

# PROFILE & ANALYTICAL GUIDE 2002



KINKI Coca-Cola Bottling Co., Ltd.

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

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## Management Philosophy, Vision

### Management Philosophy

#### **“A Company That Creates Refreshment”**

The Kinki Coca-Cola Bottling Group aims to :

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

### Vision 2005

The Kinki Coca-Cola Bottling Group intends to :

- Provide each and every product with an operation that is No.1 in the industry, and offer refreshing moments to as many people as possible.
- Treasure our customers as our partners to achieve their satisfaction, and grow together with them.
- Always pursue customer satisfaction, with each of us trying hard to fulfill our role and accomplish our goals with pride and the spirit of challenge.
- Increase profits every year through daily healthy business activities.

## Collaboration in the Coca-Cola System

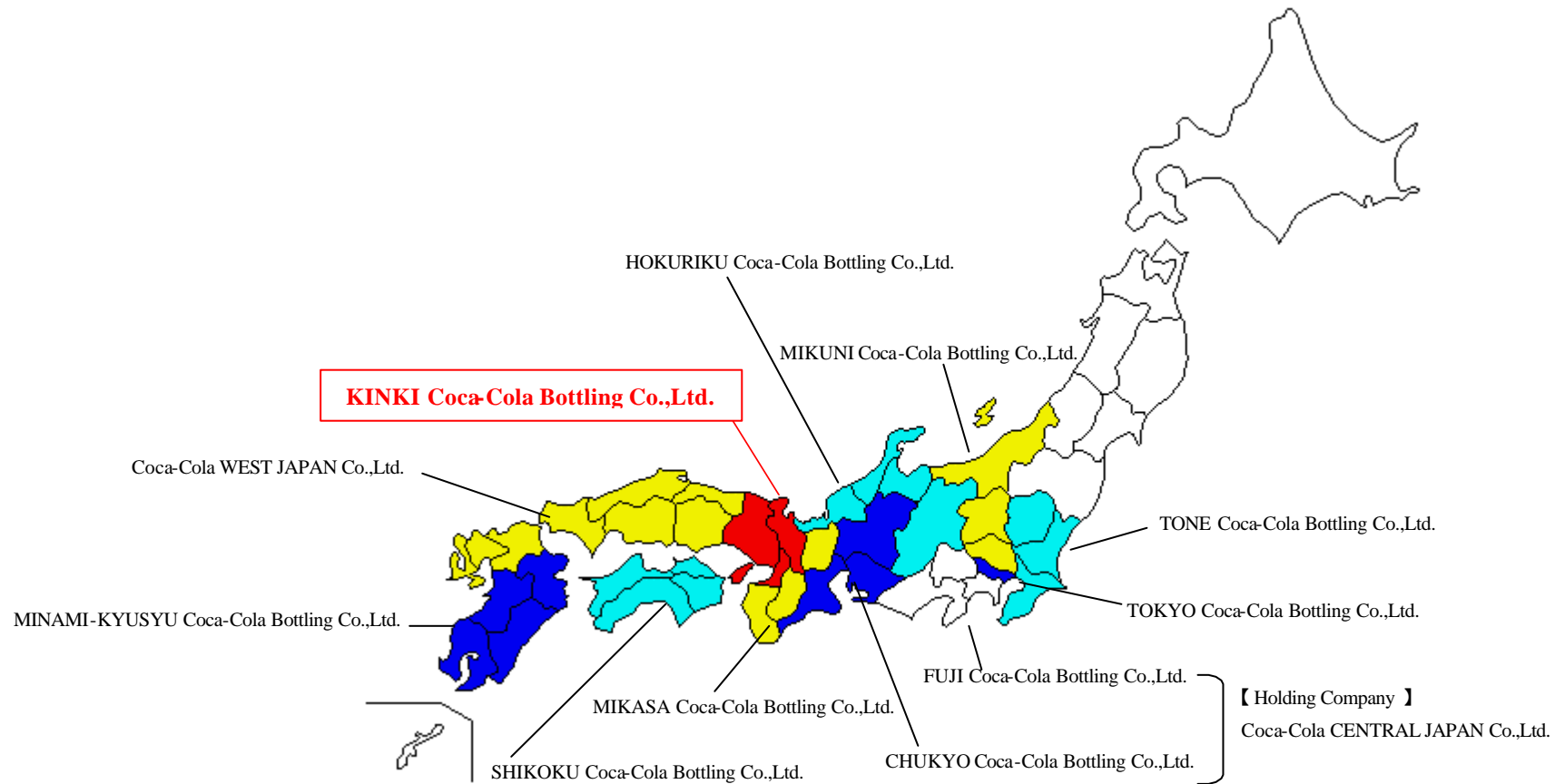
### Joint Production

Bottle can (Kinki, CCWJ and Shikoku)

Regular-sized glass bottle and One-way glass bottle (Kinki and Chukyo)

### Founding of Coca-Cola National Beverages Co., Ltd.

6 bottlers (Kinki, CCWJ, CCCJ, Mikuni, Tokyo, Tone, ) and The Coca-Cola Export Corporation



## Founding of Coca-Cola National Beverages Co., Ltd.

Six bottlers (Kinki, CCWJ, Tokyo, CCCJ, Mikuni and Tone) and The Coca-Cola Japan Co. Ltd. (CCJC) established [Coca-Cola National Beverages Co., Ltd. \(CCNBC\)](#) on April 1, 2003.

CCNBC is being established to design, and validate the financial benefits and prepare for operational readiness of, a nationally integrated supply chain management (SCM) model for the Coca-Cola System in Japan.

The objectives of creating a new national SCM model are to reduce costs through efficiency in procurement, production and logistics, and to develop a flexible supply system that will respond to changes in consumer and customer needs, as well as improve customer service.

To achieve these objectives, the new company will ultimately provide a centralized decision-making organization, optimized manufacturing and supply networks and an integrated demand and supply planning system.

The scope of the new national SCM model includes the integration of toll and franchise production and logistics operations currently managed by CCJC and the bottling companies, as well as procurement operations already centrally managed by [Coca-Cola Beverage Service, Co. Ltd.](#)

By materializing this nationwide SCM system, the Group can up competitive strength for the long-term. Other bottlers are expected to eventually join the fold. To maximize the effect, work is underway to gain the participation of all bottlers as quickly as possible and to build the best nationwide SCM system for the Coca-Cola Group of Japan that goes beyond the past frameworks and territories of bottlers to jointly look at the market from the perspective of the entire country.

### < Profile of CCNBC >

As of April 1, 2003

Address	Minato-ku, Tokyo
Capital	¥10.5 million
Business objectives	Planning, analysis and consulting with regards to procurement of raw materials, production and distribution of soft drinks, and all incidental operations
Stockholders and subscription	Kinki, CCWJ, Tokyo, CCCJ, Mikuni, Tone and The Coca-Cola Export Corporation : 14.29% each

## Start of “Mori no Mizu Dayori” Production at Daisen Beverage Co., Ltd.

In May 2002, five bottlers in West Japan (Kinki, CCWJ, Chukyo, Shikoku and Minami Kyushu) established [Daisen Beverage Co., Ltd.](#) in Tottori Prefecture. Daisen Beverage Co., Ltd. is building a production plant with plans to start operations in May 2003 in order to add to the supply base of mineral water “Mori no Mizu Dayori” in West Japan.

Plant management, quality control and production cost reduction are effectively moving ahead on the consolidated know-how of the five bottlers.

### < Profile of Daisen Beverage Co., Ltd >

Capital	¥100 million
Stockholders and subscription	CCWJ: 33%, Kinki: 27%, Chukyo: 17%, Minami Kyushu: 15%, Shikoku: 8%

### < Profile of Plant >

Invested capital	¥4.2 billion (the sum of Daisen Beverage Co., Ltd., and Coca-Cola Tea Products Co., Ltd.)
Product line	Mori no Mizu Dayori 2.0 l PET bottle
Annual turnout	3 teams & 3 shifts: 12 million case, 4 teams & 3 shifts: 16 million case
Number of lines	1



## New Vending Machine with Built-in Information Terminal, "Cmode"

Since 2002, The Coca-Cola Japan Co., Ltd. , NTT DoCoMo, Inc. and Itochu Corporation have been providing the new consumer service "Cmode" that combines a vending machine of the Coca-Cola Group with the i-mode service provided by NTT DoCoMo Inc.

As a part of this initiative, we started installing Cmode-supporting vending machines (Cmode-machines) in April 2002 and, as of the end of 2002, had installed 87.

In April 2003, we launched the new digital coupon system "C-pon" with the sales support of numerous businesses.

By injecting the added value of "Cmode-machines" into vending machines, the Coca-Cola Group is hoping to activate the vending machine business. With the new information terminal, "Cmode-machines" is intended as a point of communication between Coca-Cola and consumers that provides fun and excitement in an innovative and interesting vending machine.

Cmode...A new type of member consumer service that links Cmode machine and imode-supporting cellphones.

Members can register on the imode site to enable a number of services that can be operated from their imode-supporting cellphone.



### < Cmode-machines Installations >

	2002	2003 (Planned)
Number installed	87	120
Locations	Mainly indoor (Locations where a undefined number of consumers gather, downtown Osaka)	

### ◀ New Vending Machine with Built-in Information Terminal, "Cmode-machine"

"Cmode-machine" is basically a vending machine – information terminal that incorporates a computer, display, speakers and printer.

Pressing a button selects "Cmode" where consumers can use a number of available services.

## Financial Highlights Consolidated

	1999/12	2000/12	2001/12	2002/12	YoY	2003/12 (E)	YoY
Sales (Yen in millions)	173,815	176,398	182,668	183,349	100.4%	192,000	104.7%
Operating Profit (Yen in millions)	9,836	9,730	8,067	5,469	67.8%	5,600	102.4%
Recurring Profit (Yen in millions)	10,165	10,203	7,840	5,475	69.8%	5,600	102.3%
Net Profit (Yen in millions)	2,839	4,515	201	161	80.1%	800	496.9%
Operating Profit on Sales	5.7%	5.5%	4.4%	3.0%	- 1.4point	2.9%	- 0.1point
Recurring Profit on Sales	5.8%	5.8%	4.3%	3.0%	- 1.3point	2.9%	- 0.1point
Net Profit on Sales	1.6%	2.6%	0.1%	0.1%	-	0.4%	+ 0.3point
EPS (Yen)	45.57	72.14	3.22	2.58	- 0.64	12.79	+ 10.21
Shareholder's Equity Ratio	65.9%	69.7%	69.6%	69.4%	- 0.2point	67.0%	- 2.4point
BPS (Yen)	1,306.47	1,359.82	1,345.71	1,324.74	- 20.97	1,316.72	- 8.02
ROA	8.2%	8.3%	6.4%	4.6%	- 1.8point	4.6%	-
ROE	3.5%	5.4%	0.2%	0.2%	-	1.0%	+ 0.8point



## Consolidated Subsidiaries' Profit and Loss

(Units: Yen in millions)

Company	Sales			Recurring Profit			Net Profit		
	2001/12	2002/12	2003/12(E)	2001/12	2002/12	2003/12(E)	2001/12	2002/12	2003/12(E)
Kansai Beverage Services Co., Ltd.	21,697	28,209	30,027	81	658	661	-216	782	655
YoY	-	130.0%	106.4%	-	812.3%	100.5%	-	-	83.8%
Nesco Co., Ltd.	3,673	3,122	2,888	32	32	16	27	91	16
YoY	-	85.0%	92.5%	-	100.0%	50.0%	-	337.0%	17.6%
Kinki Coca-Cola Products Co., Ltd.	2,337	4,381	4,685	130	76	100	73	39	58
YoY	109.4%	187.5%	106.9%	132.7%	58.5%	131.6%	140.4%	53.4%	148.7%
Kansai Logistics Co., Ltd.	-	4,482	6,494	-	84	65	-	45	36
YoY	-	-	144.9%	-	-	77.4%	-	-	80.0%
Rex Estate Co., Ltd.	920	840	867	327	306	339	186	164	197
YoY	34.9%	91.3%	103.2%	37.2%	93.6%	110.8%	38.2%	88.2%	120.1%
Rex Leasing Co., Ltd.	5,426	5,366	4,734	149	162	143	83	92	81
YoY	100.3%	98.9%	88.2%	109.6%	108.7%	88.3%	101.2%	110.8%	88.0%
Seiko Cooperate Japan Co., Ltd.	740	866	868	13	22	13	9	13	7
YoY	95.7%	117.0%	100.2%	48.1%	169.2%	59.1%	39.1%	144.4%	53.8%
Kadiac Co., Ltd.	1,007	938	933	41	28	31	30	16	16
YoY	107.4%	93.1%	99.5%	91.1%	68.3%	110.7%	66.7%	53.3%	100.0%
C&C Co., Ltd.	4,157	4,286	4,250	273	141	264	37	78	125
YoY	188.5%	103.1%	99.2%	5460.0%	51.6%	187.2%	740.0%	210.8%	160.3%
Akiyoshi Systems Co., Ltd.	1,776	1,090	1,010	9	20	13	6	12	7
YoY	88.7%	61.4%	92.7%	16.7%	222.2%	65.0%	22.2%	200.0%	58.3%
Consolidated Subsidiaries Total	41,737	53,578	56,761	1,059	1,529	1,648	237	1,331	1,202
YoY	132.9%	128.4%	105.9%	58.4%	144.4%	107.8%	23.1%	561.6%	90.3%

## Business outline of consolidated subsidiaries

Company	Business Outline	Note
Kansai Beverage Services Co., Ltd.	<ul style="list-style-type: none"> <li>* Operates vending machine management business</li> <li>* Operates drinks</li> <li>* Provides maintenance services for vending machine and peripherals</li> <li>* Supplies ground coffee to offices</li> <li>* Agency sales of telephone cards</li> <li>* Operates desk duties at branches managed by Kinki Coca-Cola group</li> </ul>	Kinki Coca-Cola Vending, Rex Techno Systems, Remy and FV Nishi-Nihon were merged to form Kansai Beverage Service on February 1, 2002.
Nesco Co., Ltd.	* Operates drinks vending machines.	
Kinki Coca-Cola Products Co., Ltd.	* Consignment production of drinks	Established as Kinki Products Co., Ltd. to take over operations of the Akashi Plant. Renamed on July 1, 2000. merged operations of the Kyoto Plant on January 1, 2002.
Kansai Logistics Co., Ltd.	* Consigned distribution of beverages and food products	Established on January 4, 2002. Started sales on May 1 that same year.
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	
C&C Co., Ltd.	* Franchise business (meals, rental videos) * Foods sales * Consignment management	
Akiyoshi Systems Co., Ltd.	* Operates as sub-franchiser of Akiyoshi grilled chicken restaurants	

## Consolidated Balance Sheet Assets Section

(Units: Yen in millions)

	1999/12	2000/12	2001/12	2002/12	YoY
<b>Current assets</b>	46,596	43,471	40,420	33,148	-7,272
Cash and deposits	6,994	12,716	12,803	8,436	-4,367
Notes receivable & Accounts receivable	9,397	10,335	9,939	11,116	1,177
Securities	14,611	9,630	4,225	1,599	-2,626
Inventories	8,833	6,382	8,476	7,858	-618
Prepaid expenses	2,224	1,911	1,992	1,943	-49
Uncollected income	3,035	1,803	2,011	1,767	-244
Deferred tax assets	1,193	340	256	389	133
Others	369	395	806	157	-649
Reserve for uncollectable accounts	-62	-46	-90	-120	-30
<b>Fixed assets</b>	77,565	78,658	80,670	86,369	5,699
<b>Tangible fixed assets</b>	68,515	68,200	65,737	66,583	846
Buildings & structures	17,182	16,945	16,369	15,993	-376
Machinery, equipment & vehicles	15,498	12,791	11,605	11,849	244
Vending machines	12,731	12,586	13,563	13,077	-486
Land	16,522	18,463	18,060	20,378	2,318
Construction in progress	184	1,350	911	50	-861
Lease assets	4,599	4,494	3,869	3,453	-416
Others	1,795	1,568	1,357	1,781	424
<b>Intangible assets</b>	208	2,674	5,288	5,054	-234
Software	-	1,165	1,035	1,944	909
softwares in progress	-	-	605	191	-414
Consolidated adjustment account	-	1,301	2,345	2,007	-338
Others	208	207	1,301	912	-389
<b>Investments, etc.</b>	8,841	7,783	9,644	14,731	5,087
Investment securities	1,659	1,248	2,156	5,975	3,819
Long-term loans	420	401	415	796	381
Long-term prepaid expenses	1,875	1,696	1,918	1,719	-199
Guarantee money surrendered	2,398	2,273	2,052	1,929	-123
Deferred tax assets	609	430	1,451	2,381	930
Others	1,903	1,866	2,063	2,483	420
Reserve for uncollectable accounts	-25	-132	-414	-555	-141
<b>Total assets</b>	124,161	122,129	121,091	119,517	-1,574

## Consolidated Balance Sheet Liabilities, Minority interest & Capital Section

(Units: Yen in millions)

	1999/12	2000/12	2001/12	2002/12	YoY
<b>Current liabilities</b>	<b>28,031</b>	<b>22,663</b>	<b>20,053</b>	<b>26,338</b>	<b>6,285</b>
Notes payable & accounts payable	11,195	8,789	8,292	7,622	-670
Short-term debts	1,363	670	390	273	-117
Convertible bonds due within one year	-	-	-	8,167	8,167
Short-term debts	1,775	2,122	1,528	1,884	356
Unpaid accounts	5,393	3,732	3,786	3,266	-520
Unpaid corporate taxes, etc.	3,169	1,823	1,263	450	-813
Unpaid consumption tax, etc.	339	1,046	25	383	358
Unpaid expenses	3,654	3,470	3,721	3,091	-630
Accrued bonuses	37	-	-	-	-
Deferred tax liabilities	-	6	9	11	2
Others	1,102	1,002	1,036	1,190	154
<b>Fixed liabilities</b>	<b>14,341</b>	<b>14,332</b>	<b>16,773</b>	<b>10,245</b>	<b>-6,528</b>
Convertible Bonds	8,167	8,167	8,167	-	-8,167
Long-term debts	4,184	3,689	3,551	2,983	-568
Employees' severance and retirement benefits	-	-	3,337	5,394	2,057
Reserve for retirement allowances	262	350	-	-	-
Reserve for directors' retirement allowances	334	330	387	333	-54
Reserve for investment losses	485	197	-	-	-
Deferred tax liabilities	-	329	398	446	48
Others	906	1,267	930	1,087	157
<b>Total liabilities</b>	<b>42,372</b>	<b>36,995</b>	<b>36,826</b>	<b>36,584</b>	<b>-242</b>
<b>Minority interest</b>	<b>16</b>	<b>21</b>	<b>42</b>	<b>55</b>	<b>13</b>
<b>Capital</b>	<b>10,948</b>	<b>10,948</b>	<b>10,948</b>	<b>10,948</b>	<b>-</b>
Capital reserve	10,040	10,040	10,040	10,040	-
Consolidated surplus funds	60,785	64,124	63,070	61,954	-1,116
Net unrealized holding gains on securities	-	-	169	-41	-210
Treasury stock	- 0	- 0	-5	-23	-18
<b>Total capital</b>	<b>81,773</b>	<b>85,112</b>	<b>84,222</b>	<b>82,877</b>	<b>-1,345</b>
<b>Total of liabilities, minority interest and capital</b>	<b>124,161</b>	<b>122,129</b>	<b>121,091</b>	<b>119,517</b>	<b>-1,574</b>

## Consolidated Income Statement

(Units: Yen in millions)

	1999/12	2000/12	2001/12	2002/12	YoY	YoY(%)
Sales	173,815	176,398	182,668	183,349	681	100.4%
Sales cost	90,349	92,954	96,446	97,577	1,131	101.2%
Net sales	83,466	83,443	86,221	85,772	-449	99.5%
S&GA	73,629	73,713	78,154	80,303	2,149	102.7%
Operating profit	9,836	9,730	8,067	5,469	-2,598	67.8%
Non-operating income	968	1,143	638	576	-62	90.3%
Non-operating expenses	639	670	864	570	-294	66.0%
Recurring profit	10,165	10,203	7,840	5,475	-2,364	69.8%
Extraordinary profits	357	919	807	1,812	1,005	224.5%
Extraordinary losses	4,526	2,996	7,796	7,218	-578	92.6%
Net profit before tax	5,996	8,127	851	69	-782	8.1%
Corporate taxes, corporate resident taxes & business taxes	4,195	2,227	1,615	751	-864	46.5%
Corporation tax adjustment	-1,043	1,367	-988	-861	127	-
Minority shareholders gain ( - )	5	17	23	18	-5	78.3%
Net profits	2,839	4,515	201	161	-40	80.1%

# Cash Flow - Consolidated

(Units: Yen in millions)

	2002/12		2002/12
. Cash flow from operating activities	16,176	. Cash flow from investing activities	-20,055
Net profit before adjustment, including tax, for interim term	69	Expenses from fixed-term deposits	-450
Depreciation	13,221	Proceeds from fixed-term deposits	2,185
Amortization of long-term prepaid expenses	2,256	Purchase of securities	-
Depreciation for consolidated adjusted account	252	Sale of securities	-
Decline in reserve for retirement allowance	-	Purchase of tangible fixed assets	-14,087
Increase in Employees' severance and retirement benefits	2,057	Sale of tangible fixed assets	517
Increase in reserve for director's retirement allowance	-54	Purchase of intangible fixed assets	-1,141
Increase in reserves for bad debt	171	Purchase of long-term prepaid expenses	-2,490
Decline in reserves for investment losses	-	Purchase of investment securities	-4,253
Interest and dividends received	-31	Sale of investment securities	14
Interest paid	140	Expenditure to acquire the shares of newly consolidated subsidiary	-
Equity in losses of affiliate	12	Purchase of subsidiaries' equity	-
Profit from sale of securities and investment securities	-2	Sales of subsidiaries' equity	-
Securities and investment securities valuation losses	48	Loans extended	-603
Loss of evaluation of golf course membership	119	Loans recovered	185
Loss from sale of investment securities	-	Decline in other investments	68
Profit from sales of tangible fixed assets	-352	. Cash flow from financing activities	-1,478
Loss from sale of fixed assets	641	Income from short-term debt	2,250
Retirement allowances	2,604	Repayment of short-term debt	-2,490
Decline in trade receivables	-1,177	Income from long-term debt	1,494
Decline in inventories	618	Repayment of long-term debt	-1,583
Increase in trade payables	-790	Share buyback costs	-18
Increase in unpaid consumption tax and others	358	Sale of own stocks	-
Directors' bonuses payable	-151	Dividend payable	-1,126
Decline in other assets and liabilities	446	Dividend paid to minority stockholders	-4
Subtotal	20,457	. Decline in cash and cash equivalents	-5,357
Interest and dividends received	27	. Cash and cash equivalents at beginning of year	15,343
Interest payable	-140		
Retirement allowances payable	-2,604	. Cash and cash equivalents at end of year	9,986
Corporate taxes payable	-1,564		

## Capex and Depreciation - Consolidated

### 【 Capex 】

(Units: Yen in millions)

	1999/12	2000/12	2001/12	2002/12	YoY	2003/12 (E)	YoY
Vending machines	4,955	5,478	7,067	5,517	-1,550	6,162	645
Buildings and structures	5,365	1,618	1,195	1,362	167	1,306	-56
Machinery, equipment and vehicles	10,810	1,073	2,220	3,062	842	895	-2,167
Tools and implements	668	493	382	1,006	624	160	-846
Land acquisition	-	3,008	-	2,401	2,401	-	-2,401
Land disposal	-344	-1,495	-1,897	-681	1,216	-386	295
Construction in progress	-9,205	1,165	-438	-865	-427	3,850	4,715
Leased assets	1,909	1,756	1,436	1,729	293	1,758	29
<b>Total of tangible fixed assets</b>	<b>14,158</b>	<b>13,099</b>	<b>9,965</b>	<b>13,531</b>	<b>3,566</b>	<b>13,745</b>	<b>214</b>
Intangible assets	414	1,587	2,181	1,141	-1,040	1,504	363
(of which, softwares)	( 408 )	( 284 )	( 350 )	( 1,555 )	( 1,205 )	( 1,504 )	( -51 )
(of which, softwares in progress)	( - )	( - )	( 605 )	( -414 )	( -1,019 )	( - )	( 414 )
(of which, Consolidated adjustment account)	( 0 )	( 1,301 )	( 1,221 )	( - )	( -1,221 )	( - )	( - )
Long-term prepaid expenses	1,397	1,809	2,495	2,430	-65	2,386	-44
Miscellaneous investments	407	668	401	575	174	260	-315
<b>Total investments</b>	<b>16,376</b>	<b>17,163</b>	<b>15,042</b>	<b>17,677</b>	<b>2,635</b>	<b>17,895</b>	<b>218</b>

### 【 Depreciation 】

(Units: Yen in millions)

	1999/12	2000/12	2001/12	2002/12	YoY	2003/12 (E)	YoY
Vending machines	5,591	5,228	5,742	5,606	-136	5,634	28
Buildings and structures	1,238	1,190	1,240	1,438	198	1,340	-98
Machinery, equipment and vehicles	3,382	3,274	3,017	2,908	-109	2,704	-204
Tools and implements	706	696	554	525	-29	471	-54
Leased assets	1,777	1,762	1,818	1,668	-150	1,550	-118
<b>Total</b>	<b>12,694</b>	<b>12,150</b>	<b>12,371</b>	<b>12,145</b>	<b>-226</b>	<b>11,699</b>	<b>-446</b>
Intangible assets	881	593	663	1,328	665	1,435	107
(of which, softwares)	( 840 )	( 589 )	( 479 )	( 646 )	( 167 )	( 773 )	( 127 )
(of which, Amortization of goodwill)	( - )	( - )	( - )	( 430 )	( 430 )	( 410 )	( -20 )
(of which, Consolidated adjustment account)	( 28 )	( - )	( 178 )	( 252 )	( 74 )	( 252 )	( 0 )
Long-term prepaid expenses	1,062	1,858	2,069	2,256	187	2,384	128

## Financial Highlights - Parent

	1999/12	2000/12	2001/12	2002/12	YoY	2003/12 (E)	YoY
Sales Volume (Cases in thousands)	76,964	77,055	79,954	80,189	100.3%	83,000	103.5%
Sales (Yen in millions)	159,865	161,439	164,298	162,196	98.7%	172,000	106.0%
Operating profit (Yen in millions)	8,504	7,783	6,668	4,113	61.7%	4,200	102.1%
Recurring profit (Yen in millions)	9,155	8,622	7,383	4,362	59.1%	4,800	110.0%
Net profit (Yen in millions)	2,476	3,760	413	-373	-	600	-
Operating Profit on Sales	5.3%	4.8%	4.1%	2.5%	- 1.6point	2.4%	- 0.1point
Recurring Profit on Sales	5.7%	5.3%	4.5%	2.7%	- 1.8point	2.8%	+ 0.1point
Net Profit on Sales	1.5%	2.3%	0.3%	-	-	0.3%	-
EPS (Yen)	39.74	60.08	6.61	-5.98	- 12.59	9.59	+ 15.57
Equity Ratio	73.0%	76.6%	76.1%	75.3%	- 0.8point	72.4%	- 2.9point
BPS (Yen)	1,290.47	1,331.75	1,321.94	1,293.84	- 28.10	1,284.21	- 9.63
Total dividends (Yen)	1,030	1,126	1,126	1,126	-	1,126	-
Annual dividends per share (Yen)	16.50	18.00	18.00	18.00	-	18.00	-
Dividend propensity	41.6%	30.0%	272.3%	-	-	187.7%	-
Ratio of dividends to capital stock	1.3%	1.4%	1.4%	1.4%	-	1.4%	-
ROA	8.3%	7.9%	6.8%	4.0%	- 2.8point	4.3%	+ 0.3point
ROE	3.1%	4.6%	0.5%	-0.5%	- 1.0point	0.7%	+ 1.2point



## Balance Sheet Assets Section

(Units: Yen in millions)

	1999/12	2000/12	2001/12	2002/12	YoY
<b>Current assets</b>	<b>42,887</b>	<b>40,997</b>	<b>37,029</b>	<b>29,999</b>	<b>-7,030</b>
Cash and deposits	4,944	11,129	9,935	6,263	-3,672
Notes receivable	165	202	90	46	-44
Accounts receivable	8,430	9,332	9,454	10,405	951
Securities	14,612	9,630	4,225	1,599	-2,626
Treasury stock	0	0	-	-	-
Merchandise	2,271	2,454	2,308	2,385	77
Products	2,394	2,438	2,966	3,014	48
Raw materials	2,897	154	1,168	632	-536
Inventories	727	798	827	838	11
Prepaid expenses	1,531	1,318	1,520	1,623	103
Short-term loans	665	1,128	1,307	1,213	-94
Uncollected income	2,891	1,815	2,277	1,805	-472
Deferred tax assets	1,135	306	165	66	-99
Others	272	331	865	207	-658
Reserve for bad debts	-52	-43	-82	-103	-21
<b>Fixed assets</b>	<b>67,807</b>	<b>67,849</b>	<b>71,719</b>	<b>77,569</b>	<b>5,850</b>
<b>Tangible fixed assets</b>	<b>56,535</b>	<b>55,192</b>	<b>53,817</b>	<b>54,609</b>	<b>792</b>
Buildings	13,333	12,718	12,494	12,333	-161
Structures	1,476	1,429	1,279	1,161	-118
Machinery, equipment, and vehicles	13,320	10,699	9,684	9,774	90
Tools and implements	1,023	988	833	861	28
Vending machines	12,475	12,310	13,286	12,815	-471
Land	14,721	15,694	15,328	17,618	2,290
Construction in progress	184	1,350	910	45	-865
<b>Intangible assets</b>	<b>174</b>	<b>1,248</b>	<b>1,707</b>	<b>2,171</b>	<b>464</b>
Softwares	-	1,075	932	1,858	926
Telephone subscription rights	116	116	116	116	-
Facility use rights	57	55	54	52	-2
Treasury stock	-	-	605	144	-461
<b>Investments, etc.</b>	<b>11,097</b>	<b>11,408</b>	<b>16,194</b>	<b>20,788</b>	<b>4,594</b>
Investment securities	710	735	1,638	1,334	-304
Investment in subsidiaries and affiliate	1,732	2,015	3,635	7,826	4,191
Long-term loans	108	139	134	124	-10
Long-term loans to employee	71	63	112	147	35
Long-term loans to subsidiaries	2,890	3,782	5,082	4,845	-237
Past due loans and receivable	25	38	184	179	-5
Long-term prepaid expenses	1,751	1,141	1,295	1,227	-68
Guaranties money surrendered	1,458	1,590	1,533	1,405	-128
Long-term deferred tax assets	521	254	1,202	1,941	739
Others	1,851	1,777	1,798	2,265	467
Reserve for bad debts	-24	-130	-422	-509	-87
<b>Total assets</b>	<b>110,694</b>	<b>108,846</b>	<b>108,749</b>	<b>107,569</b>	<b>-1,180</b>

## Balance Sheet    Liabilities/Stockholders' Equity Section

(Units: Yen in millions)

	1999/12	2000/12	2001/12	2002/12	YoY
<b>Current liabilities</b>	20,447	15,739	13,514	20,591	7,077
Accounts payable	7,716	4,788	5,067	4,243	-824
Convertible bonds due within one year	-	-	-	8,167	8,167
Accounts payable-other	5,360	3,546	3,280	2,707	-573
Corporation taxes payable	2,674	1,594	951	211	-740
Consumption tax payable	193	837	-	52	-837
Expenses payable	3,764	3,666	3,662	3,996	334
Advances from customers	44	39	39	41	-0
Deposits received	569	487	382	737	355
Facility-related notes payable	27	676	-	-	-
Miscellaneous current liabilities	97	103	131	434	303
<b>Fixed liabilities</b>	9,474	9,751	12,500	6,032	-6,468
Convertible bonds	8,167	8,167	8,167	-	-8,167
Employees' severance and retirement benefits	-	-	2,967	4,943	1,976
Reserve for retirement allowances	144	85	-	-	-
Reserve for directors' retirement allowances	334	313	341	280	-61
Reserve for investment losses	485	197	-	-	-
Miscellaneous fixed liabilities	342	988	1,024	808	-216
<b>Total liabilities</b>	29,922	25,491	26,014	26,624	610
<b>Capital</b>	10,948	10,948	10,948	10,948	-
Capital reserve	10,040	10,040	10,040	10,040	-
Revenue reserve	1,381	1,499	1,618	1,618	-
<b>Miscellaneous surplus funds</b>	58,402	60,868	59,969	58,403	-1,566
Dividends reserve	700	700	700	700	-
Fixed assets special account reserve	-	109	-	347	347
Fixed assets reserve	-	-	398	398	-
Special reserve	54,400	56,100	56,600	56,600	-
Unappropriated profit for current term	3,302	3,958	2,270	356	-1,914
of which, profit for current term	{ 2,476 }	{ 3,760 }	{ 413 }	{ -373 }	{ -786 }
Net unrealized holding gains on securities	-	-	163	-41	-204
Treasury stock	-	-	-5	-23	-18
<b>Total capital</b>	80,772	83,355	82,734	80,944	-1,790
<b>Total liabilities and capital</b>	110,694	108,846	108,749	107,569	-1,180

## Income Statement - Parent

(Units: Yen in millions)

	1999/12	2000/12	2001/12	2002/12	YoY	YoY(%)
Sales Volume (Cases in thousands)	76,964	77,055	79,954	80,189	235	100.3%
Sales	159,865	161,439	164,298	162,196	-2,102	98.7%
Cost of goods sold	84,245	85,466	87,965	89,885	1,920	102.2%
Net sales	75,620	75,972	76,333	72,310	-4,023	94.7%
SG&A	67,115	68,189	69,664	68,197	-1,467	97.9%
Sales	60,203	60,731	62,454	60,853	-1,601	97.4%
General administrative expenses	6,911	7,458	7,209	7,343	134	101.9%
Operating profit	8,504	7,783	6,668	4,113	-2,555	61.7%
Non-operating profit	1,269	1,452	1,243	693	-550	55.8%
Non-operating expenses	618	613	528	444	-84	84.1%
Recurring profit	9,155	8,622	7,383	4,362	-3,021	59.1%
Extraordinary profit	264	873	750	2,268	1,518	302.4%
Extraordinary loss	4,314	2,865	7,568	7,166	-402	94.7%
Net profit before tax	5,105	6,630	565	-536	-1,101	-
Corporation, resident and business taxes	3,627	1,775	1,077	329	-748	30.5%
Adjustment for corporation tax and other taxes	-997	1,095	-925	-491	434	-
Net profit	2,476	3,760	413	-373	-787	-

# Capex & Depreciation

## 【 Capex 】

(Units: Yen in millions)

	1999/12	2000/12	2001/12	2002/12	YoY	2003/12 (E)	YoY
Vending machines	4,824	5,366	6,942	5,405	-1,537	5,966	561
Buildings and structures	4,860	863	1,061	1,219	158	1,263	44
Machinery and equipment	10,153	320	1,561	2,226	665	366	-1,860
Tools and implements	414	303	172	282	110	160	-122
Land acquired	-	1,434	-	2,401	2,401	-	-2,401
Proceeds from sale of land	-294	-1,543	-1,897	-1,118	779	-386	732
Construction in progress	-9,202	1,166	-439	-865	-426	3,850	4,715
<b>Total tangible fixed assets</b>	<b>10,755</b>	<b>7,911</b>	<b>7,401</b>	<b>9,550</b>	<b>2,149</b>	<b>11,219</b>	<b>1,669</b>
Intangible assets	414	270	903	1,074	171	1,464	390
(of which, softwares)	( 408 )	( 270 )	( 298 )	( 1,535 )	( 1,237 )	( 1,464 )	( -71 )
(of which, softwares in progress)	( - )	( - )	( 605 )	( -461 )	( -1,066 )	( - )	( 461 )
Long-term prepaid expenses	1,312	1,782	1,947	1,923	-24	2,386	463
Miscellaneous investment	407	646	401	575	174	260	-315
<b>Total investment</b>	<b>12,889</b>	<b>10,609</b>	<b>10,654</b>	<b>13,124</b>	<b>2,470</b>	<b>15,329</b>	<b>2,205</b>

## 【 Depreciation 】

(Units: Yen in millions)

	1999/12	2000/12	2001/12	2002/12	YoY	2003/12 (E)	YoY
Vending machines	5,467	5,107	5,620	5,482	-138	5,506	24
Buildings and structures	1,021	980	984	1,224	240	1,142	-82
Machinery and equipment	2,620	2,488	2,261	2,131	-130	1,942	-189
Tools and implements	332	313	292	275	-17	231	-44
<b>Total</b>	<b>9,440</b>	<b>8,888</b>	<b>9,157</b>	<b>9,112</b>	<b>-45</b>	<b>8,821</b>	<b>-291</b>
Intangible assets	841	555	443	610	167	728	118
(of which, softwares)	( 840 )	( 554 )	( 442 )	( 608 )	( 166 )	( 727 )	( 119 )
Long-term prepaid expenses	999	1,220	1,572	1,808	236	1,963	155

# Company Overview

(as of December 31, 2002)

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	1,661

## Board of directors (as of March 28, 2003)

President (Representative director)	Masakazu Morito	Director	Toyojiro Yoshinaga
Vice-President	Hiromu Nakamura	Director	Taijiro Naniwa
Managing director	Hideaki Nogami	Director	Akira Noguchi
Managing director	Toshiaki Hidehira	Director	Hitoshi Tarutani
Managing director	Naohiro Nishida	Director	Minoru Yoshizawa
Managing director	Yutaka Miyazaki	Director	Yasuhiro Sato
Director	Nobuhiro Tada	Director	Kazuo Tsukuda
Director	Tamio Yoshimatsu	Auditor	Hideichi Shibatani
Director	Jyuichi Hattori	Auditor	Tadamasa Amitsuka
Director	Noriyuki Korasaki	Auditor	Naomichi Asano
Director	Hiroshi Kanda		

Number of shares outstanding 62,591,049

Number of shareholders 5,526

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	1,696	2.71
The Master Trust Bank of Japan, Ltd.	1,276	2.04
Pension Account Trustee The Mitsui Asset Trust & Banking Co., Ltd. (2 Accounts)	1,147	1.83
Kamiyamato Co., Ltd.	1,050	1.68
Yatani Co., Ltd.	675	1.08
Japan Trustee Services Bank, Ltd.	671	1.07
State Street Bank and Trust Company	504	0.81