

Interim Report 2001



KINKI Coca-Cola Bottling

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

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▶▶ Collaboration in the Coca-Cola System

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

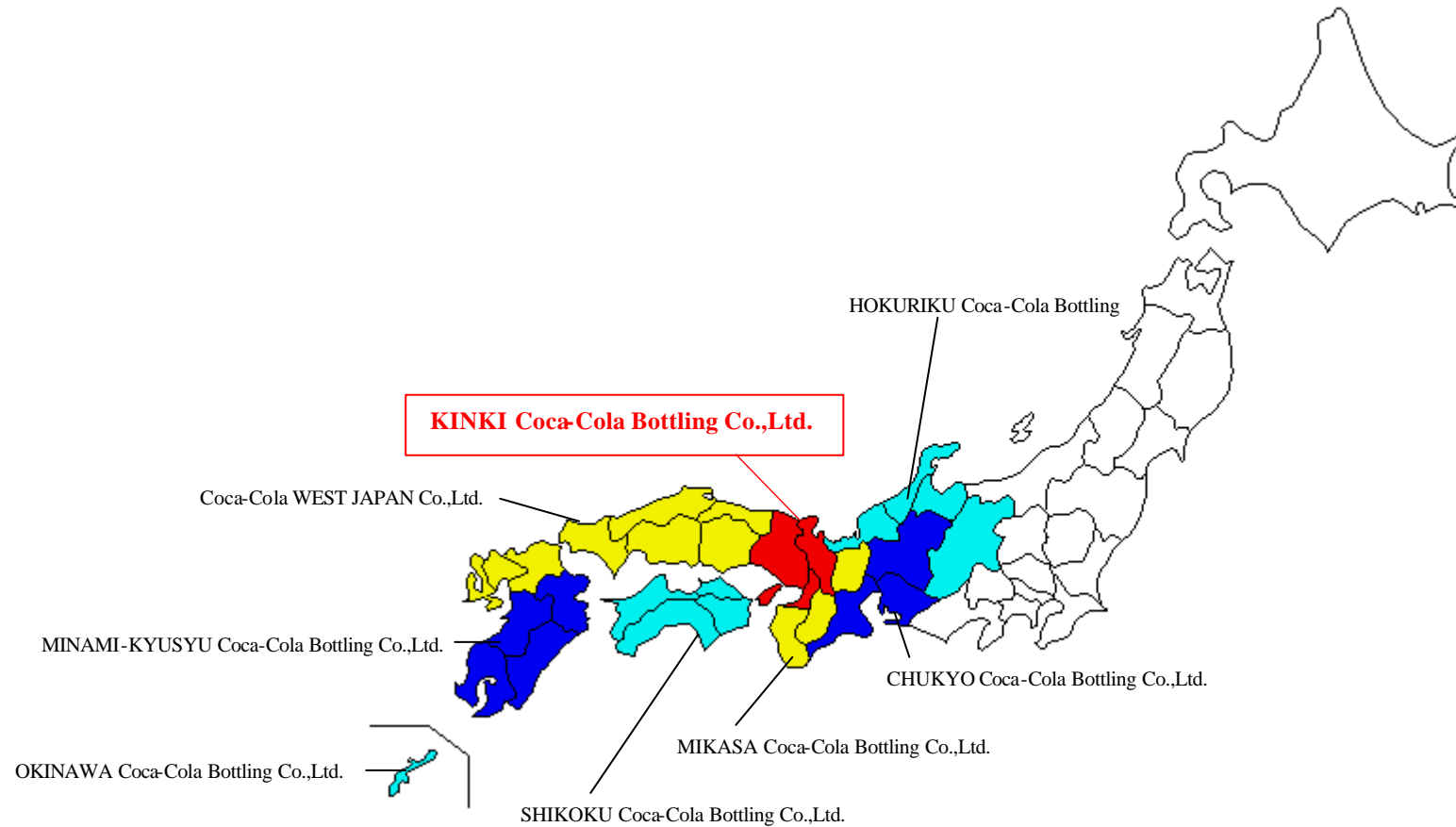
Joint Procurement from CCBSC in Cooperation with Other Bottlers

Development of Standardized Operational System for Bottlers

4 bottlers (Kinki, Chukyo, Fuji and Shikoku)

Jointly Produced Bottle Can

3 bottlers (Kinki, CCWJ and Shikoku)



▶▶ Collaboration in the Coca-Cola System

Cooperative Projects with CCWJ

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

The project is to build tighter cooperation with CCWJ whose sales territories border ours, with the objective of reducing costs through greater competitiveness and efficiency.

The two companies are undertaking the project "as if we were one". Together, we will draw up and implement an action plan to pursue the potential merits of this relationship.

By increasing sales and earnings, we are targeting further growth and development.

On the opportunity presented by this cooperative project, the two companies are both stepping up collaboration with Coca-Cola Japan Co., Ltd. (CCJC) in order to strengthen our strategic partnership with CCJC.

< Project Results for 2001 >

		Target (¥ million)
Investment restraints	● Joint purchasing of low-cost vending machines	70
	● Joint development and use of systems	40
	Total	110
Cost reduction	● Joint purchasing	193
	● Joint investment in Bottle Can lines	28
	● Reduction in throwaway products	190
	● Joint use of vending machine inventory	20
	● Volume purchasing of vending machine parts, establishment of vending machine center, increased efficiency of vending machine distribution	20
	● Other	33
Total		484

() the sum of KINKI and CCWJ

▶▶ Collaboration in the Coca-Cola System

Joint Procurement from CCBSC in Cooperation with Other Bottlers

By jointly procuring ingredients and supplies in cooperation with [Coca-Cola Beverage Service Co., Ltd. \(CCBSC\)](#) and other bottlers, we hope to reduce costs and boost efficiency in procurement operations. At present, ten bottlers including ourselves are jointly purchasing supplies with CCBSC as a means of boosting efficiency of the overall Coca-Cola Group. We are a part owner of and have directors on the board at CCBSC.

- Coca-Cola Beverage Service Co., Ltd. (CCBSC) founded in June 1999 with investment by The Coca-Cola Co., Ltd. and Coca-Cola West Japan Co., Ltd. (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	¥5.5 million

Development of Standardized Operational System for Bottlers

CCBSC created an information system department (CCBSC-IS) in September 2000. Twelve bottlers including ourselves are jointly playing a part in CCBSC-IS as they constructively standardize and upgrade information systems of the Coca-Cola Group.

At present, four bottlers (Kinki, Chukyo, Fuji and Shikoku) and CCBSC-IS are jointly developing a bottler information system for purchasing, production management, inventory and distribution, and accounting. The system should be up and running by January 2002.

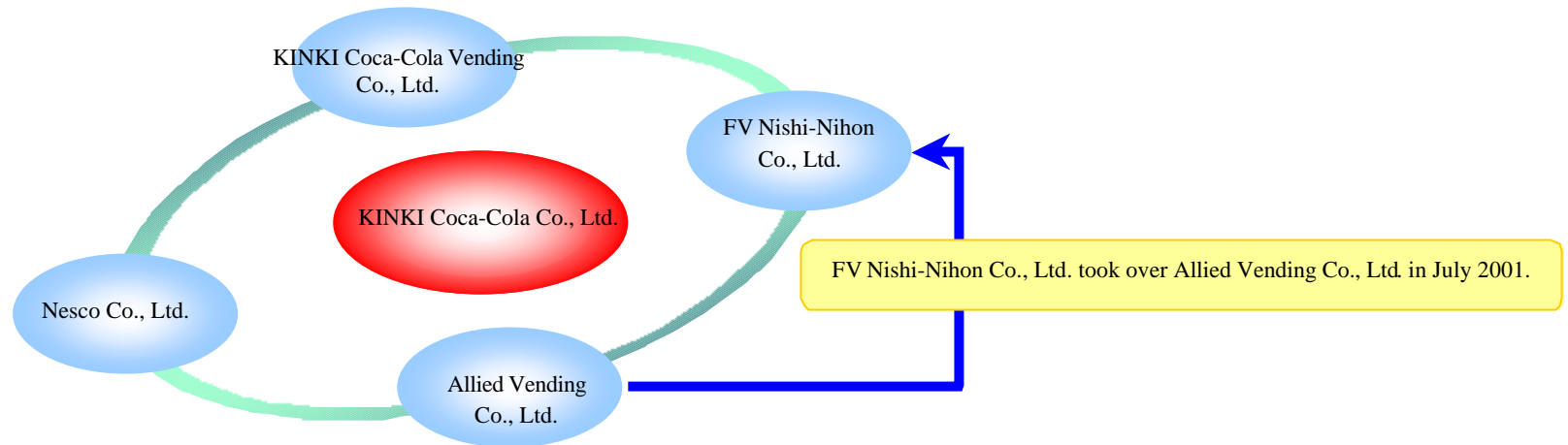
Jointly Produced Bottle Can

As of April 2001, we have been jointly producing 400 ml Coca-Cola Bottle Can in cooperation with CCWJ and Shikoku Coca-Cola Bottling. The production lines were built at Shikoku Coca-Cola 's Komatsu No. 2 Plant with money invested by all three companies.

The Bottles Can they produce are supplied to bottlers in western Japan through [Coca-Cola Refreshment Products Co., Ltd. \(CCRPC\)](#)

- Coca-Cola Refreshment Products Co., Ltd. (CCRPC) is a wholly-owned subsidiary of The Coca-Cola Company.

▶▶ Rebuilding the Vending Machine Business



Nesco Co., Ltd Made 100%Subsidiary

We tied up with [Nesco Co., Ltd. \(Nesco\)](#) in October 2000. After acquiring 80 shares (40% share) of Nesco's stock on October 10 that year, we acquired the remaining 120 shares on April 2, 2001, effectively making Nesco a wholly-owned subsidiary.

- Nesco operates and manages about 2,000 vending machines in the Kansai area. Annual sales reported in May 2000 totaled ¥3,774 million.

Founding of FV Nishi-Nihon Co., Ltd.

In May 2001, we and CCWJ took over the vending machine sales operations of FV Corporation (FV), which we are jointly managing as the newly founded [FV Nishi-Nihon Co., Ltd. \(FV Nishi-Nihon\)](#)

- FV Nishi-Nihon operates and manages about 62,000 vending machines across Japan.

Sales operations of FV Nishi-Nihon are divided into the Kinki territory managed by us and western Japan managed by CCWJ.

We took over the 6,000 vending machines owned by FV.

▶▶ Akashi Plant to Introduce 3rd Aseptic Filling Line

As part of a cooperative project with CCRPC, we will build a new [aseptic filling line](#) for small PET bottle teas at the Akashi Plant. The line will start up in April 2002.

- Akashi Plant was established as Kinki Coca-Cola Products in January 2000 when it took over the operations of Kinki Coca-Cola's Akashi Plant. It is a wholly-owned subsidiary of Kinki Coca-Cola Bottling.

It is the third aseptic filling line to be built at the plant after the first line was started up in September 1997 for 500ml PET bottle tea and a second line was added in August 1999 for 2l PET bottle tea.

The products produced on this line will be supplied to bottlers in western Japan through CCRPC.

< Aseptic Filling System >

This production technique enables good-tasting beverages. It quickly disinfects and cools bottles, then fills the disinfected containers at room temperature to prevent any ill thermal effects to products.

< Merits of Introducing This System >

- 1) Maintains the near-natural taste of products that are susceptible to heat.
- 2) Improves shipping efficiency as storage space is not needed.

< About the No.3 Aseptic Filling Line >

Product categories	Small (280, 300, 350 and 500ml) PET bottle beverages (Japanese tea, Oolong tea, blended tea, coffee with milk, Black tea)
Production capacity	Approx. 5.5 mil case/year
Equipment investment	Approx. ¥5,700 million total (Kinki: Approx. ¥2,200 million, CCRPC: Approx. ¥3,500 million)

▶ Consolidated Financial Highlights

	1998/6	1999/6	2000/6	2001/6	YoY	2001/12 (E)	YoY
Sales (Yen in millions)	81,655	81,675	81,829	86,808	106.1%	186,000	105.4%
Operating Profit (Yen in millions)	2,981	3,279	3,961	3,251	82.1%	9,400	96.6%
Recurring Profit (Yen in millions)	2,852	3,448	4,220	3,240	76.8%	9,300	91.1%
Net Profit (or loss) (Yen in millions)	1,497	1,963	1,564	-1,175	-75.1%	1,100	24.4%
Operating Profit on Sales	3.7%	4.0%	4.8%	3.7%	- 1.1point	5.1%	- 0.4point
Recurring Profit on Sales	3.5%	4.2%	5.2%	3.7%	- 1.5point	5.0%	- 0.8point
Net Profit on Sales	1.8%	2.4%	1.9%	-	-	0.6%	- 2.0point
EPS (Yen)	24.61	31.61	25.00	-18.78	- 43.78	17.57	- 54.57
Shareholder's Equity Ratio	64.0%	67.4%	69.1%	69.4%	- 0.3point	68.0%	- 1.7point
BPS (Yen)	1,238.43	1,286.53	1,321.68	1,336.66	+ 14.98	1,357.35	- 2.47
ROA	-	-	-	-	-	7.4%	- 0.9point
ROE	-	-	-	-	-	1.3%	- 4.1point

▶▶ Consolidated Subsidiaries' Profit and Loss

(Units: Yen in millions)

Company		Sales			Recurring Profit			Net Profit		
		2000/6	2001/6	2001/12 (E)	2000/6	2001/6	2001/12 (E)	2000/6	2001/6	2001/12 (E)
Rexy Co., Ltd.	YoY	1,941 103.5%	1,949 100.4%	3,797 100.4%	179 215.7%	160 89.4%	206 84.8%	94 313.3%	91 96.8%	116 92.8%
Kinki Coca-Cola Vending Co., Ltd.	YoY	3,038 160.4%	3,012 99.1%	6,266 106.0%	98 92.5%	192 195.9%	86 71.7%	51 121.4%	109 213.7%	43 64.2%
Allied Vending Co., Ltd.	YoY	- -	454 -	- -	- -	9 -	- -	- -	4 -	- -
Rex Techno Systems Co., Ltd.	YoY	2,706 95.5%	2,839 104.9%	5,309 102.9%	104 73.8%	99 95.2%	137 93.2%	59 107.3%	56 94.9%	76 95.0%
Kinki Coca-Cola Products Co., Ltd.	YoY	1,179 -	1,474 125.0%	2,255 105.6%	178 -	266 149.4%	61 62.2%	100 -	154 154.0%	32 61.5%
Nesco Co., Ltd.	YoY	- -	1,874 -	3,862 -	- -	24 -	71 -	- -	20 -	68 -
C&C Co., Ltd.	YoY	1,074 97.1%	1,992 185.5%	4,054 183.9%	-36 -	127 -	185 3700.0%	-31 -	19 -	7 140.0%
Rex Estate Co., Ltd.	YoY	617 43.6%	558 90.4%	887 33.6%	362 103.7%	257 71.0%	251 28.5%	209 71.8%	149 71.3%	144 29.6%
Rex Leasing Co., Ltd.	YoY	2,741 101.9%	2,740 100.0%	5,400 99.9%	79 151.9%	64 81.0%	142 104.4%	52 247.6%	36 69.2%	78 95.1%
Seiko Cooperate Japan Co., Ltd.	YoY	397 116.8%	381 96.0%	746 96.5%	16 106.7%	14 87.5%	28 103.7%	16 106.7%	9 56.3%	17 73.9%
Kadiac Co., Ltd.	YoY	433 97.3%	476 109.9%	1,017 108.4%	12 240.0%	14 116.7%	41 91.1%	12 240.0%	15 125.0%	33 73.3%
Akiyoshi Systems Co., Ltd.	YoY	1,029 96.7%	883 85.8%	1,793 89.6%	30 60.0%	8 26.7%	9 16.7%	26 53.1%	5 19.2%	6 22.2%
Consolidated Subsidiaries Total	YoY	15,159 110.9%	18,637 122.9%	35,385 112.7%	1,026 122.7%	1,240 120.9%	1,217 67.2%	592 113.8%	672 113.5%	620 60.4%

▶▶ 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	Known as Allied Vending Co., Ltd., prior to a name change in July 2000.
Allied Vending Co., Ltd.	Operates paper pack drinks and cup noodles vending machines.	Separated from Kinki Coca-Cola Vending Co., Ltd., in July 2000 (a wholly owned subsidiary of Kinki Coca-Cola Vending Co., Ltd.)
Rex Techno Systems Co., Ltd.	Provides maintenance services for vending machine and peripherals	
Kinki Coca-Cola Products Co., Ltd.	Consignment production of toll products	A wholly owned subsidiary of Kinki Coca-Cola. Established in January 2000 when it took over the operations of Kink Coca-Cola's Akashi Plant.
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 liquor sales	
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 Sell used cars	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)

	1998/6	1999/6	2000/6	2001/6	YoY
Current assets	45,089	38,402	41,634	36,211	-5,423
Cash and deposits	6,787	6,309	6,741	6,588	-153
Notes receivable & Accounts receivable	10,312	9,706	10,118	12,128	2,010
Securities	13,813	8,353	12,629	3,070	-9,559
Inventories	6,802	7,866	6,920	8,863	1,943
Prepaid expenses	3,164	3,019	2,234	2,391	157
Uncollected income	3,493	3,046	1,972	2,029	57
Deferred tax assets	-	-	605	876	271
Others	816	152	467	332	-135
Reserve for uncollectable accounts	-101	-51	-53	-68	-15
Fixed assets	74,688	80,413	78,123	84,271	6,148
Tangible fixed assets	65,422	71,077	68,849	69,009	160
Buildings & structures	13,383	17,093	16,558	17,222	664
Machinery, equipment & vehicles	6,650	14,457	14,104	13,005	-1,099
Vending machines	14,981	14,273	13,681	14,695	1,014
Land	16,652	16,579	17,831	18,427	596
Construction in progress	5,751	918	393	4	-389
Lease assets	6,875	6,545	4,711	4,212	-499
Other tangible fixed assets	1,127	1,209	1,568	1,441	-127
Intangible assets	222	210	1,548	3,445	1,897
Software	-	-	1,333	993	-340
Consolidated adjustment account	-	-	-	2,193	2,193
Others	222	210	214	258	44
Investments, etc.	9,042	9,125	7,725	11,816	4,091
Investment securities	1,638	1,648	1,597	2,656	1,059
Long-term loans	251	397	366	2,802	2,436
Long-term prepaid expenses	2,646	2,734	1,022	1,769	747
Guarantee money surrendered	2,782	2,571	2,280	2,166	-114
Deferred tax assets	-	-	603	851	248
Miscellaneous investments	1,726	1,806	1,911	1,816	-95
Reserve for uncollectable accounts	-2	-32	-56	-246	-190
Consolidated adjustment account	43	14	-	-	-
Total assets	119,820	118,830	119,758	120,483	725

▶ Consolidated Balance Sheet Liabilities & Capital Section

(Units: Yen in millions)

	1998/6	1999/6	2000/6	2001/6	YoY
Current liabilities	27,310	24,113	22,978	21,468	-1,510
Notes payable & accounts payable	13,982	10,840	10,014	9,840	-174
Short-term debts	3,874	2,435	3,073	2,519	-554
Unpaid accounts	3,810	5,102	4,429	4,155	-274
Unpaid corporate taxes, etc.	1,070	1,339	558	479	-79
Other	4,572	4,395	4,901	4,473	-428
Fixed liabilities	15,786	14,610	14,046	15,320	1,274
Convertible Bonds	9,136	8,668	8,167	8,167	-
Long-term debts	5,385	4,468	3,950	3,256	-694
Retirement benefits	-	-	-	1,864	1,864
Reserve for retirement allowances	344	226	235	-	-235
Reserve for directors' retirement allowances	260	291	273	334	61
Reserve for investment losses	-	-	420	-	-420
Deferred tax liabilities	-	-	126	391	265
Other	659	956	872	1,306	434
Total liabilities	43,097	38,724	37,024	36,788	-236
Minority interest	9	11	9	32	23
Capital	10,463	10,697	10,948	10,948	-
Capital reserve	9,555	9,789	10,040	10,040	-
Consolidated surplus funds	-	-	61,737	62,256	519
Net unrealized holding gains on securities	-	-	-	418	418
Treasury stock	-1	-9	-1	-0	0
Revenue reserve	1,236	1,335	-	-	-
Other surplus funds	55,458	58,282	-	-	-
Total capital	76,713	80,094	82,724	83,661	937
Total of liabilities, minority interest and capital	119,820	118,830	119,758	120,483	725

▶▶ Consolidated Income Statement

(Units: Yen in millions)

	1998/6	1999/6	2000/6	2001/6	YoY	YoY(%)
Sales	81,655	81,675	81,829	86,808	4,979	106.1%
Sales cost	42,299	42,458	42,470	44,586	2,116	105.0%
Net sales	39,356	39,216	39,358	42,221	2,863	107.3%
S&GA	36,375	35,976	35,397	38,905	3,508	109.9%
Selling expenses	31,822	31,740	31,121	34,337	3,216	110.3%
Administrative expenses	4,340	4,235	4,275	4,567	292	106.8%
Business tax	213	-	-	-	-	-
Depreciation for consolidated adjusted account	-	-	-	65	65	-
Operating profit	2,981	3,240	3,961	3,251	-710	82.1%
Non-operating income	460	521	605	296	-309	48.9%
Non-operating expenses	589	314	345	306	-39	88.7%
Recurring profit	2,852	3,448	4,220	3,240	-980	76.8%
Extraordinary profits	0	350	124	-	-124	-
Extraordinary losses	534	514	1,543	5,108	3,565	331.0%
Net profit (or loss) before tax	2,318	3,284	2,801	-1,867	-4,668	-
Corporate taxes, corporate resident taxes & business taxes	-	1,305	511	494	-17	96.7%
Corporation tax adjustment	-	-	720	-1,198	-1,918	-
Minority shareholders gain	0	0	4	11	7	275.0%
Corporate taxes & corporate resident taxes	807	-	-	-	-	-
Depreciation for consolidated adjusted account	14	14	-	-	-	-
Net profits (or loss)	1,497	1,963	1,564	-1,175	-2,739	-

▶▶ Cash Flow - Consolidated

(Units: Yen in millions)

	2001/6		2001/6
. Cash flow from operating activities	1,904	. Cash flow from investing activities	-8,548
Net profit before adjustment, including tax, for interim term	-1,867	Expenses from fixed-term deposits	-45
Depreciation	6,076	Proceeds from fixed-term deposits	57
Amortization of long-term prepaid expenses	739	securitiestangible fixed assets	-1
Allowance for depreciation on consolidation adjustment account	65	Sale of securities	4,000
Decline in reserve for retirement allowance	-350	Purchase of tangible fixed assets	-8,267
Increase of retirement benefits	1,864	Sale of tangible fixed assets	2
Decline in reserve for director's retirement allowance	4	Purchase of intangible fixed assets	-113
Increase in reserves for bad debt	136	Purchase of long-term prepaid expenses	-892
Decline in reserves for investment losses	-69	Purchase of investment securities	-63
Interest and dividends received	-37	Sale of investment securities	0
Interest paid	79	Purchase of subsidiaries' equity	-957
Loss from valuation of securities and investment securities	32	Loans extended	-2,498
Loss from sales of fixed assets and fixed assets removal expenses	367	Loans recovered	101
Retirement allowances	2,627	Decline in other investments	130
Increase in trade receivables	-1,792	. Cash flow from financing activities	-1,271
Decline in inventories	-2,480	Income from short-term debt	1,150
Decline in trade payables	1,334	Repayment of short-term debt	-1,130
Increase in unpaid consumption tax and others	-851	Income from long-term debt	550
Directors' bonuses payable	-130	Repayment of long-term debt	-1,277
Increase in other assets and liabilities	655	Share buyback costs	-8
Subtotal	6,404	Sale of own stocks	8
Interest and dividends received	43	Dividend payable	-563
Interest payable	-78	. Decline in cash and cash equivalents	-7,915
Retirement allowances payable	-2,627	. Cash and cash equivalents at beginning of year	17,373
Corporate taxes payable	-1,837	. Cash and cash equivalents at end of year	9,458

▶▶ Capex and Depreciation - Consolidated

【 Capex 】

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12 (E)	YoY
Vending machines	5,510	4,955	5,478	7,680	2,202
Buildings and structures	855	5,365	1,618	1,231	-387
Machinery, equipment and vehicles	1,503	10,810	1,073	2,233	1,160
Tools and implements	618	668	493	216	-277
Land acquisition	334	-	3,008	-	-3,008
Land disposal	-	-344	-1,495	-2,080	-585
Construction in progress	6,486	-9,205	1,165	205	-960
Leased assets	1,549	1,909	1,756	1,827	71
Total of tangible fixed assets	16,855	14,158	13,099	11,312	-1,787
Intangible assets	691	414	1,587	1,331	-256
(of which, softwares)	(691)	(408)	(284)	(375)	(91)
(of which, consolidated adjustment account)	(-)	(-)	(1,301)	(956)	(-345)
Long-term prepaid expenses	1,573	1,397	1,809	1,694	-115
Other	568	407	668	317	-351
Total investments	19,687	16,376	17,163	14,654	-2,509

【 Depreciation 】

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12 (E)	YoY
Vending machines	5,723	5,591	5,228	5,805	577
Buildings and structures	1,036	1,238	1,190	1,245	55
Machinery, equipment and vehicles	2,025	3,382	3,274	3,028	-246
Tools and implements	580	706	696	627	-69
Leased assets	1,706	1,777	1,762	1,789	27
Total	11,070	12,694	12,150	12,494	344
Intangible assets	925	881	593	677	84
(of which, softwares)	(886)	(840)	(589)	(475)	(-114)
(of which, consolidated adjustment account)	(28)	(28)	(-)	(200)	(200)
Long-term prepaid expenses	1,174	1,062	1,265	1,515	250

▶ Parent Financial Highlights

(Units: Yen in millions)

	1998/6	1999/6	2000/6	2001/6	YoY	2001/12 (E)	YoY
Sales Volume (Cases in thousands)	36,067	35,635	35,538	36,799	103.6%	81,900	106.3%
Sales (Yen in millions)	74,101	74,211	74,996	77,590	103.5%	169,600	105.1%
Operating profit (Yen in millions)	2,402	2,398	2,867	1,953	68.1%	8,400	107.9%
Recurring profit (Yen in millions)	2,512	2,712	3,246	2,222	68.5%	9,100	105.5%
Net profit [or loss] (Yen in millions)	1,377	1,549	1,029	-1,628	-	1,500	39.9%
Operating Profit on Sales	3.2%	3.2%	3.8%	2.5%	- 1.3point	5.0%	+ 0.2point
Recurring Profit on Sales	3.4%	3.7%	4.3%	2.9%	- 1.4point	5.4%	+ 0.1point
Net Profit on Sales	1.9%	2.1%	1.4%	-	-	0.9%	- 1.4point
EPS (Yen)	22.65	24.94	16.45	-26.02	- 42.47	23.97	- 36.11
Equity Ratio	73.2%	74.7%	75.9%	75.8%	- 0.1point	74.6%	- 2.0point
BPS (Yen)	1,225.75	1,271.38	1,297.12	1,302.19	+ 5.07	1,336.66	+ 4.91
Interim dividends per share (Yen)	7.50	7.50	9.00	9.00	-	(Annual) 18.00	-
ROA	-	-	-	-	-	8.1%	+ 0.2point
ROE	-	-	-	-	-	1.8%	- 2.8point

▶▶ Parent Balance Sheet Assets Section

(Units: Yen in millions)

	1998/6	1999/6	2000/6	2001/6	YoY
Current assets	41,429	35,400	38,167	33,158	-5,009
Cash and deposits	4,835	4,676	4,947	4,726	-221
Notes receivable	171	135	137	106	-31
Accounts receivable	9,224	8,640	9,019	10,988	1,969
Securities	13,802	8,351	12,624	3,070	-9,554
Merchandise	2,033	2,811	2,367	3,486	1,119
Products	2,364	3,271	2,772	2,832	60
Raw materials	590	570	595	1,403	808
Inventories	694	658	693	629	-64
Prepaid expenses	1,992	2,001	1,570	1,789	219
Short-term loans	1,904	1,287	606	1,039	433
Uncollected income	3,397	2,654	2,073	2,025	-48
Deferred tax assets	-	-	563	813	250
Miscellaneous current assets	489	398	236	299	63
Reserve for bad debts	-71	-56	-41	-52	-11
Fixed assets	62,255	70,565	68,866	74,320	5,454
Tangible fixed assets	53,494	59,806	57,094	56,564	-530
Buildings	9,600	13,225	12,881	13,144	263
Structures	1,370	1,536	1,389	1,391	2
Machinery, equipment, and vehicles	6,480	14,344	11,993	10,988	-1,005
Tools and implements	957	1,048	944	917	-27
Vending machines	14,584	14,017	13,413	14,424	1,011
Land	14,750	14,726	16,083	15,694	-389
Construction in progress	5,751	908	389	4	-385
Intangible assets	170	169	1,402	1,132	-270
Telephone subscription rights	110	111	116	116	0
Facility use rights	60	58	56	55	-1
Softwares	-	-	1,229	907	-322
Softwares in progress	-	-	-	53	53
Investments, etc.	8,589	10,588	10,369	16,623	6,254
Investment securities	588	700	647	2,025	1,378
Subsidiaries securities	-	-	-	3,072	3,072
Long-term loans	-	-	-	6,637	6,637
Long-term deferred tax assets	-	-	443	623	180
Miscellaneous investments	8,009	9,905	9,314	4,501	-4,813
Reserve for bad debts	-8	-17	-36	-236	-200
Total assets	103,684	105,965	107,034	107,479	445

▶ Parent Balance Sheet Liabilities/Stockholders' Equity Section

(Units: Yen in millions)

	1998/6	1999/6	2000/6	2001/6	YoY
Current liabilities	17,785	17,365	16,221	14,867	-1,354
Accounts payable	7,018	6,524	6,432	5,958	-474
Accounts payable-other	3,998	5,400	4,897	4,356	-541
Expenses payable	2,824	3,382	3,242	3,358	116
Corporation taxes payable	827	944	178	5	-173
Consumption tax payable	359	-	502	-	-502
Deposits received	764	620	593	597	4
Reserve for bonus allowances	137	52	-	-	-
Facility-related notes payable	1,661	307	210	216	6
Other	192	133	163	374	211
Fixed liabilities	9,971	9,448	9,625	11,106	1,481
Convertible bonds	9,136	8,668	8,167	8,167	-
Retirement benefits	-	-	-	1,600	1,600
Reserve for retirement allowances	275	135	92	-	-92
Reserve for directors' retirement allowances	260	291	270	303	33
Reserve for investment losses	-	-	420	-	-420
Miscellaneous fixed liabilities	299	353	674	1,035	361
Total liabilities	27,756	26,813	25,846	25,974	128
Capital	10,463	10,697	10,948	10,948	-
Capital reserve	9,555	9,789	10,040	10,040	-
Revenue reserve	1,236	1,335	1,443	1,562	119
Surplus funds	54,671	57,329	58,756	58,546	-210
Dividends reserve	700	700	700	700	-
Fixed assets special account reserve	-	-	109	398	289
Special reserve	51,900	54,400	56,100	56,600	500
Unappropriated profit for current term	2,071	2,229	1,846	848	-998
Net unrealized holding gains on securities	-	-	-	407	407
Total capital	75,927	79,151	81,188	81,505	317
Total liabilities and capital	103,684	105,965	107,034	107,479	445

▶▶ Parent Income Statement

(Units: Yen in millions)

	1998/6	1999/6	2000/6	2001/6	YoY	YoY(%)
Sales Volume (Cases in thousands)	36,067	35,635	35,538	36,799	1,261	103.6%
Sales	74,101	74,211	74,996	77,590	2,594	103.5%
Cost of goods sold	38,222	38,476	39,122	40,687	1,565	104.0%
Net sales	35,879	35,734	35,874	36,902	1,028	102.9%
SG&A	33,477	33,336	33,006	34,949	1,943	105.9%
Sales	29,459	29,602	29,209	31,192	1,983	106.8%
General administrative expenses	4,017	3,734	3,797	3,756	-41	98.9%
Operating profit	2,402	2,398	2,867	1,953	-914	68.1%
Non-operating profit	638	623	684	518	-166	75.7%
Non-operating expenses	528	310	305	249	-56	81.6%
Recurring profit	2,512	2,712	3,246	2,222	-1,024	68.5%
Extraordinary profit	-	258	124	-	-124	-
Extraordinary loss	504	494	1,543	4,990	3,447	323.4%
Net profit [or loss] before tax	2,007	2,476	1,827	-2,767	-4,594	-
Corporation, resident and business taxes	-	927	148	33	-115	22.3%
Adjustment for corporation tax and other taxes	-	-	649	-1,172	-1,821	-
Corporation and resident taxes	630	-	-	-	-	-
Net profit [or loss]	1,377	1,549	1,029	-1,628	-2,657	-
Retained earnings brought forward	694	680	817	2,476	1,659	303.1%
Unappropriated retained profits	2,071	2,229	1,846	848	-998	45.9%

▶▶ Capex & Depreciation

【 Capex 】

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12 (E)	YoY
Vending machines	5,409	4,824	5,366	7,456	2,090
Buildings and structures	728	4,860	863	1,157	294
Machinery and equipment	850	10,153	320	1,683	1,363
Tools and implements	311	414	303	199	-104
Land acquired	334	-	1,434	-	-1,434
Proceeds from sale of land	-	-294	-1,543	-2,080	-537
Construction in progress	6,486	-9,202	1,166	205	-961
Total tangible fixed assets	14,121	10,755	7,911	8,620	709
Intangible assets	691	414	270	336	66
(of which, softwares)	(691)	(408)	(270)	(336)	(66)
Long-term prepaid expenses	1,043	1,312	1,782	1,540	-242
Miscellaneous investment	568	407	646	1,274	628
Total investment	16,425	12,889	10,609	11,770	1,161

【 Depreciation 】

(Units: Yen in millions)

	1998/12	1999/12	2000/12	2001/12 (E)	YoY
Vending machines	5,569	5,467	5,107	5,673	566
Buildings and structures	805	1,021	980	983	3
Machinery and equipment	1,413	2,620	2,488	2,276	-212
Tools and implements	333	332	313	301	-12
Total	8,120	9,440	8,888	9,233	345
Intangible assets	887	841	555	443	-112
(of which, softwares)	(886)	(840)	(554)	(441)	(-113)
Long-term prepaid expenses	834	999	1,220	1,512	292

▶▶ Company Overview

(as of June 30, 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, 2001)

President (Representative director)	Akihiko Ikeda	Director	Nobuhiro Tada
Senior managing director	Hironu Nakamura	Director	Naohiro Nishida
Managing director	Motonobu Kimura	Director	Hitoshi Tarutani
Managing director	Toru Eizawa	Director	Tamio Yoshimatsu
Managing director	Hideaki Nogami	Director	Jyuichi Hattori
Managing director	Shigeo Noma	Director	Toshimitsu Ota
Managing director	Toshiaki Hidehira	Director	Yasuhiro Sato
Director	Takashi Yamaguchi	Director	Kazuo Tsukuda
Director	Atsushi Okawa	Auditor	Keiji Tsuda
Director	Hideki Hoshika	Auditor	Kisaburo Inaba
Director	Hiroshi Tanaka	Auditor	Yutaka Miyazaki

Number of shares outstanding 62,591,049

Number of shareholders 5,341

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
State Street Bank and Trust Company	1,554	2.48
Employee ownership	1,446	2.31
Brown Brothers Harriman, Merrill Lynch	1,077	1.72
Kamiyamato Co., Ltd.	1,050	1.68
Yatani Co., Ltd.	995	1.59
Chuo Mitsui Trust & Banking Co., Ltd.	884	1.41
Deutsche Trust Bank., Ltd.	692	1.11
SxL Co., Ltd.	547	0.87