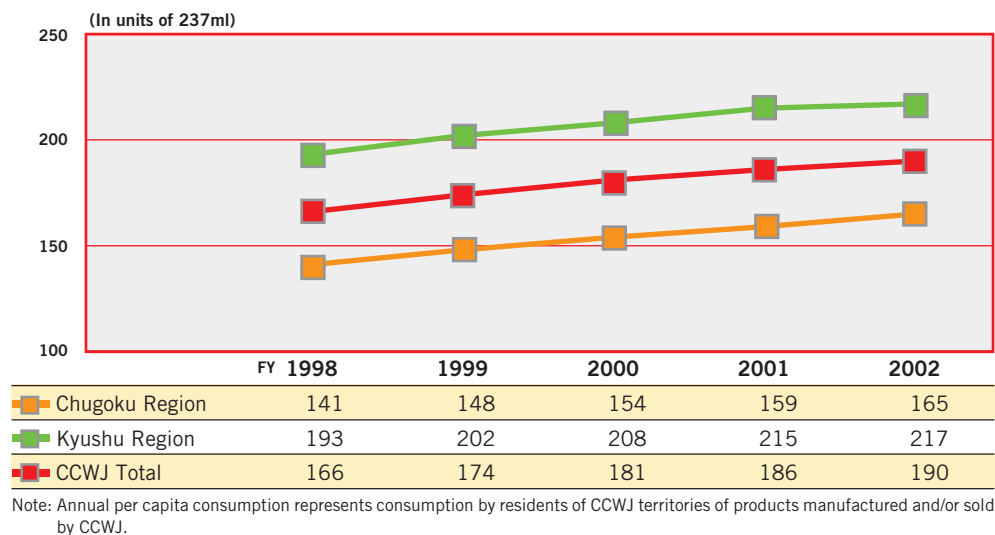


Share of Vending Machines

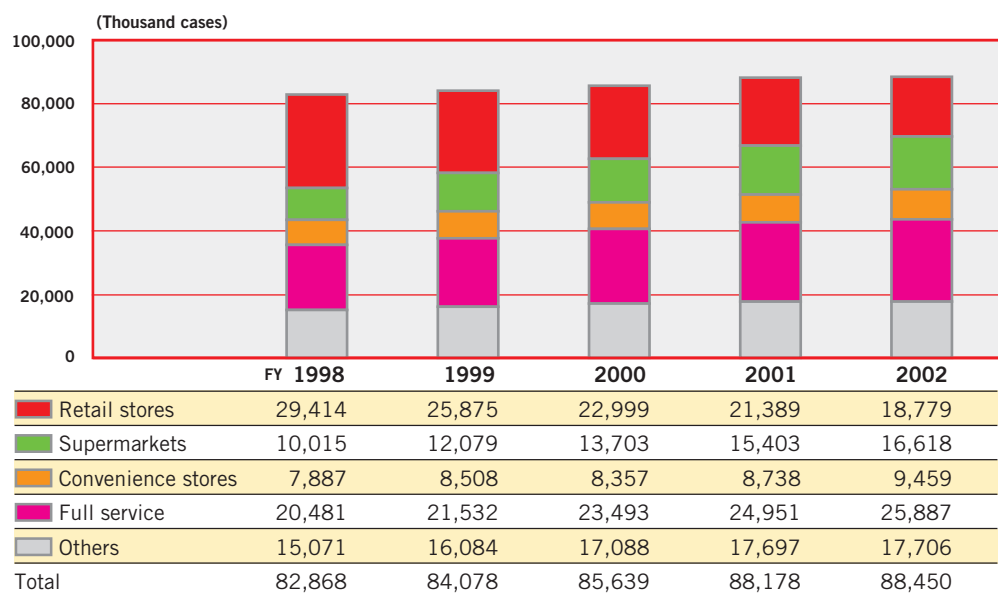


Source: Nielsen Co. of Japan Store Audit (FY2002)

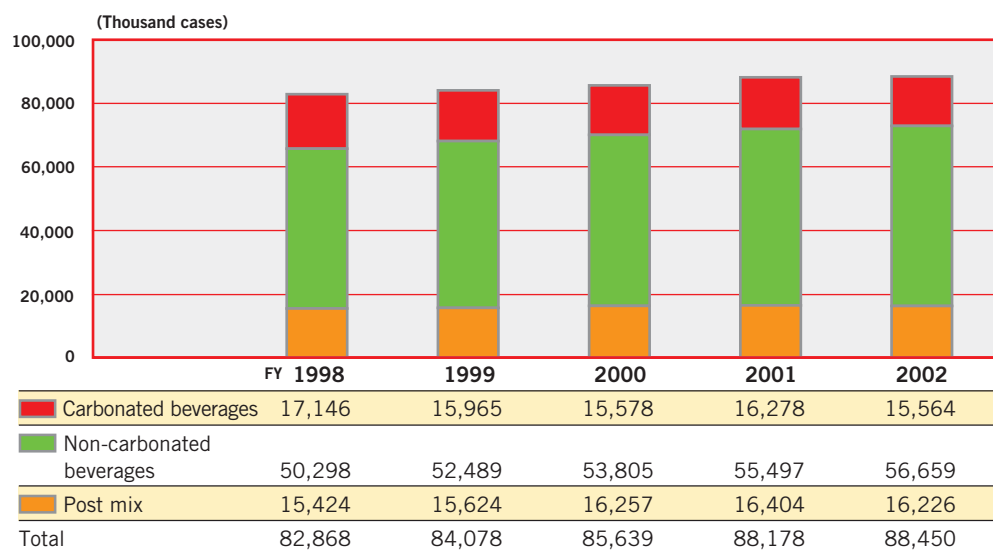
Annual Per Capita Soft Drink Consumption



Sales by Channel

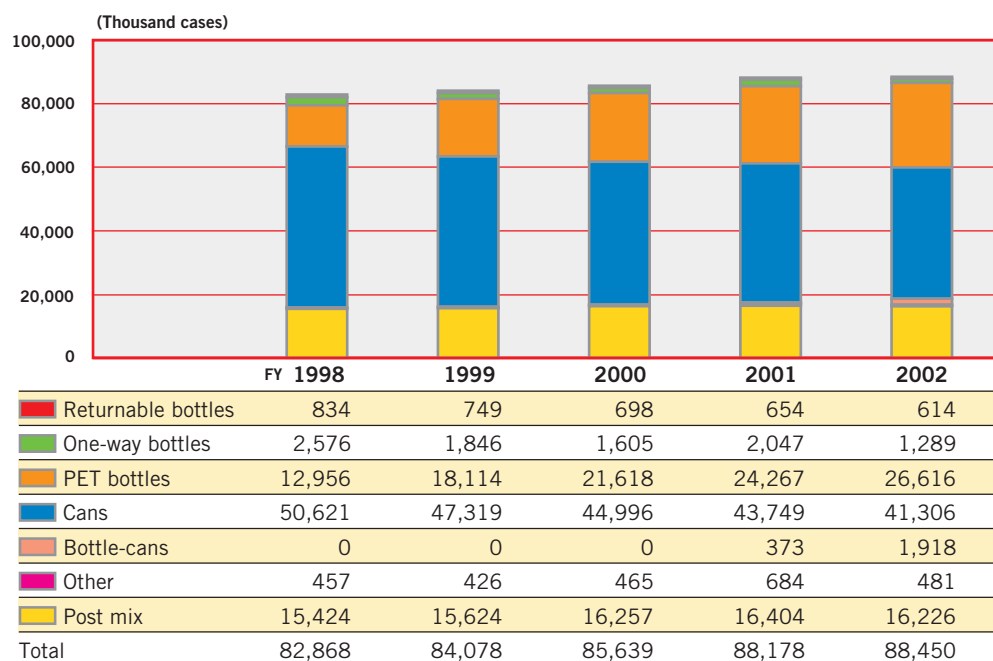


Sales by Category



Notes: 1. Post mix refers mainly to diluted drinks sold in paper cup-dispensing vending machines.
2. Data for sales in CCWJ's sales territory.

Sales by Packaging



Notes: 1. Post mix refers mainly to diluted drinks sold in paper cup-dispensing vending machines.
2. Data for sales in CCWJ's sales territory.

Consolidated Financial Highlights (Years ended December 31)

(Millions of Yen)

	1998	1999	2000	2001	2002
Net sales	117,991	164,731	207,827	226,111	247,737
Operating income	12,533	15,160	17,449	16,634	16,704
Recurring profit	12,510	15,889	18,516	16,021	17,005
Recurring profit margin (%)	10.6	9.6	8.9	7.1	6.9
Net income	5,872	6,823	5,700	1,420	7,086
Earnings per share (Yen)	122.20	113.67	77.82	17.62	85.49
Return on sales (%)	5.0	4.1	2.7	0.6	2.9
Total assets	102,278	182,316	181,637	202,713	204,070
Total shareholders' equity	87,298	154,395	157,604	157,129	164,658
Shareholders' equity ratio (%)	85.4	84.7	86.8	77.5	80.7
Shareholders' equity per share (Yen)	1,816.64	2,107.74	2,151.52	1,950.06	2,009.39
Return on equity (%)	6.9	5.6	3.7	0.9	4.4
Cash flows	12,552	17,319	20,175	15,067	22,481
Capital expenditures	6,670	14,937	14,634	11,355	21,027
Depreciation	6,680	10,496	14,475	13,647	15,395

- Notes: 1. Earnings per share in 1998: The Company announced a 1 to 1.1 stock split effective February 20, 1998. However, earnings per share is computed assuming the stock split to have been effected at the beginning of the term.
2. Earnings per share in 2001: The Company announced a 1 to 1.1 stock split effective February 20, 2001. However, earnings per share is computed assuming the stock split to have been effected at the beginning of the term.
3. Figures before and including 1998 are those of the former Kita Kyushu Coca-Cola Bottling Co., Ltd.
4. Cash flows = Net income + Depreciation

Management's Discussion and Analysis

Sales Volume

The following multifaceted analysis of CCWJ's sales volume covers the Company's sales areas in Chugoku and Kita Kyushu.

Sales Volume by Product Category—The Company's beverages are broadly divided into two categories: carbonated beverages, comprised mainly of Coca-Cola and Fanta products, and non-carbonated beverages, including Georgia-brand coffee and others. Total sales volume rose by 272,000 cases, or 0.3%, in fiscal 2002, ended December 31, 2002, to 88,450,000 cases. Sales of carbonated beverages declined by 714,000 cases, or 4.4%, to 15,564,000 cases, while non-carbonated beverage sales climbed 1,162,000 cases, or 2.1%, over the previous year to 56,659,000 cases. This rise in non-carbonated beverages offset declines in carbonated beverage sales, resulting in the overall increase in total beverage sales volume.

Sales Volume by Brand—Two brands, Coca-Cola and Fanta, accounted for 84.9% (57.6% and 27.3%, respectively) of the 15,564,000 cases of carbonated beverages sold, 2.1 percentage points higher than the 82.8% in the previous year. In non-carbonated beverages, Georgia-brand products accounted for 48.6%, or nearly half, of the 56,659,000 cases sold, while Aquarius, Sokenbicha and Japanese teas chimed in with sales of 12.7%, 12.2% and 6.5%, respectively. The introduction in January of European Blend, a new addition to the Georgia lineup sold in a 190g can, was instrumental in improving sales of Georgia brand coffee products. Likewise, the Aquarius brand achieved steady growth thanks to a successful marketing campaign coinciding with the Korea Japan 2002 FIFA World Cup.

During fiscal 2002, the Company launched 107 new product varieties, including a number of existing products sold with redesigned packaging, for a total sales volume of these products of 21,063,000 cases, a year-on-year increase of 1,410,000 cases, or 7.2%.

		(Thousand Cases)				
		FY1998	FY1999	FY2000	FY2001	FY2002
Carbonated Beverages	Coca-Cola	8,931	8,482	8,278	9,403	8,967
	Fanta	3,674	3,664	3,932	4,077	4,251
	Other	4,541	3,819	3,368	2,798	2,346
	Total	17,146	15,965	15,578	16,278	15,564
Non-Carbonated Beverages	Georgia	26,554	26,665	26,584	26,998	27,543
	Aquarius	5,407	5,696	6,325	6,656	7,181
	Sokenbicha	6,826	7,037	7,207	6,759	6,925
	Japanese Teas (Marocha)	2,046	2,135	2,890	4,065	3,669
	Kochakaden	3,138	2,978	3,016	2,523	2,064
	Qoo and Hi-C	268	1,827	2,750	2,490	2,328
	Other	6,059	6,151	5,033	6,007	6,949
	Total	50,298	52,489	53,805	55,497	56,659
Other		15,424	15,624	16,256	16,403	16,227
Total		82,868	84,078	85,639	88,178	88,450

Sales Volume by Packaging—CCWJ continued to shift from cans to PET bottles, with canned products accounting for 46.7% of sales volume, a decline of 2.9 percentage points, as PET bottle products rose 2.6 percentage points to 30.1%. Bottle-can products, occupying a mere 0.4% of sales volume in fiscal 2001, climbed to 2.2%, or 1,918,000 cases, during the term under review. More growth is expected as this hybrid bottle grows in popularity. Café Leche and other PET bottle products of 350ml or less targeting female consumers drove PET sales volume sharply higher, and the Company expects to see still more growth in products of this size in the future.

		(Thousand Cases)				
		FY1998	FY1999	FY2000	FY2001	FY2002
Bottles		3,410	2,595	2,303	2,701	1,903
Small PET bottles		3,524	7,351	10,141	11,532	13,134
Large PET bottles		9,432	10,763	11,477	12,735	13,482
Cans		50,621	47,319	44,996	43,749	41,306
Bottle-cans					373	1,918
Other		15,881	16,050	16,722	17,088	16,707
Total		82,868	84,078	85,639	88,178	88,450

Sales Volume by Sales Channel—Responding to structural changes in the marketplace, in fiscal 2002 the Company placed a renewed emphasis on sales to chain stores, such as supermarkets and convenience stores, as well as on sales through vending machines. Efforts in these areas produced volumes that counterbalanced declining sales volume from food and beverage stores.

Once the Company's main sales channel, sales volume from these establishments fell by 2,610,000 cases to 18,779,000 cases, a sharp decline of 12.2% from the previous year. Meanwhile, notable growth was witnessed in sales volume from supermarkets, up 1,215,000 cases, or 7.9%, to 16,618,000 cases, as well as from convenience stores, with sales volume up 721,000 cases, or 8.3%, at 9,459,000 cases. Vending machine sales volume rose by 936,000 cases (3.8%) to 25,887,000 cases.

(Thousand Cases)

	FY1998	FY1999	FY2000	FY2001	FY2002
Food and beverage stores	29,414	25,875	22,999	21,389	18,779
Supermarkets	10,015	12,079	13,703	15,403	16,618
Convenience stores	7,887	8,508	8,357	8,738	9,459
Vending machines	20,481	21,532	23,493	24,951	25,887
Dispensers	5,629	6,144	6,722	7,146	7,387
Other	9,442	9,940	10,365	10,551	10,320
Total	82,868	84,078	85,639	88,178	88,450

Overview of Fiscal 2002 Operating Results

Net sales for fiscal 2002 increased ¥21.6 billion, or 9.6%, to ¥247.7 billion. Operating income edged up 0.4%, or ¥0.1 billion, to ¥16.7 billion, while recurring profit climbed ¥1.0 billion to ¥17.0 billion, a year-on-year increase of 6.1%. By segment, the Manufacturing and Marketing of Beverages & Foods segment posted a 9.7% increase in sales to ¥243.1 billion prior to the elimination of intersegment transactions, while operating income dipped 0.5% to ¥20.8 billion. The Other Businesses segment, which includes distribution and vending machine maintenance operations, generated sales of ¥19.6 billion, or 4.9% higher year on year, before the elimination of intersegment transactions, with operating income up 5.1% to ¥1.0 billion.

Extraordinary Losses and Net Income

Net income surged 399.0% to ¥7.1 billion in the absence of extraordinary losses recorded in the previous fiscal year, including a charge related to the amortization of the net transition obligation on the adoption of new accounting standards for retirement benefits. This resulted in net income per share of ¥85.49 for fiscal 2002. Dividend per share was the same as in fiscal 2001, at ¥34 per share, with a payout ratio of 52.1%.

Financial Position

Total assets increased ¥1.4 billion (0.6%) to ¥204.1 billion. Marketable securities increased ¥1.8 billion. But the construction of new, large-scale production facilities and the active introduction of new vending machine varieties pulled cash and deposits down ¥4.7 billion, resulting in a decline in current assets of 3.0% to ¥70.1 billion. These factors, alongside an increase in prepaid expenses due to the return of the substituted portion of the combined welfare pension insurance fund, resulted in total fixed assets ¥3.6 billion (2.7%) higher than the previous year-end at ¥133.9 billion.

Current liabilities rose ¥1.8 billion, or 6.8%, to ¥27.4 billion, the result of the reclassification of some convertible bonds scheduled for redemption in June 2003 to current liabilities. Long-term liabilities decreased by ¥3.6 billion to ¥7.1 billion for this reason as well as due to a reduction in allowance for employees' retirement benefits due to return of the substituted portion of the combined welfare pension insurance fund.

Shareholders' equity increased by ¥7.5 billion (or 4.7%) to ¥164.7 billion. The shareholders' equity ratio rose 3.2 percentage points from 77.5% to 80.7%, with equity per share increasing roughly 3% from ¥1,950 at the end of the previous year to ¥2,009 at the close of fiscal 2002.

Cash flows

Cash and cash equivalents declined ¥2.3 billion, or 6.1%, to ¥35.4 billion on a consolidated basis.

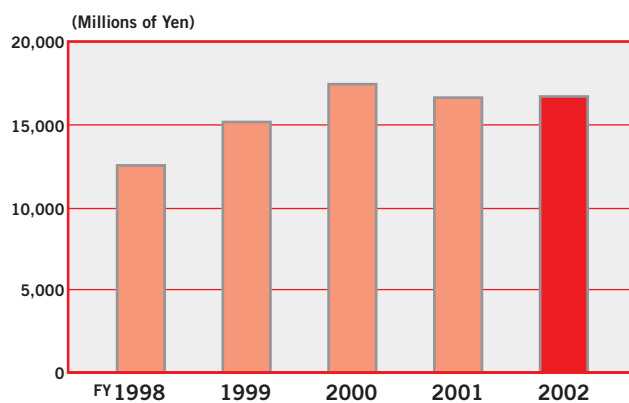
Operating activities provided net cash of ¥20.9 billion, 15.7%, or ¥3.9 billion lower year on year. This was mainly the result of an increase in short-term liabilities, such as unearned revenue, and an increase in prepayments of sales co-promotion expenses.

Investing activities used net cash of ¥17.6 billion, up 17.4%, or ¥2.6 billion. This was due largely to the construction of the Motoyama small-sized, sterile PET bottling facility and other large-scale production facilities and the active introduction of new vending machine varieties. These projects increased cash outlays for the acquisition of fixed assets by a wide margin. These outflows were offset partly by cash inflows from the sale of some shares in Mikasa Coca-Cola Bottling Co., Ltd.

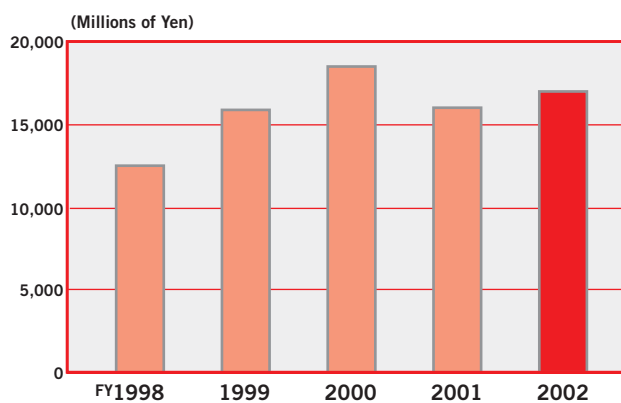
Financing activities used net cash of ¥5.6 billion, up 78.1%, or ¥2.4 billion from the previous term. This was largely the result of the payment of dividends due to the appropriation of earnings, coupled with repurchase of treasury stock in line with the Company's policy regarding capital.

Financial Data

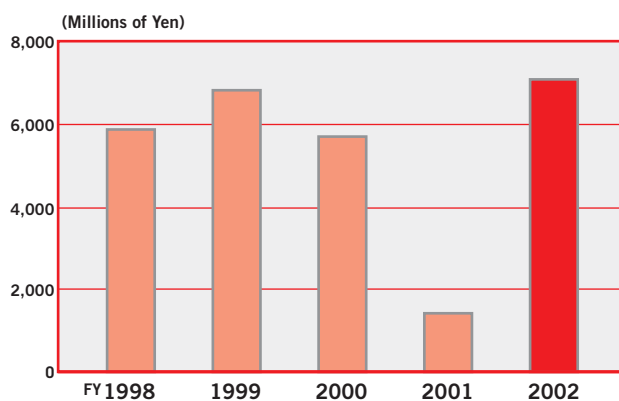
Operating income



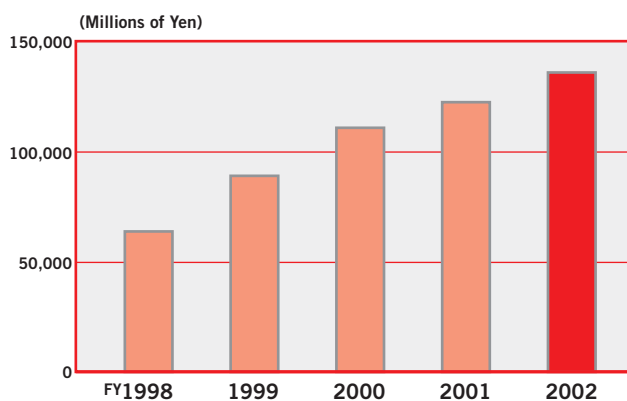
Recurring profit



Net income



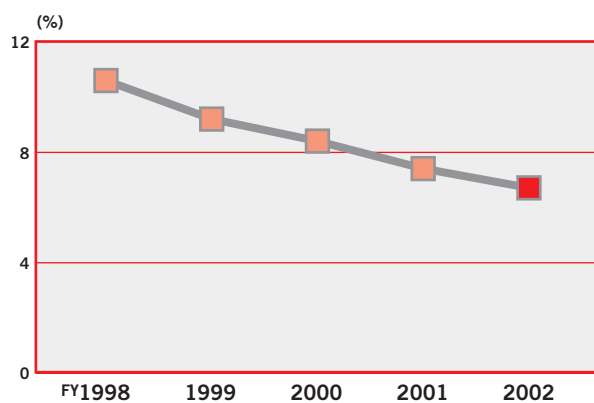
Cost of sales



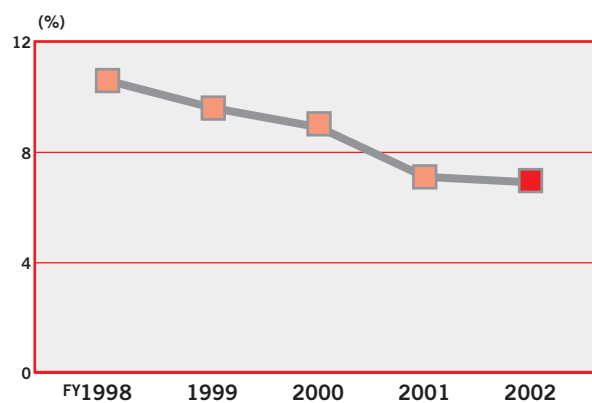
(Millions of Yen)

	1998	1999	2000	2001	2002
Operating income	12,533	15,160	17,449	16,634	16,704
Recurring profit	12,510	15,889	18,516	16,021	17,005
Net income	5,872	6,823	5,700	1,420	7,086
Cost of sales	63,793	89,050	110,876	122,504	135,989

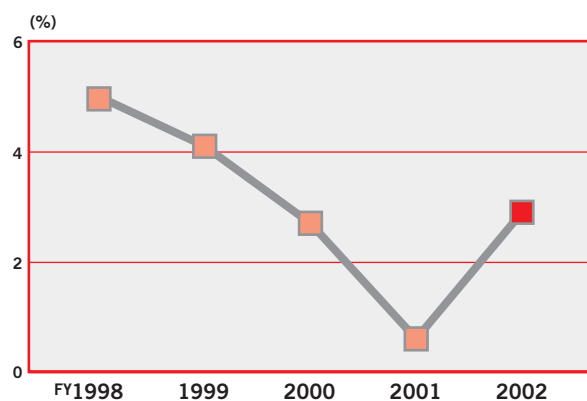
Operating income/Net sales



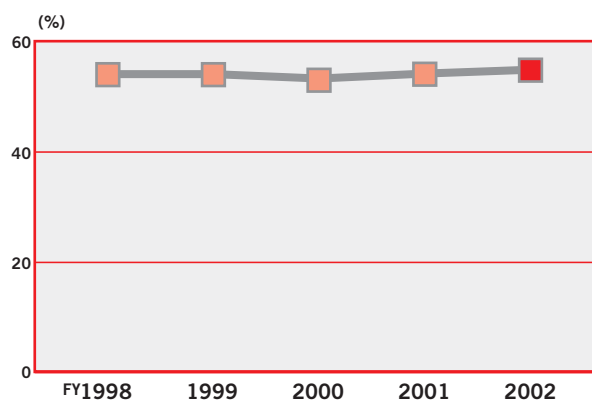
Recurring profit margin



Net income/Net sales

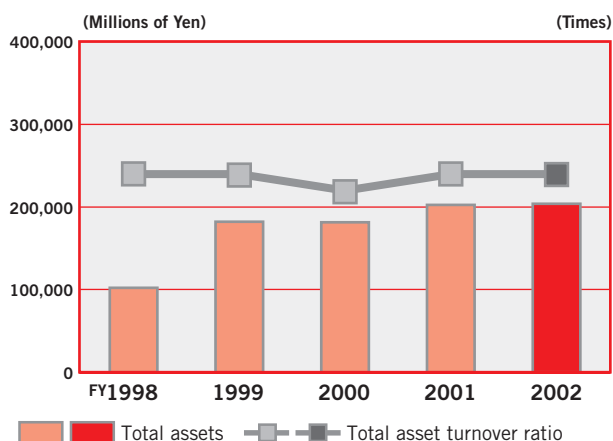


Cost of sales/Net sales

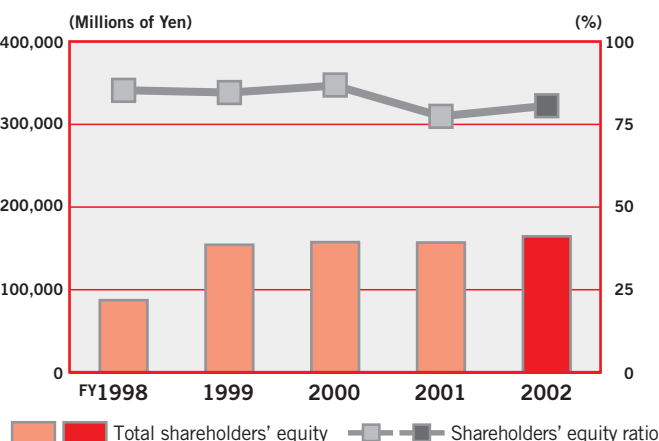


	1998	1999	2000	2001	2002
Operating income/Net sales	10.6	9.2	8.4	7.4	6.7
Recurring profit margin	10.6	9.6	8.9	7.1	6.9
Net income/Net sales	5.0	4.1	2.7	0.6	2.9
Cost of sales/Net sales	54.1	54.1	53.3	54.2	54.9

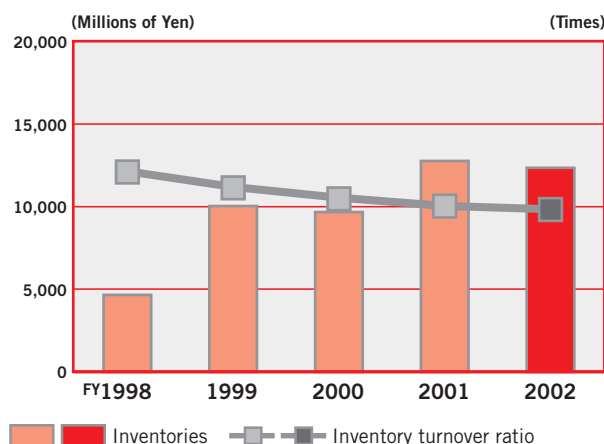
Total assets/Total asset turnover ratio (Times)



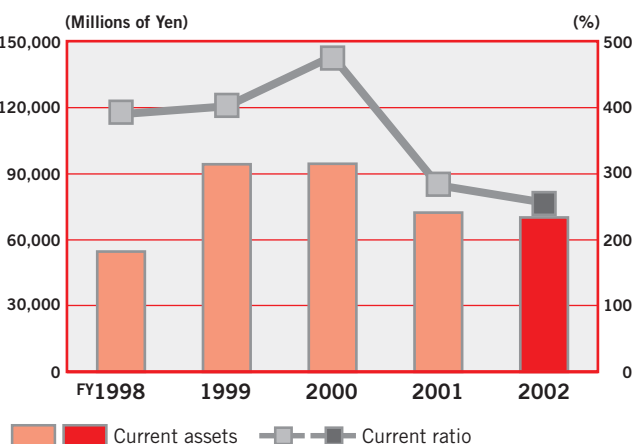
Total shareholders' equity/Shareholders' equity ratio (%)



Inventories/Inventory turnover ratio (Times)



Current assets/Current ratio (%)



(Millions of Yen)

	1998	1999	2000	2001	2002
Total assets	102,278	182,316	181,637	202,713	204,070
Total asset turnover ratio (Times)	1.2	1.2	1.1	1.2	1.2
Total shareholders' equity	87,298	154,395	157,604	157,129	164,658
Shareholders' equity ratio (%)	85.4	84.7	86.8	77.5	80.7
Inventories	4,663	10,045	9,681	12,776	12,361
Inventory turnover ratio (Times)	24.3	22.4	21.1	20.1	19.7
Current assets	54,658	94,311	94,534	72,348	70,142
Current ratio (%)	390.2	402.1	478.0	282.5	256.3

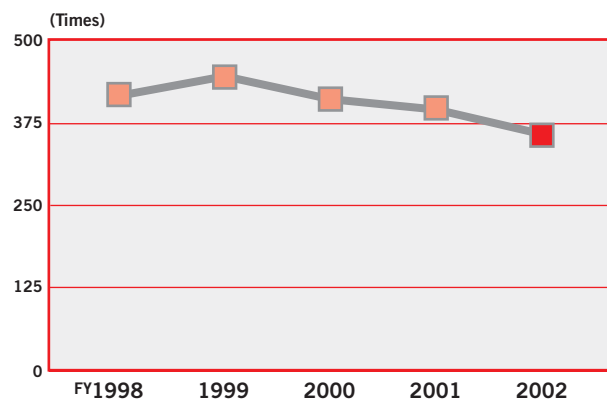
Asset turnover ratio = Net sales / The average of assets at the beginning and end of the fiscal year

Shareholders' equity ratio = Shareholders' equity / Total assets

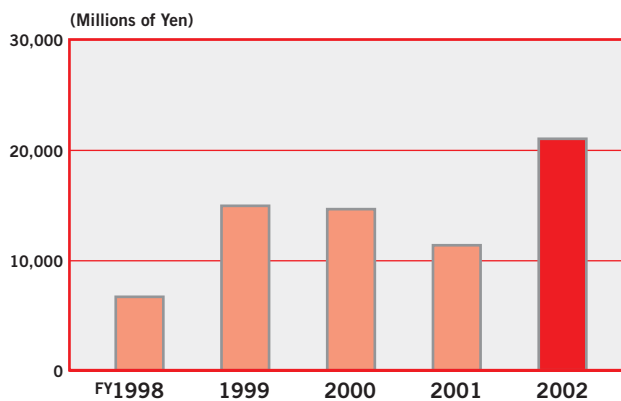
Inventory turnover ratio = Net sales / The average of inventory taken at the beginning and end of the period

Current ratio = Current assets / Current liabilities

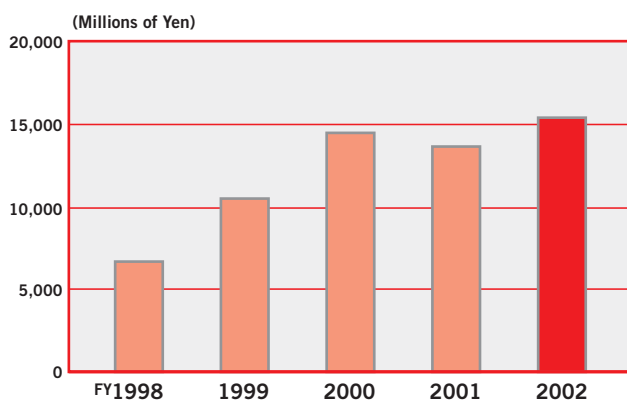
Interest coverage ratio



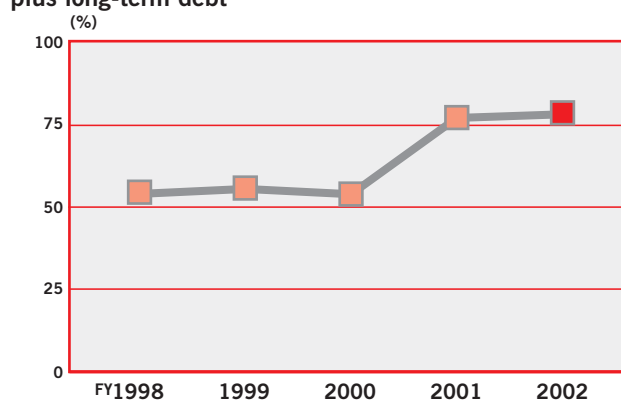
Capital expenditures



Depreciation



Ratio of fixed assets to shareholders' equity plus long-term debt



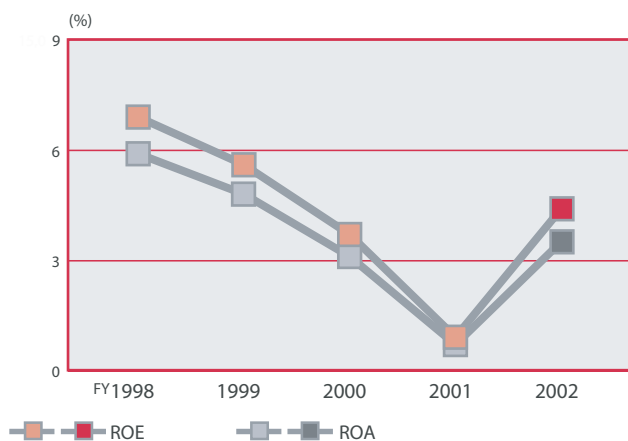
(Millions of Yen)

	1998	1999	2000	2001	2002
Interest coverage ratio (Times)	415.5	445.1	410.4	394.7	357.4
Capital expenditures	6,670	14,937	14,634	11,355	21,027
Depreciation	6,680	10,496	14,475	13,647	15,395
Ratio of fixed assets to shareholders' equity plus long-term debt (%)	53.9	55.4	53.8	76.9	78.0

Interest coverage ratio = (Operating income + Interest and dividend income) / Interest expense

Ratio of fixed assets to shareholders' equity plus long-term debt = Fixed assets / (Shareholders' equity + Long-term liabilities)

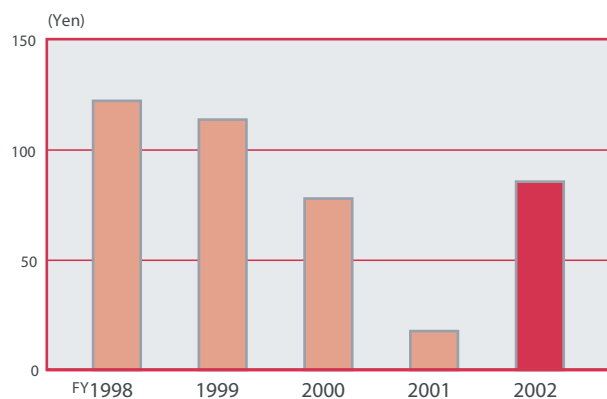
ROE / ROA



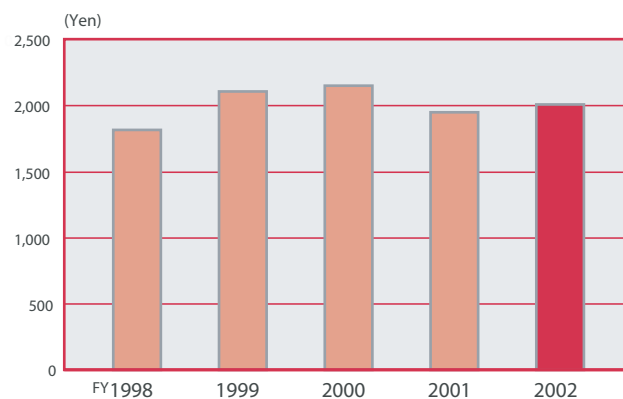
Cash flow per share



Net income per share



Shareholders' equity per share



(Yen)

	1998	1999	2000	2001	2002
ROE (%)	6.9	5.6	3.7	0.9	4.4
ROA (%)	5.9	4.8	3.1	0.7	3.5
Cash flow per share	261.21	288.54	275.44	187.00	272.28
Net income per share	122.20	113.67	77.82	17.62	85.49
Shareholders' equity per share	1,816.64	2,107.74	2,151.52	1,950.06	2,009.39

ROE = Net income / Total shareholders' equity (average of period beginning and end)

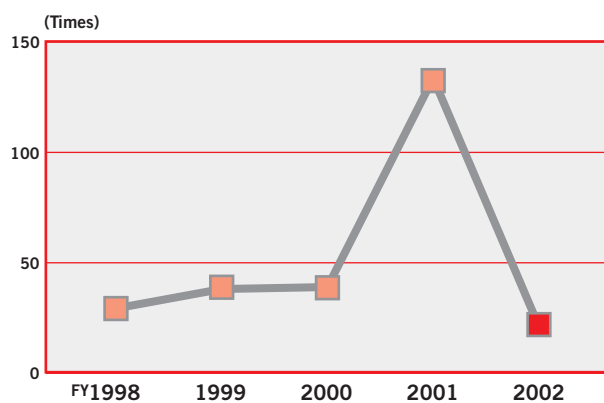
ROA = Net income / Total assets (average of period beginning and end)

Cash flow per share = Cash flow / The average number of shares during the period

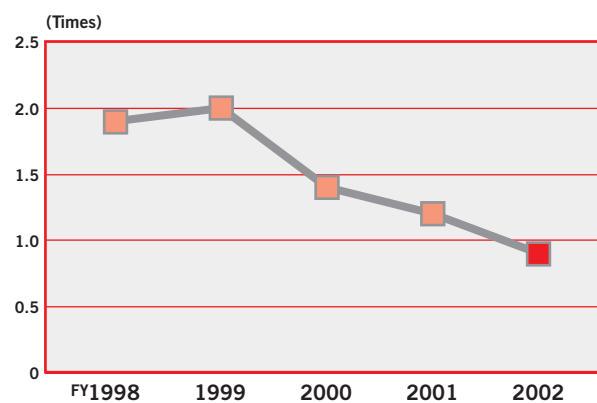
Net income per share = Net income / The average number of shares during the period

Shareholders' equity per share = Shareholders equity / The number of shares outstanding at the end of the period

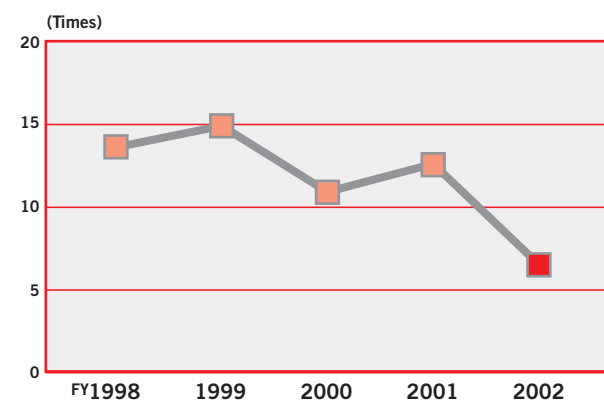
PER



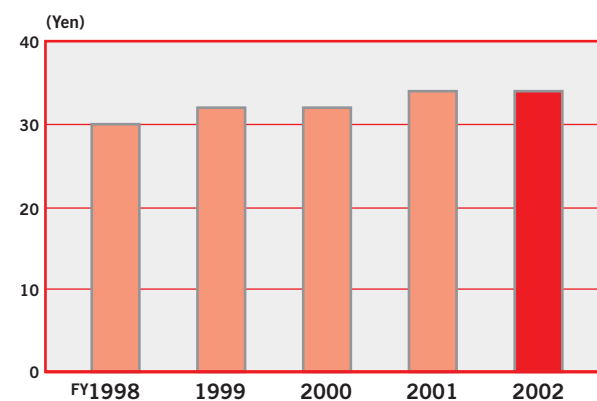
PBR



PCFR



Dividends per share



	1998	1999	2000	2001	2002
PER (Times)	29.0	37.8	38.7	133.6	20.8
PBR (Times)	1.9	2.0	1.4	1.2	0.9
PCFR (Times)	13.6	14.9	10.9	12.6	6.5
Dividends per share	30.00	32.00	32.00	34.00	34.00

PER = Market value at the end of the year / Net income per share

PBR = Market value at the end of the year / Shareholders' equity per share

PCFR = Market value at the end of the year / Cash flow per share

Consolidated Balance Sheets

(As of December 31, 2000, 2001 and 2002)

ASSETS	Millions of Yen		
	2000	2001	200 2
Current assets:			
Cash and deposits	24,634	23,863	19,182
Trade notes and accounts receivable	10,296	12,172	11,664
Marketable securities	40,680	14,648	16,484
Inventories	9,681	12,776	12,361
Deferred tax assets	1,344	1,678	1,279
Other current assets	8,021	7,388	9,287
Allowance for doubtful accounts	(125)	(178)	(117)
Total current assets	94,534	72,348	70,142
Fixed assets:			
Property, plant and equipment:			
Buildings and structures	17,664	19,212	20,187
Machinery, equipment and vehicles	12,065	12,674	15,774
Sales equipment	18,668	17,270	17,487
Land	27,788	36,662	34,637
Construction in progress	41	1,339	261
Other property, plant and equipment	1,013	1,131	1,019
Total property, plant and equipment	77,241	88,290	89,367
Intangible assets:			
Goodwill on consolidation	–	1,861	250
Other intangible assets	2,064	3,718	3,566
Total intangible assets	2,064	5,580	3,817
Investments and other assets:			
Investment securities	4,458	30,002	31,940
Deferred tax assets	1,132	4,100	1,735
Other assets	2,206	2,512	7,178
Allowance for doubtful accounts	–	(120)	(110)
Total investments and other assets	7,797	36,494	40,743
Total fixed assets	87,103	130,364	133,928
Total assets	181,637	202,713	204,070

LIABILITIES	Millions of Yen		
	2000	2001	200 2
Current liabilities:			
Notes and accounts payable	6,422	8,093	7,787
Convertible bonds due to mature within one year	–	–	2,154
Short-term borrowings	1,216	806	180
Current portion of long-term debt	49	384	334
Accrued income taxes	2,540	3,671	902
Other accounts payable	4,438	6,558	6,153
Notes payable for equipment	1,260	1,138	1,485
Other current liabilities	3,847	4,952	8,369
Total current liabilities	19,775	25,605	27,366
Long-term liabilities:			
Convertible bonds	2,154	2,154	–
Long-term debt	62	21	–
Deferred tax liabilities	–	1,784	1,906
Liabilities for retirement benefits	370	–	–
Allowance for employees' retirement benefits	–	6,783	3,683
Liabilities for directors' and corporate auditors' retirement benefits ...	622	490	372
Other long-term liabilities	995	1,186	1,092
Total long-term liabilities	4,204	12,419	7,055
Total liabilities	23,979	38,025	34,421
MINORITY INTERESTS			
Minority interests	53	7,558	4,990
SHAREHOLDERS' EQUITY			
Common stock	–	–	15,231
Additional paid-in capital	–	–	35,399
Retained earnings	–	–	115,771
Net unrealized gains on other marketable securities	–	–	341
Treasury stock (at cost)	–	–	(2,086)
Total shareholders' equity	–	–	164,658
Common stock	15,231	15,231	–
Additional paid-in capital	29,687	29,687	–
Retained earnings	112,685	111,586	–
Net unrealized gains on other marketable securities	–	628	–
Treasury stock (at cost)	(0)	(4)	–
Total shareholders' equity	157,604	157,129	–
Total liabilities, minority interests and shareholders' equity	181,637	202,713	204,070

Consolidated Statements of Income (Years ended December 31, 2000, 2001 and 2002)

	Millions of Yen		
	200 0	2 00 1	2002
Net sales	207,827	226,111	247,737
Cost of sales	110,876	122,504	135,989
Gross profit	96,951	103,607	111,747
Selling, general and administrative expenses	79,501	86,973	95,043
Operating income	17,449	16,634	16,704
Non-operating income	2,140	1,342	1,280
Interest income	460	398	306
Dividends	161	80	32
Gain on sales of marketable securities	432	—	—
Property rental income	290	304	302
Reversal of guarantee deposits for containers	267	—	—
Other non-operating income	528	558	638
Non-operating expenses	1,074	1,954	979
Interest expense	44	43	47
Equity in losses of affiliates	—	1,004	2
Loss on revaluation of marketable securities	148	—	—
Loss on disposal of property, plant and equipment	383	293	471
Property rental costs	226	271	268
Other non-operating expenses	272	341	188
Recurring profit	18,516	16,021	17,005
Extraordinary income	1,093	10,351	4,419
Gain on reversal of allowance for doubtful accounts	—	—	38
Gain on sales of property, plant and equipment	—	605	—
Gain on sales of investment securities	1,093	6	211
Gain on securities contribution to employee retirement benefit trust ..	—	9,739	—
Return on the substituted portion of the combined welfare pension insurance fund	—	—	4,169
Extraordinary losses	9,312	24,234	9,006
Loss on sales of property, plant and equipment	—	77	1,472
Loss on sales of investment securities	—	50	—
Loss on sale of subsidiaries	—	—	764
Loss from earthquake damage	—	23	—
Expenses for early retirement program	5,151	2,811	148
Special contribution to retirement pension fund	1,479	—	—
Write-down of investment securities	896	667	39
Loss on the closure of business premises	1,326	—	—
Loss on disposals of property, plant and equipment	263	201	—
Write-down of golf club memberships	195	137	39
Amortization of net transitional obligation arising from adoption of new accounting standards for retirement benefits	—	19,930	—
Loss on securities contribution to employee retirement benefit trust ...	—	332	—
Retirement expense along with a large number of retirements	—	—	171
Lump sum transfer	—	—	4,516
Expense for restructure of subsidiaries	—	—	1,855
Income before income taxes, minority interests and other adjustments ..	10,297	2,138	12,418
Income taxes	5,183	6,021	2,241
Income tax deferred	(591)	(4,601)	3,089
Minority interests	3	(702)	1
Net income	5,700	1,420	7,086

Consolidated Statements of Cash Flows (Years ended December 31, 2000, 2001 and 2002)

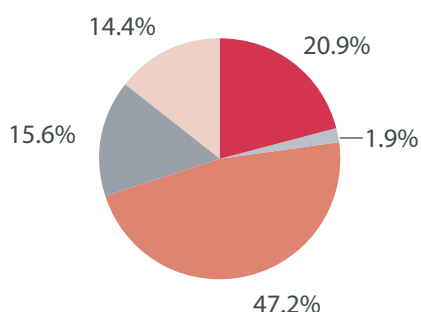
	Millions of Yen		
	2000	2001	200 2
Cash flows from operating activities:			
Income before income taxes, minority interest and other adjustments ..	10,297	2,138	12,418
Depreciation and amortization	14,475	13,647	15,395
Write-off of consolidation adjustment account	—	199	138
Increase (decrease) in liabilities for retirement benefits and directors' and corporate auditors' retirement benefits	205	(269)	(99)
Increase in liabilities for retirement benefits	—	5,293	(3,094)
Increase in advanced payments for retirement expenses	—	—	(4,109)
Interest and dividend income	(621)	(479)	(339)
Interest expense	44	43	47
Expenses for early retirement program	5,151	2,811	—
Lump sum transfer	—	—	4,516
Equity in losses of affiliates	—	1,004	2
Loss (gain) on sales of marketable and investment securities	(1,526)	188	(162)
Gain on sale of shares in subsidiaries	—	—	764
Write-down of marketable and investment securities	1,044	667	39
Gain (loss) on sales of fixed assets	—	(524)	1,461
Loss on disposals of fixed assets	646	426	363
Loss on the closure of business premises	1,326	—	—
Investment securities contribution to employee retirement benefit trust ..	—	4,038	—
Decrease in accounts receivable	3	234	453
Decrease in inventories	363	33	398
Decrease (increase) in other assets	(1,742)	2,276	(907)
Increase (decrease) in accounts payable	(454)	281	(282)
Increase (decrease) in other liabilities	(628)	14	(1,211)
Payment of directors' bonuses	(78)	(58)	(37)
Other, net	206	143	(210)
Subtotal	28,715	32,111	25,544
Interest and dividends received	601	542	404
Interest paid	(44)	(43)	(59)
Expenses for early retirement program	(5,099)	(2,863)	—
Income taxes paid	(7,944)	(4,984)	(5,005)
Net cash provided by operating activities	16,228	24,763	20,885
Cash flows from investing activities:			
Acquisition of marketable and investment securities	(4,397)	(2,132)	(6,246)
Proceeds from sales of marketable and investment securities	2,676	2,509	4,477
Acquisition of fixed assets	(14,634)	(11,254)	(21,062)
Proceeds from sales of fixed assets	43	1,886	1,618
Payments for acquisition of subsidiaries' shares	—	(6,689)	(191)
Proceeds from the sale of subsidiaries	—	—	4,223
Increase in loans to affiliates	—	(3,555)	(436)
Proceeds from collection of loans to affiliates	—	650	—
Increase in time deposits	(6,077)	(0)	—
Proceeds from refund of time deposits	13,279	3,562	15
Other, net	(201)	16	(12)
Net cash used in investing activities	(9,310)	(15,007)	(17,615)
Cash flows from financing activities:			
Decrease in short-term borrowings	(179)	(416)	(481)
Repayment of long-term debt	(122)	(184)	(71)
Payments for acquisition of treasury stock	—	—	(2,081)
Dividends paid	(2,417)	(2,461)	(2,859)
Other, net	(0)	(64)	(73)
Net cash used in financing activities	(2,719)	(3,126)	(5,566)
Net increase in cash and cash equivalents	4,199	6,629	(2,296)
Cash and cash equivalents, beginning of year	26,873	31,072	37,702
Cash and cash equivalents, end of year	31,072	37,702	35,406

Stock Information (As of December 31, 2002)

Authorized shares: 270,000,000
 Outstanding shares: 82,898,000
 Number of shareholders: 14,951
 Major shareholders:

	Number of shares held (thousands)	Percentage of shares (%)
Ricoh Co., Ltd.	16,792	20.3
Nichirei Corp	5,300	6.4
The New Technology Development Foundation	5,294	6.4
Coca-Cola Holdings West Japan, Inc.	4,074	4.9
Fukuoka City Bank Co., Ltd.	3,701	4.5
J.P. Morgan Trust Bank Ltd. (Tax-exempt account)	2,937	3.5
Boston Safe Deposit PSDT Treaty Clients Omnibus	2,375	2.9
Fukuoka Jisho Co., Ltd.	1,981	2.4
Showa Tansan Co., Ltd.	1,649	2.0
The Master Trust Bank of Japan, Ltd.	1,602	1.9

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



< Composition of shareholders >

	Number of shareholders	Number of shares held (thousands)
Financial institutions	91	17,299
Securities companies	27	1,540
Other domestic corporations	354	39,166
Foreign corporations	164	12,968
Individuals and others	14,315	11,926

	1998	1999	2000	2001	2002
PER (Times)	29.0	37.8	38.7	133.6	20.8
PBR (Times)	1.9	2.0	1.4	1.2	0.9
FY-end stock price (Yen)	3,540	4,300	2,735	2,355	1,775
Dividend (Yen)	30.0	32.0	32.0	34.0	34.0
Payout ratio (%)	25.9	26.7	42.7	108.9	52.1

Note: PER and PBR figures for fiscal 2000 are computed based on the year-end stock price multiplied by 1.1 times to adjust for stock splits in those years.

Credit Rating Information

	1998 *	1999	2000	2001	2002
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+

*1998 figures refer to the credit rating for CCWJ's forerunner, Kita Kyushu Bottling Co., Ltd.



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