



Coca-Cola West Japan Company, Limited

Corporate Book 2004

Year ended December 31, 2004



*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 Coca-Cola's business activities in Japan.*

Contents

1	Consolidated Financial Highlights
2	To Our Shareholders
4	Reform From Within—the Medium-term Management Plan
6	Reform From Within in CCWJ Businesses
8	About CCNBC
10	Responding to Buy-side and Sell-side Trends
14	CCWJ's Core Brands
16	Corporate Social Responsibility—Contributing to Society
20	Corporate Governance/Management
21	Six-year Summary
22	Management's Discussion and Analysis
27	Risk Information
28	Financial Data
32	Consolidated Balance Sheets
34	Consolidated Statements of Income
35	Consolidated Statements of Shareholders' Equity
36	Consolidated Statements of Cash Flows
37	Stock Information/Credit Rating Information
38	Coca-Cola System in Japan
40	Corporate Data/Group Companies

Forward-looking Statement

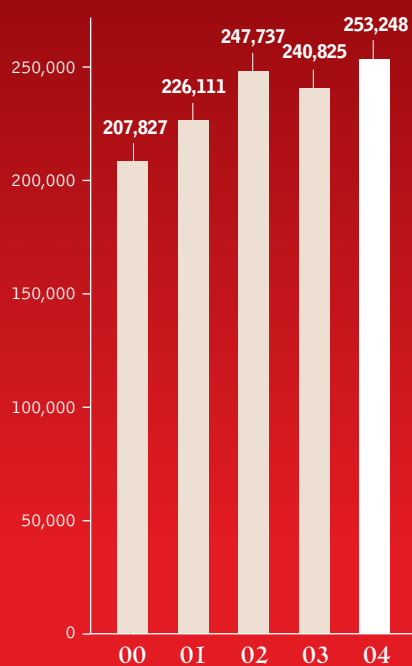
This corporate book contains statements regarding the Company's future plans, strategies, projected performance and outlook. These forward-looking statements are not historical facts, but represent management's opinions and beliefs based on information available at the time of writing. Readers are cautioned 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.

Consolidated Financial Highlights

(Millions of yen)		
Fiscal year:	2003	2004
Net sales	¥240,825	¥253,248
Operating income	19,638	16,860
Recurring profit	19,895	17,065
Net income	9,380	8,564
Total assets	204,180	207,216
Shareholders' equity	165,454	167,036
(Yen)		
Per share data:		
Net income per share	¥ 116.25	¥ 108.80
Dividend per share	36.00	40.00

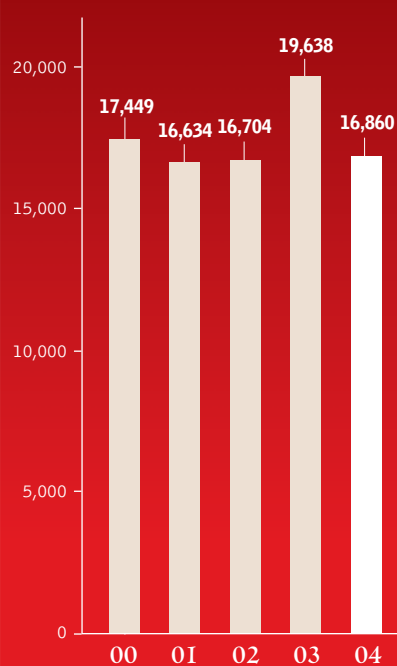
Net sales

(Millions of yen)



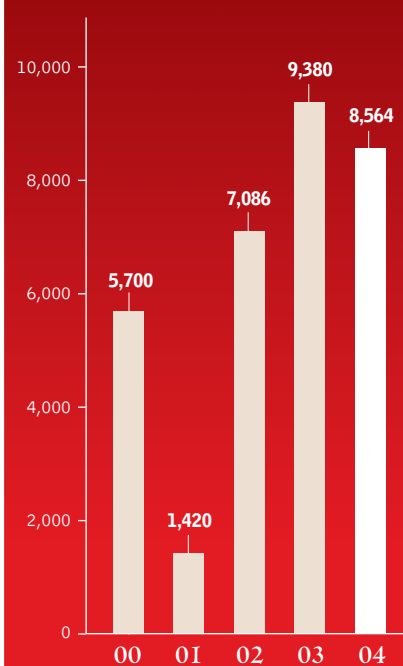
Operating income

(Millions of yen)



Net income

(Millions of yen)



Operating Results

Undertones of an economic recovery emerged for the Japanese economy during fiscal 2004, ended December 31, 2004. A rebound in corporate earnings led to higher capital investments, and the employment picture also improved. Nonetheless, a full-scale recovery remained elusive amid a slowdown in overseas economies and steep oil prices.

Despite Japan being buffeted by an unprecedented number of typhoons, the Japanese soft drink industry as a whole witnessed positive market growth thanks to record-breaking summer temperatures. Operating conditions nevertheless remained as challenging as ever, the result of fierce price competition and steadily increasing costs associated with increasingly diverse product packaging.

In this climate, the CCWJ Group continued its drive to meet planned objectives during the second year of the Reform From Within medium-term management plan. Using earlier steps to cement business foundations in fiscal 2003 as a starting point, we designated fiscal 2004 as a year for realizing tangible results. To this end, the Group channeled its collective efforts into a variety of activities aimed at bringing the benefits of Reform From Within to fruition.

These efforts resulted in consolidated net sales of ¥253,248 million, up 5.2% over the previous year. Nevertheless, operating income declined 14.1% year on year to ¥16,860 million, and recurring profit was down 14.2% to ¥17,065 million. Net income likewise decreased 8.7% to ¥8,564 million. Excluding the impact of changes to our retirement benefits system enacted in 2003, operating income would have been ¥14,589 million, a year-on-year improvement of 12.2% on a comparative basis.

Reform From Within Initiatives

On the sales front, we took an aggressive marketing stance as we worked to bolster our four major brands and advance into new fields such as food for specified health uses. CCWJ took the lead globally in launching sales of Coca-Cola 2, and unveiled new packaging designs for beverages Sokenbicha and Aquarius. We also launched a new Georgia coffee sales campaign, among other actions. In parallel, we worked hard to improve the quality of our operations and product freshness, core aspects of our bottler business. And to build a powerful sales base attuned to our customers and business clients, we took steps to enhance the performance of CCWJ vending machines by incorporating more IT features.

On the production side, we enacted far-reaching cost-reduction initiatives that included converting conventional can production lines to bottle-can lines at our plants to prepare for growth in the sale of bottle-can packaged products. A review of our production framework also enabled us to improve capacity utilization. At the same time, we worked to strengthen quality management by further raising employee awareness of quality and promoting activities designed to prevent related mishaps. The goal here is to ensure that CCWJ remains able to provide high-quality, reliable products.

Where management administration is concerned, we initiated the full-scale launch of “V-Comix,” a new system for managing business results introduced to facilitate efforts to meet Group business targets. Indirect business operations currently undertaken by individual Group companies are also being consolidated in an additional push to boost management efficiency.

CCWJ is also confronting environmental problems through an environmental action program called “What We Can Do for the Environment.” Activities are mainly aimed at curbing greenhouse gases, which has emerged as one of the most pressing global environmental concerns.

In our contribution to regional communities, we continued to sponsor a number of activities in line with “Our Total Happiness,” the CCWJ management philosophy. These include support for the Ichimura nature school in Kyushu to promote the healthy development of youth, as well as support for community welfare activities, cultural events and educational programs.

Meanwhile, Coca-Cola National Beverage Co., Ltd., established through the cooperation of Coca-Cola (Japan) Co., Ltd. and all Coca-Cola bottlers across Japan and responsible for nationwide supply chain management, made progress in preparations to add the production of franchise products as a new business domain. Previously, the production of franchise products was handled exclusively by individual Coca-Cola bottlers. Under a unified supply framework integrating procurement through to manufacturing and distribution, this company will seek out further cost-cutting opportunities in a drive to strengthen the long-term competitiveness of the entire Coca-Cola system in Japan.

Leaping Ahead Through Reform From Within

The outlook is for a sluggish economy as a slowdown in the economies of both the U.S. and China begins to hinder exports and capital expenditures in Japan. Meanwhile, pension problems, a higher tax burden and other concerns about the future mean that soft consumer spending is also likely to persist. With no substantial growth predicted for the soft drink market, business conditions are expected to remain severe.

Faced with this climate, we have designated 2005, the final fiscal year of the Reform From Within medium-term management plan, as a year for making a leap ahead in growth. The entire CCWJ Group stands united in ongoing activities aimed at bringing Reform From Within to a successful close.

Dividends

In appreciation to our shareholders for their loyal support, we declared a year-end dividend of ¥20 per share. The full-year dividend, including the interim dividend, is thus ¥40 per share, up ¥4 per share from the previous year.

To our shareholders and investors, I respectfully ask for your continued support and understanding of CCWJ and its operations.

April 2005



Norio Sueyoshi

Representative Director
President & CEO



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 plan is Reform From Within, which is made up of five key areas of reform to be targeted by the entire Group.

Fiscal 2005—the plan's final year—has been designated as a year for a leap ahead in growth.

The entire CCWJ Group is thus promoting activities aimed at achieving the successful completion of Reform From Within.

Medium-term Management
Fundamental Policy (2003-2005)

Reform From Within

Reform From Within that makes the CCWJ Group a vital part of customers' lives and clients' businesses.

Reform From Within that puts the CCWJ Group ahead in the soft drink business.

Reform From Within that encourages the CCWJ Group to pursue roles and functions.

Reform From Within that draws on the vitality of the employees and organization of the CCWJ Group.

Reform From Within that establishes a CCWJ Group coexisting with society.

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

Concrete Measures

1 Build a New Business System

1. Reform management
2. Strengthen management capabilities with new business units
3. Foster and develop new products
4. Prioritize quality
5. Build a system that optimizes supply and demand
6. Prioritize customer satisfaction

2 Strengthen Group Management

1. Promote an appropriate positioning of businesses within the Group
2. Build a Group-wide management control system
3. Enhance communication

3 Restructure Personnel Management

1. Strengthen functions through the appropriate positioning of businesses within the Group
2. Build a new personnel and welfare system that responds to enhanced functions and roles
3. Create the necessary personnel structure to meet needs for inventory checks and new roles
4. Establish appropriate working hours
5. Foster and recruit personnel
6. Create a platform for communication between company and employee

4 Coexist With Society

1. Augment the corporate ethics system
2. Take the lead as an environmentally friendly company
3. Make a greater contribution to regional communities

CCWJ Group companies are working as one to conduct customer- and client-oriented marketing activities.



■ **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, changing the type of drinks loaded in machines to match the season, 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 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.



■ **Coca-Cola West Japan Logistics Co., Ltd.**
(Logistics and Retail Operations)

Coca-Cola West Japan Logistics is responsible for the Group's logistical and retail operations, providing quality distribution services based on safety, precision, speed, care and courtesy. The objective is to supply business partners with the products they want, when they want them.



■ **Coca-Cola West Japan Customer Service Co., Ltd. (Equipment Service)**

Responsible for the installation, repair and cleanliness of vending machines, Coca-Cola West Japan Customer Service provides the best in equipment support services so that customers can count on CCWJ for consistently high product quality.

The CCWJ Group is deploying measures to develop a variety of innovative business systems under the Reform From Within medium-term management plan. The following is a brief introduction to two such measures—Bringing IT to Vending Machines and Freshness Initiatives. The former encapsulates our efforts to link vending machines, one of CCWJ's core profit sources, with information technology (IT). The latter, meanwhile, encompasses steps to bolster the management of product freshness, enabling our customers to enjoy more delicious products.

Bringing IT to Vending Machines

Goals for IT

Vending machines are the very lifeblood of the soft drink business, whether in terms of sales volume, monetary sales or earnings. In this area, the Coca-Cola system in Japan stands atop the industry, operating nearly one million vending machine units. CCWJ believes that linking vending machines to information technology (IT) is a crucial step to expanding profitability and establishing world-leading operations.

Combining vending machines with IT

CCWJ's system merging vending machines with IT takes advantage of a host of real-time data such as that pertaining to sales and malfunctions by connecting vending machines online. This system allows CCWJ to respond more rapidly to strong-selling products and malfunctions, avoid declines in freshness and product sellouts, use data to better plan restocking visits, and ensure an optimal product lineup. By making vending machines more visible in the marketplace, CCWJ is poised to spur development of cutting-edge, never-before-seen business opportunities.

Outlook

At present, CCWJ has 6,600 Internet-enabled vending machines. Over the next five years, the vending machine channel plans to bring over half of its vending machines, or nearly 45,000 units, online. This development is being watched closely by other bottlers, Coca-Cola (Japan) and the global headquarters in Atlanta.

CCWJ is also aggressively promoting the embedding of IT in vending machines. In fact, the majority of the IT vending machines in operation across Japan already come from the CCWJ Group. This year, CCWJ will continue its push to effectively introduce IT vending machines in locations where they are needed.





Freshness Initiatives

Key freshness initiatives

Delivering high-quality, reliable products that anyone can enjoy anytime, anywhere is fundamental to the Coca-Cola business. Three points are essential to achieving this: the delivery of fresh products, ensuring that products are never out of stock, and pursuit of the “ideal” sale, that customers feel good about their purchase. The CCWJ Group’s freshness initiatives constitute a program for bolstering the management of product freshness through a concerted drive to emphasize these key points at every level.

Targeted actions

First, freshness targets were established at every stage from manufacturing through to sales. Standards are also set for halting product shipments, conducting voluntary recalls or other actions depending on the time remaining prior to expiration dates. To achieve these aims, CCWJ has promoted sales activities that incorporate the perspectives of customers and business clients. The Company has also introduced new supply-demand systems with the goal of obtaining highly precise demand forecasts, and has ushered in Reform From Within, a program of sweeping infrastructural and other changes to enhance quality.

Alongside these structural changes, CCWJ conducts regular freshness surveys and improvement activities in the soft drink sector. For CCWJ Group vending machines, product freshness checks provide

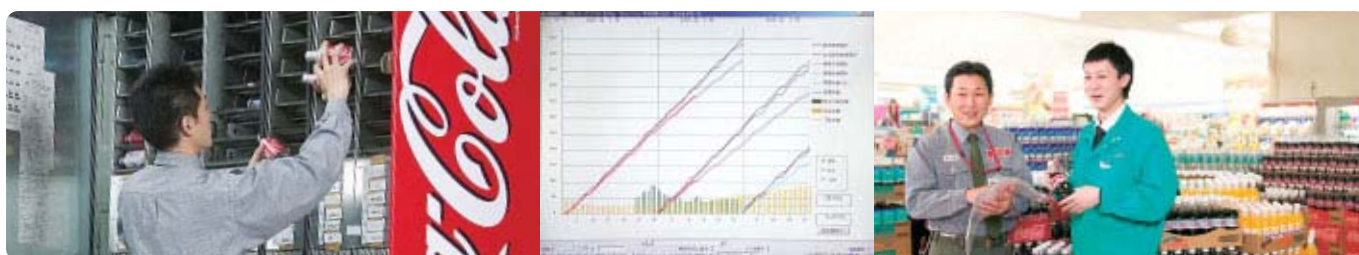
the basis for strict inventory control. At high-volume food retailers, liquor stores and other channels, this process is called *shinsengumi mimawari* (literally “visits from the freshness squad”), and involves sending branch managers out to perform checks on and improve freshness in the vending machines, coolers and warehouse inventories of CCWJ’s business clients. In a similar process for supermarkets known as *tenroundo* (“making the store rounds”), CCWJ conducts comparative freshness checks of products from other companies as part of its drive to enhance freshness.

Where in-house inventory is concerned, CCWJ carries out monthly freshness checks on all products at all business sites, an activity that leads directly to improved freshness.

Benefits

One prominent benefit of these initiatives has been that customers can now enjoy delicious products that are even fresher. But other benefits are steadily emerging with respect to in-house inventory. In addition to an increase in products produced less than a month earlier, substantial declines have been noted in both inventory volume and days in inventory.

Going forward, CCWJ intends to use similar in-depth initiatives that mesh closely with its operational regions to further strengthen freshness management so as to continue providing customers with a refreshing break whenever they need it.



About CCNBC

Purpose

Established through joint investment from Coca-Cola (Japan) Co., Ltd. and all Coca-Cola bottlers across Japan, Coca-Cola National Beverage Co., Ltd. (CCNBC) commenced operations in October 2003 with the goal of building a nationwide supply chain management (SCM) structure.

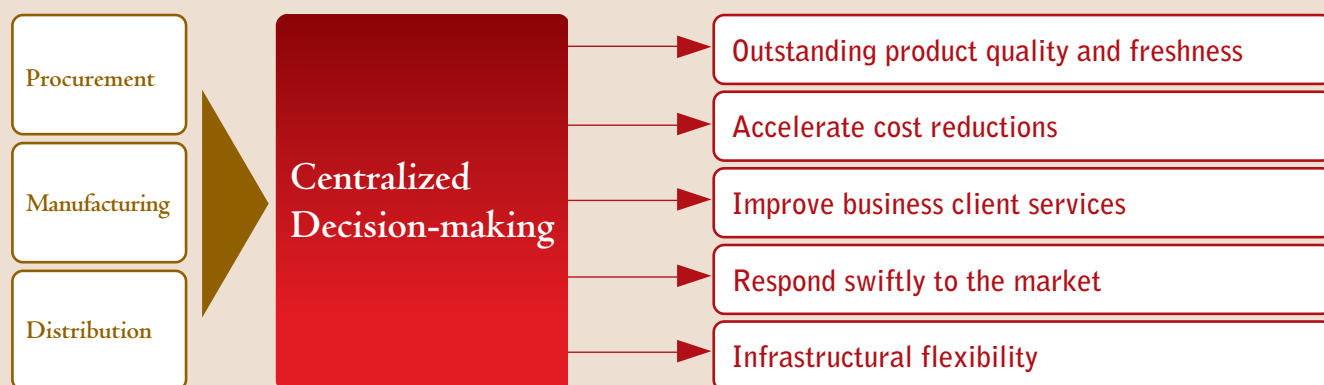
CCNBC oversees the centralized procurement, manufacturing and distribution operations of the Coca-Cola Group in Japan. The company seeks to curb costs by optimizing its nationwide network to boost efficiency, as well as by standardizing business processes and integrating information systems.

Funds generated from cost reductions are reinvested primarily to enhance competitiveness, mainly in respect to sales. CCNBC is making strategic investments to increase the

number of vending machines installed and raise value for consumers. Special emphasis is also being given to investment in sales development capabilities, including support tools for proposal-based sales initiatives targeting chain stores. The strengthening of manufacturing capabilities is another area targeted for investment.

Furthermore, maintaining a more appropriate inventory level will not only enable CCNBC to deliver fresher products to the market than ever before, but to offer improved services to major business clients with nationwide sales networks. At the same time, it will strengthen the company's ability to quickly and flexibly respond to sudden market changes. Ultimately, this adaptation will help the Coca-Cola Group in Japan to achieve long-term growth in earnings.

The CCNBC Vision: Give the Coca-Cola System a Sustainable Competitive Edge



Progress Report

In phase one of its operations, CCNBC assumed the production and supply of toll products (see note 1), and the procurement of related raw ingredients and materials, in October 2003. Phase two saw the transfer of manufacturing operations for franchise products (see note 2) of individual bottlers to CCNBC in January 2005. With this change, the formerly separate manufacturing frameworks for toll and franchise products have been integrated, giving birth to a new SCM system that oversees on a national level the entire lineup of products produced by the Coca-Cola system in Japan.

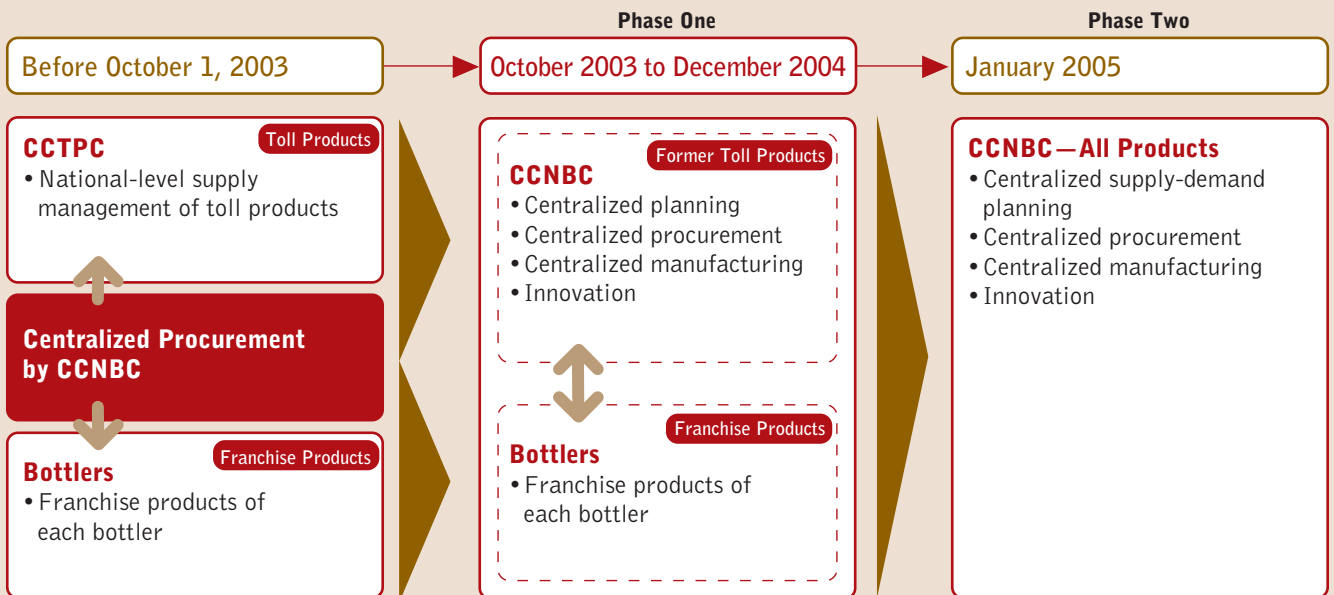
Under the new supply chain model, the role of bottlers will be more vital than ever before. First, as shareholders in

CCNBC, bottlers continue to weigh in on key decisions pertaining to the integration of the nationwide supply chain. Second, all finished products are purchased from CCNBC. Third, under contract from CCNBC, bottlers became responsible for the manufacturing and quality assurance of the products produced at their respective plants, and for distribution services.

Notes: 1) Toll products include teas, water, and new beverage categories previously manufactured and shipped to bottlers by Coca-Cola Tea Products Co., Ltd.

2) Franchise products include carbonated drinks, coffee and other products manufactured and sold by bottlers using concentrates purchased from Coca-Cola (Japan) Co., Ltd.

CCNBC Roadmap to SCM Integration



Cost-reduction Benefits

In 2004, the benefits of cost reductions surpassed initial plans.

Compared to initial projections of ¥14.4 billion in cost reduction program (CRP) (see note) benefits nationwide for fiscal 2004, first announced at a national SCM planning conference on November 18, 2004, actual benefits were ¥16.7 billion. Individually, CCWJ saw CRP benefits of ¥1.9 billion, sharply higher than initial projections of ¥1.0 billion for the year.

For 2005, forecasts call for nationwide CRP benefits of ¥19.0 billion. This takes into account the likely impact of escalating crude oil prices and other factors on the procurement of certain resins used as raw material for PET bottles, and metals for cans. CCWJ, for its part, expects to see benefits totaling ¥2.2 billion.

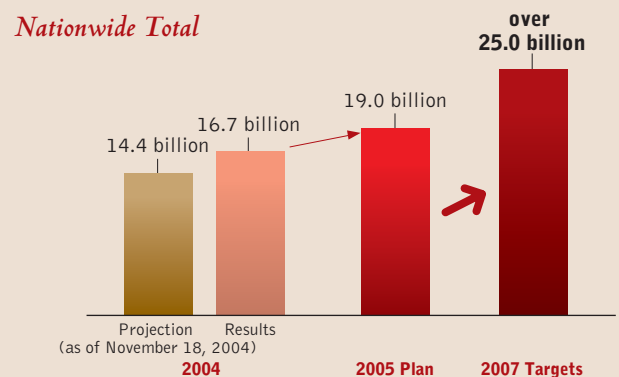
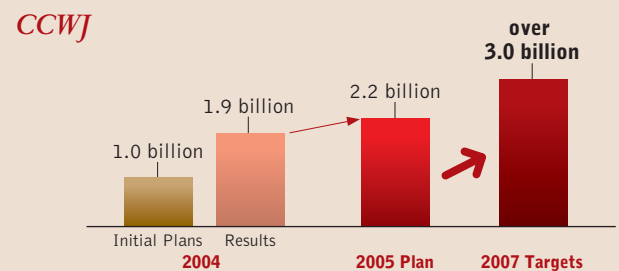
Planned CRP benefits for 2005 are based on calculations of minimum achievable targets and are the most conservative estimates. Aiming to deliver even greater CRP benefits, the Company is proactively constructing a new information system, and scrutinizing its entire system for ways to manufacture products even a single yen cheaper. CCWJ hopes to ultimately generate results that surpass initial plans.

By 2007, cost reductions are expected to yield annual benefits of at least ¥25.0 billion/year nationwide, and at least ¥3.0 billion for CCWJ on an individual basis.

Note: CRP (Cost Reduction Program)

This term is used to refer to the amount of cost reductions, as well as profits that result from cost-cutting activities.

CCNBC CRP Benefits in 2004 (YoY Comparison) (Yen)



Vending Machine Channel

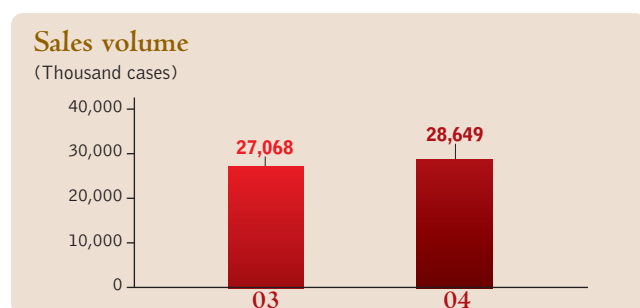
The vending machine channel, one of CCWJ's core operations, is an extensive network for providing products to customers.



Fiscal 2004 Overview

This channel accounted for 51% of sales in fiscal 2004, and contributes to top- and bottom-line performance as a key source of earnings for the CCWJ Group. Sales volume was 28,649,000 cases, an increase of 5.8% compared to fiscal 2003. This was 32.9% of CCWJ's total sales volume, up 1.4 percentage points from a year earlier.

In fiscal 2004, the vending machine channel had a total of 136,185 vending machines, and a 28.5% share of Japan's indoor vending machine market, up 0.2 of a percentage point year on year.



Note: July 2004 survey within CCWJ's sales region conducted by J.D. Power Asia Pacific, Inc.

Measures Taken

In this channel in fiscal 2004, CCWJ made progress developing prime locations by using sales rankings as a metric for installing new machines, taking advantage of a system for calculating projected sales, and leveraging collaboration at the Group level. The Company also moved ahead with the IT transformation of its vending machines, boosted product freshness, and lowered the percentage of product sellouts, shortened response times for machine repairs and took other actions to make improvements to the quality of its operations. These actions contributed to per unit sales growth for vending machines. Furthermore, Company-wide freshness initiatives helped CCWJ rank first in quality assurance in a recent survey report on customer satisfaction.

Policies for Fiscal 2005 and Beyond

As a pillar of sales and earnings for the CCWJ Group, the Company's goal for this channel is to attain greater vending machine business growth through expansion and efficiency. Hence, the fundamental action policy is to create the world's leading vending machine business by wielding a competitive edge with earnings strength built on in-depth consumer and client account services.

To be number one, CCWJ must first ensure that its proposal-based sales initiatives can offer greater added value on the sales front. On the operations side, the Company must more than ever provide fresh and appealing products. And in equipment services, CCWJ has to provide even higher quality services to satisfy its clients.

Under the fundamental action policy, one key strategy for 2005 is to revitalize existing accounts. Efforts are particularly focused on re-enhancing measures that target major sales accounts for this channel. Management resources are also being prioritized in a push to raise sales Company-wide.

Furthermore, CCWJ is beefing up efforts to develop prime sales locations in the indoor vending machine market, where its market share is relatively low but sales are expected to grow, as part of a move to target new business opportunities with greater precision. As backing for this step, CCWJ in January 2005 added a new organizational component specializing in market development that is effectively and proactively scouting out new possibilities. CCWJ is also continuing to implement measures that capitalize on vending machine-based IT to secure a more dominant competitive edge.

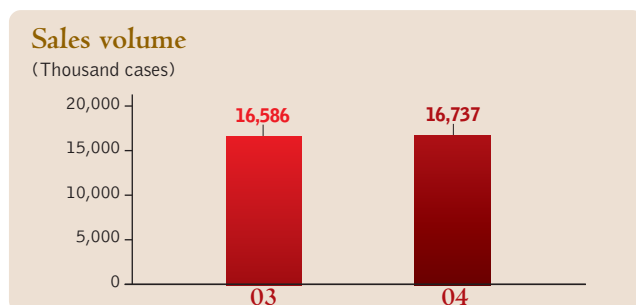
Chain Store Channel

Supermarket-oriented operations are home to considerable consumer needs. This is helping to make the chain store channel one of CCWJ's fastest growing sales channels.



Fiscal 2004 Overview

The chain store channel saw sales volume edge 0.9% higher compared to fiscal 2003, to 16,737,000 cases. The percentage of CCWJ's total sales volume was 19.2%, down 0.1 of a percentage point from 19.3% recorded in the previous year. CCWJ has made steady progress in this business area, with sales volume for fiscal 2004 more than 20% higher than that posted in 2000. On the earnings side, the contribution of this channel to earnings remained unchanged from fiscal 2003 at 8.0%, with efforts going forward to focus on achieving greater earnings growth.



Measures Taken

In the chain store channel, CCWJ pressed ahead with its strategy of conducting a case-by-case analysis of client accounts. Clients are categorized according to sales volume and profitability, with individual client characteristics incorporated into sales measures tailored to their specific needs to enhance sales volume and profits. In particular, relationships with major client accounts are being bolstered by blanket implementation of this “account-centric” sales system throughout the CCWJ organization, from headquarters to individual business branches.

Policies for Fiscal 2005 and Beyond

CCWJ is calling on this channel to grow profits by expanding sales volume and share, and to build a business structure that will become a model for bottlers nationwide. Essentially, this entails leading other bottlers in offering better service quality to customers and business clients through a framework where higher sales are matched by earnings growth. By forging a three-way “Win-Win-Win” relationship, customers will receive value while business clients and CCWJ raise both sales and profits. Guided by this stance, the fundamental policy of the chain store channel will be to pair robust sales and market share expansion with profitability.

In 2005, one key strategy based on this policy will be to promote Revenue Gross Management (RGM). This approach involves joining forces with business clients to create well-crafted retail spaces that enhance customer satisfaction and encourage customers to purchase products. *Tenroundo 10* is the name of a specific initiative for promoting RGM that aims to expand retail space—the source of volume and monetary sales for both CCWJ and its clients—by 10% compared to current levels. *Tenroundo 10* also seeks to enact three different “Reform From Within” processes. One will be to create areas that are more stimulating to customers, while another will help CCWJ's account-driven sales activities to evolve even further. The final process will focus on achieving a better mix of products to sell.

CCWJ has also recently begun work on a project launched in collaboration with Coca-Cola (Japan) to rebuild the business structure for supermarket channels.

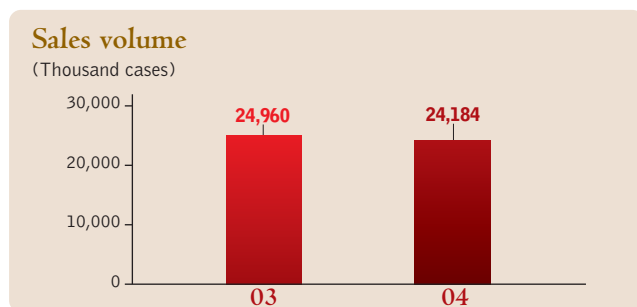
Convenience Store and General Retail Channel

This channel encompasses sales to convenience stores, drug stores, high-volume food retailers and liquor stores.



Fiscal 2004 Overview

Sales volume in the convenience store and general retail channel was 24,184,000 cases, down 3.1% from fiscal 2003. Sales volume for this channel dipped 1.2 percentage points to 27.8% of total volume, compared with 29.0% a year earlier. Presently, this channel is seeing real growth in sales at convenience stores, but contraction at general retail stores.



Measures Taken

Long-term business relationships are a prominent feature of CCWJ's general retail channels. Many clients have ties that date back to the early days of CCWJ, when company representatives paid personal visits to each one to request their business. Today, the emergence of convenience stores and supermarkets has diversified sales routes, sparking the need to devise sales methods to cope with these market changes. For this reason, CCWJ is turning its attention to proposal-based sales initiatives that better anticipate market demand.

By implementing measures that emphasized greater selectivity and focus and catered to particular business formats and clients, CCWJ achieved increased sales at high-volume food retailers and secured more display space inside stores and at new stores. All of this came despite the negative impact of successive typhoons in fiscal 2004. Freshness initiatives also continue to be strengthened to help boost customer satisfaction by offering fresher products.

For large convenience store chains where direct business negotiations with individual stores is not possible, CCWJ enlisted the cooperation of Coca-Cola National Sales Co., Ltd. in talking with the chain's regional headquarters. For chains where individual stores handle such discussions, CCWJ implemented a full range of activities, including regularly scheduled store visits.

Policies for Fiscal 2005 and Beyond

CCWJ is challenging the convenience store and general retail channel to find a suitable balance between expansion and efficiency, while retaining its role as a highly profitable business channel. The object, in other words, is to achieve qualitative expansion, with resources concentrated in the most profitable business formats. Here, efficiency will mean raising productivity by effectively utilizing assets without incurring unnecessary costs. Put a different way, the most important strategies will be those attuned to specific business formats and sales rankings.

Taking a cue from this stance, the fundamental action policy for the convenience store and general retail channel will be to grow market share and improve earnings through merchandising-driven activities encompassing the customer's perspective. The goal is to become a world leader in terms of merchandising.

In 2005, bolstering segment sales will be one key strategy stemming from this policy. As in the previous year, greater selectivity and focus will be bywords as CCWJ develops merchandising tailored to different business formats.

To identify potential sales opportunities, one challenge will be to capitalize on the potential that the development of new business formats has to offer. And CCWJ is making the search for new sales more efficient by upgrading vending machines at stores with low sales with IT features, and by steadily beefing up its freshness initiatives.

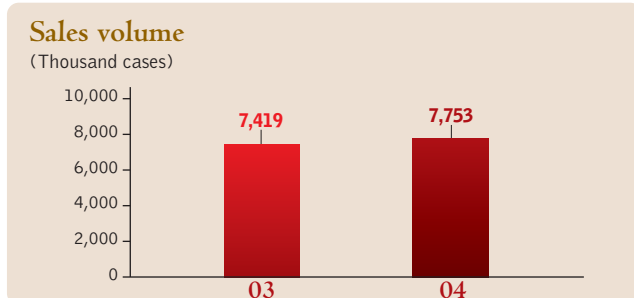
Food Service Channel

The food service channel's core operations encompass the sale of soft drink syrup to fast food chains, cinemas, sports facilities, casual dining restaurants and theme parks.



Fiscal 2004 Overview

Sales volume in the food service channel rose 4.5% to 7,753,000 cases, compared to the previous year. The percentage of total sales volume was 8.9%, up 0.3 of a percentage point from the 8.6% recorded in fiscal 2003. On the earnings side, sales activities with an emphasis on profitability led to a significant jump in earnings. In contrast to an operating loss posted in 2002, this channel recorded operating income in fiscal 2004.



Measures Taken

In fiscal 2004, one key strategy involved measures to expand markets by enhancing customer-facing marketing, and to reduce costs and raise efficiency to improve earnings.

To expand markets, CCWJ is moving first to thoroughly bolster the power of its brand. This has entailed revitalizing carbonated beverages and expanding coffee beverages through activities that reflect client needs. To reinforce market development at every level, the Company expanded sales by taking bold actions that emphasize profitability and the use of hot beverage machinery, and assumed a more assertive stance in meeting the competition.

In an effort to improve earnings, CCWJ focused on withdrawing from clients with lower sales, steps to lift sales elsewhere, and other activities designed to yield improvements. Extensive use was also made of equipment in inventory.

Policies for Fiscal 2005 and Beyond

The mission of the food service channel is total dedication to consulting sales, creating a climate in which every employee can consistently deliver ideal services to customers and business clients with sincerity and enthusiasm. The resulting environment is then enlisted in the pursuit of ideal sales.

Driven by this mission, the fundamental action policy of the food service channel is to develop a new fountain business. Actions taken thus far in the two years since the start of the "Reform From Within" medium-term management plan have been aimed at building the foundation for this business. This progress will provide the basis for all actions in 2005 taken in the determined pursuit of qualitative and quantitative targets.

Under this fundamental policy, the key strategy in 2005 will be to take the consumer's perspective in enhancing market activities. Specifically, this will entail capturing new markets by developing new, large-scale outlets where annual sales of more than 600 cases can be expected; developing the hot beverage market by rolling out machines for regular and powdered coffee; and taking a more assertive stance in tackling competition and in winning business. Among other activities, CCWJ is also ushering in programs that primarily target key national food service chains in an effort to find unrealized sales opportunities at existing outlets.

CCWJ believes actions of this type are the driving force behind the food service business unit's sales activities, enabling it to accurately grasp customer needs and to create new markets better attuned to lifestyle trends.

*CCWJ is striving at every level to strengthen its four core brands
—Coca-Cola, Sokenbicha, Aquarius and Georgia.*



Coca-Cola

Enjoy!
Coca-Cola



Georgia

Enjoy
GEORGIA®



Sokenbicha

爽健美茶



Aquarius

AQUARIUS





Contributing about 10% to CCWJ's sales volume, Coca-Cola has a market share in Japan of 79%. In CCWJ's operating area, Coca-Cola has a dominant market share of 79%. In fiscal 2004, CCWJ took a more dynamic approach in promoting Coca-Cola, leading the world in launching sales of Coca-Cola 2, and developing "Special Magic Coca-Cola" as a new sales campaign. To further grow sales volume and market share, CCWJ is initiating a new advertising campaign titled, "From Moment to Moment, Coca-Cola," in fiscal 2005.

Home Market Share (2004)
*Non-vending Retail Sales Market



Launched by CCWJ in 1975 and now a byword for canned coffee, Georgia was the first product in this category to be sold nationwide. Georgia represents more than 30% of CCWJ's sales volume and commands a market share in Japan of 47%. In CCWJ's operating area, Georgia's commanding market share is even higher, at 70%. In fiscal 2004, CCWJ ran the "Look on the Bright Side! Georgia" sales campaign. In fiscal 2005, CCWJ is looking to cement this product's position further through its "Georgia 30th Anniversary Promotion," a campaign commemorating three decades of Georgia coffee.

Home Market Share (2004)
*Non-vending Retail Sales Market



Underpinned by the motto, "For refreshment, health and beauty," Sokenbicha is a tea for health- and beauty-conscious people. CCWJ was first in pioneering Sokenbicha for its own target region, prior to the product's nationwide launch. Sokenbicha has a market share of 79% nationwide, and an impressive 82% share in CCWJ's operating area. Even today, Sokenbicha is still synonymous with blended tea. In fiscal 2004, together with revamped packaging, CCWJ promoted a new sales campaign, "So Beautiful, Sokenbicha." CCWJ also launched a new green tea blend, which contributed heavily to improved sales volume and market share. With a new advertising campaign, "The SokenBeauty Within," and redesigned packaging for the green tea blend, CCWJ is working to further solidify this product's base in fiscal 2005.

Home Market Share (2004)
*Non-vending Retail Sales Market



Developed in Japan and growing in stature as a global brand, Aquarius is Japan's most-loved sports drink. Aquarius' market share in Japan is 48%, with an overwhelming 54% market share in CCWJ's operating area. In fiscal 2004, CCWJ ushered in the "BODY! Go! Go!" sales campaign to vividly underscore the link between sports and Aquarius. In fiscal 2005, CCWJ is adopting a redesigned package and promoting a new sales campaign, "Sports Science Has Evolved, Aquarius," to even further hone the competitive edge of this product.

Home Market Share (2004)
*Non-vending Retail Sales Market



Committed to being a good corporate citizen, the CCWJ Group always thinks and acts from a social standpoint. Consequently, CCWJ is developing a range of activities that contribute to regional society and the environment.

CCWJ allocates a fixed portion of earnings every year to fund these ongoing activities with the understanding and support of shareholders.

Contributions to Regional Society

Fundamental Stance

Together With Society

CCWJ's support for the healthy development of youth and its efforts to promote closer communication with target regions consists of four elements: support for community welfare, sponsorship of sports activities, patronage of cultural events and educational programs, and support of regional events.

Cultural and Educational Activities



- **Operation of the Ichimura nature school in Kyushu**
Founded on the principle that learning from the land is a key survival skill, this facility uses farming and cooperative living to help children develop into well-balanced, mature young people.



- **Coca-Cola West Japan Family Musical**
This musical hosted during summer vacation caters to parents and children, with members of the local community chosen by random draw to attend.



- **Sawayaka Concert**
Hosted during summer vacation for parents and their children, this entertaining concert brings together local orchestras and notable guest singers.

- **Sawayaka Classical Concert**
Members of the local community are drawn from entries and invited to attend this high-quality classical music event.

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



- Kinshuki Gyokuryuki High School Judo and Kendo Tournament

Social Welfare Services



- **Donation of educational materials to special schools**
CCWJ donates PCs and other educational materials to special state schools with the hope of helping children at these schools lead independent lives.

Contributions to Regional Society



Sports Activities



- **Donation of unicycles to elementary schools**
CCWJ donates unicycles to public elementary schools to help children hone their sense of balance.



- **Coca-Cola West Japan Youth Soccer Tournament**
Representative teams drawn from prefectures in CCWJ's operating area take part in this tournament held at the Sawayaka Sports Plaza.



- **Sawayaka Youth Rugby Tournament**

Regional Events

- **RoboCup 2002 Fukuoka/Busan**



- **World Wheelchair Basketball Championships 2002**



- **Sawayaka Rugby Clinic**
Members of the CCWJ Rugby Team teach the fundamentals of the game to elementary, junior high and senior high school students.

Environmental Activities

Basic Philosophy

An Industry Leader on Environmental Issues

CCWJ recognizes the debt of gratitude it owes to its customers and regional communities, which it repays through efforts to beautify and preserve the environment and recycle resources. All employees throughout the CCWJ Group take responsibility for the environment in their workplaces and contribute to building a comfortable and abundant society.

Action Plan

- Offer clean, safe products and services
- Promote more efficient energy use to help prevent global warming
- Use water effectively to conserve this precious resource
- Work to reduce and recycle waste to help realize a recycling-oriented society
- Take steps to procure highly recyclable and environmentally friendly materials
- Vigorously develop regional environmental activities
- Educate employees through training and promotional programs to raise environmental awareness



Operation of the Kitakyushu Sawayaka Recycling Center

In 2003, construction of the Kitakyushu Sawayaka Recycling Center was completed in the Ecotown precinct of Kitakyushu City. This center collects and recycles empty cans, glass bottles and PET bottles from sites in Fukuoka and Saga prefectures. Upgrades to the facility are ongoing to enhance the level of safety, sanitation and performance.

Recycling

Introduction of Eco-vehicles

CCWJ is promoting the "Eco-Drive" concept by proactively adding hybrid and natural gas-powered vehicles to its delivery and sales fleet.

Purchase of Green Products

In accordance with Group purchasing guidelines, CCWJ actively buys goods with a low environmental impact in pursuit of its environmental conservation and recycling objectives.



Green Product Procurement

Accredited With ISO 14001 Certification

Seven of the nine companies in the CCWJ Group have been accredited with ISO 14001 certification, an international standard for environmental management. Efforts will continue to obtain this certification for all Group companies. Together with Coca-Cola's own "eKO System" for environmental management, this will ensure that environmental systems are operating effectively and thereby promote the CCWJ Group's actions to help fight global warming.



School Biotope Operations

CCWJ assists children in joining with teachers, parents, guardians and members of the local community to build wildlife refuges by hand. These refuges are designed by the children themselves. CCWJ provides environmental education tools so that children can learn about the splendor and importance of the natural environment.

Combating Global Warming



School Tree Planting

This program, with the theme, "Let's create an oak forest," aims to foster an appreciation and love of nature in children by inviting them to become the "foster parents" of seedlings grown from acorns. Students then get the experience of replanting the tree on the local mountainside when it has grown into a larger sapling.

Environmental Activities



Regional Environmental Education Support

Coca-Cola Ecology School

Under the guidance of environmental education instructors, and with the trees, insects and other wildlife in the countryside as the textbook, CCWJ holds environmental education classes that provide important experiences for coexisting with nature.



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 Governance

CCWJ's fundamental stance on corporate governance is to improve management efficiency and transparency, while striving to maximize shareholder value.

In March 1999, CCWJ restructured the Board of Directors and adopted the executive officer system, separating decision-making and management oversight from business execution. In 2001, the Company established a committee responsible for executive nomination and remuneration. Acting in an advisory capacity to the Board of Directors, this committee, chaired by one of CCWJ's external directors, brings greater transparency and fairness to the selection of directors and corporate auditors, and ensures that remuneration for directors is appropriate. The committee convened in January 2004 and 2005, respectively.

Currently, seven of CCWJ's ten directors, and three of its five corporate auditors, are from outside the Group. Directors and auditors fully monitor how executives conduct business operations.

This includes taking part in meetings of the executive committee, which is made up of executive officers, as well as other important company meetings. When questions arise during the course of business execution, CCWJ consults attorneys, CPAs and other specialists for advice on determining the best way to proceed.

The CCWJ Group believes that compliance with all applicable laws and regulations, and the spirit in which such are written, is fundamental to engaging in business activities, as is the proper observance of social norms and customary business practices. This belief is enshrined in a code of conduct compiled to encourage a compliance mind-set among all CCWJ Group directors and employees. Further, to ensure that the Group meets its responsibilities as a good corporate citizen on every level, a division was established to oversee CSR activities in January 2005.

Going forward, CCWJ will continue to pursue the initiatives necessary to enhance corporate governance.

Management

(As of April 1, 2005)

Directors

Representative Director	Masamitsu Sakurai	Chairman, President, Ricoh Company, Ltd.
Representative Director	Norio Sueyoshi	*
Director	Tadatsugu Harada	*
Director	Kouichi Morii	*
Director	Masahiko Uotani	President, Coca-Cola (Japan) Company, Limited
Director	Shingo Matsuo	President, Kyushu Electric Power Co., Inc.
Director	Kazuhiko Enomoto	Chairman, Fukuokajisho Co., Ltd. Chairman, Royal Co., Ltd.
Director	Susumu Ishihara	President, Kyushu Railway Company
Director	Yuji Inoue	Senior Manager, Ricoh Company, Ltd. Group Corporate Officer, Ricoh Company, Ltd.
		President, Ricoh Leasing Co., Ltd.
Director	Toshiaki Akahoshi	General Manager, Ricoh Co., Ltd., Fukuoka Branch President, Ricoh Kyushu Co., Ltd.

Note: *Executive Officer

Auditors

Executive Corporate Auditor	Yasumasa Niimi	
Executive Corporate Auditor	Ryuji Nakagawa	
Auditor	Tatsuo Hirakawa	Deputy President, Ricoh Company, Ltd.
Auditor	Isanari Ohuchida	Representative Senior Managing Director, The Nishi-Nippon City Bank, Ltd.
Auditor	Takashi Matsuzaki	Attorney, Tokunaga, Matsuzaki & Saito Law Office Deputy Chairman, Japan Federation of Bar Associations

Executive Officers

President & CEO	Norio Sueyoshi	
Executive Vice President	Tadatsugu Harada	Presidential Adviser (Sales, Business Systems and SCM)
Executive Vice President	Kouichi Morii	Presidential Adviser (Administrative divisions); CSR Division Manager; General Manager, Reform From Within Promotion Office (concurrent posts)
Executive Corporate Officer	Hijiri Morita	Administration Division Manager

Senior Corporate Officer	Junji Katsura	Food Service Sales Division Manager
Senior Corporate Officer	Yukio Sako	Marketing Planning Division Manager
Senior Corporate Officer	Mitsuo Isobe	SCM Division Manager
Senior Corporate Officer	Masami Nomiya	Retail-Vending Sales Division Manager
Senior Corporate Officer	Tatsuhiko Ike	Market Development Division Manager
Corporate Officer	Masayuki Yamasaki	Manager, SCM Planning Department
Corporate Officer	Toshinori Seto	Manager, Partner Relationship Department
Corporate Officer	Hayao Ogawa	Manager, Agents Sales Department
Corporate Officer	Katsuzou Tsugawa	Chainstore Sales Division Manager
Corporate Officer	Shigejiro Sato	Business Systems Division Manager
Corporate Officer	Naotake Tokieda	Manager, General Affairs Department
Corporate Officer	Tadanori Taguchi	Manager, Financial Affairs Department
Corporate Officer	Takashi Himeno	Manager, Fukuoka Branch
Corporate Officer	Yoshiki Asahara	Manager, Hiroshima Branch

Group Executive Officers

Group Senior Corporate Officer	Takeaki Sueyasu	President, Nishinon Beverage Co., Ltd.
Group Senior Corporate Officer	Katsuyoshi Kawabe	President, Coca-Cola West Japan Logistics Co., Ltd.
Group Senior Corporate Officer	Toshiki Miyake	President, TakaMasamune Co., Ltd.
Group Senior Corporate Officer	Masazumi Gotoh	President, Coca-Cola West Japan Customer Service Co., Ltd.
Group Senior Corporate Officer	Nobuji Kihara	Director and Executive Corporate Officer, Mikasa Coca-Cola Bottling Co., Ltd.
Group Senior Corporate Officer	Yuji Yamasaki	President, Coca-Cola West Japan Vending Co., Ltd.
Group Senior Corporate Officer	Nobuo Shibata	President, Coca-Cola West Japan Products Co., Ltd.
Group Senior Corporate Officer	Shinji Oda	President, Coca-Cola West Japan Service Co., Ltd.
Group Senior Corporate Officer	Takuo Shibata	Director and Senior Corporate Officer, Coca-Cola West Japan Products Co., Ltd.
Group Corporate Officer	Mikitoshi Hagihara	Standard System Promotion Manager, Coca-Cola Beverage Services Co., Ltd.
Group Corporate Officer	Tsuneo Fukuda	Director and Corporate Officer, Coca-Cola West Japan Products Co., Ltd.
Group Corporate Officer	Yoshiaki Hamasaki	Director and Senior Corporate Officer, Coca-Cola West Japan Vending Co., Ltd.

Six-year Summary

	(Millions of yen)					
	1999	2000	2001	2002	2003	2004
Net sales	¥ 164,731	¥ 207,827	¥ 226,111	¥ 247,737	¥ 240,825	¥ 253,248
Operating income	15,160	17,449	16,634	16,704	19,638	16,860
Recurring profit	15,889	18,516	16,021	17,005	19,895	17,065
Recurring profit margin (%)	9.6	8.9	7.1	6.9	8.3	6.7
Net income	6,823	5,700	1,420	7,086	9,380	8,564
Net income per share (Yen)	113.67	77.83	17.62	85.49	116.25	108.80
Return on sales (%)	4.1	2.7	0.6	2.9	3.9	3.4
Total assets	182,316	181,637	202,713	204,070	204,180	207,216
Total shareholders' equity	154,395	157,604	157,129	164,658	165,454	167,036
Shareholders' equity ratio (%)	84.7	86.8	77.5	80.7	81.0	80.6
Shareholders' equity per share (Yen) . .	2,107.74	2,151.52	1,950.07	2,009.39	2,089.94	2,149.99
Return on equity (%)	5.6	3.7	0.9	4.4	5.7	5.2
Cash flows	17,319	20,175	15,067	22,481	25,268	23,491
Capital expenditures	14,937	14,634	11,355	21,027	13,846	15,611
Depreciation and amortization	10,496	14,475	13,647	15,395	15,888	14,927

Market Information

Trends in the Japanese Soft Drink Market

Production volumes have risen steadily, albeit marginally, in the Japanese soft drink market as a whole in recent years, contributing to overall market expansion. In fiscal 2004, despite the impact of successive typhoons, record-high summer temperatures drove production volumes sharply higher.

By soft drink category, while production volumes were virtually unchanged for coffee beverages, the intense summer heat led to increased production volumes for carbonated and tea beverages. Tea beverages in particular have continued to record annual growth in production volumes, as well as a greater share of the overall soft drink market, since these products were first marketed in the late 1980s.

Market Information in CCWJ's Sales Territory

Population Trends

CCWJ's sales territory encompasses five prefectures in the Chugoku region (Hiroshima, Okayama, Yamaguchi, Tottori and Shimane) and three prefectures in the Kitakyushu region (Fukuoka, Saga and Nagasaki). According to 2004 population statistics and the Basic Resident Register, Japan's population was 126,824,000, of which 15,105,000 people lived in CCWJ's sales territory, representing 11.9% of the country's total population. The population in CCWJ's sales territory has remained at the 15-million level for the past few years. Annual per capita consumption in CCWJ's sales territory, calculated based on 1 bottle equaling 237ml, was 189 bottles in fiscal 2004. While the growth rate had slowed in recent

years, intense summer heat and other factors drove consumption substantially higher in fiscal 2004.

Market Share in Sales Territory

*Non-vending Retail Sales Market

CCWJ's share of the soft drink market in its sales territory hovers between 25% and 30%. CCWJ commands a particularly high market share in the Kyushu region.

Vending Machine Statistics

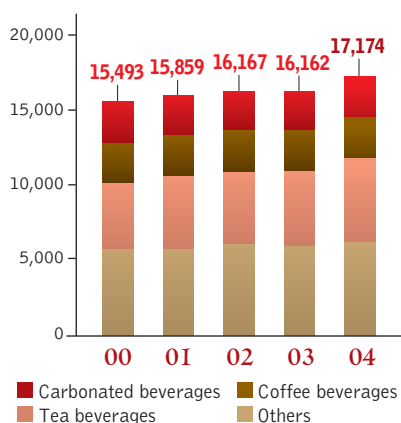
CCWJ has a high share of vending machines in its sales territory, controlling over 50% of all vending machines installed. At December 31, 2004, CCWJ had 136,185 machines, up 1,033 units year on year, giving it a market share of 51.5%. CCWJ's share of the indoor vending machine market rose 0.2 percentage point to 28.5%. While the Company's share of vending machines in the outdoor market is expected to fall slightly in fiscal 2005, this is because CCWJ is continuing efforts from 2004 to review the placement of machines with an emphasis on profitability.

Nationwide Comparison by Brand

The market shares of all CCWJ brands are higher in the Company's sales territory than nationwide. In particular, CCWJ's four core brands—Coca-Cola, Georgia, Aquarius and Sokenbicha—have commanding market shares. Georgia most notably has a market share in CCWJ's sales territory that far exceeds its market share in Japan, underscoring its overwhelming strength on home ground.

Overall production volume of soft drinks

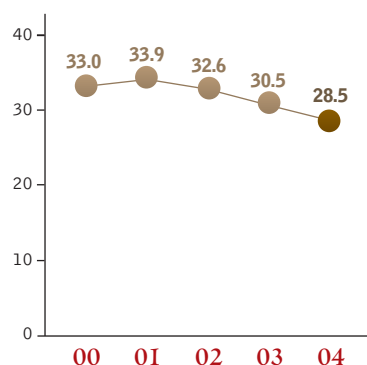
(1,000kl)



Source: Japan Soft Drinks Association (Annual Statistic Report on Soft Drinks FY2004)

Market share in sales territory

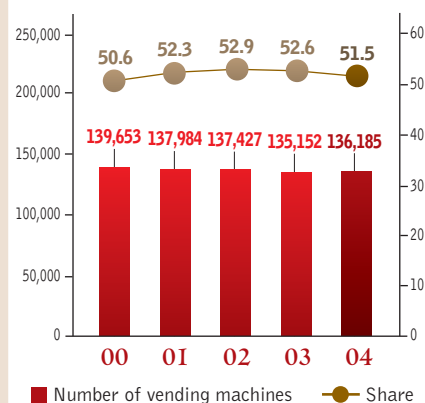
*Non-vending retail sales market (%)



Source: Nielsen Co. of Japan Store Audit (2000–2001)
Intage Inc. of Japan Store Audit (2004)

Number of vending machines/Share

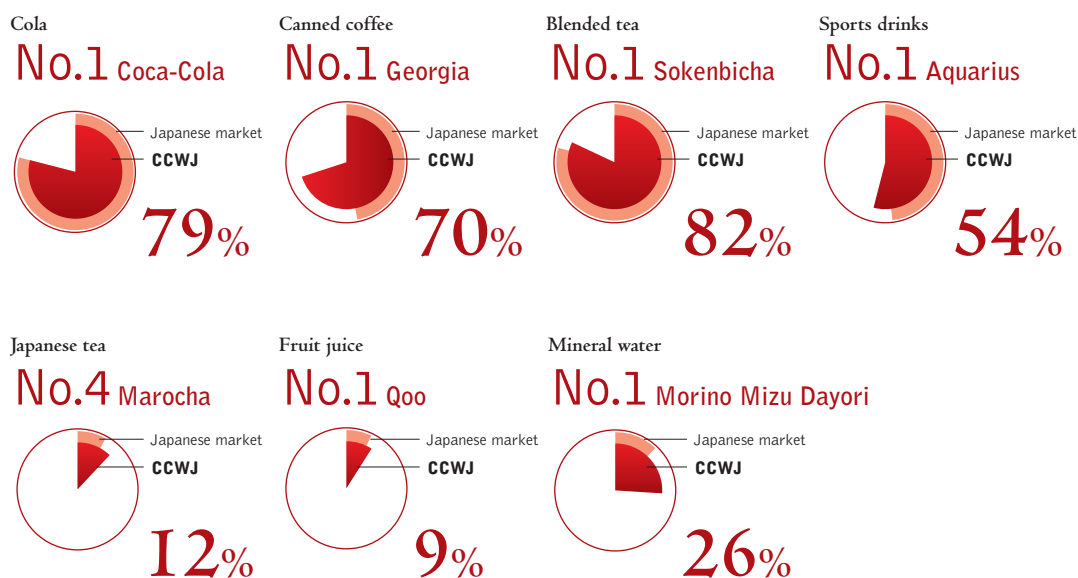
(Machines/%)



Source: Nielsen Co. of Japan Store Audit (2004)

Market share by category (2004)

*Non-vending retail sales market
(%)



Source: Intage Inc. of Japan Store Audit (2004)

Sales by category

(Thousand cases)

		2000	2001	2002	2003	2004
Total Sales		85,639	88,178	88,450	86,025	87,096
Carbonated beverages	Coca-Cola	8,278	9,403	8,967	8,484	8,581
	Fanta	3,932	4,077	4,251	3,991	4,440
	Other	3,368	2,798	2,346	2,799	2,645
	Total	15,578	16,278	15,564	15,274	15,666
Non-carbonated beverages	Georgia	26,584	26,998	27,543	27,041	26,483
	Aquarius	6,325	6,656	7,181	6,275	7,299
	Sokenbicha	7,207	6,759	6,925	6,638	7,567
	Marocha (Japanese teas)	2,890	4,065	3,669	4,360	4,546
	Kochakaden	3,016	2,523	2,064	1,977	2,144
	Qoo and HI-C	2,750	2,490	2,328	2,260	1,951
	Morino Mizu Dayori (Mineral water)	1,523	1,777	1,948	2,010	2,057
	Other	3,510	4,229	5,001	4,456	3,635
	Total	53,805	55,497	56,659	55,017	55,682
Other		16,256	16,403	16,227	15,734	15,748
Total		85,639	88,178	88,450	86,025	87,096

Sales Volume in CCWJ's Sales Territory

Sales Volume by Product Category

The Company's beverages are broadly divided into three categories: carbonated beverages, mainly the Coca-Cola and Fanta brands; non-carbonated beverages, including Georgia brand coffee, Aquarius and Sokenbicha; and other.

Total sales volume in fiscal 2004 increased by 1,071,000 cases, or 1.2%, to 87,096,000 cases. Sales volume was up for both carbonated beverages and non-carbonated beverages. Sales volumes of carbonated beverages rose by 392,000 cases, or 2.6%, to 15,666,000 cases, while the sales volume of non-carbonated beverages increased by 665,000 cases, or 1.2%, to 55,682,000 cases.

By brand, Coca-Cola and Fanta accounted for 83.1% (54.8% and 28.3%, respectively) of the 15,666,000 cases of carbonated beverages sold in fiscal 2004. In non-carbonated beverages, Georgia accounted for 47.6%, or nearly half, of the 55,682,000 cases sold, followed by Sokenbicha, Aquarius, and Marocha and other Japanese teas, with 13.6%, 13.1% and 8.2%, respectively.

During fiscal 2004, the Company launched 208 new product varieties, including a number of existing products sold with redesigned packaging, representing a total sales volume of 34,664,000 cases, a year-on-year increase of 11,642,000 cases, or 50.6%.

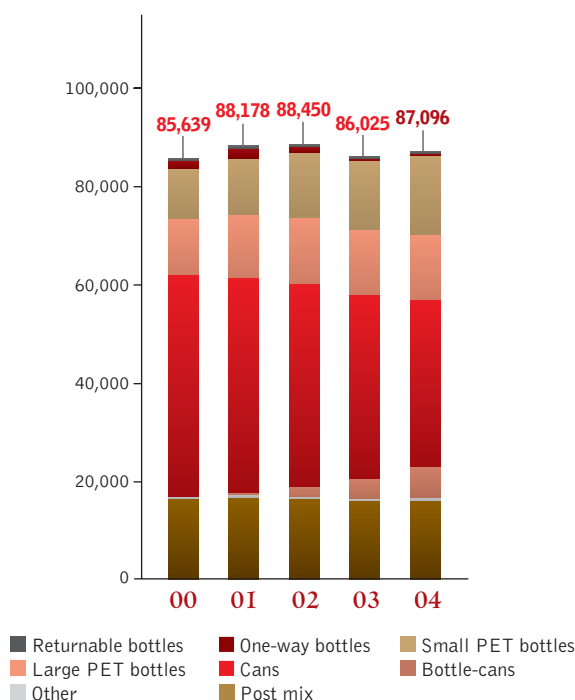
Sales Volume by Packaging

CCWJ continued to shift from cans to PET bottles, with canned products accounting for 39.0% of sales volume, a decline of 4.6 percentage points; PET bottle products rose 2.1 percentage points to 33.7%. Sales of small PET bottle products of 350ml or less grew strongly, with sales volumes rising 36.1% year on year from 3,515,000 cases in fiscal 2003 to 4,786,000 cases in fiscal 2004. CCWJ plans to continue expanding sales volumes of products packaged in small PET bottles by broadening its product lineup targeted at female consumers.

Bottle-can products, which accounted for 4,066,000 cases in fiscal 2003, rose 55.7% in fiscal 2004 to 6,330,000 cases. More growth is expected in the coming years.

Sales by packaging

(Thousand cases)



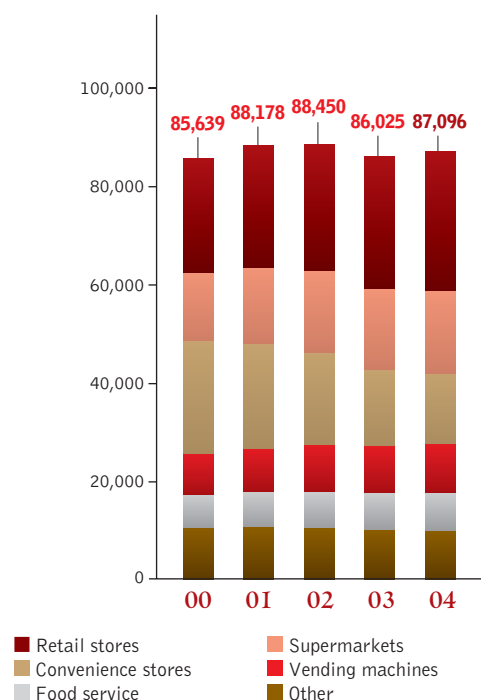
Note: Post mix refers mainly to diluted drinks sold in paper cup-dispensing vending machines.

Sales Volume by Sales Channel

CCWJ is promoting marketing based on demand in each sales channel in response to structural changes in the marketplace. For example, the Company works to improve sales volumes and profitability in vending machines in various ways. The Company replaces vending machines with high sales volumes and high operating rates with value-added machines that have IT features, and relocates or withdraws machines in locations where sales volumes are low. At supermarkets, CCWJ proposes products and sales methods on an individual store basis and offers other detailed sales support. As a result of this approach, total sales volume increased 1.2% in fiscal 2004. Although sale volume from retail channels declined slightly, vending machines, chain stores, convenience stores, and food-service channels all reported higher sales volume year on year.

Sales by channel

(Thousand cases)



have been ¥13,007 million. In fiscal 2004, these changes accounted for ¥2,271 million of the ¥16,860 million in operating income. If these effects are excluded, operating income would have been ¥14,589 million, or ¥1,582 million higher than the previous year on a comparative basis.

Recurring profit and net income were also lower for the year, with recurring profit down ¥2,830 million, or 14.2%, to ¥17,065 million, and net income falling ¥816 million, or 8.7%, to ¥8,564 million. Net income per share was ¥108.80, compared to ¥116.25 in the previous year. The dividend per share was ¥40 for fiscal 2004, and the payout ratio was 37.7%.

<Operating Results by Segment>

By segment, the Manufacturing and Marketing of Beverages & Foods segment posted a 5.2% increase in sales to ¥249,229 million prior to the elimination of intersegment transactions, although operating income decreased 2.2% to ¥21,723 million. The Other Businesses segment, which includes distribution and vending machine-related operations, generated sales before the elimination of intersegment transactions of ¥19,249 million, up 5.9% year on year. Operating income was also higher, up 95.1% to ¥709 million.

Overview of Fiscal 2004 Operating Results

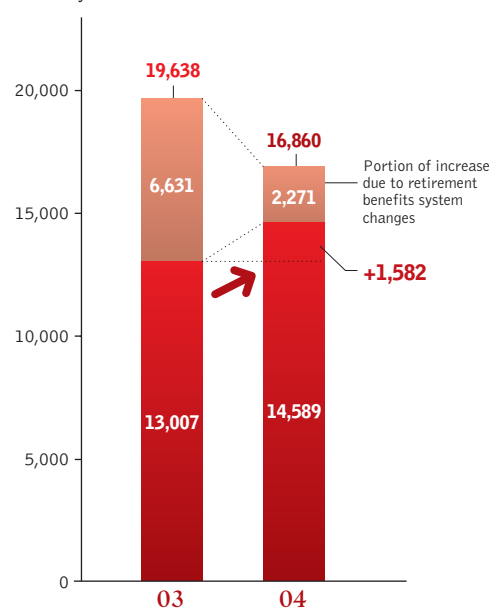
Record-high summer temperatures in fiscal 2004 helped overcome the negative impact of a series of typhoons that struck Japan, lifting consolidated net sales to ¥253,248 million, up 5.2%, or ¥12,422 million, from the previous year.

In tandem with aggressive marketing, the Company took steps to boost the quality of its operations and emphasize product freshness.

While gross profit increased on higher sales volumes, this was overshadowed by a jump in selling, general and administrative expenses due to higher sales commissions and the effect of changes to the Company's retirement benefits system. Operating income fell by ¥2,777 million, or 14.1%, to ¥16,860 million as a result. In fiscal 2003, the Company recorded operating income of ¥19,638 million, of which ¥6,631 million was accounted for by retirement benefits system changes. Excluding this effect, operating income would

(Ref.) Operating income excluding effects of retirement benefits system changes

(Millions of yen)



Financial Position

Total assets increased ¥3,036 million, or 1.5%, to ¥207,216 million. Current assets increased ¥2,406 million, or 4.2%, from a year ago. This mainly reflects an increase in marketable securities accompanying the reclassification of bonds due to mature within one year and other investment securities formerly recorded as fixed assets. Total fixed assets edged up ¥630 million, or 0.4%, year on year, primarily attributed to an increase in investments and other assets, including investment securities, which outstripped a decline in property, plant and equipment.

Total current liabilities increased ¥597 million, or 2.5%, compared with a year ago, principally due to an increase in accrued expenses accompanying the extension and refurbishment of Company branch warehouses. Total long-term liabilities increased ¥771 million, or 7.3%, from a year ago. This mainly reflected an increase in deferred tax liabilities (see note) stemming from a reversal of retirement benefit expenses accompanying changes to the Company's retirement benefits system.

Shareholders' equity increased ¥1,582 million, or 1.0%, to ¥167,036 million, largely resulting from an increase in retained earnings due to the net income, despite a decrease from the acquisition of treasury stock as part of the Company's capital strategy. The shareholders' equity ratio fell 0.4 of a percentage point from 81.0% to 80.6%, but equity per share increased approximately 3% from ¥2,089.94 at the fiscal 2003 year-end, to ¥2,149.99.

Note: Deferred tax liabilities refer to the amount of taxes (corporate and otherwise) incurred on an accounting basis for a given period that are reasonably payable from an accounting standpoint at a later date.

Cash Flows

Cash and cash equivalents at end of year decreased ¥81 million, or 0.4%, to ¥21,788 million.

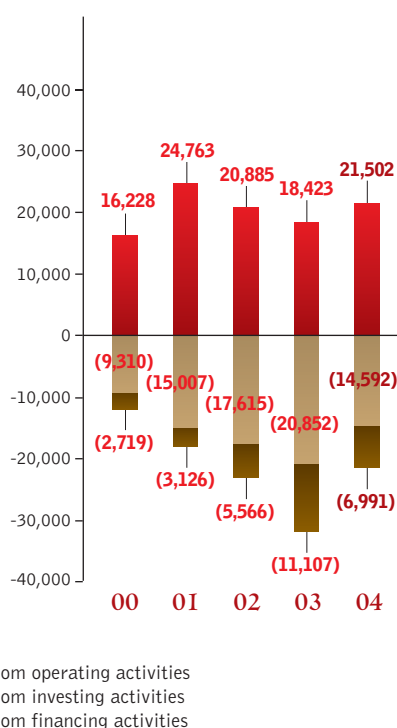
Operating activities provided net cash of ¥21,502 million, up 16.7% year on year. Net cash in fiscal 2004 was ¥3,079 million higher than the previous year when cash flows were held down by the payment of a lump-sum transfer of ¥4,516 million and other factors.

Investing activities used net cash of ¥14,592 million, down 30.0% year on year. Cash used declined by ¥6,259 million from a year earlier due to the acquisition of fewer bonds and other investment securities as part of the Company's investment strategy.

Financing activities used net cash of ¥6,991 million, 37.1% less than in fiscal 2003. In fiscal 2004, the Company repurchased less treasury stock as part of its capital strategy, resulting in a ¥4,115 million year-on-year decrease in net cash used in financing activities.

Cash flows

(Millions of yen)



Business results and other aspects of the Company's operations mentioned in this corporate book 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 CCWJ Group 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 the CCWJ Group as of March 25, 2005.

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

CCWJ and consolidated subsidiary Mikasa Coca-Cola Bottling Co., Ltd. conduct business activities based on a manufacturing licensing agreement with The Coca-Cola Company, Coca-Cola (Japan) and CCNBC, and a distribution licensing agreement with The Coca-Cola Company and Coca-Cola (Japan).

(2) Business ties with CCNBC

CCWJ has an equity interest in CCNBC, a company established to consolidate and oversee procurement, manufacturing and distribution operations nationwide for the Coca-Cola Group in Japan, and to build an optimal nationwide supply chain structure, thereby reducing costs. CCNBC's operations are conducted in partnership with CCWJ and other Coca-Cola bottlers across Japan. The future progress and status of cost-cutting plans of CCNBC could potentially impact the operating results of the CCWJ Group.

(3) Quality assurance

Beverages are the core product of the CCWJ Group. 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 the CCWJ Group was actually at fault. An incident of this nature could adversely affect the operating results of the CCWJ Group.

(4) The soft drink industry

① Market competitiveness

Sales of beverages, the CCWJ Group's core products, are readily influenced by changes in customer (consumer) preference. In a beverage market of this kind, the CCWJ Group strives to continuously offer appealing products and services.

Nevertheless, failure to amply forecast market changes could potentially affect the operating results of the CCWJ Group.

② Impact of weather-related factors

Weather conditions tend to have an effect on the sales of beverages, the CCWJ Group's core products. Cool summers or warm winters, for example, often have a significant impact on customer (consumer) demand. Although the CCWJ Group 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.

(5) Impact of economic conditions

① Trends in personal consumption

Sales of beverages, the CCWJ Group's core products, are closely linked to trends in personal consumption. Current economic conditions in Japan suggest that a rapid recovery in personal consumption is unlikely. A sudden decline in personal consumption, however, could adversely affect the operating results of the CCWJ Group.

② Fluctuations in asset value

Fluctuations in the value of land, marketable securities and other assets owned by the CCWJ Group 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.

(6) Public regulations

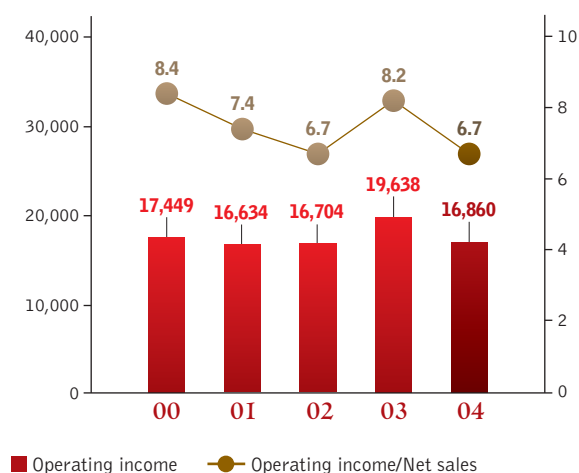
The CCWJ Group's Manufacturing and Marketing of Beverages & Foods segment is subject to a number of regulations in Japan, including the Act Against Unjustifiable Premiums and Misleading Representations (Premiums and Representations Act) and the Food Sanitation Law. The Group fully complies with these 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 the CCWJ Group.

(7) Impact of disasters

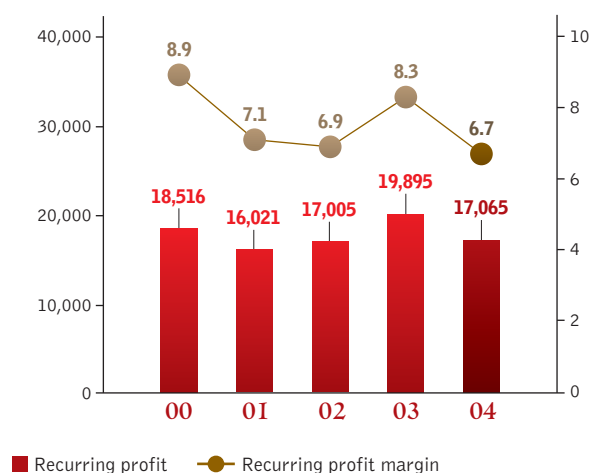
The CCWJ Group has a system in place to minimize the effects of power outages, as well as other scenarios for which assumptions must be made, on its business operations. Typhoons, earthquakes and other natural disasters, however, could trigger conditions that exceed these assumptions. Conditions of this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

Financial Data

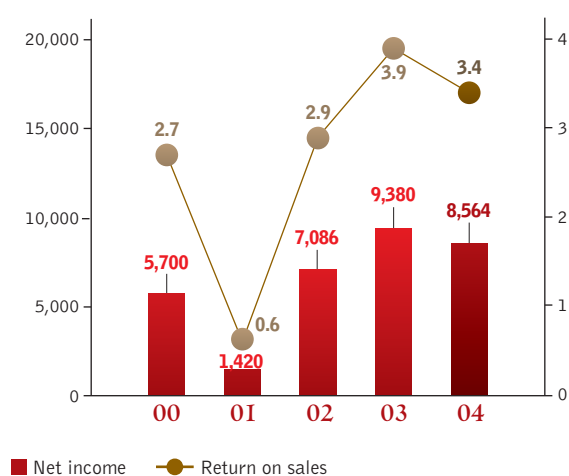
Operating income (Millions of yen)
Operating income/Net sales (%)



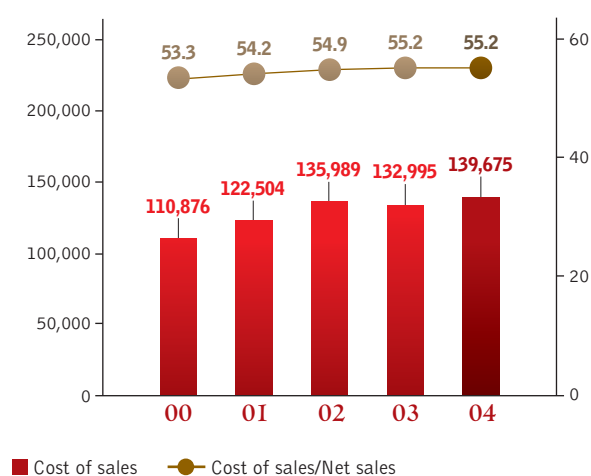
Recurring profit (Millions of yen)
Recurring profit margin (%)



Net income (Millions of yen)
Return on sales (%)

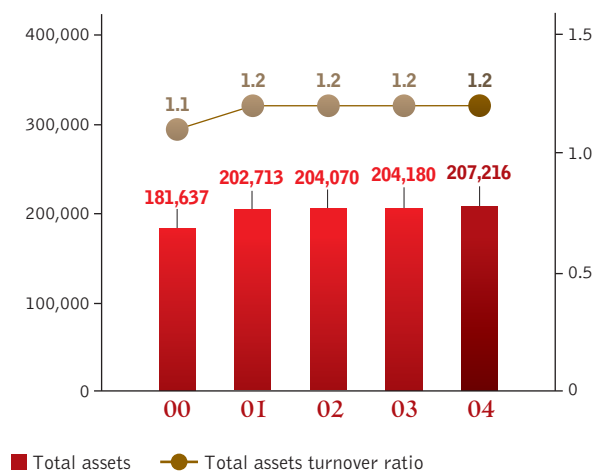


Cost of sales (Millions of yen)
Cost of sales/Net sales (%)

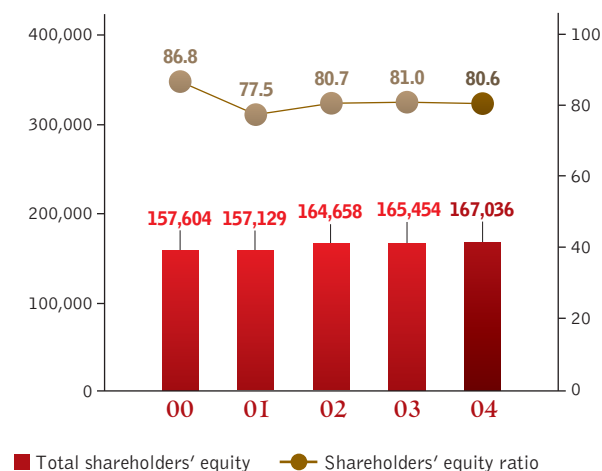


	(Millions of yen)				
	2000	2001	2002	2003	2004
Operating income	17,449	16,634	16,704	19,638	16,860
Operating income/Net sales (%)	8.4	7.4	6.7	8.2	6.7
Recurring profit	18,516	16,021	17,005	19,895	17,065
Recurring profit margin (%)	8.9	7.1	6.9	8.3	6.7
Net income	5,700	1,420	7,086	9,380	8,564
Return on sales (%)	2.7	0.6	2.9	3.9	3.4
Cost of sales	110,876	122,504	135,989	132,995	139,675
Cost of sales/Net sales (%)	53.3	54.2	54.9	55.2	55.2

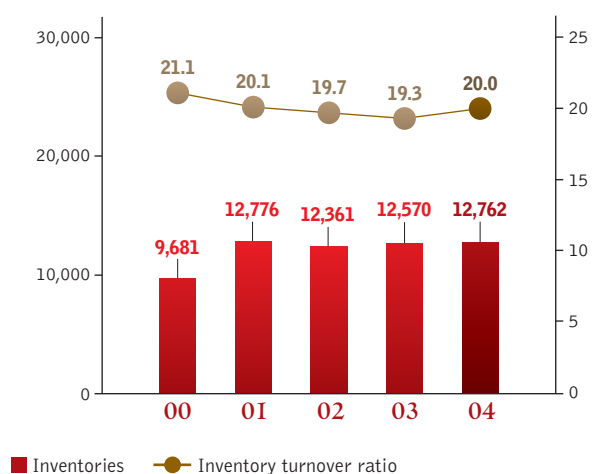
Total assets (Millions of yen)
Total assets turnover ratio (Times)



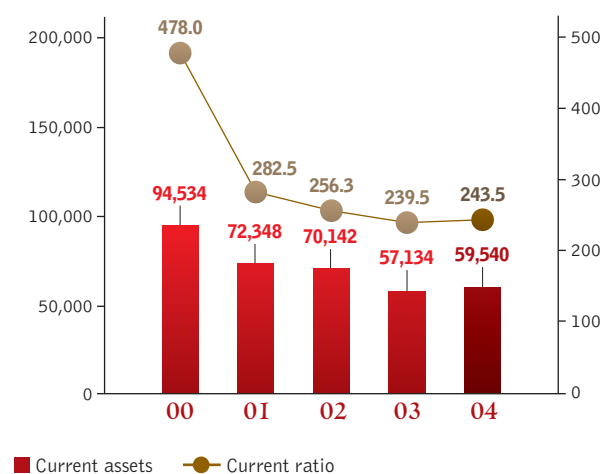
Total shareholders' equity (Millions of yen)
Shareholders' equity ratio (%)



Inventories (Millions of yen)
Inventory turnover ratio (Times)

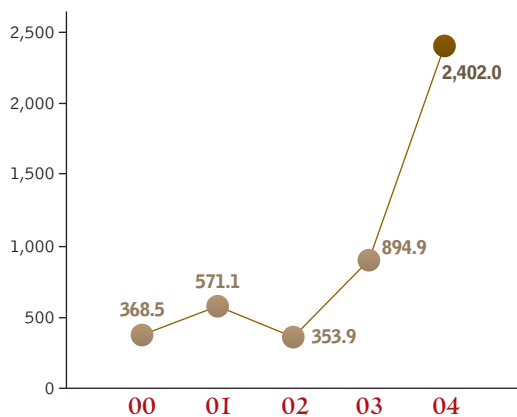


Current assets (Millions of yen)
Current ratio (%)

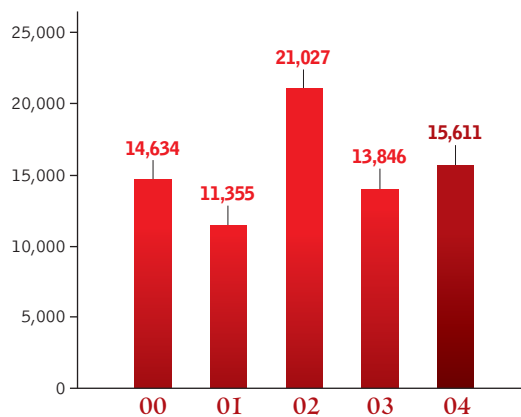


	(Millions of yen)				
	2000	2001	2002	2003	2004
Total assets	181,637	202,713	204,070	204,180	207,216
Total assets turnover ratio (Times)	1.1	1.2	1.2	1.2	1.2
Total shareholders' equity	157,604	157,129	164,658	165,454	167,036
Shareholders' equity ratio (%)	86.8	77.5	80.7	81.0	80.6
Inventories	9,681	12,776	12,361	12,570	12,762
Inventory turnover ratio (Times)	21.1	20.1	19.7	19.3	20.0
Current assets	94,534	72,348	70,142	57,134	59,540
Current ratio (%)	478.0	282.5	256.3	239.5	243.5
Asset turnover ratio = Net sales / The average of assets at the beginning and end of the fiscal period Shareholders' equity ratio = Shareholders' equity / Total assets Inventory turnover ratio = Net sales / The average of inventory taken at the beginning and end of the fiscal period Current ratio = Current assets / Current liabilities					

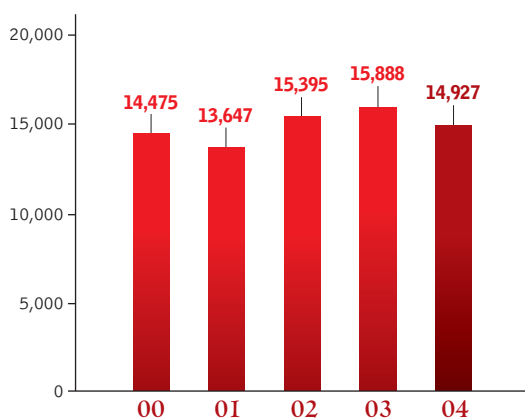
Interest coverage ratio (Times)



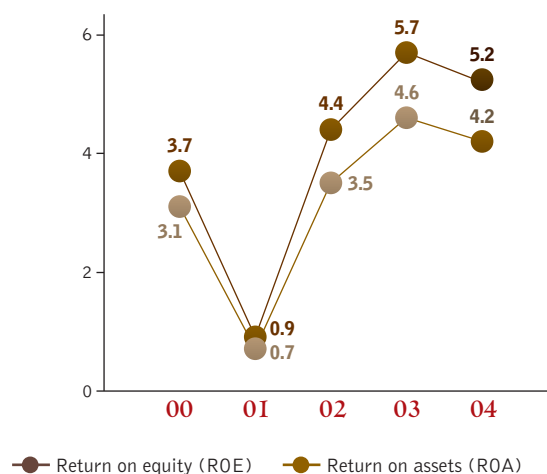
Capital expenditures (Millions of yen)



Depreciation and amortization (Millions of yen)

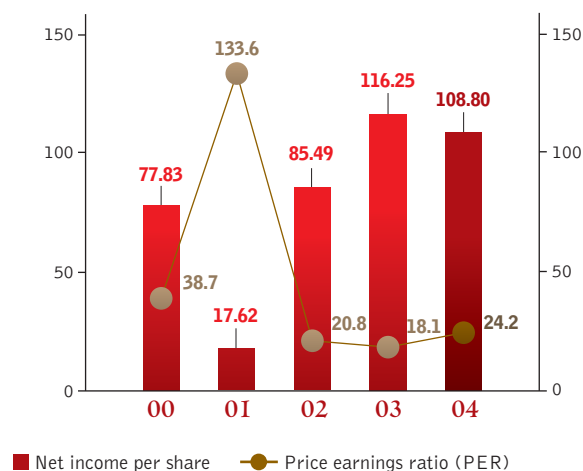


Return on equity (ROE) (%) Return on assets (ROA) (%)

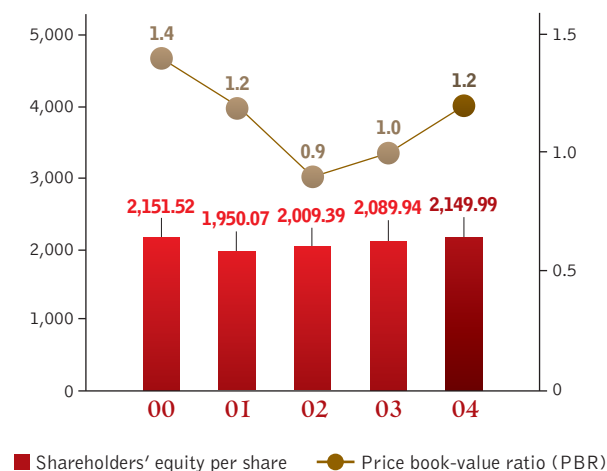


	(Millions of yen)				
	2000	2001	2002	2003	2004
Interest coverage ratio (Times)	368.5	571.1	353.9	894.9	2,402.0
Capital expenditures	14,634	11,355	21,027	13,846	15,611
Depreciation and amortization	14,475	13,647	15,395	15,888	14,927
Return on equity (ROE) (%)	3.7	0.9	4.4	5.7	5.2
Return on assets (ROA) (%)	3.1	0.7	3.5	4.6	4.2
Interest coverage ratio = Operating cash flows / Interest payments* Return on equity = Net income / The average of shareholders' equity at the beginning and end of the fiscal period Return on assets = Net income / The average of assets at the beginning and end of the fiscal period * Interest payments represent interest paid as shown on the consolidated statements of cash flows.					

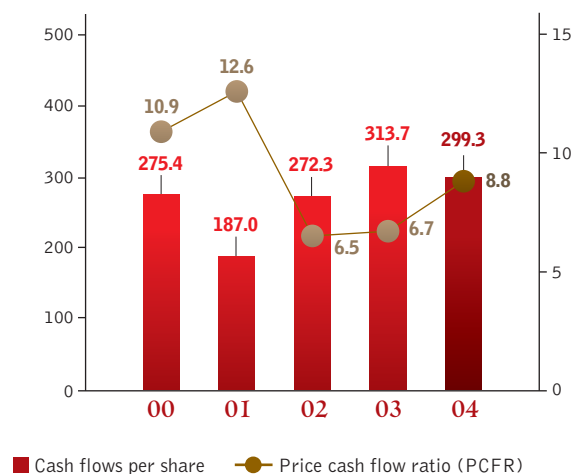
Net income per share (Yen)
Price earnings ratio (PER) (Times)



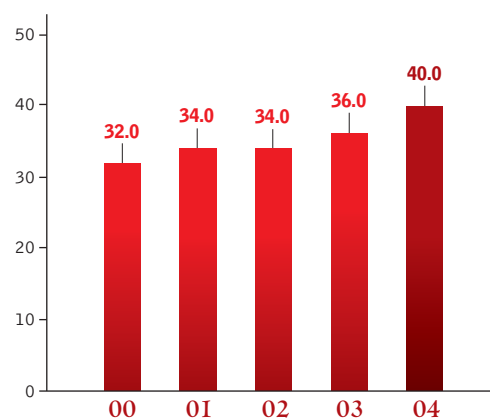
Shareholders' equity per share (Yen)
Price book-value ratio (PBR) (Times)



Cash flows per share (Yen)
Price cash flow ratio (PCFR) (Times)



Dividend per share (Yen)



	(Yen)				
	2000	2001	2002	2003	2004
Net income per share	77.83	17.62	85.49	116.25	108.80
Price earnings ratio (PER) (Times)	38.7	133.6	20.8	18.1	24.2
Shareholders' equity per share	2,151.52	1,950.07	2,009.39	2,089.94	2,149.99
Price book-value ratio (PBR) (Times)	1.4	1.2	0.9	1.0	1.2
Cash flows per share	275.4	187.0	272.3	313.7	299.3
Price cash flow ratio (PCFR) (Times)	10.9	12.6	6.5	6.7	8.8
Dividend per share	32.0	34.0	34.0	36.0	40.0

Net income per share = Net income / The average number of shares during the period
 Price earnings ratio = Market value at the end of the period / Net income per share
 Shareholders' equity per share = Shareholders' equity / The number of shares outstanding at the end of the period
 Price book-value ratio = Market value at the end of period / Shareholders' equity per share
 Cash flows per share = Cash flows / The average number of shares during the period
 Price cash flow ratio = Market value at the end of the period / Cash flows per share

Consolidated Balance Sheets

(As of December 31, 2002, 2003 and 2004)

	(Millions of yen)		
	2002	2003	2004
ASSETS			
Current assets:			
Cash and deposits	¥ 19,182	¥ 15,295	¥ 15,524
Trade notes and accounts receivable	11,664	13,175	13,669
Marketable securities	16,484	7,141	8,923
Inventories	12,361	12,570	12,762
Deferred tax assets	1,279	841	812
Other current assets	9,287	8,227	7,930
Allowance for doubtful accounts	(117)	(118)	(81)
Total current assets	70,142	57,134	59,540
Fixed assets:			
Property, plant and equipment:			
Buildings and structures	20,187	18,852	18,559
Machinery, equipment and vehicles	15,774	14,674	14,252
Sales equipment	17,487	17,740	17,196
Land	34,637	34,722	34,389
Construction in progress	261	44	93
Other property, plant and equipment	1,019	947	1,344
Total property, plant and equipment	89,367	86,982	85,837
Intangible assets:			
Goodwill on consolidation	250	118	34
Other intangible assets	3,566	2,599	2,808
Total intangible assets	3,817	2,718	2,843
Investments and other assets:			
Investment securities	31,940	40,636	47,369
Deferred tax assets	1,735	569	890
Advanced payments for retirement expenses	–	13,306	7,749
Other assets	7,178	3,097	3,265
Allowance for doubtful accounts	(110)	(264)	(279)
Total investments and other assets	40,743	57,344	58,995
Total fixed assets	133,928	147,045	147,676
Total assets	¥204,070	¥204,180	¥207,216

(Millions of yen)			
	2002	2003	2004
LIABILITIES			
Current liabilities:			
Trade notes and accounts payable	¥ 7,787	¥ 8,950	¥ 7,891
Convertible bonds due to mature within one year	2,154	—	—
Short-term borrowings	180	—	—
Current portion of long-term debt	334	203	203
Accrued income taxes	902	2,924	3,743
Other accounts payable	6,153	5,426	7,125
Notes payable for equipment	1,485	667	96
Other current liabilities	8,369	5,681	5,390
Total current liabilities	27,366	23,853	24,451
Long-term liabilities:			
Deferred tax liabilities	1,906	5,880	6,911
Allowance for employees' retirement benefits	3,683	3,394	3,146
Liabilities for directors' and corporate auditors' retirement benefits . .	372	323	345
Other long-term liabilities	1,092	996	963
Total long-term liabilities	7,055	10,595	11,366
Total liabilities	34,421	34,449	35,817
MINORITY INTERESTS			
Minority interests	4,990	4,276	4,362
SHAREHOLDERS' EQUITY			
Common stock	15,231	15,231	15,231
Additional paid-in capital	35,399	35,399	35,400
Retained earnings	115,771	122,372	127,849
Net unrealized gains on other marketable securities	341	411	449
Treasury stock (at cost)	(2,086)	(7,960)	(11,895)
Total shareholders' equity	164,658	165,454	167,036
Total liabilities, minority interests and shareholders' equity	¥204,070	¥204,180	¥207,216

Consolidated Statements of Income

(Years ended December 31, 2002, 2003 and 2004)

	(Millions of yen)		
	2002	2003	2004
Net sales	¥247,737	¥240,825	¥253,248
Cost of sales	135,989	132,995	139,675
Gross profit	111,747	107,829	113,572
Selling, general and administrative expenses	95,043	88,191	96,712
Operating income	16,704	19,638	16,860
Non-operating income	1,280	1,100	1,090
Interest income	306	254	273
Dividends	32	35	37
Equity in earnings of affiliates	—	59	44
Property rental income	302	294	294
Other non-operating income	638	456	440
Non-operating expenses	979	843	884
Interest expense	47	22	8
Equity in losses of affiliates	2	—	—
Loss on disposal of property, plant and equipment	471	441	463
Property rental costs	268	188	135
Other non-operating expenses	188	191	276
Recurring profit	17,005	19,895	17,065
Extraordinary income	4,419	231	158
Gain on reversal of allowance for doubtful accounts	38	—	—
Gain on sales of property, plant and equipment	—	231	71
Proceeds from government assistance grants	—	—	86
Gain on sales of investment securities	211	—	—
Return on the substituted portion of the combined welfare pension insurance fund	4,169	—	—
Extraordinary losses	9,006	2,141	2,564
Loss on sales of property, plant and equipment	1,472	45	161
Impairment loss	—	—	505
Water damage losses	—	43	—
Loss from typhoon damage	—	—	168
Loss on sales of investment securities	—	31	—
Loss on sale of subsidiaries' stock	764	—	—
Expenses for early retirement program	148	—	—
Loss on disposals of property, plant and equipment	—	17	88
Write-down of investment securities	39	97	40
Write-down of golf club memberships	39	189	55
Retirement expense accompanying a large number of retirements	171	—	—
Lump-sum transfer	4,516	—	—
Expense for restructuring of subsidiaries	1,855	753	—
Expense for realignment of sales structure of subsidiaries	—	—	383
Product disposal losses	—	269	—
Product valuation losses	—	112	—
Flavoring problem countermeasure losses	—	113	—
Quality problem countermeasure losses	—	466	—
Expense for compatibility with new currency	—	—	583
Lump-sum amortization of adjustments accompanying partial reimbursement of trust for retirement benefits	—	—	576
Income before income taxes, minority interests and other adjustments	12,418	17,985	14,659
Income taxes	2,241	3,768	5,310
Income tax deferred	3,089	5,532	707
Minority interests	1	(695)	76
Net income	¥ 7,086	¥ 9,380	¥ 8,564

Consolidated Statements of Shareholders' Equity

(Years ended December 31, 2002, 2003 and 2004)

	(Millions of yen)		
	2002	2003	2004
Capital surplus:			
Capital surplus at beginning of year	¥ 29,687	¥ 35,399	¥ 35,399
Increase in capital surplus	5,860	—	0
Differences from cancellation of treasury stock	—	—	0
Stock issued under exchange offerings	5,860	—	—
Decrease in capital surplus	148	—	—
Sale of shares in subsidiaries	148	—	—
Capital surplus at end of year	35,399	35,399	35,400
Retained earnings:			
Retained earnings at beginning of year	111,586	115,771	122,372
Increase in retained earnings	7,086	9,380	8,564
Net income	7,086	9,380	8,564
Decrease in retained earnings	2,901	2,779	3,087
Dividends	2,859	2,738	3,057
Bonus to directors and corporate auditors	37	41	30
Sale of subsidiaries	4	—	—
Retained earnings at end of year	¥115,771	¥122,372	¥127,849

Consolidated Statements of Cash Flows

(Years ended December 31, 2002, 2003 and 2004)

	(Millions of yen)		
	2002	2003	2004
Cash flows from operating activities:			
Income before income taxes, minority interests and other adjustments . .	¥ 12,418	¥ 17,985	¥ 14,659
Depreciation and amortization	15,395	15,888	14,927
Impairment gains	—	—	505
Write-off of consolidation adjustment account	138	132	83
Increase (decrease) in liabilities for directors' and corporate auditors' retirement benefits	(99)	(49)	21
Decrease in liabilities for retirement benefits	(3,094)	(289)	(247)
Decrease (increase) in advanced payments for retirement expenses . .	(4,109)	(9,196)	5,556
Increase in investment securities from partial reimbursement of trust for retirement benefits	—	—	(8,722)
Interest and dividend income	(339)	(290)	(310)
Interest expense	47	22	8
Lump-sum transfer	4,516	—	—
Equity in losses (earnings) of affiliates	2	(59)	(44)
Loss (gain) on sales of marketable and investment securities	(162)	62	38
Gain on sale of shares in subsidiaries	764	—	—
Write-down of marketable and investment securities	39	97	40
Gain (loss) on sales of fixed assets	1,461	(181)	112
Loss on disposals of fixed assets	363	353	460
Decrease (increase) in accounts receivable	453	(1,511)	(493)
Decrease (increase) in inventories	398	(209)	(191)
Increase (decrease) in other assets	(907)	(565)	68
Decrease (increase) in accounts payable	(282)	1,163	(1,058)
Increase (decrease) in other liabilities	(1,211)	939	241
Payment of directors' bonuses	(37)	(41)	(30)
Other, net	(210)	194	72
Subtotal	25,544	24,445	25,697
Interest and dividends received	404	262	304
Interest paid	(59)	(20)	(8)
Expenses for lump-sum transfer	—	(4,516)	—
Income taxes paid	(5,005)	(1,746)	(4,491)
Net cash provided by operating activities	20,885	18,423	21,502
Cash flows from investing activities:			
Acquisition of marketable and investment securities	(6,246)	(12,121)	(5,718)
Proceeds from sales of marketable and investment securities	4,477	3,118	5,682
Acquisition of fixed assets	(21,062)	(14,575)	(15,049)
Proceeds from sales of fixed assets	1,618	2,896	511
Payments for acquisition of subsidiaries' shares	(191)	—	—
Proceeds from the sale of subsidiaries	4,223	—	—
Increase in loans to affiliates	(436)	(192)	—
Proceeds from collection of loans to affiliates	—	—	62
Increase in time deposits	—	—	(100)
Proceeds from refund of time deposits	15	10	15
Other, net	(12)	12	3
Net cash used in investing activities	(17,615)	(20,852)	(14,592)
Cash flows from financing activities:			
Decrease in short-term borrowings	(481)	(180)	—
Repayment of long-term debt	(71)	(130)	—
Redemption of convertible bonds	—	(2,154)	—
Payments for acquisition of treasury stock	(2,081)	(5,874)	(3,937)
Proceeds from sales of treasury stock	—	—	3
Dividends paid	(2,859)	(2,738)	(3,057)
Other, net	(73)	(30)	—
Net cash used in financing activities	(5,566)	(11,107)	(6,991)
Net decrease in cash and cash equivalents	(2,296)	(13,536)	(81)
Cash and cash equivalents, beginning of year	37,702	35,406	21,869
Cash and cash equivalents at end of year	¥ 35,406	¥ 21,869	¥ 21,788

Stock Information

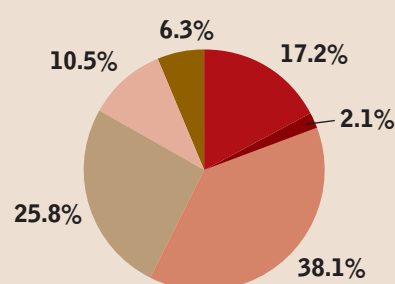
(As of December 31, 2004)

Authorized shares: 270,000,000
 Outstanding shares: 82,898,654
 Number of shareholders: 13,077
 Major shareholders:

Shareholders	Number of shares held (Thousands)	Percentage of shares (%)
Ricoh Company, Ltd.	16,792	21.7
The New Technology Development Foundation	5,294	6.8
Coca-Cola Holdings West Japan, Inc.	4,074	5.3
The Nishi-Nippon City Bank, Ltd.	3,703	4.8
Mellon Bank Treaty Clients Omnibus	3,048	3.9
Japan Trustee Services Bank, Ltd. (Trust account)	2,922	3.8
The Chase Manhattan Bank, NA London	2,312	3.0
State Street Trust & Banking Co., Ltd.	1,842	2.4
Showa Tansan Co., Ltd.	1,650	2.1
The Master Trust Bank of Japan, Ltd. (Trust account)	1,591	2.1

Note: The Company owns 5,225,000 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 shares).

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



<Composition of shareholders>

	Number of shareholders	Number of shares (Thousands)
Financial institutions	66	14,238
Securities companies	30	1,742
Other domestic corporations	319	31,578
Foreign corporations	198	21,429
Individuals and others	12,463	8,684
Treasury stock	1	5,225

	2000	2001	2002	2003	2004
PER (Times)	38.7	133.6	20.8	18.1	24.2
PBR (Times)	1.4	1.2	0.9	1.0	1.2
FY-end stock price (Yen)	2,735	2,355	1,775	2,100	2,630
Dividend (Yen)	32.0	34.0	34.0	36.0	40.0
Payout ratio (%)	42.7	108.9	52.1	28.3	37.7

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.

Credit Rating Information

	2000	2001	2002	2003	2004
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 ⁺

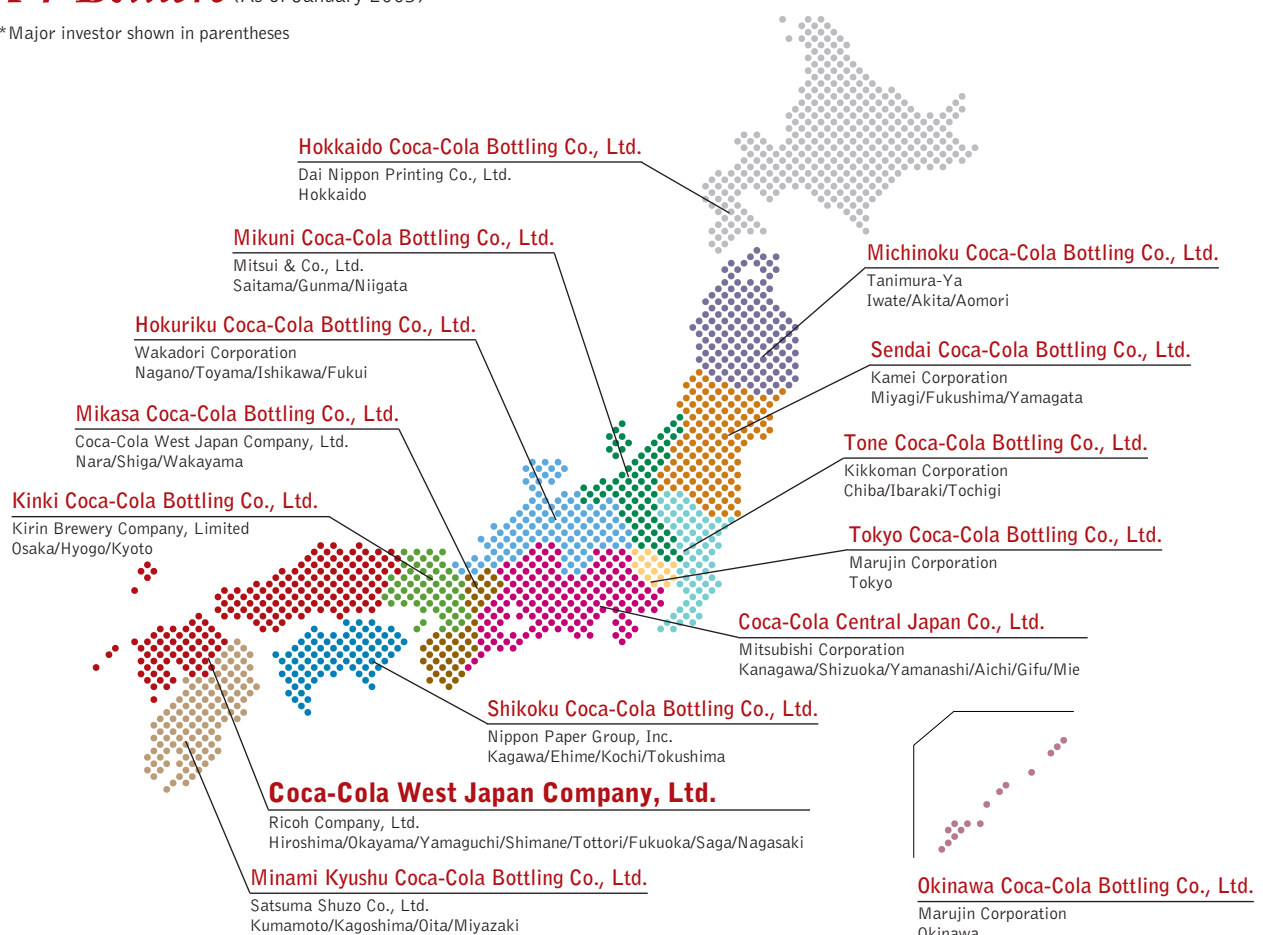
Japan's Coca-Cola system consists of Coca-Cola (Japan) Co., Ltd. and 14 bottling companies (bottlers) that manufacture and sell Coca-Cola products in the different regions of the country.

Coca-Cola (Japan) produces concentrates of Coca-Cola and other beverages.

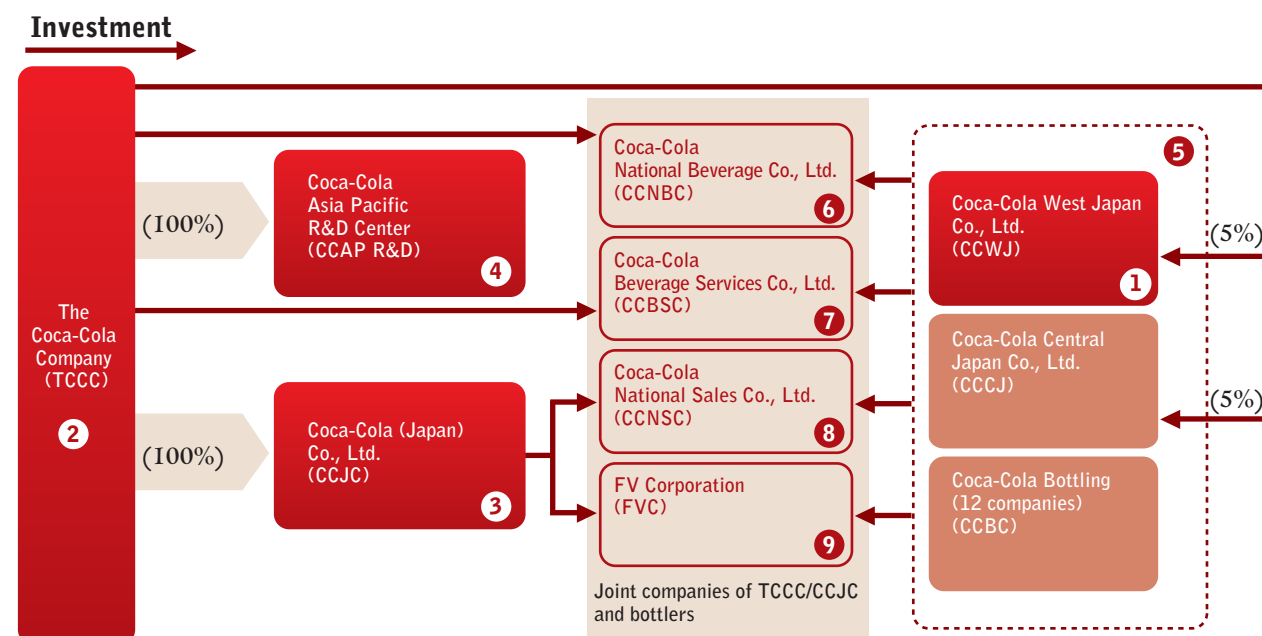
Coca-Cola National Beverage Co., Ltd., which oversees procurement, manufacturing and distribution on a national level, then supplies these concentrates to the bottlers, which in turn use them to manufacture various products under strict quality control in their respective plants. The bottlers distribute products to their 466 sales centers throughout Japan, which ship the products directly to nearly 1.2 million shops and other outlets by delivery trucks called "route trucks." In addition, approximately 980,000 automatic vending machines are installed extensively and efficiently all over the country for the convenience of consumers. Thus, the unique Coca-Cola system can grow with the changing needs of local industries and communities.

14 Bottlers (As of January 2005)

*Major investor shown in parentheses



Group Overview



① Coca-Cola West Japan Co., Ltd. (CCWJ)

Established as Japan's first anchor bottler in July 1999 with the merging of Sanyo and Kita-Kyushu Coca-Cola bottling companies and stock participation by The Coca-Cola Company.

② The Coca-Cola Company (TCCC)

Established in 1919 in Atlanta, Georgia, in the United States. TCCC holds the rights to license bottlers to manufacture and distribute Coca-Cola products. Bottling contracts with bottlers are entered into by TCCC or one of its subsidiaries.

③ Coca-Cola (Japan) Co., Ltd. (CCJC)

Established in 1957 in Tokyo as "Nihon Inryo Kogyo K.K.," a wholly owned subsidiary of The Coca-Cola Company of the U.S., and then renamed in 1958 to Coca-Cola (Japan) Company, Limited. CCJC is engaged in marketing, planning, and manufacture and distribution of concentrates in Japan.

④ Coca-Cola Asia Pacific R&D Center (CCAP R&D)

Established in January 1993 as a wholly owned subsidiary of The Coca-Cola Company of the U.S. Since January 1995, the center has been involved in product development and technical support responding to needs in the Asian region.

⑤ Coca-Cola Bottlers (CCBC)

In Japan, there are 14 bottlers, which manufacture and distribute products. Each bottler is responsible for different regions of the country.

⑥ Coca-Cola National Beverage Co., Ltd. (CCNBC)

Established in April 2003 as a joint company of The Coca-Cola Company and the bottlers to create an optimum national supply chain management (SCM) system for Japan's Coca-Cola Group. CCNBC started its operations in October the same year. The company oversees the group's joint procurement of raw materials/ingredients, manufacturing on a national level, and supply-demand planning and coordination, and supplies products to the bottlers.

⑦ Coca-Cola Beverage Services Co., Ltd. (CCBSC)

Established in June 1999 as a joint company of The Coca-Cola Company and the bottlers and launched into business in September the same year. In October 2003, procurement operations were transferred to CCNBC. At this moment, CCBSC is promoting reform of the information system for the Japan Coca-Cola system.

⑧ Coca-Cola National Sales Co., Ltd. (CCNSC)

Established in October 1995 as a joint venture of all the Japanese bottlers and Coca-Cola (Japan). CCNSC is responsible for sales activities to national chain customers.

⑨ FV Corporation (FVC)

Established in May 2001 as a joint company of Coca-Cola (Japan) and all the Japanese bottlers. Its functions include: sales to organizations spread over wide areas in the vending machine business and handling of products other than corporate products (those authorized by Coca-Cola (Japan)).

Corporate Data

(As of December 31, 2004)

- Company name: Coca-Cola West Japan Company, Limited
- Head office: 7-9-66 Hakozaki, Higashi-ku, Fukuoka, Japan
- Established: December 20, 1960
- Outstanding shares: 82,898,654
- Paid-in capital: ¥15,231,000,000
- Employees: 4,964 (Consolidated)
- 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



Group Companies

(As of April 1, 2005)

Nishinihon Beverage Co., Ltd.

- Principal businesses: Beverage sales
- 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: Akira Gohhara

COCA-COLA WEST JAPAN PRODUCTS CO., LTD.

- Principal businesses: Beverage production
- Head office: 1670-2 Nihonmatsu, Todorokimachi, Tosu
- Paid-in capital: ¥100 million
- Representative: Nobuo Shibata

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

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
- Representative: Yuji Yamasaki

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

COCA-COLA WEST JAPAN 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: Tadao Fujino

COCA-COLA WEST JAPAN LOGISTICS 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: Minoru Yoshizawa

* Name changed from Nishinihon Customer Service Co., Ltd. on April 1, 2005.

** Name changed from Logicom Japan Co., Ltd. on April 1, 2005.

MIKASA SERVICE CO., LTD.

- Principal businesses: Vending machine-related businesses
- Head office: 643 Kabata-machi, Tenri, Nara
- Paid-in capital: ¥90 million
- Representative: Nobutsugu Nakajima

MIKASA BEVERAGE SERVICE CO., LTD.

- Principal business: Beverage sales
- Head office: 643 Kabata-cho, Tenri, Nara
- Paid-in capital: ¥10 million
- Representative: Hitoshi Tarutani



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