

INTERIM REPORT 2004



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

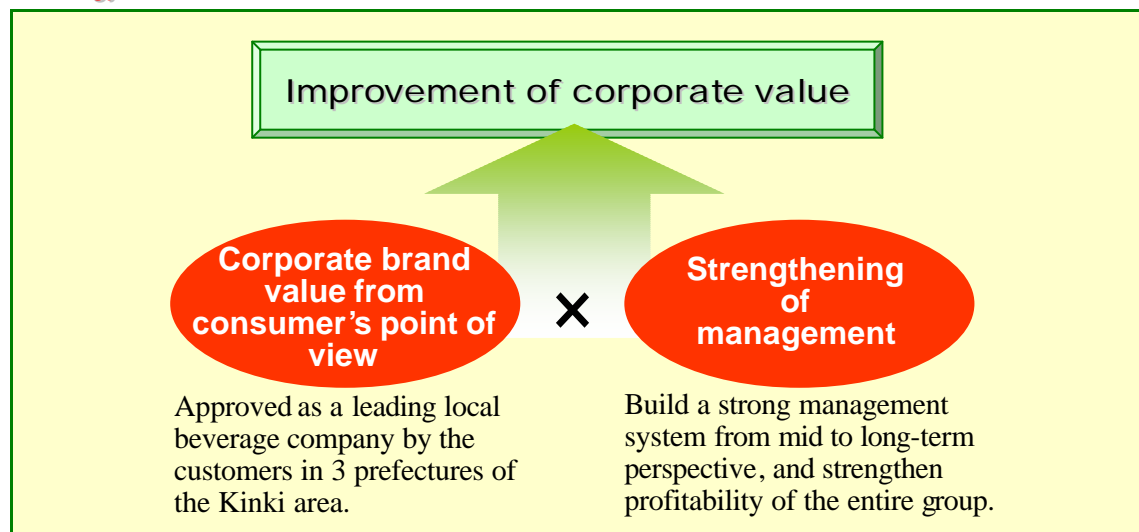
As we face the changes in the business environment, we newly adopted a 3-year midterm business plan for the period of 2004 to 2006. The aim is to flexibly adapt to future changes in the business environment by pursuing consumer's satisfaction and management restructuring, and strive for a strong business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

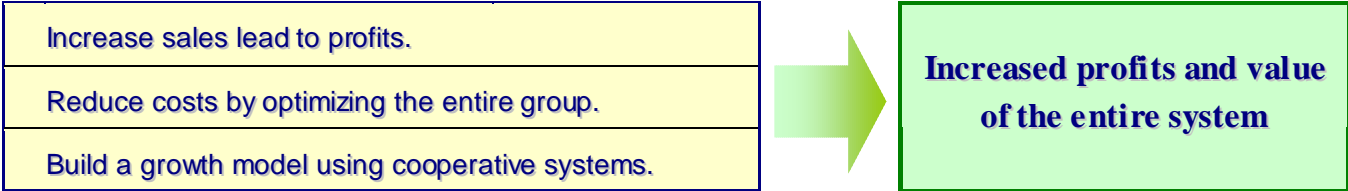
【Strategy for social contributions】

- .Penetrate corporate compliance
- Strengthen environmental activities.

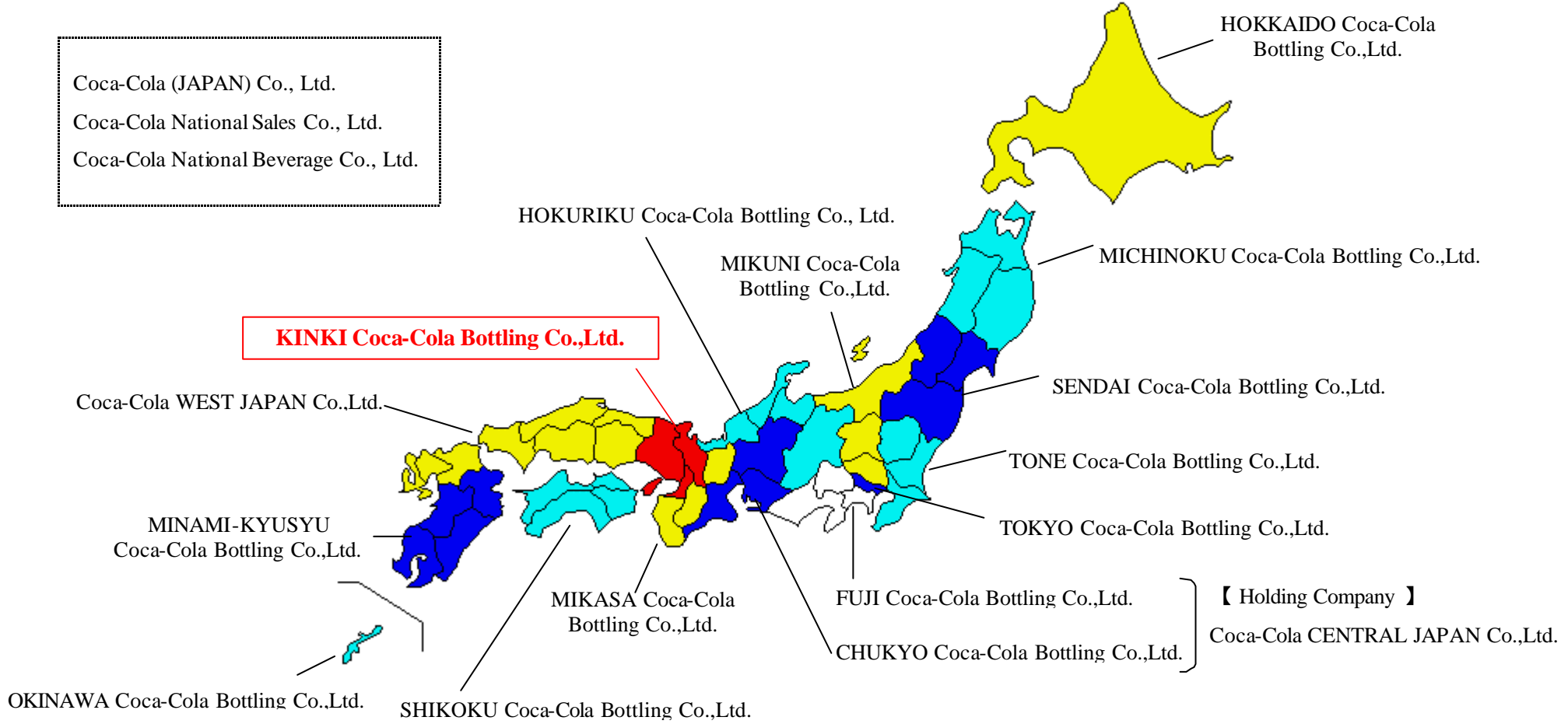
4. Strategy for strengthening performance bases

- 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.

Consolidated Financial Highlights

	2001/6	2002/6	2003/6	2004/6	YoY	2004/12 (E)	YoY
Sales Volume (Cases in thousands)	37,837	38,978	37,226	39,376	105.8%	83,000	104.1%
Sales (Yen in millions)	86,808	86,778	86,021	90,886	105.7%	187,200	102.4%
Operating Profit (Yen in millions)	3,251	2,118	1,716	3,060	178.3%	7,680	128.3%
Recurring Profit (Yen in millions)	3,240	2,129	1,664	2,903	174.5%	7,360	138.3%
Net Profit (or loss) (Yen in millions)	-1,175	-1,362	-429	958	-	3,500	-
Operating Profit on Sales	3.7%	2.5%	2.0%	3.4%	+ 1.4point	4.1%	+ 0.8point
Recurring Profit on Sales	3.7%	2.5%	1.9%	3.2%	+ 1.3point	3.9%	+ 1.0point
Net Profit on Sales	-	-	-	1.1%	+ 1.1point	1.9%	+ 1.9point
EPS (Yen)	-18.78	-21.78	-6.87	15.32	+ 22.19	55.96	+ 200.34
Shareholder's Equity Ratio	69.4%	68.5%	68.0%	60.5%	- 7.5point	62.7%	+ 2.6point
BPS (Yen)	1,336.66	1,311.92	1,308.06	1,173.58	- 134.48	1,194.78	+ 30.42
ROA	-	-	-	-	-	6.2%	+ 1.8point
ROE	-	-	-	-	-	4.7%	+ 16.2point

Business outline of consolidated subsidiaries

Company	Business Outline	Note
Kansai Beverage Services Co., Ltd.	<ul style="list-style-type: none"> * Operates vending machine management business * Operates drinks * Provides maintenance services for vending machine and peripherals * Supplies ground coffee to offices * Agency sales of telephone cards * Operates desk duties at branches managed by Kinki Coca-Cola group 	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 of Akiyoshi grilled chicken restaurants	

Consolidated Balance Sheet Assets Section

(Units: Yen in millions)

	2001/6	2002/6	2003/6	2004/6	YoY
Current assets	36,211	38,772	34,062	34,184	122
Cash and deposits	6,588	8,977	5,353	4,277	-1,076
Notes receivable & Accounts receivable	12,128	12,609	12,190	13,450	1,260
Securities	3,070	1,599	-	-	-
Inventories	8,863	9,642	9,926	8,903	-1,023
Deferred tax assets	876	1,219	690	2,556	1,866
Others	4,752	4,835	6,012	5,098	-914
Reserve for uncollectable accounts	-68	-111	-110	-103	7
Fixed assets	84,271	81,135	86,198	87,205	1,007
Tangible fixed assets	69,009	65,977	66,368	65,365	-1,003
Buildings & structures	17,222	16,441	15,291	14,567	-724
Machinery, equipment & vehicles	13,005	12,356	10,912	9,842	-1,070
Vending machines	14,695	13,986	14,562	14,969	407
Land	18,427	18,235	20,214	20,189	-25
Construction in progress	4	22	-	38	38
Lease assets	4,212	3,490	3,628	3,918	290
Other tangible fixed assets	1,441	1,443	1,758	1,839	81
Intangible assets	3,445	5,210	5,134	3,344	-1,790
Software	993	1,821	1,921	2,511	590
Consolidated adjustment account	2,193	2,133	1,881	198	-1,683
Others	258	1,255	1,331	633	-698
Investments, etc.	11,816	9,948	14,696	18,495	3,799
Investment securities	2,656	2,094	5,991	7,046	1,055
Deferred tax assets	851	2,099	2,660	6,371	3,711
Miscellaneous investments	8,553	6,141	6,634	5,596	-1,038
Reserve for uncollectable accounts	-246	-387	-590	-518	72
Total assets	120,483	119,908	120,260	121,390	1,130

Consolidated Balance Sheet - Liabilities & Capital Section -

(Units: Yen in millions)

	2001/6	2002/6	2003/6	2004/6	YoY
Current liabilities	21,468	19,267	26,844	29,223	2,379
Notes payable & accounts payable	9,840	8,549	8,526	7,710	-816
Short-term debts	2,519	2,136	1,806	12,392	10,586
Convertible bonds due within one year	-	-	8,167	-	-8,167
Unpaid accounts	4,155	4,196	3,066	4,020	954
Unpaid corporate taxes, etc.	479	230	259	250	-9
Other	4,473	4,154	5,018	4,849	-169
Fixed liabilities	15,320	18,490	11,527	18,687	7,160
Convertible Bonds	8,167	8,167	-	-	-
Long-term debts	3,256	2,948	3,347	12,932	9,585
Retirement benefits	1,864	5,227	6,325	1,123	-5,202
Reserve for directors' retirement allowances	334	275	232	204	-28
Deferred tax liabilities	391	444	432	468	36
Other	1,306	1,426	1,189	3,957	2,768
Total liabilities	36,788	37,757	38,371	47,911	9,540
Minority interest	32	49	58	73	15
Capital	10,948	10,948	10,948	10,948	-
Capital surplus	10,040	10,040	10,040	10,040	-
Retained earnings	62,256	60,993	60,860	52,091	-8,769
Net unrealized holding gains on securities	418	129	7	360	353
Treasury stock	-0	-9	-25	-33	-8
Total capital	83,661	82,101	81,830	73,406	-8,424
Total of liabilities, minority interest and capital	120,483	119,908	120,260	121,390	1,130

Consolidated Income Statement

(Units: Yen in millions)

	2001/6	2002/6	2003/6	2004/6	YoY	YoY(%)
Sales	86,808	86,778	86,021	90,886	4,865	105.7%
Sales cost	44,586	44,950	45,929	49,094	3,165	106.9%
Net sales	42,221	41,827	40,091	41,791	1,700	104.2%
S&GA	38,970	39,709	38,375	38,730	355	100.9%
Operating profit	3,251	2,118	1,716	3,060	1,344	178.3%
Non-operating income	296	288	160	204	44	127.5%
Non-operating expenses	306	277	212	360	148	169.8%
Recurring profit	3,240	2,129	1,664	2,903	1,239	174.5%
Extraordinary profits	-	355	305	14	-291	4.6%
Extraordinary losses	5,108	5,079	2,773	1,601	-1,172	57.7%
Net profit (or loss) before tax	-1,867	-2,594	-802	1,316	2,118	-
Corporate taxes, corporate resident taxes & business taxes	494	297	249	246	-3	98.8%
Corporation tax adjustment	-1,198	-1,538	-627	101	728	-
Minority shareholders gain	-11	-9	-4	-10	-6	-
Net profits (or loss)	-1,175	-1,362	-429	958	1,387	-

Consolidated Manufacturing Expenses

(Units: Yen in millions)

	2003/6	2004/6	YoY
Personnel Costs	931	935	4
Unitily Costs	616	607	-9
Manufacturing consignment processing costs	960	1,102	142
Maintenance costs	452	475	23
Operation expenses	441	410	-31
Depreciation costs	848	759	-89
Other fixed expenses	332	214	-118
Total	4,580	4,502	-78

【 Production 】

(Unit: thousand cases)

	2003/6	2004/6	YoY
Production volume	42,527	41,651	97.9%

Consolidated SG&A Costs

	2003/6	2004/6	YoY
Personnel Costs	13,364	12,227	-1,137
Full-service sales commissions	7,455	7,994	539
Sales promotional expenses and advertisement expenses	4,149	4,708	559
Vending machine expenses	1,618	1,868	250
Products delivery expenses	3,546	3,800	254
Business consignment expenses	71	130	59
Depreciation	4,531	4,537	6
Computer expenses	478	431	-47
Other fixed costs (repairs, entertainment, miscellaneous)	3,163	3,036	-127
Total	38,375	38,730	355

Consolidated Nonoperating Income

【 Nonoperating income 】

(Units: Yen in millions)

	2003/6	2004/6	YoY
Interest and dividends received	22	38	16
Real estate leasing charges	59	66	7
Equity in profit of affiliate	-	31	31
Other	79	66	-13
Total	160	204	44

【 Nonoperating expenses 】

(Units: Yen in millions)

	2003/6	2004/6	YoY
Interest paid	72	118	46
Real estate leasing costs	29	47	18
Abandonment loss	57	139	82
Equity in losses of affiliate	7	-	-7
Other	44	55	11
Total	212	360	148

Consolidated Extraordinary Income

【 Extraordinary profit 】

(Units: Yen in millions)

	2003/6	2004/6	YoY
Proceeds from sale of land	293	0	-293
Other	12	14	2
Total	305	14	-291

【 Extraordinary losses 】

(Units: Yen in millions)

	2003/6	2004/6	YoY
Loss from sales of fixed assets and fixed assets removal expenses	467	287	-180
Special retirement allowances	871	1,309	438
Loss on adopting retirement benefits accounting	1,339	-	-1,339
Loss on evaluation of golf course membership	47	-	-47
Investment securities valuation losses	47	4	-43
Total	2,773	1,601	-1,172

Consolidated Cash Flow

(Units: Yen in millions)

	2004/6		2004/6
. Cash flow from operating activities	5,533	. Cash flow from investing activities	-8,425
Net profit before adjustment, including tax, for interim term	1,316	Expenses from fixed-term deposits	-10
Depreciation	6,185	Proceeds from fixed-term deposits	10
Amortization of long-term prepaid expenses	1,252	Purchase of tangible fixed assets	-7,180
Allowance for depreciation on consolidation adjustment account	13	Sale of tangible fixed assets	0
Increase of retirement benefits	400	Purchase of intangible fixed assets	-520
Decline in reserve for director's retirement allowance	-83	Purchase of long-term prepaid expenses	-989
Increase in reserves for bad debt	9	Purchase of investment securities	-4
Interest and dividends received	-39	Sale of investment securities	19
Interest paid	118	Loans extended	-76
Equity in losses of affiliate	-31	Loans recovered	127
Profit from sale of investment securities	-5	Decline in other investments	198
Loss from valuation of investment securities	4	. Cash flow from financing activities	46
Profit from sale of tangible fixed assets	-0	Increase of short-term debt	2,620
Loss from sales of fixed assets and fixed assets removal expenses	287	Income from long-term debt	850
Retirement allowances	1,309	Repayment of long-term debt	-2,856
Increase in trade receivables	-1,404	Share buyback costs	-3
Decline in inventories	-722	Dividend payable	-562
Decline in trade payables	-778	. Decline in cash and cash equivalents	-2,844
Increase in unpaid consumption tax and others	-234	. Cash and cash equivalents at beginning of year	7,082
Directors' bonuses payable	-97	. Cash and cash equivalents at end of year	4,237
Increase in other assets and liabilities	-302		
Subtotal	7,196		
Interest and dividends received	66		
Interest payable	-120		
Retirement allowances payable	-1,309		
Corporate taxes payable	-299		

Capex and Depreciation - Consolidated

【 Capex 】

(Units: Yen in millions)

	2001/12	2002/12	2003/12	2004/12 (E)	YoY
Vending machines	7,067	5,517	6,779	6,861	82
Buildings and structures	1,195	1,362	495	1,539	1,044
Machinery, equipment and vehicles	2,220	3,062	949	988	39
Tools and implements	382	1,006	620	492	-128
Land acquisition	-	2,401	-	200	200
Land disposal	-1,897	-681	-564	-	564
Construction in progress	-438	-865	394	1,340	946
Leased assets	1,436	1,729	1,753	1,981	228
Total of tangible fixed assets	9,965	13,531	10,426	13,401	2,975
Intangible assets	2,181	1,141	1,176	1,388	212
(of which, softwares)	(350)	(1,555)	(1,000)	(1,552)	(552)
(of which, softwares in progress)	(605)	(-414)	(174)	(-164)	(-338)
(of which, consolidated adjustment account)	(1,221)	(-)	(-)	(-)	(-)
Long-term prepaid expenses	2,495	2,430	2,934	3,069	135
Other	401	575	129	110	-19
Total investments	15,042	17,677	14,665	17,968	3,303

【 Depreciation 】

(Units: Yen in millions)

	2001/12	2002/12	2003/12	2004/12 (E)	YoY
Vending machines	5,742	5,606	5,874	6,059	185
Buildings and structures	1,240	1,438	1,252	1,257	5
Machinery, equipment and vehicles	3,017	2,908	2,691	2,313	-378
Tools and implements	554	525	575	548	-27
Leased assets	1,818	1,668	1,618	1,645	27
Total	12,371	12,145	12,012	11,822	-190
Intangible assets	663	1,328	2,859	1,159	-1,700
(of which, softwares)	(479)	(646)	(701)	(772)	(71)
(of which, Amortization of goodwill)	(-)	(430)	(359)	(358)	(-1)
(of which, consolidated adjustment account)	(178)	(252)	(1,795)	(27)	(-1,768)
Long-term prepaid expenses	2,069	2,256	2,480	2,450	-30

Parent Financial Highlights

(Units: Yen in millions)

	2001/6	2002/6	2003/6	2004/6	YoY	2004/12 (E)	YoY
Sales Volume (Cases in thousands)	36,799	37,815	36,123	38,381	106.2%	80,900	103.8%
Sales (Yen in millions)	77,590	75,913	76,080	80,354	105.6%	165,500	102.0%
Operating profit (Yen in millions)	1,953	1,107	879	1,672	190.1%	5,690	137.9%
Recurring profit (Yen in millions)	2,222	1,203	1,216	1,871	153.9%	6,070	128.3%
Net profit [or loss] (Yen in millions)	-1,628	-2,106	-655	191	-	2,600	-
Operating Profit on Sales	2.5%	1.5%	1.2%	2.1%	+ 0.9point	3.4%	+ 0.9point
Recurring Profit on Sales	2.9%	1.6%	1.6%	2.3%	+ 0.7point	3.7%	+ 0.8point
Net Profit on Sales	-	-	-	0.2%	+ 0.2point	1.6%	+ 1.6point
EPS (Yen)	-26.02	-33.66	-10.48	3.07	+ 13.55	41.57	+ 185.66
Equity Ratio	75.8%	74.0%	73.2%	64.4%	- 8.8point	66.9%	+ 2.1point
BPS (Yen)	1,302.19	1,277.61	1,274.26	1,131.08	- 143.18	1,156.86	+ 22.57
Interim dividends per share (Yen)	9.00	9.00	9.00	9.00	-	(Annual) 18.00	-
ROA	-	-	-	-	-	5.6%	+ 1.2point
ROE	-	-	-	-	-	3.6%	+ 15.4point

Parent Balance Sheet Assets Section

(Units: Yen in millions)

	2001/6	2002/6	2003/6	2004/6	YoY
Current assets	33,158	35,718	31,636	30,362	-1,274
Cash and deposits	4,726	7,354	4,066	3,049	-1,017
Notes receivable	106	52	1	0	-1
Accounts receivable	10,988	11,978	11,533	11,964	431
Securities	3,070	1,599	-	-	-
Inventories	8,351	8,664	8,899	7,790	-1,109
Deferred tax assets	813	926	299	2,116	1,817
Miscellaneous current assets	5,152	5,239	6,919	5,520	-1,399
Reserve for bad debts	-52	-96	-83	-79	4
Fixed assets	74,320	72,392	77,283	79,528	2,245
Tangible fixed assets	56,564	54,233	54,441	53,342	-1,099
Buildings	13,144	12,712	11,801	11,349	-452
Machinery, equipment, and vehicles	10,988	10,232	8,958	7,941	-1,017
Vending machines	14,424	13,676	14,290	14,745	455
Land	15,694	15,529	17,454	17,454	-
Construction in progress	4	20	-	38	38
Other	2,308	2,061	1,936	1,814	-122
Intangible assets	1,132	2,030	2,516	2,791	275
Softwares	907	1,728	1,749	2,372	623
Other	224	302	767	418	-349
Investments, etc.	16,623	16,128	20,324	23,394	3,070
Investment securities	2,025	1,595	1,325	2,782	1,457
Subsidiaries securities	3,072	3,663	7,870	6,393	-1,477
Long-term loans	6,637	4,778	4,590	5,048	458
Long-term deferred tax assets	623	1,906	2,235	6,008	3,773
Miscellaneous investments	4,501	4,576	4,833	3,625	-1,208
Reserve for bad debts	-236	-391	-531	-463	68
Total assets	107,479	108,110	108,919	109,891	972

Parent Balance Sheet Liabilities/Stockholders' Equity Section

(Units: Yen in millions)

	2001/6	2002/6	2003/6	2004/6	YoY
Current liabilities	14,867	13,743	22,309	25,789	3,480
Accounts payable	5,958	5,141	4,972	4,077	-895
Short-term debts	-	-	-	10,948	10,948
Convertible bonds due within one year	-	-	8,167	-	-8,167
Accounts payable-other	4,356	3,751	2,756	3,687	931
Expenses payable	3,358	3,967	4,133	4,326	193
Corporation taxes payable	5	4	15	16	1
Deposits received	597	408	1,444	1,749	305
Other	590	469	820	985	165
Fixed liabilities	11,106	14,413	6,893	13,353	6,460
Convertible bonds	8,167	8,167	-	-	-
Long-term debts	-	-	-	9,008	9,008
Long-term accrued amount payable	366	503	-	3,386	3,386
Retirement benefits	1,600	4,824	5,823	499	-5,324
Reserve for directors' retirement allowances	303	240	174	138	-36
Miscellaneous fixed liabilities	668	679	894	321	-573
Total liabilities	25,974	28,156	29,203	39,143	9,940
Capital	10,948	10,948	10,948	10,948	-
Capital surplus	10,040	10,040	10,040	10,040	-
Additional paid-in capital	10,040	10,040	10,040	10,040	-
Retained earnings	60,108	58,852	58,752	49,459	-9,293
Legal earnings reserve	1,562	1,618	1,618	1,618	-
Voluntary reserve	57,698	58,046	56,472	46,314	-10,158
Unappropriated profit for current term	848	-812	660	1,526	866
Net unrealized holding gains on securities	407	122	1	333	332
Treasury stock	-	-9	-25	-33	-8
Total capital	81,505	79,953	79,716	70,747	-8,969
Total liabilities and capital	107,479	108,110	108,919	109,891	972

Parent Income Statement

(Units: Yen in millions)

	2001/6	2002/6	2003/6	2004/6	YoY	YoY(%)
Sales Volume (Cases in thousands)	36,799	37,815	36,123	38,381	2,257	106.2%
Sales	77,590	75,913	76,080	80,354	4,274	105.6%
Cost of goods sold	40,687	41,070	42,475	45,582	3,107	107.3%
Net sales	36,902	34,843	33,604	34,771	1,167	103.5%
SG&A	34,949	33,735	32,725	33,099	374	101.1%
Sales	31,192	29,740	29,316	30,481	1,165	104.0%
General administrative expenses	3,756	3,994	3,408	2,617	-791	76.8%
Operating profit	1,953	1,107	879	1,672	792	190.2%
Non-operating profit	518	307	529	553	24	104.5%
Non-operating expenses	249	211	193	354	161	183.4%
Recurring profit	2,222	1,203	1,216	1,871	655	153.9%
Extraordinary profit	-	340	305	13	-292	4.5%
Extraordinary loss	4,990	5,064	2,720	1,583	-1,137	58.2%
Net profit [or loss] before tax	-2,767	-3,520	-1,199	301	1,500	-
Corporation, resident and business taxes	33	20	15	15	-	100.0%
Adjustment for corporation tax and other taxes	-1,172	-1,434	-558	94	652	-
Net profit [or loss]	-1,628	-2,106	-655	191	847	-
Retained earnings brought forward	2,476	1,293	1,316	1,334	18	101.4%
Unappropriated retained profits	848	-812	660	1,526	866	231.2%

Capex & Depreciation

【 Capex 】

(Units: Yen in millions)

	2001/12	2002/12	2003/12	2004/12 (E)	YoY
Vending machines	6,942	5,405	6,687	6,719	32
Buildings and structures	1,061	1,219	462	1,536	1,074
Machinery and equipment	1,561	2,226	288	387	99
Tools and implements	172	282	199	78	-121
Land acquired	-	2,401	-	-	-
Proceeds from sale of land	-1,897	-1,118	-564	-	564
Construction in progress	-439	-865	399	1,340	941
Total tangible fixed assets	7,401	9,550	7,473	10,060	2,587
Intangible assets	903	1,074	1,100	1,384	284
(of which, softwares)	(298)	(1,535)	(879)	(1,548)	(669)
(of which, softwares in progress)	(605)	(-461)	(221)	(-164)	(-385)
Long-term prepaid expenses	1,947	1,923	2,118	2,615	497
Miscellaneous investment	401	575	129	110	-19
Total investment	10,654	13,124	10,823	14,169	3,346

【 Depreciation 】

(Units: Yen in millions)

	2001/12	2002/12	2003/12	2004/12 (E)	YoY
Vending machines	5,620	5,482	5,759	5,914	155
Buildings and structures	984	1,224	1,060	1,113	53
Machinery and equipment	2,261	2,131	1,911	1,608	-303
Tools and implements	292	275	264	228	-36
Total	9,157	9,112	8,994	8,863	-131
Intangible assets	443	610	650	766	116
(of which, softwares)	(442)	(608)	(649)	(766)	(117)
Long-term prepaid expenses	1,572	1,808	2,021	2,028	7

Company Overview

(as of June 30, 2004)

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	1,381

Board of directors (as of June 30, 2004)

President (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 5,309

Major shareholders	No. of shares owned (,000)	Ratio (%)
Kirin Brewery Co., Ltd.	25,779	41.43
Mitsubishi Heavy Industries Co., Ltd.	8,674	13.94
Japan Trustee Services Bank, Ltd.	3,068	4.93
Employee ownership	1,687	2.71
The Master Trust Bank of Japan, Ltd.	1,594	2.56
Kamiyamato Co., Ltd.	1,050	1.69
BBH Merrill Lynch Global A Location Fund	691	1.11
Yatani Co., Ltd.	675	1.08
SNFE Mack Japan Active Share-holder Fund LP	536	0.86
Nomura Trust & Banking Co., Ltd.	399	0.64