

# PROFILE & ANALYTICAL GUIDE 2003



KINKI Coca-Cola Bottling Co., Ltd.

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

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**Corporate Principle**

**“Company That Creates Refreshment”**

The Kinki Coca-Cola Bottling Group aims to :

Create opportunities that realize to a rich and prosperous lifestyle.

Respond to expectations and desire for progress.

Contribute to a healthier lifestyle.

**Vision 2006**

The Kinki Coca-Cola Bottling Group intends to :

Provide each and every single product with No.1 operation in the soft drink market,  
and offer refreshing moments to as many people as possible.

Treasure our customers as our partners to realize consumer’s satisfaction,  
and grow together with customers.

Pursue consumer’s 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.

## 2004 ~ 2006 Midterm Business Plan

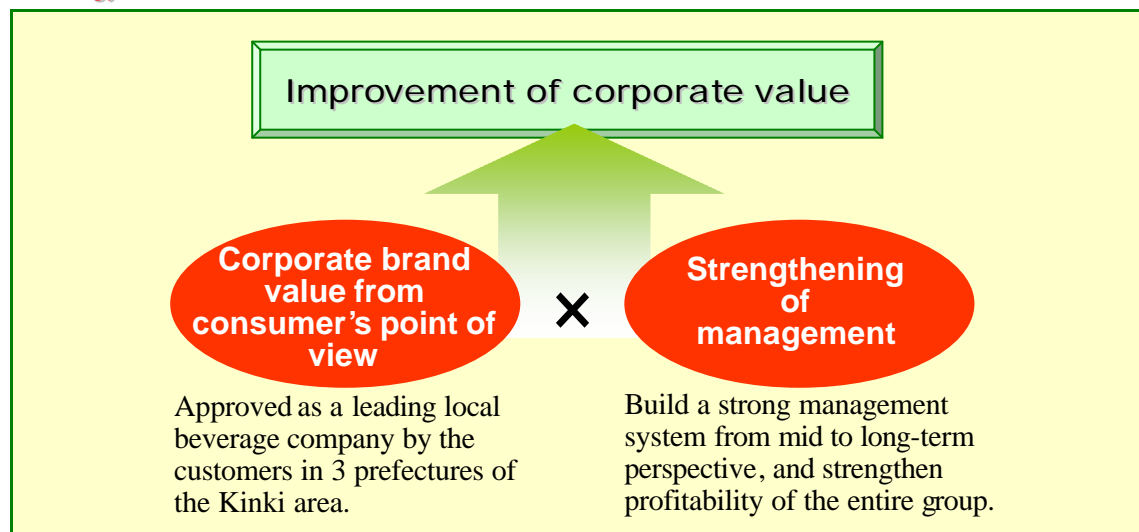
As we face the changes in the business environment, we newly adopted a 3-year midterm business plan for the period of 2004 to 2006. The aim is to flexibly adapt to future changes in the business environment by pursuing consumer's satisfaction and management restructuring, and strive for a strong business group.

A "Basic Strategy" has been undertaken to materialize "Vision 2006" raised by the group.

### Basic Strategy

1. Financial strategy
2. Strategy for improving corporate value from consumer's point of view
3. Restructuring strategy aimed at strengthening profitability and improving corporate value
4. Strategy for strengthening performance bases

### Strategy Axis



### 2006 Fixed Targets

|                 |   |                 |
|-----------------|---|-----------------|
| S a l e s       | : | ¥ 187.2 billion |
| Ordinary profit | : | ¥ 10.0 billion  |
| R O E           | : | 7.0 %           |

## Midterm Business Plan Specific Action of Basic Strategy

### 1. Financial strategy

- Upkeep an increase in revenue and profits.
- Improve finances to uplift stock value.
- Improve important management indices.

### 2. Strategy for improving corporate from customer's point of view

- Establish means of 2-way communication with consumer.
- Communicate directly within the coverage areas.
- Innovate business style for better consumer satisfaction with customers of partners.
- Establish a reliable quality assurance and control system.

### 3. Restructuring strategy aimed at strengthening profitability and improving corporate value

#### 【Within the Coca-Cola System】

- Strengthen the partnership with Cola-Cola (Japan) Co., Ltd.
- Make maximum use of advantages drawn from SCM (Supply Chain Management) including cost reduction and a lower cost price.
- Build a group structure necessary to transform into a sales company.
- Unify the information system (development system) in Japan.
- Strengthen cooperation with strategic partners.

#### 【Within our group】

- Integrate and restructure administrative departments that include group companies.
- Innovate management in order to improve the quality and speed of decision-making and strategy execution.
- Institute a new retirement allowance system.
- Apply progress management system to control departmental activity plans.
- Strengthen cooperation with strategic partners.

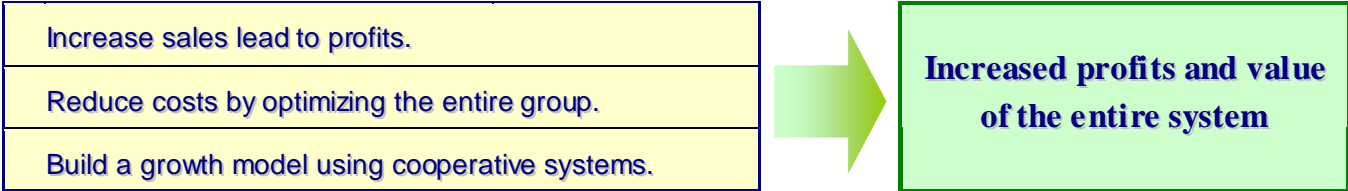
#### 【Strategy for social contributions】

- .Penetrate corporate compliance
- Strengthen environmental activities.

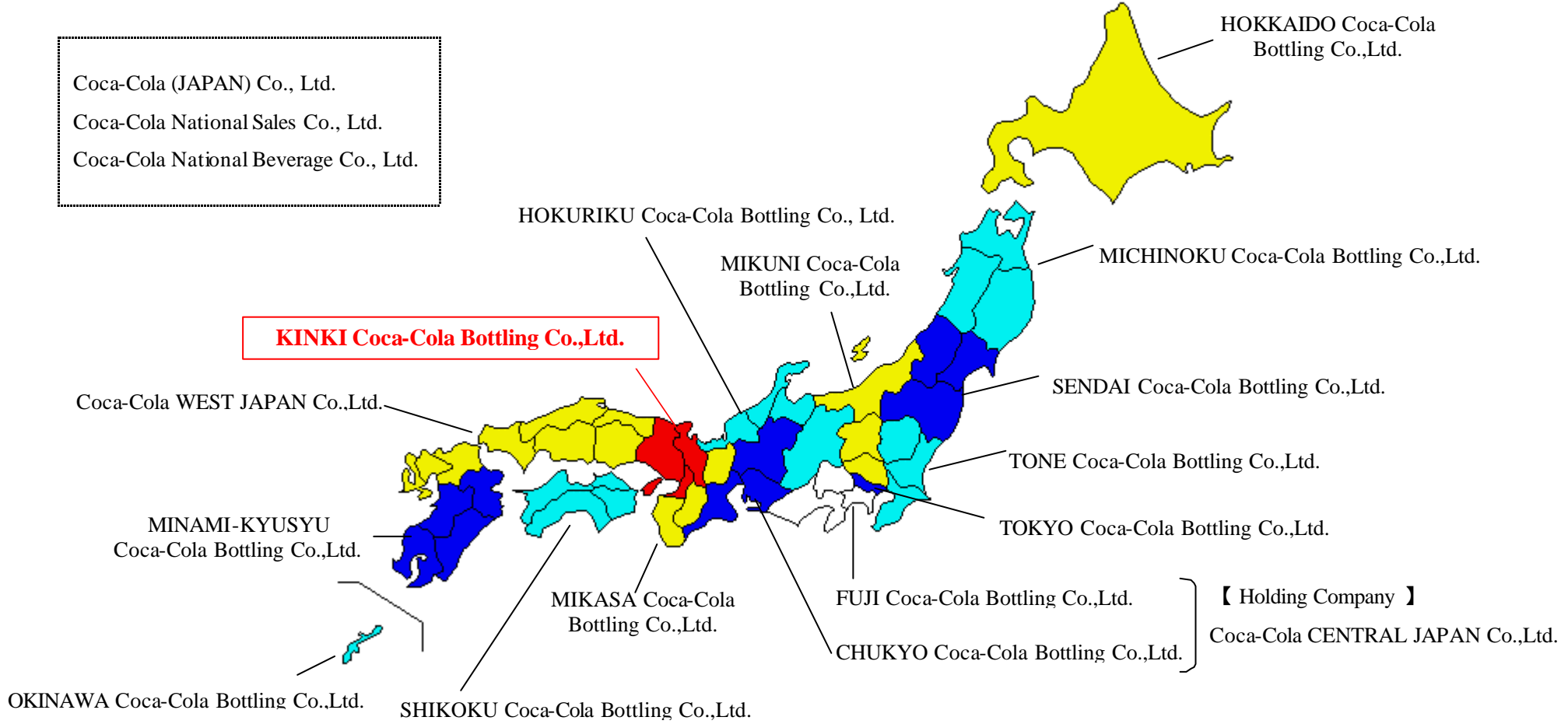
### 4. Strategy for strengthening performance bases

- Provide CDP (Career Development Programs) for the entire group staff.
- Create a corporate atmosphere that pursues consumer satisfaction.
- Develop human resources who have the desire to achieve and take pride in their work.
- Redesign the personnel system for promoting group business.

# Basic Policy of the Coca-Cola System



Coca-Cola (JAPAN) Co., Ltd.  
 Coca-Cola National Sales Co., Ltd.  
 Coca-Cola National Beverage Co., Ltd.



## Coca-Cola National Beverage Co., Ltd. Starts Operations

In April 2003, six bottlers (Kinki, Mikuni, Tone, Tokyo, CCCJ and CCWJ) and The Coca-Cola Japan Co., Ltd. (CCJC) jointly initiated [Coca-Cola National Beverages Co., Ltd. \(CCNBC\)](#). Other bottlers joined this preparatory effort later on October 1, 2003. CCNBC started its operations under collaboration of CCJC and all bottlers.

CCNBC will create new value through a nationally integrated supply chain management (SCM). By responding quickly to changes in the marketplace and improving customer and consumer satisfaction, CCNBC will enhance long-term competitiveness of the Coca-Cola System in Japan.

### The Role of CCNBC

CCNBC will be responsible for national demand and supply planning, centralized procurement of materials and product supply to the bottling companies. CCNBC will enable faster decision -making on SCM strategies for the Coca-Cola System, and invest in advanced production technology. Through the delivery of the high- quality, innovative products and packages in shorter time, CCNBC will enhance customer and consumer satisfaction.

CCNBC will also define the optimum production and logistics infrastructure and supply network. The company will also accelerate standardization of operating processes and the information systems of the Coca-Cola System. The nationwide IS network will improve transparency in the supply chain across the territorial borders of individual bottling companies, thereby constructing a more flexible and responsive supply system. With this new information system platform, national SCM will be closely aligned with sales operations. This will significantly enhance community-based customer and consumer service operations each bottler has been successfully conducting over the years.

### Enhanced Competitiveness by SCM

CCNBC will centralize procurement, production, and logistics operations of the Coca-Cola System in Japan, and aim to reduce costs through optimum nationwide SCM. The resources generated from this effort will be invested in marketing activities and customer and consumer service programs to enhance long-term growth of the Coca-Cola System in Japan.

The nationwide SCM system promoted by CCNBC is expected to achieve cost reductions of more than 25 billion yen per year by 2007 through a number of productivity enhancement measures, including centralized supply network management, full utilization of all system manufacturing lines, and improved inventory management backed by the new, integrated SCM information system. The outlook for the period from October 2003 to December 2004 is a cost reduction effect of ¥10 billion.

Also, ¥9 billion have been invested in a new integrated information system aimed at improving efficiency in demand projecting, and procurement and production planning, on the national level.

## Pension Fund Dissolved

Permission was granted from the Ministry of Health, Labor and Welfare to dissolve the Kinki Coca-Cola Bottling Pension Fund that we were the head company, and thus the fund was dissolved on November 27, 2003.

### Reason for Dissolution

The Pension Fund was created in April 1968, but the number of participants has greatly decreased and fund finances have worsened because of asset maturity and a worsening environment for pension asset management.

A turnaround in the fund's financial situation is not foreseen for the near future and continuing in this state was judged to be a big managerial burden for the company. Therefore, with the understanding and cooperation of participants, the fund was dissolved.

### Effect on Business Performance

A special loss of ¥14.7 billion was recorded as the cost of dissolution in December 2003.

Also, in December 2004 and beyond, the cost of retirement allowances will decrease and the marginal depreciation because of changes to retirement allowance accounting standards will be cleared.

### Future Retirement Allowance System

Studies are underway on a system that would not have the business risks of before and that would give employees a series of plans to choose from to match their life plans. For example, under consideration are fixed contribution and prepaid plans.



## New Ad Campaign for Major Brands

### Coca-Cola Launches New Campaign

“Special Magic ~ This kind of stimulus can change me. ~”

A new campaign for Coca-Cola “Special Magic Coca-Cola” was launched on March 1, 2004.

The new campaign aims to directly and with a sense of scale convey the “sense of pleasure and freedom that other beverages do not have” but Coca-Cola does.



### New Aquarius Launched

“BODY! Go-go”

A new campaign of Aquarius “BODY! Go-go” was launched and a full model has changed on February 14, 2004.

The new Aquarius supports health and beauty with quick “water replenishment” and the “five daily essentials” such as amino acids. In the new campaign, Aquarius is being conveyed as the best isotonic drink for a wide range of situations in which consumers move their body from everyday activities to sports.



### New Campaign Launch for Sokenbicha

“So Beautiful, Sokenbicha”

The new campaign for Sokenbicha “So Beautiful, Sokenbicha” was launched on March 1, 2004.

It conveys “the good balance of 11 types of elements” and “how Sokenbicha internally cleanses your body”.



### Newly Launched Marocha-Chabanokou

“Tasty and Healthy tea leaf”

Marocha-Chabanokou was newly launched on March 1, 2004.

The package is designed with two tea leaves to represent the “tasty” and “healthy” quality of this new green tea beverage.



## Financial Highlights Consolidated

|                            |                   | 2000/12  | 2001/12  | 2002/12  | 2003/12  | YoY         | 2004/12(E) | YoY         |
|----------------------------|-------------------|----------|----------|----------|----------|-------------|------------|-------------|
| Sales                      | (Yen in millions) | 176,398  | 182,668  | 183,349  | 182,862  | 99.7%       | 187,200    | 102.4%      |
| Operating Profit           | (Yen in millions) | 9,730    | 8,067    | 5,469    | 5,986    | 109.5%      | 7,380      | 123.3%      |
| Recurring Profit           | (Yen in millions) | 10,203   | 7,840    | 5,475    | 5,323    | 97.2%       | 7,060      | 132.6%      |
| Net Profit                 | (Yen in millions) | 4,515    | 201      | 161      | -8,934   | -           | 3,300      | -           |
| Operating Profit on Sales  |                   | 5.5%     | 4.4%     | 3.0%     | 3.3%     | + 0.3point  | 3.9%       | + 0.6point  |
| Recurring Profit on Sales  |                   | 5.8%     | 4.3%     | 3.0%     | 2.9%     | - 0.1point  | 3.8%       | + 0.9point  |
| Net Profit on Sales        |                   | 2.6%     | 0.1%     | 0.1%     | -        | - 0.1point  | 1.8%       | + 1.8point  |
| EPS                        | (Yen)             | 72.14    | 3.22     | 2.58     | -144.38  | - 146.96    | 52.76      | + 197.14    |
| Shareholder's Equity Ratio |                   | 69.7%    | 69.6%    | 69.4%    | 60.1%    | - 9.3point  | 62.7%      | + 2.6point  |
| BPS                        | (Yen)             | 1,359.82 | 1,345.71 | 1,324.74 | 1,164.36 | - 160.38    | 1,191.55   | + 27.19     |
| ROA                        |                   | 8.3%     | 6.4%     | 4.6%     | 4.4%     | - 0.2point  | 5.9%       | + 1.5point  |
| ROE                        |                   | 5.4%     | 0.2%     | 0.2%     | -11.5%   | - 11.7point | 4.4%       | + 15.9point |

## 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.                      | <ul style="list-style-type: none"> <li>* Franchise business (meals, rental videos)</li> <li>* Foods sales</li> <li>* Consignment management</li> </ul>                                                                                                                                                                                                                        |                                                                                                                                                                        |
| Akiyoshi Systems Co., Ltd.         | * Operates of Akiyoshi grilled chicken restaurants                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                        |

## Consolidated Balance Sheet Assets Section

(Units: Yen in millions)

|                                        | 2000/12 | 2001/12 | 2002/12 | 2003/12 | YoY    |
|----------------------------------------|---------|---------|---------|---------|--------|
| <b>Current assets</b>                  | 43,471  | 40,420  | 33,148  | 34,819  | 1,671  |
| Cash and deposits                      | 12,716  | 12,803  | 8,436   | 7,122   | -1,314 |
| Notes receivable & Accounts receivable | 10,335  | 9,939   | 11,116  | 12,047  | 931    |
| Securities                             | 9,630   | 4,225   | 1,599   | -       | -1,599 |
| Inventories                            | 6,382   | 8,476   | 7,858   | 8,180   | 322    |
| Prepaid expenses                       | 1,911   | 1,992   | 1,943   | 1,795   | -148   |
| Uncollected income                     | 1,803   | 2,011   | 1,767   | 2,693   | 926    |
| Deferred tax assets                    | 340     | 256     | 389     | 2,889   | 2,500  |
| Others                                 | 395     | 806     | 157     | 193     | 36     |
| Reserve for uncollectable accounts     | -46     | -90     | -120    | -102    | 18     |
| <b>Fixed assets</b>                    | 78,658  | 80,670  | 86,369  | 86,579  | 210    |
| <b>Tangible fixed assets</b>           | 68,200  | 65,737  | 66,583  | 64,625  | -1,958 |
| Buildings & structures                 | 16,945  | 16,369  | 15,993  | 15,073  | -920   |
| Machinery, equipment & vehicles        | 12,791  | 11,605  | 11,849  | 10,066  | -1,783 |
| Vending machines                       | 12,586  | 13,563  | 13,077  | 13,436  | 359    |
| Land                                   | 18,463  | 18,060  | 20,378  | 20,189  | -189   |
| Construction in progress               | 1,350   | 911     | 50      | 444     | 394    |
| Lease assets                           | 4,494   | 3,869   | 3,453   | 3,601   | 148    |
| Others                                 | 1,568   | 1,357   | 1,781   | 1,813   | 32     |
| <b>Intangible assets</b>               | 2,674   | 5,288   | 5,054   | 3,385   | -1,669 |
| Software                               | 1,165   | 1,035   | 1,944   | 2,237   | 293    |
| softwares in progress                  | -       | 605     | 191     | 365     | 174    |
| Consolidated adjustment account        | 1,301   | 2,345   | 2,007   | 212     | -1,795 |
| Others                                 | 207     | 1,301   | 912     | 570     | -342   |
| <b>Investments, etc.</b>               | 7,783   | 9,644   | 14,731  | 18,568  | 3,837  |
| Investment securities                  | 1,248   | 2,156   | 5,975   | 6,744   | 769    |
| Long-term loans                        | 401     | 415     | 796     | 905     | 109    |
| Long-term prepaid expenses             | 1,696   | 1,918   | 1,719   | 2,133   | 414    |
| Guarantee money surrendered            | 2,273   | 2,052   | 1,929   | 1,789   | -140   |
| Deferred tax assets                    | 430     | 1,451   | 2,381   | 6,276   | 3,895  |
| Others                                 | 1,866   | 2,063   | 2,483   | 1,288   | -1,195 |
| Reserve for uncollectable accounts     | -132    | -414    | -555    | -568    | -13    |
| <b>Total assets</b>                    | 122,129 | 121,091 | 119,517 | 121,399 | 1,882  |

# Consolidated Balance Sheet      Liabilities, Minority interest & Capital Section

(Units: Yen in millions)

|                                                                         | 2000/12 | 2001/12 | 2002/12 | 2003/12 | YoY     |
|-------------------------------------------------------------------------|---------|---------|---------|---------|---------|
| <b>Current liabilities</b>                                              | 22,663  | 20,053  | 26,338  | 27,836  | 1,498   |
| Notes payable & accounts payable                                        | 8,789   | 8,292   | 7,622   | 8,495   | 873     |
| Short-term debts                                                        | 670     | 390     | 273     | 5,000   | 4,727   |
| Convertible bonds due within one year                                   | -       | -       | 8,167   | -       | -8,167  |
| Long term loans due within one year                                     | 2,122   | 1,528   | 1,884   | 5,175   | 3,291   |
| Unpaid accounts                                                         | 3,732   | 3,786   | 3,266   | 4,036   | 770     |
| Unpaid corporate taxes, etc.                                            | 1,823   | 1,263   | 450     | 303     | -147    |
| Unpaid consumption tax, etc.                                            | 1,046   | 25      | 383     | 505     | 122     |
| Unpaid expenses                                                         | 3,470   | 3,721   | 3,091   | 3,231   | 140     |
| Deferred tax liabilities                                                | 6       | 9       | 11      | 19      | 8       |
| Others                                                                  | 1,002   | 1,036   | 1,190   | 1,067   | -123    |
| <b>Long-term liabilities</b>                                            | 14,332  | 16,773  | 10,245  | 20,567  | 10,322  |
| Convertible Bonds                                                       | 8,167   | 8,167   | -       | -       | -       |
| Long-term debts                                                         | 3,689   | 3,551   | 2,983   | 14,536  | 11,553  |
| Employees' severance and retirement benefits                            | -       | 3,337   | 5,394   | 723     | -4,671  |
| Reserve for retirement allowances                                       | 350     | -       | -       | -       | -       |
| Reserve for directors' retirement allowances                            | 330     | 387     | 333     | 287     | -46     |
| Reserve for investment losses                                           | 197     | -       | -       | -       | -       |
| Deferred tax liabilities                                                | 329     | 398     | 446     | 467     | 21      |
| Others                                                                  | 1,267   | 930     | 1,087   | 4,553   | 3,466   |
| <b>Total liabilities</b>                                                | 36,995  | 36,826  | 36,584  | 48,403  | 11,819  |
| <b>Minority interest</b>                                                | 21      | 42      | 55      | 64      | 9       |
| Common stock                                                            | 10,948  | 10,948  | 10,948  | 10,948  | -       |
| Capital surplus                                                         | 10,040  | 10,040  | 10,040  | 10,040  | -       |
| Retained earnings                                                       | 64,124  | 63,070  | 61,954  | 51,792  | -10,162 |
| Net unrealized holding gains on securities                              | -       | 169     | -41     | 179     | 220     |
| Treasury stock                                                          | - 0     | -5      | -23     | -29     | -6      |
| <b>Total shareholders' equity</b>                                       | 85,112  | 84,222  | 82,877  | 72,931  | -9,946  |
| <b>Total of liabilities, minority interest and shareholders' equity</b> | 122,129 | 121,091 | 119,517 | 121,399 | 1,882   |

# Consolidated Income Statement

(Units: Yen in millions)

|                                                            | 2000/12 | 2001/12 | 2002/12 | 2003/12 | YoY     | YoY(%) |
|------------------------------------------------------------|---------|---------|---------|---------|---------|--------|
| Sales                                                      | 176,398 | 182,668 | 183,349 | 182,862 | -487    | 99.7%  |
| Sales cost                                                 | 92,954  | 96,446  | 97,577  | 98,851  | 1,274   | 101.3% |
| Net sales                                                  | 83,443  | 86,221  | 85,772  | 84,010  | -1,762  | 97.9%  |
| S&GA                                                       | 73,713  | 78,154  | 80,303  | 78,024  | -2,279  | 97.2%  |
| Operating profit                                           | 9,730   | 8,067   | 5,469   | 5,986   | 517     | 109.5% |
| Non-operating income                                       | 1,143   | 638     | 576     | 373     | -203    | 64.8%  |
| Non-operating expenses                                     | 670     | 864     | 570     | 1,036   | 466     | 181.8% |
| Recurring profit                                           | 10,203  | 7,840   | 5,475   | 5,323   | -151    | 97.2%  |
| Extraordinary profits                                      | 919     | 807     | 1,812   | 295     | -1,517  | 16.3%  |
| Extraordinary losses                                       | 2,996   | 7,796   | 7,218   | 20,579  | 13,361  | 285.1% |
| Net profit before tax                                      | 8,127   | 851     | 69      | -14,961 | -15,030 | -      |
| Corporate taxes, corporate resident taxes & business taxes | 2,227   | 1,615   | 751     | 469     | -282    | 62.5%  |
| Corporation tax adjustment                                 | 1,367   | -988    | -861    | -6,510  | -5,649  | -      |
| Minority shareholders gain ( - )                           | 17      | 23      | 18      | 14      | -4      | 77.8%  |
| Net profits                                                | 4,515   | 201     | 161     | -8,934  | -9,094  | -      |

## Cash Flow - Consolidated

(Units: Yen in millions)

|                                                               | 2003/12 |                                                  | 2003/12 |
|---------------------------------------------------------------|---------|--------------------------------------------------|---------|
| . Cash flow from operating activities                         | 1,331   | . Cash flow from investing activities            | -14,501 |
| Net profit before adjustment, including tax, for interim term | -14,961 | Expenses from fixed-term deposits                | -40     |
| Depreciation                                                  | 13,077  | Proceeds from fixed-term deposits                | 350     |
| Amortization of long-term prepaid expenses                    | 2,480   | Purchase of tangible fixed assets                | -10,992 |
| Depreciation for consolidated adjusted account                | 1,795   | Sale of tangible fixed assets                    | 661     |
| Decline in Employees' severance and retirement benefits       | -4,670  | Purchase of intangible fixed assets              | -1,176  |
| Increase in reserve for director's retirement allowance       | -46     | Purchase of long-term prepaid expenses           | -2,934  |
| Increase in reserves for bad debt                             | 14      | Purchase of investment securities                | -1,069  |
| Interest and dividends received                               | -40     | Sale of investment securities                    | 10      |
| Interest paid                                                 | 149     | Loans extended                                   | -299    |
| Equity in losses of affiliate                                 | 553     | Loans recovered                                  | 157     |
| Profit from sale of securities and investment securities      | -2      | Decline in other investments                     | 830     |
| Securities and investment securities valuation losses         | 60      | . Cash flow from financing activities            | 10,267  |
| Loss of evaluation of golf course membership                  | 182     | Income from short-term debt                      | 17,000  |
| Profit from sales of tangible fixed assets                    | -293    | Repayment of short-term debt                     | -12,273 |
| Loss from sale of fixed assets                                | 699     | Income from long-term debt                       | 16,930  |
| Retirement allowances                                         | 875     | Repayment of long-term debt                      | -2,086  |
| Contribution to liquidation of the defined benefit plan       | 15,772  | Repayment of convertible bond                    | -8,167  |
| Increase in trade receivables                                 | -930    | Share buyback costs                              | -5      |
| Increase in inventories                                       | -322    | Dividend payable                                 | -1,126  |
| Increase in trade payables                                    | 746     | Dividend paid to minority stockholders           | -4      |
| Increase in unpaid consumption tax and others                 | 122     | . Decline in cash and cash equivalents           | -2,903  |
| Directors' bonuses payable                                    | -102    | . Cash and cash equivalents at beginning of year | 9,986   |
| Decline in other assets and liabilities                       | 3,526   | . Cash and cash equivalents at end of year       | 7,082   |
| Subtotal                                                      | 18,687  |                                                  |         |
| Interest and dividends received                               | 56      |                                                  |         |
| Interest payable                                              | -149    |                                                  |         |
| Retirement allowances payable                                 | -875    |                                                  |         |
| Contribution to liquidation of the defined benefit plan       | -15,772 |                                                  |         |
| Corporate taxes payable                                       | -616    |                                                  |         |

## Capex and Depreciation - Consolidated

### 【 Capex 】

(Units: Yen in millions)

|                                             | 2000/12       | 2001/12       | 2002/12       | 2003/12       | YoY           | 2004/12 (E)   | YoY          |
|---------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Vending machines                            | 5,478         | 7,067         | 5,517         | 6,779         | 1,262         | 6,861         | 82           |
| Buildings and structures                    | 1,618         | 1,195         | 1,362         | 495           | -867          | 1,539         | 1,044        |
| Machinery, equipment and vehicles           | 1,073         | 2,220         | 3,062         | 949           | -2,113        | 988           | 39           |
| Tools and implements                        | 493           | 382           | 1,006         | 620           | -386          | 492           | -128         |
| Land acquisition                            | 3,008         | -             | 2,401         | -             | -2,401        | 200           | 200          |
| Land disposal                               | -1,495        | -1,897        | -681          | -564          | 117           | -             | 564          |
| Construction in progress                    | 1,165         | -438          | -865          | 394           | 1,259         | 1,340         | 946          |
| Leased assets                               | 1,756         | 1,436         | 1,729         | 1,753         | 24            | 1,981         | 228          |
| <b>Total of tangible fixed assets</b>       | <b>13,099</b> | <b>9,965</b>  | <b>13,531</b> | <b>10,426</b> | <b>-3,105</b> | <b>13,401</b> | <b>2,975</b> |
| Intangible assets                           | 1,587         | 2,181         | 1,141         | 1,176         | 35            | 1,388         | 212          |
| (of which, sohtwares)                       | ( 284 )       | ( 350 )       | ( 1,555 )     | ( 1,000 )     | ( -555 )      | ( 1,552 )     | ( 552 )      |
| (of which, softwares in progress)           | ( - )         | ( 605 )       | ( -414 )      | ( 174 )       | ( 588 )       | ( -164 )      | ( -338 )     |
| (of which, Consolidated adjustment account) | ( 1,301 )     | ( 1,221 )     | ( - )         | ( - )         | ( - )         | ( - )         | ( - )        |
| Long-term prepaid expenses                  | 1,809         | 2,495         | 2,430         | 2,934         | 504           | 3,069         | 135          |
| Miscellaneous investments                   | 668           | 401           | 575           | 129           | -446          | 110           | -19          |
| <b>Total investments</b>                    | <b>17,163</b> | <b>15,042</b> | <b>17,677</b> | <b>14,665</b> | <b>-3,012</b> | <b>17,968</b> | <b>3,303</b> |

### 【 Depreciation 】

(Units: Yen in millions)

|                                             | 2000/12       | 2001/12       | 2002/12       | 2003/12       | YoY         | 2004/12 (E)   | YoY         |
|---------------------------------------------|---------------|---------------|---------------|---------------|-------------|---------------|-------------|
| Vending machines                            | 5,228         | 5,742         | 5,606         | 5,874         | 268         | 6,059         | 185         |
| Buildings and structures                    | 1,190         | 1,240         | 1,438         | 1,252         | -186        | 1,257         | 5           |
| Machinery, equipment and vehicles           | 3,274         | 3,017         | 2,908         | 2,691         | -217        | 2,313         | -378        |
| Tools and implements                        | 696           | 554           | 525           | 575           | 50          | 548           | -27         |
| Leased assets                               | 1,762         | 1,818         | 1,668         | 1,618         | -50         | 1,645         | 27          |
| <b>Total</b>                                | <b>12,150</b> | <b>12,371</b> | <b>12,145</b> | <b>12,012</b> | <b>-133</b> | <b>11,822</b> | <b>-190</b> |
| Intangible assets                           | 593           | 663           | 1,328         | 2,859         | 1,531       | 1,159         | -1,700      |
| (of which, sohtwares)                       | ( 589 )       | ( 479 )       | ( 646 )       | ( 701 )       | ( 55 )      | ( 772 )       | ( 71 )      |
| (of which, Amortization of goodwill)        | ( - )         | ( - )         | ( 430 )       | ( 359 )       | ( -71 )     | ( 358 )       | ( -1 )      |
| (of which, Consolidated adjustment account) | ( - )         | ( 178 )       | ( 252 )       | ( 1,795 )     | ( 1,543 )   | ( 27 )        | ( -1,768 )  |
| Long-term prepaid expenses                  | 1,858         | 2,069         | 2,256         | 2,480         | 224         | 2,450         | -30         |



## Financial Highlights - Parent

(Units: Yen in millions)

|                                     | 2000/12  | 2001/12  | 2002/12  | 2003/12  | YoY         | 2004/12 (E) | YoY         |
|-------------------------------------|----------|----------|----------|----------|-------------|-------------|-------------|
| Sales Volume (Cases in thousands)   | 77,055   | 79,954   | 80,189   | 77,919   | 97.2%       | 80,900      | 103.8%      |
| Sales (Yen in millions)             | 161,439  | 164,298  | 162,196  | 162,275  | 100.0%      | 165,500     | 102.0%      |
| Operating profit (Yen in millions)  | 7,783    | 6,668    | 4,113    | 4,126    | 100.3%      | 5,690       | 137.9%      |
| Recurring profit (Yen in millions)  | 8,622    | 7,383    | 4,362    | 4,730    | 108.4%      | 6,070       | 128.3%      |
| Net profit (Yen in millions)        | 3,760    | 413      | -373     | -8,977   | -           | 2,600       | -           |
| Operating Profit on Sales           | 4.8%     | 4.1%     | 2.5%     | 2.5%     | -           | 3.4%        | + 0.9point  |
| Recurring Profit on Sales           | 5.3%     | 4.5%     | 2.7%     | 2.9%     | + 0.2point  | 3.7%        | + 0.8point  |
| Net Profit on Sales                 | 2.3%     | 0.3%     | -        | -        | -           | 1.6%        | + 1.6point  |
| EPS (Yen)                           | 60.08    | 6.61     | -5.98    | -144.09  | - 138.11    | 41.56       | + 185.65    |
| Equity Ratio                        | 76.6%    | 76.1%    | 75.3%    | 64.8%    | - 10.5point | 66.9%       | + 2.1point  |
| BPS (Yen)                           | 1,331.75 | 1,321.94 | 1,293.84 | 1,134.29 | - 159.55    | 1,156.86    | + 22.57     |
| Total dividends (Yen)               | 1,126    | 1,126    | 1,126    | 1,126    | -           | 1,126       | -           |
| Annual dividends per share (Yen)    | 18.00    | 18.00    | 18.00    | 18.00    | -           | 18.00       | -           |
| Dividend propensity                 | 30.0%    | 272.3%   | -        | -        | -           | 43.3%       | + 43.3point |
| Ratio of dividends to capital stock | 1.4%     | 1.4%     | 1.4%     | 1.6%     | + 0.2point  | 1.6%        | -           |
| ROA                                 | 7.9%     | 6.8%     | 4.0%     | 4.4%     | + 0.4point  | 5.6%        | + 1.2point  |
| ROE                                 | 4.6%     | 0.5%     | -0.5%    | -11.8%   | - 11.3point | 3.6%        | + 15.4point |

## Balance Sheet Assets Section

(Units: Yen in millions)

|                                          | 2000/12        | 2001/12        | 2002/12        | 2003/12        | YoY           |
|------------------------------------------|----------------|----------------|----------------|----------------|---------------|
| <b>Current assets</b>                    | <b>40,997</b>  | <b>37,029</b>  | <b>29,999</b>  | <b>31,206</b>  | <b>1,207</b>  |
| Cash and deposits                        | 11,129         | 9,935          | 6,263          | 5,466          | -797          |
| Notes receivable                         | 202            | 90             | 46             | 0              | -46           |
| Accounts receivable                      | 9,332          | 9,454          | 10,405         | 10,631         | 226           |
| Securities                               | 9,630          | 4,225          | 1,599          | -              | -1,599        |
| Treasury stock                           | 0              | -              | -              | -              | -             |
| Merchandise                              | 2,454          | 2,308          | 2,385          | 2,685          | 300           |
| Products                                 | 2,438          | 2,966          | 3,014          | 3,114          | 100           |
| Raw materials                            | 154            | 1,168          | 632            | 218            | -414          |
| Inventories                              | 798            | 827            | 838            | 1,099          | 261           |
| Prepaid expenses                         | 1,318          | 1,520          | 1,623          | 1,527          | -96           |
| Short-term loans                         | 1,128          | 1,307          | 1,213          | 1,257          | 44            |
| Uncollected income                       | 1,815          | 2,277          | 1,805          | 2,598          | 793           |
| Deferred tax assets                      | 306            | 165            | 66             | 2,433          | 2,367         |
| Others                                   | 331            | 865            | 207            | 253            | 46            |
| Reserve for bad debts                    | -43            | -82            | -103           | -81            | 22            |
| <b>Fixed assets</b>                      | <b>67,849</b>  | <b>71,719</b>  | <b>77,569</b>  | <b>78,410</b>  | <b>841</b>    |
| <b>Tangible fixed assets</b>             | <b>55,192</b>  | <b>53,817</b>  | <b>54,609</b>  | <b>52,806</b>  | <b>-1,803</b> |
| Buildings                                | 12,718         | 12,494         | 12,333         | 11,731         | -602          |
| Structures                               | 1,429          | 1,279          | 1,161          | 1,050          | -111          |
| Machinery, equipment, and vehicles       | 10,699         | 9,684          | 9,774          | 8,127          | -1,647        |
| Tools and implements                     | 988            | 833            | 861            | 791            | -70           |
| Vending machines                         | 12,310         | 13,286         | 12,815         | 13,207         | 392           |
| Land                                     | 15,694         | 15,328         | 17,618         | 17,454         | -164          |
| Construction in progress                 | 1,350          | 910            | 45             | 444            | 399           |
| <b>Intangible assets</b>                 | <b>1,248</b>   | <b>1,707</b>   | <b>2,171</b>   | <b>2,620</b>   | <b>449</b>    |
| Softwares                                | 1,075          | 932            | 1,858          | 2,088          | 230           |
| Telephone subscription rights            | 116            | 116            | 116            | 116            | 0             |
| Facility use rights                      | 55             | 54             | 52             | 50             | -2            |
| Treasury stock                           | -              | 605            | 144            | 365            | 221           |
| <b>Investments, etc.</b>                 | <b>11,408</b>  | <b>16,194</b>  | <b>20,788</b>  | <b>22,982</b>  | <b>2,194</b>  |
| Investment securities                    | 735            | 1,638          | 1,334          | 2,594          | 1,260         |
| Investment in subsidiaries and affiliate | 2,015          | 3,635          | 7,826          | 6,310          | -1,516        |
| Long-term loans                          | 139            | 134            | 124            | 98             | -26           |
| Long-term loans to employee              | 63             | 112            | 147            | 199            | 52            |
| Long-term loans to subsidiaries          | 3,782          | 5,082          | 4,845          | 4,478          | -367          |
| Past due loans and receivable            | 38             | 184            | 179            | 73             | -106          |
| Long-term prepaid expenses               | 1,141          | 1,295          | 1,227          | 1,332          | 105           |
| Guaranties money surrendered             | 1,590          | 1,533          | 1,405          | 1,319          | -86           |
| Long-term deferred tax assets            | 254            | 1,202          | 1,941          | 5,901          | 3,960         |
| Others                                   | 1,777          | 1,798          | 2,265          | 1,182          | -1,083        |
| Reserve for bad debts                    | -130           | -422           | -509           | -508           | 1             |
| <b>Total assets</b>                      | <b>108,846</b> | <b>108,749</b> | <b>107,569</b> | <b>109,616</b> | <b>2,047</b>  |

# Balance Sheet

# Liabilities/Stockholders' Equity Section

(Units: Yen in millions)

|                                                   | 2000/12        | 2001/12        | 2002/12        | 2003/12        | YoY            |
|---------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Current liabilities</b>                        | <b>15,739</b>  | <b>13,514</b>  | <b>20,591</b>  | <b>23,298</b>  | <b>2,707</b>   |
| Accounts payable                                  | 4,788          | 5,067          | 4,243          | 4,650          | 407            |
| Short-term debts                                  | -              | -              | -              | 5,000          | 5,000          |
| Convertible bonds due within one year             | -              | -              | 8,167          | -              | -8,167         |
| Long term loans due within one year               | -              | -              | -              | 3,328          | 3,328          |
| Other accounts payable                            | 3,546          | 3,280          | 2,707          | 3,498          | 791            |
| Corporation taxes payable                         | 1,594          | 951            | 211            | 15             | -196           |
| Consumption tax payable                           | 837            | -              | 52             | 230            | 178            |
| Expenses payable                                  | 3,666          | 3,662          | 3,996          | 4,107          | 111            |
| Advances from customers                           | 39             | 39             | 41             | 35             | -6             |
| Deposits received                                 | 487            | 382            | 737            | 1,773          | 1,036          |
| Facility-related notes payable                    | 676            | -              | -              | -              | -              |
| Miscellaneous current liabilities                 | 103            | 131            | 434            | 658            | 224            |
| <b>Long-term liabilities</b>                      | <b>9,751</b>   | <b>12,500</b>  | <b>6,032</b>   | <b>15,329</b>  | <b>9,297</b>   |
| Long-term debts                                   | -              | -              | -              | 10,672         | 10,672         |
| Long-term Other accounts payable                  | -              | -              | -              | 3,952          | 3,952          |
| Convertible bonds                                 | 8,167          | 8,167          | -              | -              | -              |
| Employees' severance and retirement benefits      | -              | 2,967          | 4,943          | 171            | -4,772         |
| Reserve for retirement allowances                 | 85             | -              | -              | -              | -              |
| Reserve for directors' retirement allowances      | 313            | 341            | 280            | 211            | -69            |
| Reserve for investment losses                     | 197            | -              | -              | -              | -              |
| Miscellaneous fixed liabilities                   | 988            | 1,024          | 808            | 321            | -487           |
| <b>Total liabilities</b>                          | <b>25,491</b>  | <b>26,014</b>  | <b>26,624</b>  | <b>38,627</b>  | <b>12,003</b>  |
| <b>Common stock</b>                               | <b>10,948</b>  | <b>10,948</b>  | <b>10,948</b>  | <b>10,948</b>  | <b>-</b>       |
| <b>Capital surplus</b>                            | <b>10,040</b>  | <b>10,040</b>  | <b>10,040</b>  | <b>10,040</b>  | <b>-</b>       |
| Additional paid-in capital                        | 10,040         | 10,040         | 10,040         | 10,040         | -              |
| <b>Retained earnings</b>                          | <b>62,366</b>  | <b>61,586</b>  | <b>60,020</b>  | <b>49,867</b>  | <b>-10,153</b> |
| Legal Reserve                                     | 1,499          | 1,618          | 1,618          | 1,618          | -              |
| Voluntary earned surplus                          | 56,909         | 57,698         | 58,046         | 56,472         | -1,574         |
| Unappropriated retained earnings                  | 3,958          | 2,270          | 356            | -8,224         | -8,580         |
| Net unrealized holding gains on securities        | -              | 163            | -41            | 163            | 204            |
| Treasury stock                                    | -              | -5             | -23            | -29            | -6             |
| <b>Total shareholders' equity</b>                 | <b>83,355</b>  | <b>82,734</b>  | <b>80,944</b>  | <b>70,989</b>  | <b>-9,955</b>  |
| <b>Total liabilities and shareholders' equity</b> | <b>108,846</b> | <b>108,749</b> | <b>107,569</b> | <b>109,616</b> | <b>2,047</b>   |

## Income Statement - Parent

(Units: Yen in millions)

|                                                              | 2000/12 | 2001/12 | 2002/12 | 2003/12 | YoY     | YoY(%) |
|--------------------------------------------------------------|---------|---------|---------|---------|---------|--------|
| Sales Volume (Cases in thousands)                            | 77,055  | 79,954  | 80,189  | 77,919  | -2,269  | 97.2%  |
| Sales                                                        | 161,439 | 164,298 | 162,196 | 162,275 | 79      | 100.0% |
| Cost of goods sold                                           | 85,466  | 87,965  | 89,885  | 91,817  | 1,931   | 102.1% |
| Net sales                                                    | 75,972  | 76,333  | 72,310  | 70,458  | -1,851  | 97.4%  |
| SG&A                                                         | 68,189  | 69,664  | 68,197  | 66,331  | -1,865  | 97.3%  |
| Sales                                                        | 60,731  | 62,454  | 60,853  | 59,701  | -1,151  | 98.1%  |
| General administrative expenses                              | 7,458   | 7,209   | 7,343   | 6,630   | -713    | 90.3%  |
| Operating profit                                             | 7,783   | 6,668   | 4,113   | 4,126   | 13      | 100.3% |
| Non-operating profit                                         | 1,452   | 1,243   | 693     | 1,064   | 371     | 153.5% |
| Non-operating expenses                                       | 613     | 528     | 444     | 459     | 15      | 103.5% |
| Recurring profit                                             | 8,622   | 7,383   | 4,362   | 4,730   | 368     | 108.5% |
| Extraordinary profit                                         | 873     | 750     | 2,268   | 283     | -1,984  | 12.5%  |
| Extraordinary loss                                           | 2,865   | 7,568   | 7,166   | 20,431  | 13,265  | 285.1% |
| Net profit before tax                                        | 6,630   | 565     | -536    | -15,417 | -14,881 | -      |
| Corporation, resident and business taxes                     | 1,775   | 1,077   | 329     | 30      | -299    | 9.1%   |
| Adjustment for corporation tax and other taxes               | 1,095   | -925    | -491    | -6,469  | -5,978  | -      |
| Net profit                                                   | 3,760   | 413     | -373    | -8,977  | -8,603  | -      |
| Retained earnings brought forward from the prior fiscal year | 817     | 2,476   | 1,293   | 1,316   | 23      | 101.8% |
| Dividends (interim)                                          | 563     | 563     | 563     | 563     | -0      | 100.0% |
| Transfer to legal reserve (interim)                          | 56      | 56      | -       | -       | -       | -      |
| Unappropriated retained earnings                             | 3,958   | 2,270   | 356     | -8,224  | -8,580  | -      |

## Nonoperating Income

### 【 Nonoperating income 】

(Units: Yen in millions)

|                                          | 2000/12      | 2001/12      | 2002/12    | 2003/12      | YoY        |
|------------------------------------------|--------------|--------------|------------|--------------|------------|
| Interest and dividends received          | 269          | 586          | 289        | 746          | 457        |
| Disposition of container guarantee money | 37           | 47           | 45         | 33           | -12        |
| Profit from sale of securities           | 461          | -            | -          | -            | -          |
| Real estate leasing charges              | 430          | 471          | 275        | 211          | -64        |
| Others                                   | 252          | 137          | 82         | 73           | -9         |
| <b>Total</b>                             | <b>1,452</b> | <b>1,243</b> | <b>693</b> | <b>1,064</b> | <b>371</b> |

### 【 Nonoperating expenses 】

(Units: Yen in millions)

|                                           | 2000/12    | 2001/12    | 2002/12    | 2003/12    | YoY       |
|-------------------------------------------|------------|------------|------------|------------|-----------|
| Interest paid and Bond interest           | 70         | 77         | 79         | 95         | 16        |
| Real estate leasing costs                 | 234        | 225        | 189        | 156        | -33       |
| Securities valuation losses               | 23         | -          | -          | -          | -         |
| Losses from sale of investment securities | 25         | -          | -          | -          | -         |
| Others                                    | 258        | 225        | 175        | 208        | 33        |
| <b>Total</b>                              | <b>613</b> | <b>528</b> | <b>444</b> | <b>459</b> | <b>15</b> |

## Extraordinary Income

### 【 Extraordinary profit 】

(Units: Yen in millions)

|                                                 | 2000/12 | 2001/12 | 2002/12 | 2003/12 | YoY    |
|-------------------------------------------------|---------|---------|---------|---------|--------|
| Income on sale of fixed assets                  | 813     | 750     | 809     | 276     | -533   |
| Reversal of allowance for doubtful accounts     | -       | -       | -       | 7       | 7      |
| Reversal of multiemployer pension plan benefits | -       | -       | 1,456   | -       | -1456  |
| Profit from sale of investment securities       | -       | -       | 2       | -       | -2     |
| Disposition of reserve for investment losses    | 60      | -       | -       | -       | -      |
| Total                                           | 873     | 750     | 2,268   | 283     | -1,985 |

### 【 Extraordinary losses 】

(Units: Yen in millions)

|                                                                           | 2000/12 | 2001/12 | 2002/12 | 2003/12 | YoY    |
|---------------------------------------------------------------------------|---------|---------|---------|---------|--------|
| Loss from sales of fixed assets and fixed assets removal expenses         | 1,312   | 458     | 590     | 618     | 28     |
| Special retirement allowances                                             | 1,280   | 2,941   | 2,604   | 870     | -1,734 |
| Transition obligation of employees' severance and retirement benefit plan | -       | 4,030   | 3,804   | 2,231   | -1,573 |
| Loss of evaluation of golf course membership                              | 178     | 66      | 119     | 181     | 62     |
| Investment securities valuation losses                                    | -       | 66      | 47      | 60      | 13     |
| Losses on liquidation of the defined benefit plan                         | -       | -       | -       | 14,667  | 14,667 |
| Loss on devaluation of Investment in subsidiaries and affiliate           | -       | -       | -       | 1,594   | 1,594  |
| Others                                                                    | 94      | 5       | -       | 207     | 207    |
| Total                                                                     | 2,865   | 7,568   | 7,166   | 20,431  | 13,265 |

# Capex & Depreciation

## 【 Capex 】

(Units: Yen in millions)

|                                    | 2000/12       | 2001/12       | 2002/12       | 2003/12       | YoY           | 2004/12 (E)   | YoY          |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Vending machines                   | 5,366         | 6,942         | 5,405         | 6,687         | 1,282         | 6,719         | 32           |
| Buildings and structures           | 863           | 1,061         | 1,219         | 462           | -757          | 1,536         | 1,074        |
| Machinery and equipment            | 320           | 1,561         | 2,226         | 288           | -1,938        | 387           | 99           |
| Tools and implements               | 303           | 172           | 282           | 199           | -83           | 78            | -121         |
| Land acquired                      | 1,434         | -             | 2,400         | -             | -2,400        | -             | -            |
| Proceeds from sale of land         | -1,543        | -1,897        | -1,118        | -564          | 554           | -             | 564          |
| Construction in progress           | 1,166         | -439          | -865          | 399           | 1,264         | 1,340         | 941          |
| <b>Total tangible fixed assets</b> | <b>7,911</b>  | <b>7,401</b>  | <b>9,550</b>  | <b>7,473</b>  | <b>-2,077</b> | <b>10,060</b> | <b>2,587</b> |
| Intangible assets                  | 270           | 903           | 1,074         | 1,100         | 26            | 1,384         | 284          |
| (of which, softwares)              | ( 270 )       | ( 298 )       | ( 1,534 )     | ( 879 )       | ( -655 )      | ( 1,548 )     | ( 669 )      |
| (of which, softwares in progress)  | ( - )         | ( 605 )       | ( -461 )      | ( 221 )       | ( 682 )       | ( -164 )      | ( -385 )     |
| Long-term prepaid expenses         | 1,782         | 1,947         | 1,923         | 2,118         | 195           | 2,615         | 497          |
| Miscellaneous investment           | 646           | 401           | 575           | 129           | -446          | 110           | -19          |
| <b>Total investment</b>            | <b>10,609</b> | <b>10,654</b> | <b>13,124</b> | <b>10,823</b> | <b>-2,301</b> | <b>14,169</b> | <b>3,346</b> |

## 【 Depreciation 】

(Units: Yen in millions)

|                            | 2000/12      | 2001/12      | 2002/12      | 2003/12      | YoY         | 2004/12 (E)  | YoY         |
|----------------------------|--------------|--------------|--------------|--------------|-------------|--------------|-------------|
| Vending machines           | 5,107        | 5,620        | 5,482        | 5,759        | 277         | 5,914        | 155         |
| Buildings and structures   | 980          | 984          | 1,224        | 1,060        | -164        | 1,113        | 53          |
| Machinery and equipment    | 2,488        | 2,261        | 2,131        | 1,911        | -220        | 1,608        | -303        |
| Tools and implements       | 313          | 292          | 275          | 264          | -11         | 228          | -36         |
| <b>Total</b>               | <b>8,888</b> | <b>9,157</b> | <b>9,112</b> | <b>8,994</b> | <b>-118</b> | <b>8,863</b> | <b>-131</b> |
| Intangible assets          | 555          | 443          | 610          | 650          | 40          | 766          | 116         |
| (of which, softwares)      | ( 554 )      | ( 442 )      | ( 608 )      | ( 649 )      | ( 41 )      | ( 766 )      | ( 117 )     |
| Long-term prepaid expenses | 1,220        | 1,572        | 1,808        | 2,021        | 213         | 2,028        | 7           |

## Company Overview

(as of December 31, 2003)

|                         |                                                                           |
|-------------------------|---------------------------------------------------------------------------|
| 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               | 1,547                                                                     |

### Board of directors (as of March 30, 2004)

|                                        |                    |          |                     |
|----------------------------------------|--------------------|----------|---------------------|
| President<br>(Representative director) | Masakazu Morito    | Director | Akira Noguchi       |
| Managing director                      | Toshiaki Hidehira  | Director | Noriyasu Yabumoto   |
| Managing director                      | Naohiro Nishida    | Director | Yoshio Toguchi      |
| Managing director                      | Yutaka Miyazaki    | Director | Hitoshi Tarutani    |
| Managing director                      | Tamio Yoshimatsu   | Director | Minoru Yoshizawa    |
| Managing director                      | Shigeki Ota        | Director | Yasuhiro Sato       |
| Director                               | Noriyuki Korasaki  | Director | Kototsugu Taniguchi |
| Director                               | Hiroshi Kanda      | Auditor  | Tadamasa Amitsuka   |
| Director                               | Toyojiro Yoshinaga | Auditor  | Toshio Takesue      |
| Director                               | Taijiro Naniwa     | Auditor  | Naomichi Asano      |

Number of shares outstanding 62,591,049

Number of shareholders 5,612

| Major shareholders                          | No. of shares owned (,000) | Ratio (%) |
|---------------------------------------------|----------------------------|-----------|
| Kirin Brewery Co., Ltd.                     | 25,779                     | 41.19     |
| Mitsubishi Heavy Industries Co., Ltd.       | 8,674                      | 13.86     |
| Japan Trustee Services Bank, Ltd.           | 3,005                      | 4.80      |
| Employee ownership                          | 1,807                      | 2.89      |
| The Master Trust Bank of Japan, Ltd.        | 1,584                      | 2.53      |
| Kamiyamato Co., Ltd.                        | 1,050                      | 1.68      |
| BBH Merrill Lynch Global A Location Fund    | 691                        | 1.10      |
| Yatani Co., Ltd.                            | 675                        | 1.08      |
| SNFE Mack Japan Active Share-holder Fund LP | 595                        | 0.95      |
| Nomura Securities Co., Ltd.                 | 359                        | 0.57      |