

PROFILE & ANALYTICAL GUIDE 2001



KINKI Coca-Cola Bottling Co., Ltd.

<http://www.kinki.ccbc.co.jp>

Contents

Management Philosophy, Code of Conduct, Vision	1
Basic Strategy of “Hisho (flight) 21” interim business plan	2
Collaboration in the Coca-Cola System	3
➤ Cooperative Projects with CCWJ	4
➤ Jointly Produced “Bottle Can”	5
➤ CCBSC's Joint Procurement with Bottlers	5
➤ Introduction of Standardized Operational System (SAP) for Bottlers	5
Moving Ahead with Restructuring	6
➤ Spin-offs to Stream Production	6
➤ Distribution Company	6
➤ Employee Transfers	6
➤ Consolidation in Vending Machine Business	7
Financial Highlights - Consolidated	8
Consolidated Subsidiaries' Profit and Loss	9
Business Outline of Consolidated Subsidiaries	10
Consolidated Balance Sheet	11
Consolidated Income Statement	13
Consolidated Cash Flow	14
Consolidated Capex and Depreciation	15
Parent Financial Highlights	16
Parent Balance Sheet	17
Parent Income Statement	19
Parent Capex and Depreciation	20
Company Overview	21

Management Philosophy, Code of Conduct, Vision

Management Philosophy

“A Company that Creates Refreshment”

The Kinki Coca-Cola Group aims to :

- Create opportunities that lead to a rich and prosperous lifestyles.
- Respond to people’s expectations and desire for progress.
- Contribute to healthy lifestyles.

Vision

The Kinki Coca-Cola Group will:

- Constantly strive to loved and nurtured by the society of which we are members.
- Strive to heartily serve our customers and consumers who warmly accept and support our products and services.
- Experience daily growth while feeling the joy and significance of working, living, and dreaming together.

Code of Conduct

We will :

- Act from the standpoint of consumers.
- Think carefully and respond quickly.
- Work conscientiously and refreshingly.
- Act lithely with flexibility.

Basic Strategy of "Hisho (flight) 21" interim business plan

Basic Theme "Building Corporate Value"

Basic Targets

1. Maintain revenue and earnings growth.
2. Increase sales strength.
3. Train human resources and activate the organization.

Basic Strategy

1. Increasing sales strength

Growth strategy based on thorough market selection and focus
Use of reasonable marketing
Aggressive marketing investment
Shift to channel and customer-specific sales structure
Increased sales and marketing strength

2. Business model innovation and restructuring

Stronger collaboration with Coca-Cola Japan and other bottlers
Establishment of an accountability system
Introduction of EVA system
Penetration of group business (strategy by business group)
Use of Information Technology
More efficient production system
More efficient distribution system

3. Activating human resources and organization

Human resource training
Upgraded personnel benefits
Building a functional organization
Penetration of business philosophy and visions, and reforming the corporate culture

4. Harmony with society

Upgraded quality assurance
Undertakings in environmental protection
Contributing to local communities and building feelings of trust

Collaboration in the Coca-Cola System

Cooperative Projects with Coca-Cola West Japan Co., Ltd.

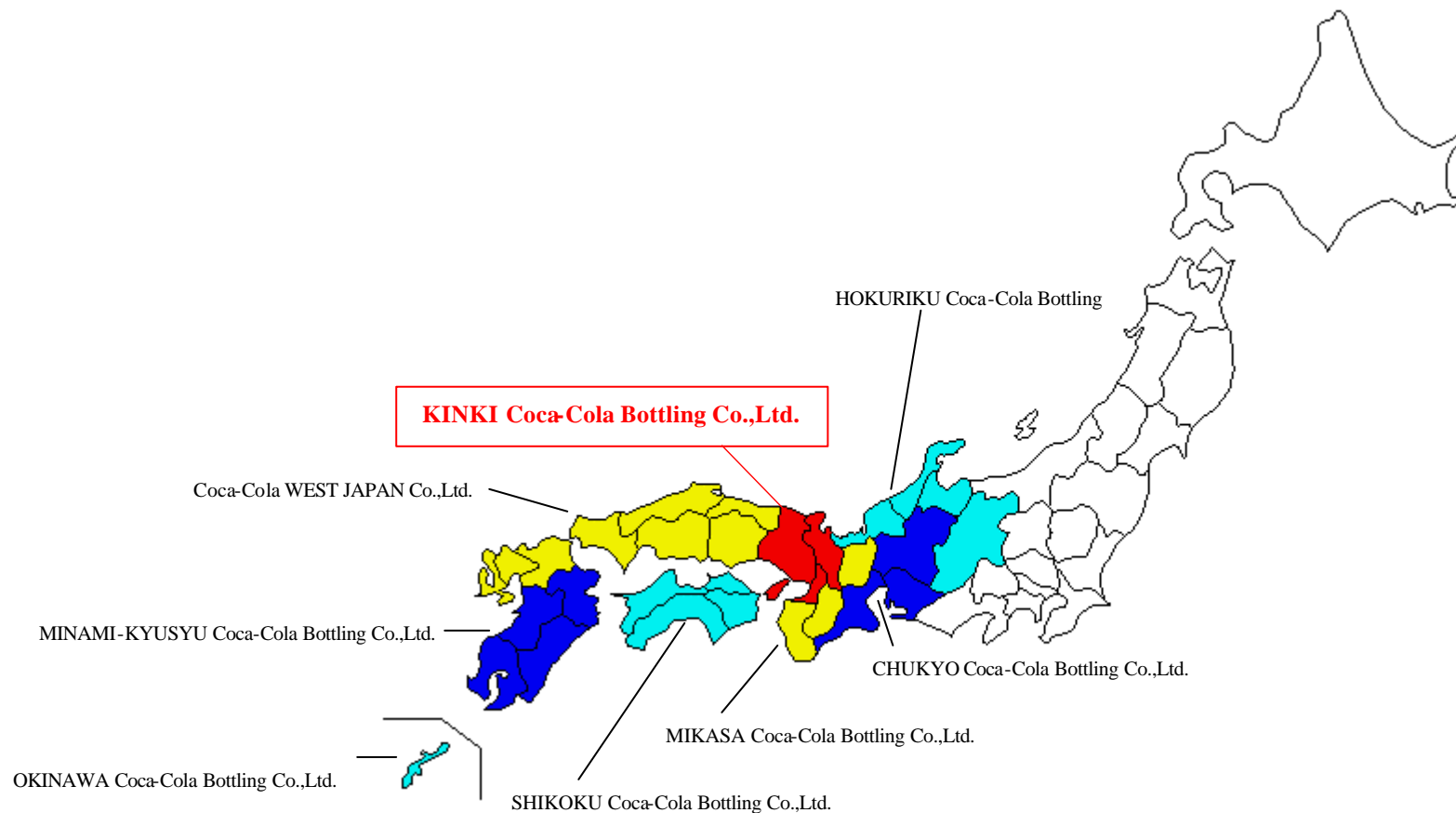
Jointly Produced "Bottle Can"

3 bottlers (Kinki, CCWJ and Shikoku)

2 bottlers (Kinki and Chukyo)

West Japan Supply and Demand Mechanism

8 bottlers (Kinki, Chukyo, Mikasa, CCWJ, Hokuriku, Shikoku, Minami-Kyusyu and Okinawa)



Collaboration in the Coca-Cola System

Cooperative Projects with CCWJ

A cooperative project with [Coca-Cola West Japan Co., Ltd. \(CCWJ\)](#) was launched in August 2000.

Since our sales territories border theirs, the project aims to build closer relations between CCWJ and us, i.e., Kinki Coca-Cola Bottling Co., Ltd. (Kinki) that will improve competitive strength and efficiency with the ultimate goal being to reduce costs.

Our two companies will "think as one" in devising and implementing a plan of action to maximize the merits of cooperation, and increase sales and earnings as a result.

Taking advantage of the fact that [Mikasa Coca-Cola Bottling Co., Ltd. \(MCCB\)](#) is a fully-owned subsidiary of CCWJ, the project will also include MCCB, which adds the merits of scale.

The project presents also an opportunity for the two companies to further expand collaboration with Coca-Cola Japan Co., Ltd. (CCJC) and strengthen the strategic partnership with them.

< Project Results for 2001 >		Result (¥ million)
Investment restraints	● Joint purchasing of low-cost vending machines	48
	● Joint development and use of systems	37
	Total	85
Cost reduction	● Joint purchasing	274
	● Joint investment in Bottle Can lines	45
	● Reduction in throwaway products	200
	● Volume purchasing of vending machine parts, establishment of vending machine center, increased efficiency of vending machine distribution	34
	● Other	33
Total	586	

() the sum of KINKI and CCWJ

Collaboration in the Coca-Cola System

Jointly Produced "Bottle Can"

We are jointly producing "Bottle Can" with other bottling companies as a joint investment effort. These products are being supplied to bottlers in West Japan through the [West Japan Supply and Demand Mechanism](#).

Launch	Production line location	Collaborating bottlers
April 2001	Komatsu No. 2 Plant, Shikoku Coca-Cola Bottling Co., Ltd.	Kinki, CCWJ and Shikoku
April 2002	Tokai Plant, Chukyo Coca-Cola Bottling Co., Ltd.	Kinki and Chukyo

CCBSC's Joint Procurement with Bottlers

[Coca-Cola Beverage Services Co., Ltd. \(CCBSC\)](#) is jointly procuring raw materials and supplies with other bottlers in a move to reduce costs and boost efficiency in procurement operations. At present, 15 bottlers are taking part in the program, which should help boost efficiency of the overall Coca-Cola Group as well. We are providing CCBSC with capital and directors.

- [Coca-Cola Beverage Service Co., Ltd. \(CCBSC\)](#) was founded in June 1999 with investment by The Coca-Cola Company and CCWJ. They strategically procure supplies for the Coca-Cola Group with the objective of reducing costs and improving efficiency in procurement operations.

Jointly procured supplies	PET bottles, cans, corrugated paperboard, sweetener, vending machines, etc.
Cost reduction in yen	2001: ¥6.2 million , 2002 : ¥4.0 million

Introduction of Standardized Operational System (SAP) for Bottlers

In September 2000, CCBSC created an information system department (CCBSC-IS). A total of 13 bottlers including us are playing a part in CCBSC-IS as they constructively standardize and upgrade information systems of the Coca-Cola Group.

Already, CCBSC-IS and four bottlers (Kinki., Chukyo, Fuji and Shikoku) have jointly developed an SAP that standardizes purchasing, production management, inventory, distribution and accounting. It was developed on a platform that was previously developed by CCBSC IS and CCWJ. We have been running this SAP since January of this year.

Moving Ahead with Restructuring

We are currently promoting our interim business plan "*Hisho* (flight)21". The plan incorporates efforts to "increase competitive strength, "maintain revenue and earnings growth" and "train human resources and activate organization" on a basic theme of "building corporate value". As a part of the plan, we are moving ahead with the following restructuring efforts.

Spin-offs to Stream Production

In January 2001, the Akashi plant that produced on consignment from us was spun off as Kinki Products and then renamed [Kinki Coca-Cola Products Co., Ltd. \(KCP\)](#) in July that same year. The Kyoto plant was also spun off and then merged with KCP in January 2002.

The move created a production company that will look to increase business efficiency and productivity.

Distribution Company

To lower distribution costs and increase distribution efficiency, [Kansai Logistics Co., Ltd. \(KL\)](#) was founded in January 2001. In May 2002, several distribution centers including the Kyoto Logistics Center will be transferred to the new company.

Kansai Logistics has been founded to help increase earnings of the Kinki Group as a member company, provide us with high quality, low cost distribution services, and build the foundations for promoting shared-shipping operations.

Employee Transfers

In April 2002, 233 persons were transferred to affiliates to strengthen the business foundations of the group and increase the autonomy and competitiveness of individual group companies.

¥25.5 billion incurred with the transfers will be written off as a one-time special loss, but the move is estimated to increase earnings by ¥5.5 billion in 2002 and ¥7.3 billion in 2003.

< Personnel transfer history >

Date implemented	Number of employees transferred	Number of effected companies	Special severance
April 2000	171	7	¥12.3 bil
April 2001	218	8	¥26.4 bil
April 2002	233	6	¥25.5 bil

Moving Ahead with Restructuring

Consolidation in Vending Machine Business

To further strengthen the Kinki Group, four wholly-owned subsidiary -- [FV West Japan Co., Ltd.](#), [Kinki Coca-Cola Vending Co., Ltd.](#), [Rex Techno Systems Co., Ltd.](#) and [Rexy Co., Ltd.](#) -- were merged into a newly created company by the name of [Kansai Beverage Service Co., Ltd.](#)

By consolidating the vending machine business in a single company, it is expected to improve service level and boost operational efficiency, which will in turn boost competitive strength in the market.

The cost reduction of consolidating the four companies is estimated at about ¥6.5 billion for 2002 and ¥7.5 billion for 2003.

< Major operations of consolidated companies >

Name of Joint Company	Main Businesses
FV West Japan Co., Ltd.	Vending machine sales of soft drinks, paper packaged beverages and foods, etc.
Kinki Coca-Cola Vending Co., Ltd	Outsourced vending machine operations
Rex Techno Systems Co., Ltd	Maintenance service for vending machines and incidental fields
Rexy Co., Ltd.	Sales of regular coffee to business offices

Financial Highlights Consolidated

	1998/12	1999/12	2000/12	2001/12	YoY	2002/12 (E)	YoY
Sales (Yen in millions)	172,959	173,815	176,398	182,668	103.6%	191,000	104.6%
Operating Profit (Yen in millions)	8,121	9,836	9,730	8,067	82.9%	8,500	105.4%
Recurring Profit (Yen in millions)	7,944	10,165	10,203	7,840	76.8%	8,600	109.7%
Net Profit (Yen in millions)	3,441	2,839	4,515	201	4.5%	900	447.8%
Operating Profit on Sales	4.7%	5.7%	5.5%	4.4%	- 1.1point	4.5%	+ 0.1point
Recurring Profit on Sales	4.6%	5.8%	5.8%	4.3%	- 1.5point	4.5%	+ 0.2point
Net Profit on Sales	2.0%	1.6%	2.6%	0.1%	- 2.5point	0.5%	+ 0.4point
EPS (Yen)	56.04	45.57	72.14	3.22	- 68.92	14.38	+ 11.16
Shareholder's Equity Ratio	63.9%	65.9%	69.7%	69.6%	- 0.1point	69.3%	- 0.3point
BPS (Yen)	1,262.71	1,306.47	1,359.82	1,345.71	- 14.11	1,340.07	- 5.64
ROA	6.5%	8.2%	8.3%	6.4%	- 1.9point	7.1%	+ 0.7point
ROE	4.5%	3.5%	5.4%	0.2%	- 5.2point	1.1%	+ 0.9point

Consolidated Subsidiaries' Profit and Loss

(Units: Yen in millions)

Company	Sales			Recurring Profit			Net Profit		
	2000/12	2001/12	2002/12(E)	2000/12	2001/12	2002/12(E)	2000/12	2001/12	2002/12(E)
Rexy Co., Ltd.	3,781	3,820	3,857	243	218	193	125	121	106
YoY	102.3%	101.0%	101.0%	205.9%	89.7%	88.5%	297.6%	96.8%	87.6%
Kinki Coca-Cola Vending Co., Ltd.	5,914	6,210	9,241	120	178	193	67	121	101
YoY	145.4%	105.0%	148.8%	59.7%	148.3%	108.4%	81.7%	180.6%	83.5%
Allied Vending Co., Ltd.	452	454	-	53	9	-	30	4	-
YoY	-	100.4%	-	-	17.0%	-	-	13.3%	-
Rex Techno Systems Co., Ltd.	5,161	5,385	5,407	147	140	120	80	78	66
YoY	101.7%	104.3%	100.4%	64.8%	95.2%	85.7%	74.1%	97.5%	84.6%
Kinki Coca-Cola Products Co., Ltd.	2,136	2,337	4,580	98	130	100	52	73	52
YoY	-	109.4%	196.0%	-	132.7%	76.9%	-	140.4%	71.2%
Nesco Co., Ltd.	-	3,673	3,287	-	32	50	-	27	49
YoY	-	-	89.5%	-	-	156.3%	-	-	181.5%
C&C Co., Ltd.	2,205	4,157	4,125	5	273	240	5	37	107
YoY	96.0%	188.5%	99.2%	16.7%	5460.0%	87.9%	-	740.0%	289.2%
Rex Estate Co., Ltd.	2,637	920	832	880	327	203	487	186	119
YoY	154.7%	34.9%	90.4%	211.0%	37.2%	62.1%	194.0%	38.2%	64.0%
Rex Leasing Co., Ltd.	5,408	5,426	5,038	136	149	120	82	83	68
YoY	101.7%	100.3%	92.8%	129.5%	109.6%	80.5%	205.0%	101.2%	81.9%
Seiko Cooperate Japan Co., Ltd.	773	740	884	27	13	17	23	9	10
YoY	113.7%	95.7%	119.5%	103.8%	48.1%	130.8%	85.2%	39.1%	111.1%
Kadiac Co., Ltd.	938	1,007	866	45	41	10	45	30	5
YoY	98.4%	107.4%	86.0%	112.5%	91.1%	24.4%	112.5%	66.7%	16.7%
Akiyoshi Systems Co., Ltd.	2,002	1,776	1,773	54	9	8	27	6	5
YoY	93.5%	88.7%	99.8%	68.4%	16.7%	88.9%	51.9%	22.2%	83.3%
Consolidated Subsidiaries Total	31,411	35,910	39,894	1,812	1,524	1,259	1,026	779	693
YoY	121.1%	114.3%	111.1%	145.2%	84.1%	82.6%	183.2%	75.9%	89.0%

Business outline of consolidated subsidiaries

Company	Business Outline	Note
Rexy Co., Ltd.	* Supplies ground coffee to offices * Agency sales of telephone cards	
Kinki Coca-Cola Vending Co., Ltd.	* Operates vending machine management business * Collects monies from branches managed by Kinki Coca-Cola * Operates desk duties at branches managed by Kinki Coca-Cola	
Allied Vending Co., Ltd.	* Operates paper pack drinks and cup noodles vending machines.	
Rex Techno Systems Co., Ltd.	* Provides maintenance services for vending machine and peripherals	
Kinki Coca-Cola Products Co., Ltd.	* Consignment production of toll products	
Nesco Co., Ltd.	*Operates drinks vending machines.	
C&C Co., Ltd.	* Franchise business (meals, rental videos) * merchandise sales (sale of Coca-Cola goods) * consignment management	
Rex Estate Co., Ltd.	* Sell, leases, brokers and manages real estate	
Rex Leasing Co., Ltd.	Auto leasing and general leasing business	
Seiko Cooperate Japan Co., Ltd.	* Auto maintenance	A wholly owned subsidiary of Rex Leasing Co., Ltd.
Kadiac Co., Ltd.	* Operates soft drinks vending machines etc. at Kansai New Airport	
Akiyoshi Systems Co., Ltd.	* Operates as sub-franchiser of Akiyoshi grilled chicken restaurants	

Consolidated Balance Sheet Assets Section

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12	YoY
Current assets	46,533	46,596	43,471	40,420	-3,051
Cash and deposits	9,395	6,994	12,716	12,803	87
Notes receivable & Accounts receivable	8,403	9,397	10,335	9,939	-396
Securities	13,588	14,611	9,630	4,225	-5,405
Inventories	9,031	8,833	6,382	8,476	2,094
Prepaid expenses	2,660	2,224	1,911	1,992	81
Uncollected income	2,656	3,035	1,803	2,011	208
Deferred tax assets	-	1,193	340	256	-84
Others	862	369	395	806	411
Reserve for uncollectable accounts	-65	-62	-46	-90	-44
Fixed assets	76,029	77,565	78,658	80,670	2,012
Tangible fixed assets	66,626	68,515	68,200	65,737	-2,463
Buildings & structures	13,190	17,182	16,945	16,369	-576
Machinery, equipment & vehicles	6,204	15,498	12,791	11,605	-1,186
Vending machines	13,662	12,731	12,586	13,563	977
Land	16,607	16,522	18,463	18,060	-403
Construction in progress	9,390	184	1,350	911	-439
Lease assets	6,455	4,599	4,494	3,869	-625
Others	1,115	1,795	1,568	1,357	-211
Intangible assets	216	208	2,674	5,288	2,614
Software	-	-	1,165	1,035	-130
Consolidated adjustment account	-	-	1,301	2,345	1,044
Others	216	208	207	1,906	1,699
Investments, etc.	9,186	8,841	7,783	9,644	1,861
Investment securities	1,644	1,659	1,248	2,156	908
Long-term loans	217	420	401	415	14
Long-term prepaid expenses	2,731	1,875	1,696	1,918	222
Guarantee money surrendered	2,771	2,398	2,273	2,052	-221
Deferred tax assets	-	609	430	1,451	1,021
Others	1,869	1,903	1,866	2,063	197
Reserve for uncollectable accounts	-46	-25	-132	-414	-282
Consolidated adjustment account	28	-	-	-	-
Total assets	122,592	124,161	122,129	121,091	-1,038

Consolidated Balance Sheet

Liabilities, Minority interest & Capital Section

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12	YoY
Current liabilities	28,898	28,031	22,663	20,053	-2,610
Notes payable & accounts payable	13,779	11,195	8,789	8,292	-497
Short-term debts	2,527	1,363	670	390	-280
Short-term debts	-	1,775	2,122	1,528	-594
Unpaid accounts	3,740	5,393	3,732	3,786	54
Unpaid corporate taxes, etc.	2,568	3,169	1,823	1,263	-560
Unpaid business taxes, etc.	750	-	-	-	-
Unpaid consumption tax, etc.	653	339	1,046	25	-1,021
Unpaid expenses	3,719	3,654	3,470	3,721	251
Accrued bonuses	78	37	-	-	-
Deferred tax liabilities	-	-	6	9	3
Others	1,079	1,102	1,002	1,036	34
Fixed liabilities	15,345	14,341	14,332	16,773	2,441
Convertible Bonds	8,992	8,167	8,167	8,167	-
Long-term debts	5,196	4,184	3,689	3,551	-138
Employees' severance and retirement benefits	-	-	-	3,337	3,337
Reserve for retirement allowances	210	262	350	-	-350
Reserve for directors' retirement allowances	301	334	330	387	57
Reserve for investment losses	-	485	197	-	-197
Deferred tax liabilities	-	-	329	398	69
Others	643	906	1,267	930	-337
Minority interest	10	-	-	-	-
Total liabilities	44,254	42,372	36,995	36,826	-169
Minority interest	-	16	21	42	21
Capital	10,535	10,948	10,948	10,948	-
Capital reserve	9,627	10,040	10,040	10,040	-
Revenue reserve	1,283	-	-	-	-
Other surplus funds	56,892	-	-	-	-
Consolidated surplus funds	-	60,785	64,124	63,070	-1,054
Net unrealized holding gains on securities	-	-	-	169	169
Treasury stock	-0	-0	-0	-5	-5
Total capital	78,338	81,773	85,112	84,222	-890
Total of liabilities, minority interest and capital	122,592	124,161	122,129	121,091	-1,038

Consolidated Income Statement

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12	YoY	YoY(%)
Sales	172,959	173,815	176,398	182,668	6,269	103.6%
Sales cost	89,328	90,349	92,954	96,446	3,492	103.8%
Net sales	83,630	83,466	83,443	86,221	2,778	103.3%
S&GA	75,509	73,629	73,713	78,154	4,441	106.0%
Operating profit	8,121	9,836	9,730	8,067	-1,662	82.9%
Non-operating income	958	968	1,143	638	-505	55.8%
Non-operating expenses	1,135	639	670	864	194	129.0%
Recurring profit	7,944	10,165	10,203	7,840	-2,363	76.8%
Extraordinary profits	89	357	919	807	-112	87.8%
Extraordinary losses	1,218	4,526	2,996	7,796	4,800	260.2%
Net profit before tax	6,815	5,996	8,127	851	-7,276	10.5%
Corporate taxes, corporate resident taxes & business taxes	-	4,195	2,227	1,615	-612	72.5%
Corporate taxes & corporate resident taxes	3,341	-	-	-	-	-
Corporation tax adjustment	-	-1,043	1,367	-988	-2,355	-
Minority shareholders gain (-)	2	5	17	23	6	135.3%
Depreciation for consolidated adjusted account (-)	28	-	-	-	-	-
Net profits	3,441	2,839	4,515	201	-4,314	4.5%

Cash Flow - Consolidated

(Units: Yen in millions)

	2001/12		2001/12
. Cash flow from operating activities	15,755	. Cash flow from investing activities	-15,517
Net profit before adjustment, including tax, for interim term	851	Expenses from fixed-term deposits	-2,123
Depreciation	12,856	Proceeds from fixed-term deposits	144
Amortization of long-term prepaid expenses	2,069	Purchase of securities	-1,000
Depreciation for consolidated adjusted account	178	Sale of securities	5,003
Decline in reserve for retirement allowance	-350	Purchase of tangible fixed assets	-13,895
Increase in Employees' severance and retirement benefits	3,257	Sale of tangible fixed assets	1,916
Increase in reserve for director's retirement allowance	57	Purchase of intangible fixed assets	-960
Increase in reserves for bad debt	326	Purchase of long-term prepaid expenses	-2,495
Decline in reserves for investment losses	-69	Purchase of investment securities	-31
Interest and dividends received	-62	Sale of investment securities	0
Interest paid	154	Expenditure to acquire the shares of newly consolidated subsidiary	-957
Equity in losses of affiliate	218	Purchase of subsidiaries' equity	292
Profit from sale of securities and investment securities	-	Sales of subsidiaries' equity	-6
Securities and investment securities valuation losses	66	Loans extended	-2,573
Loss of evaluation of golf course membership	17	Loans recovered	1,152
Loss from sale of investment securities	5	Decline in other investments	17
Profit from sales of tangible fixed assets	-807	. Cash flow from financing activities	-2,268
Loss from sale of fixed assets	583	Income from short-term debt	1,150
Retirement allowances	2,941	Repayment of short-term debt	-1,430
Decline in trade receivables	654	Income from long-term debt	1,600
Decline in inventories	-1,334	Repayment of long-term debt	-2,455
Increase in trade payables	-461	Share buyback costs	-14
Increase in unpaid consumption tax and others	-1,015	Sale of own stocks	9
Directors' bonuses payable	-130	Dividend payable	-1,126
Decline in other assets and liabilities	958	Dividend paid to minority stockholders	-1
Subtotal	20,967	. Decline in cash and cash equivalents	-2,030
Interest and dividends received	68	. Cash and cash equivalents at beginning of year	17,373
Interest payable	-151	. Cash and cash equivalents at end of year	15,343
Retirement allowances payable	-2,941		
Corporate taxes payable	-2,187		

Capex and Depreciation - Consolidated

【 Capex 】

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12	YoY	2002/12(E)	YoY
Vending machines	5,510	4,955	5,478	7,067	1,589	5,883	-1,184
Buildings and structures	855	5,365	1,618	1,195	-423	1,385	190
Machinery, equipment and vehicles	1,503	10,810	1,073	2,220	1,147	3,729	1,509
Tools and implements	618	668	493	382	-111	686	304
Land acquisition	334	-	3,008	-	-3,008	484	484
Land disposal	-	-344	-1,495	-1,897	-402	-325	1,572
Construction in progress	6,486	-9,205	1,165	-438	-1,603	-903	-465
Leased assets	1,549	1,909	1,756	1,436	-320	1,541	105
Total of tangible fixed assets	16,855	14,158	13,099	9,965	-3,134	12,480	2,515
Intangible assets	691	414	1,587	2,181	594	856	-1,325
(of which, softwares)	(691)	(408)	(284)	(350)	(66)	(856)	(506)
(of which, Consolidated adjustment account)	(0)	(0)	(1,301)	(1,221)	(-80)	(-)	(-1,221)
Long-term prepaid expenses	1,573	1,397	1,809	2,495	686	1,871	-624
Miscellaneous investments	568	407	668	401	-267	304	-97
Total investments	19,687	16,376	17,163	15,042	-2,121	15,511	469

【 Depreciation 】

(Units: Yen in millions)

	1997/12	1998/12	1999/12	2001/12	YoY	2002/12(E)	YoY
Vending machines	5,723	5,591	5,228	5,742	514	5,867	125
Buildings and structures	1,036	1,238	1,190	1,240	50	1,183	-57
Machinery, equipment and vehicles	2,025	3,382	3,274	3,017	-257	2,974	-43
Tools and implements	580	706	696	554	-142	647	93
Leased assets	1,706	1,777	1,762	1,818	56	1,503	-315
Total	11,070	12,694	12,150	12,371	221	12,174	-197
Intangible assets	925	881	593	663	70	876	213
(of which, softwares)	(886)	(840)	(589)	(479)	(-110)	(620)	(141)
(of which, Consolidated adjustment account)	(28)	(28)	(-)	(178)	(178)	(252)	(74)
Long-term prepaid expenses	1,174	1,062	1,858	2,069	211	1,690	-379

Financial Highlights - Parent

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12	YoY	2002/12 (E)	YoY
Sales Volume (Cases in thousands)	76,743	76,964	77,055	79,954	103.8%	84,100	105.2%
Sales (Yen in millions)	159,115	159,865	161,439	164,298	101.8%	170,000	103.5%
Operating profit (Yen in millions)	7,345	8,504	7,783	6,668	85.7%	7,100	106.5%
Recurring profit (Yen in millions)	7,510	9,155	8,622	7,383	85.6%	7,400	100.2%
Net profit (Yen in millions)	3,571	2,476	3,760	413	11.0%	100	24.2%
Operating Profit on Sales	4.6%	5.3%	4.8%	4.1%	- 0.7point	4.2%	+ 0.1point
Recurring Profit on Sales	4.7%	5.7%	5.3%	4.5%	- 0.8point	4.4%	- 0.1point
Net Profit on Sales	2.2%	1.5%	2.3%	0.3%	- 2.0point	0.1%	- 0.2point
EPS (Yen)	58.14	39.74	60.08	6.61	- 53.47	1.60	- 5.01
Equity Ratio	71.7%	73.0%	76.6%	76.1%	- 0.5point	75.4%	- 0.7point
BPS (Yen)	1,254.03	1,290.47	1,331.75	1,321.94	- 9.81	1,305.23	- 16.71
Total dividends (Yen)	929	1,030	1,126	1,126	-	1,126	-
Annual dividends per share (Yen)	15.00	16.50	18.00	18.00	-	18.00	-
Dividend propensity	26.0%	41.6%	30.0%	272.3%	+ 242.3point	1126.0%	+ 853.7point
Ratio of dividends to capital stock	1.2%	1.3%	1.4%	1.4%	-	1.4%	-
ROA	6.9%	8.3%	7.9%	6.8%	- 1.1point	6.8%	-
ROE	4.6%	3.1%	4.6%	0.5%	- 4.1point	0.1%	- 0.4point

Balance Sheet Assets Section

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12	YoY
Current assets	44,702	42,887	40,997	37,029	-3,968
Cash and deposits	7,727	4,944	11,129	9,935	-1,194
Notes receivable	194	165	202	90	-112
Accounts receivable	7,354	8,430	9,332	9,454	122
Securities	13,576	14,612	9,630	4,225	-5,405
Treasury stock	0	0	0	-	-0
Merchandise	2,169	2,271	2,454	2,308	-146
Products	2,582	2,394	2,438	2,966	528
Raw materials	2,696	2,897	154	1,168	1,014
Inventories	493	727	798	827	29
Prepaid expenses	1,661	1,531	1,318	1,520	202
Short-term loans	3,252	665	1,128	1,307	179
Uncollected income	2,475	2,891	1,815	2,277	462
Deferred tax assets	-	1,135	306	165	-141
Others	594	272	331	865	534
Reserve for bad debts	-76	-52	-43	-82	-39
Fixed assets	63,858	67,807	67,849	71,719	3,870
Tangible fixed assets	55,545	56,535	55,192	53,817	-1,375
Buildings	9,689	13,333	12,718	12,494	-224
Structures	1,344	1,476	1,429	1,279	-150
Machinery, equipment, and vehicles	6,070	13,320	10,699	9,684	-1,015
Tools and implements	960	1,023	988	833	-155
Vending machines	13,343	12,475	12,310	13,286	976
Land	14,750	14,721	15,694	15,328	-366
Construction in progress	9,387	184	1,350	910	-440
Intangible assets	169	174	1,248	1,707	459
Telephone subscription rights	110	116	116	116	-0
Facility use rights	59	57	55	54	-1
Softwares	-	-	1,075	932	-143
Treasury stock	-	-	-	605	605
Investments, etc.	8,142	11,097	11,408	16,194	4,786
Investment securities	621	710	735	1,638	903
Investment in subsidiaries and affiliate	1,807	1,732	2,015	3,635	1,620
Long-term loans	112	108	139	134	-5
Long-term loans to employee	92	71	63	112	49
Long-term loans to subsidiaries	160	2,890	3,782	5,082	1,300
Long-term prepaid expenses	1,760	1,751	1,141	1,295	154
Guaranties money surrendered	1,796	1,458	1,590	1,533	-57
Long-term deferred tax assets	-	521	254	1,202	948
Others	1,793	1,876	1,815	1,982	167
Reserve for bad debts	-2	-24	-130	-422	-292
Total assets	108,560	110,694	108,846	108,749	-97

Balance Sheet Liabilities/Stockholders' Equity Section

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12	YoY
Current liabilities	21,036	20,447	15,739	13,514	-2,225
Accounts payable	7,818	7,716	4,788	5,067	279
Accounts payable-other	3,647	5,360	3,546	3,280	-266
Corporation taxes payable	2,483	2,674	1,594	951	-643
Unpaid business taxes, etc.	728	-	-	-	-
Consumption tax payable	447	193	837	-	-837
Expenses payable	3,726	3,764	3,666	3,662	-4
Advances from customers	51	44	39	39	-0
Deposits received	712	569	487	382	-105
Facility-related notes payable	1,348	27	676	-	-676
Miscellaneous current liabilities	71	97	103	131	28
Fixed liabilities	9,724	9,474	9,751	12,500	2,749
Convertible bonds	8,992	8,167	8,167	8,167	-
Employees' severance and retirement benefits	-	-	-	2,967	2,967
Reserve for retirement allowances	135	144	85	-	-85
Reserve for directors' retirement allowances	301	334	313	341	28
Reserve for investment losses	-	485	197	-	-197
Miscellaneous fixed liabilities	295	342	988	1,024	36
Total liabilities	30,760	29,922	25,491	26,014	523
Capital	10,535	10,948	10,948	10,948	-
Capital reserve	9,627	10,040	10,040	10,040	-
Revenue reserve	1,283	1,381	1,499	1,618	119
Miscellaneous surplus funds	56,354	58,402	60,868	59,969	-899
Dividends reserve	700	700	700	700	-
Fixed assets reserve	-	-	-	398	398
Fixed assets special account reserve	-	-	109	-	-109
Special reserve	51,900	54,400	56,100	56,600	500
Unappropriated profit for current term	3,754	3,302	3,958	2,270	-1,688
of which, profit for current term	(3,571)	(2,476)	(3,760)	(413)	(-3,347)
Net unrealized holding gains on securities	-	-	-	163	163
Treasury stock	-	-	-	-5	-5
Total capital	77,800	80,772	83,355	82,734	-621
Total liabilities and capital	108,560	110,694	108,846	108,749	-97

Income Statement - Parent

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12	YoY	YoY(%)
Sales Volume (Cases in thousands)	76,743	76,964	77,055	79,954	2,899	103.8%
Sales	159,115	159,865	161,439	164,298	2,859	101.8%
Cost of goods sold	82,228	84,245	85,466	87,965	2,499	102.9%
Net sales	76,887	75,620	75,972	76,333	360	100.5%
SG&A	69,541	67,115	68,189	69,664	1,475	102.2%
Sales	61,944	60,203	60,731	62,454	1,723	102.8%
General administrative expenses	7,597	6,911	7,458	7,209	-249	96.7%
Operating profit	7,345	8,504	7,783	6,668	-1,114	85.7%
Non-operating profit	1,250	1,269	1,452	1,243	-209	85.6%
Non-operating expenses	1,085	618	613	528	-85	86.1%
Recurring profit	7,510	9,155	8,622	7,383	-1,238	85.6%
Extraordinary profit	-	264	873	750	-123	85.9%
Extraordinary loss	846	4,314	2,865	7,568	4,703	264.2%
Net profit before tax	6,664	5,105	6,630	565	-6,065	8.5%
Corporation, resident and business taxes	-	3,627	1,775	1,077	-698	60.7%
Corporation and resident taxes	3,093	-	-	-	-	-
Adjustment for corporation tax and other taxes	-	-997	1,095	-925	-2,020	-
Net profit	3,571	2,476	3,760	413	-3,346	11.0%

Capex & Depreciation

【 Capex 】

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12	YoY	2002/12 (E)	YoY
Vending machines	5,409	4,824	5,366	6,942	1,576	5,672	-1,270
Buildings and structures	728	4,860	863	1,061	198	1,160	99
Machinery and equipment	850	10,153	320	1,561	1,241	3,192	1,631
Tools and implements	311	414	303	172	-131	686	514
Land acquired	334	-	1,434	-	-1,434	484	484
Proceeds from sale of land	-	-294	-1,543	-1,897	-354	-325	1,572
Construction in progress	6,486	-9,202	1,166	-439	-1,605	-903	-464
Total tangible fixed assets	14,121	10,755	7,911	7,401	-510	9,966	2,565
Intangible assets	691	414	270	903	633	740	-163
(of which, softwares)	(691)	(408)	(270)	(298)	(28)	(740)	(442)
Long-term prepaid expenses	1,043	1,312	1,782	1,947	165	1,548	-399
Miscellaneous investment	568	407	646	401	-245	304	-97
Total investment	16,425	12,889	10,609	10,654	45	12,558	1,904

【 Depreciation 】

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12	YoY	2002/12 (E)	YoY
Vending machines	5,569	5,467	5,107	5,620	513	5,740	120
Buildings and structures	805	1,021	980	984	4	981	-3
Machinery and equipment	1,413	2,620	2,488	2,261	-227	2,228	-33
Tools and implements	333	332	313	292	-21	334	42
Total	8,120	9,440	8,888	9,157	269	9,283	126
Intangible assets	887	841	555	443	-112	584	141
(of which, softwares)	(886)	(840)	(554)	(442)	(-112)	(584)	(142)
Long-term prepaid expenses	834	999	1,220	1,572	352	1,605	33

Company Overview

(as of December 31, 2001)

Name	KINKI COCA-COLA BOTTLING CO., LTD.
Established	September 1960
Address	7-9-31 Senrioka, Settsu-Shi, Osaka 566-8513
Capital	10,948 million yen
Main business objective	Manufacture and sale of soft drinks in Osaka, Hyogo and Kyoto prefecture.
Employees	1,966

Board of directors (as of March 29, 2002)

President (Representative director)	Masakazu Morito	Director	Yutaka Miyazaki
Vice-President	Hiromu Nakamura	Director	Noriyuki Korasaki
Managing director	Motonobu Kimura	Director	Hiroshi Kanda
Managing director	Toru Eizawa	Director	Toyojiro Yoshinaga
Managing director	Hideaki Nogami	Director	Toshimitsu Ota
Managing director	Shigeo Noma	Director	Hideki Hoshika
Managing director	Toshiaki Hidehira	Director	Yasuhiro Sato
Director	Nobuhiro Tada	Director	Kazuo Tsukuda
Director	Naohiro Nishida	Auditor	Hideichi Shibatani
Director	Hitoshi Tarutani	Auditor	Kisaburo Inaba
Director	Tamio Yoshimatsu	Auditor	Naomichi Asano
Director	Jyuichi Hattori		

Number of shares outstanding 62,591,049

Number of shareholders 5,259

Major shareholders	No. of shares owned (,000)	Ratio (%)
Kirin Brewery Co., Ltd.	25,179	40.23
Mitsubishi Heavy Industries Co., Ltd.	9,274	14.82
Employee ownership	1,557	2.49
State Street Bank and Trust Company	1,523	2.43
Chuo Mitsui Trust & Banking Co., Ltd.	1,066	1.70
Kamiyamato Co., Ltd.	1,050	1.68
Yatani Co., Ltd.	980	1.57
Mitsubishi Trust & Banking Co., Ltd.	768	1.23
Deutsche Trust Bank., Ltd.	646	1.03
SxL Co., Ltd.	546	0.87