

PROFILE & ANALYTICAL GUIDE 2005



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

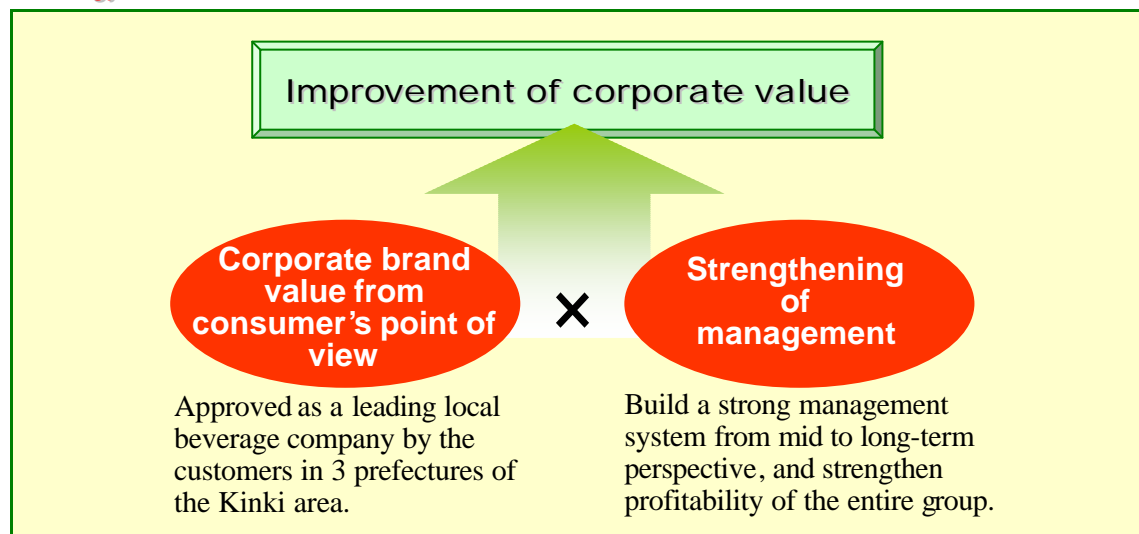
As we face the changes in the business environment, we newly adopted a 3-year midterm business plan for the period of 2004 to 2006. The aim is to flexibly adapt to future changes in the business environment by pursuing consumer's satisfaction and management restructuring, and strive for a strong business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

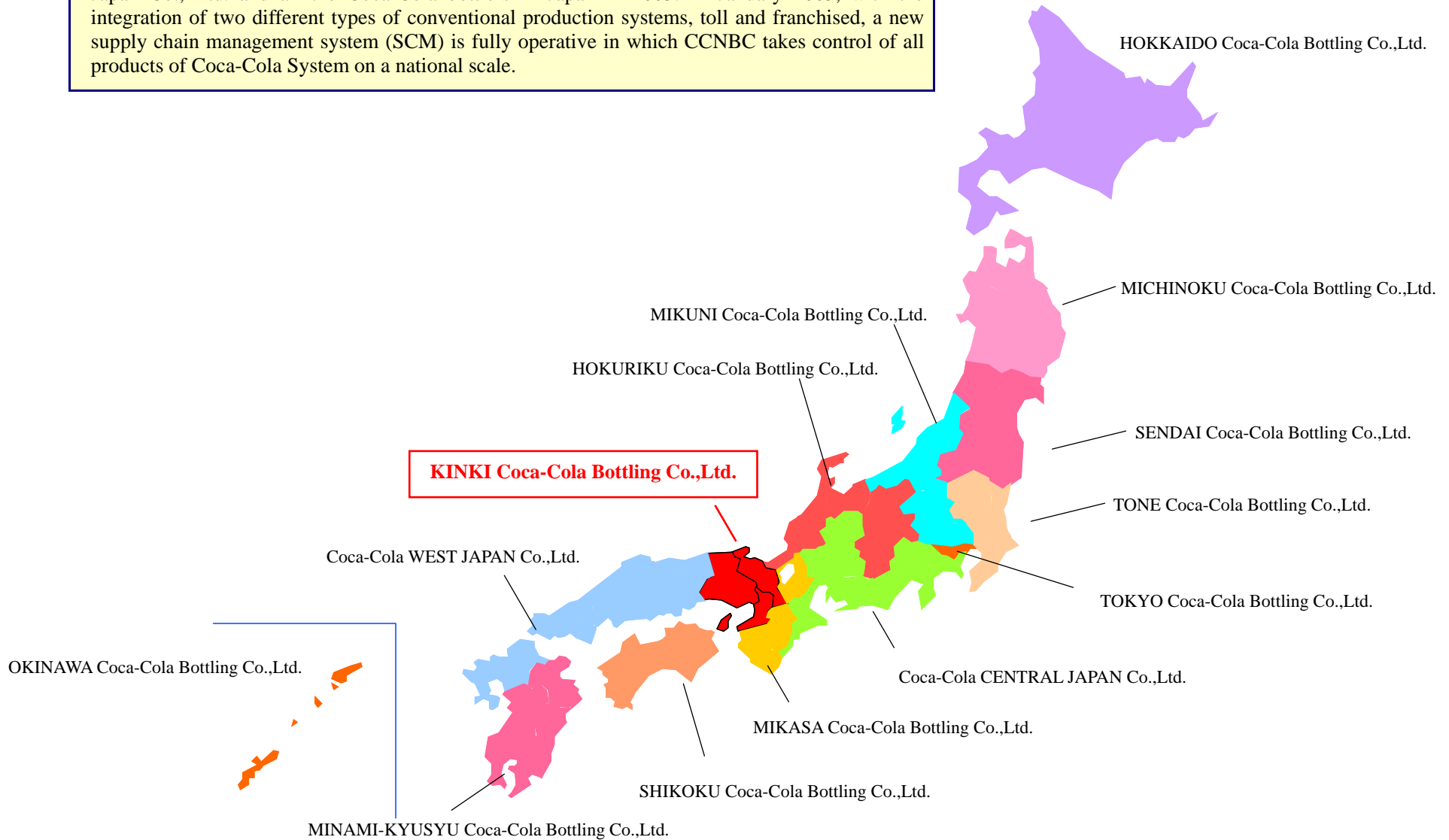
4. Strategy for strengthening performance bases

- 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.

■ The Coca-Cola System in Japan

New supply chain management system

Coco-Cola National Beverage Co., Ltd. (CCNBC), which was jointly set up by Coca-Cola Japan Co., Ltd. and all the Coca-Cola bottlers in Japan in 2003. In January 2005, with the integration of two different types of conventional production systems, toll and franchised, a new supply chain management system (SCM) is fully operative in which CCNBC takes control of all products of Coca-Cola System on a national scale.



■ We and C-C West Japan merge the management of both companies

We and Coca-Cola West Japan Company, Limited (CCWJ) decided to establish a joint holding company “Coca-Cola West Holdings Company, Limited (CCWHD)” and merge the management of both companies, with July 1, 2006 as a target date, through demerger and share exchange.

■ Objectives

The first objective is to maximize its corporate value. While aiming to increase sales and market share in Japan’s large soft drink market, comprising about one-third of the country’s total population, greater efficiency will be pursued in the system for operating the organization and in administrative processes. Through this, CCWHD will realize sustainable profit growth.

The second objective is to demonstrate leadership toward the transformation of the Coca-Cola system’s business in Japan. Through an even stronger partnership with Coca-Cola (Japan) Company, Limited (CCJC) and other bottlers, CCWHD will work to promote more strongly the growth strategies and structural reforms being implemented by the Coca-Cola system as a whole. Collaborations will also be initiated with companies such as Coca-Cola National Beverages which manages a national integrated supply chain, in an effort to construct an optimal system-wide business structure.

The third objective is to reinforce the business foundation. CCWHD will further expand the business foundations that both Kinki CCBC and CCWJ have such as strong financial base, diversified personnel/organization, and superior sales network. It will maximize the integration synergy through the sharing of their accumulated business know-how and the best practices as common assets.

The fourth objective is to strengthen sales capabilities. Efforts will be made to create value for customers and to raise customer satisfaction to a higher level, particularly through strengthened customer services and an expanded and improved network of vending machines. The aim is to improve the organization’s capabilities as a sales and marketing company, and increase share in western Japan, centering around the Kinki area which is the second largest soft drink market in Japan.

■ Joint holding company profile

Trade name	Coca-Cola West Holdings Company, Limited
Main businesses	Manufacture and sale of Coca-Cola and other soft drinks Management of the group companies
Location of head office	Fukuoka City. Headquarter function will be also positioned in Osaka
Representatives & Directors	Representative Director and CEO, Norio Sueyoshi (Currently Representative Director, President and CEO, CCWJ)
	Representative Director and COO, Masakazu Morito (Currently Representative President chief executive officer, Kinki CCBC)
	Tadatsugu Harada, Kouichi Morii, Tamio Yoshimatsu, Masamitsu Sakurai, Naomichi Asano, and Masahiko Uotani Auditors: Yasumasa Niimi, Hiroshi Kanda, Tatsuo Hirakawa, Isanari Ohuchida, and Yukiko Kyokane
Capital	15,231 million yen

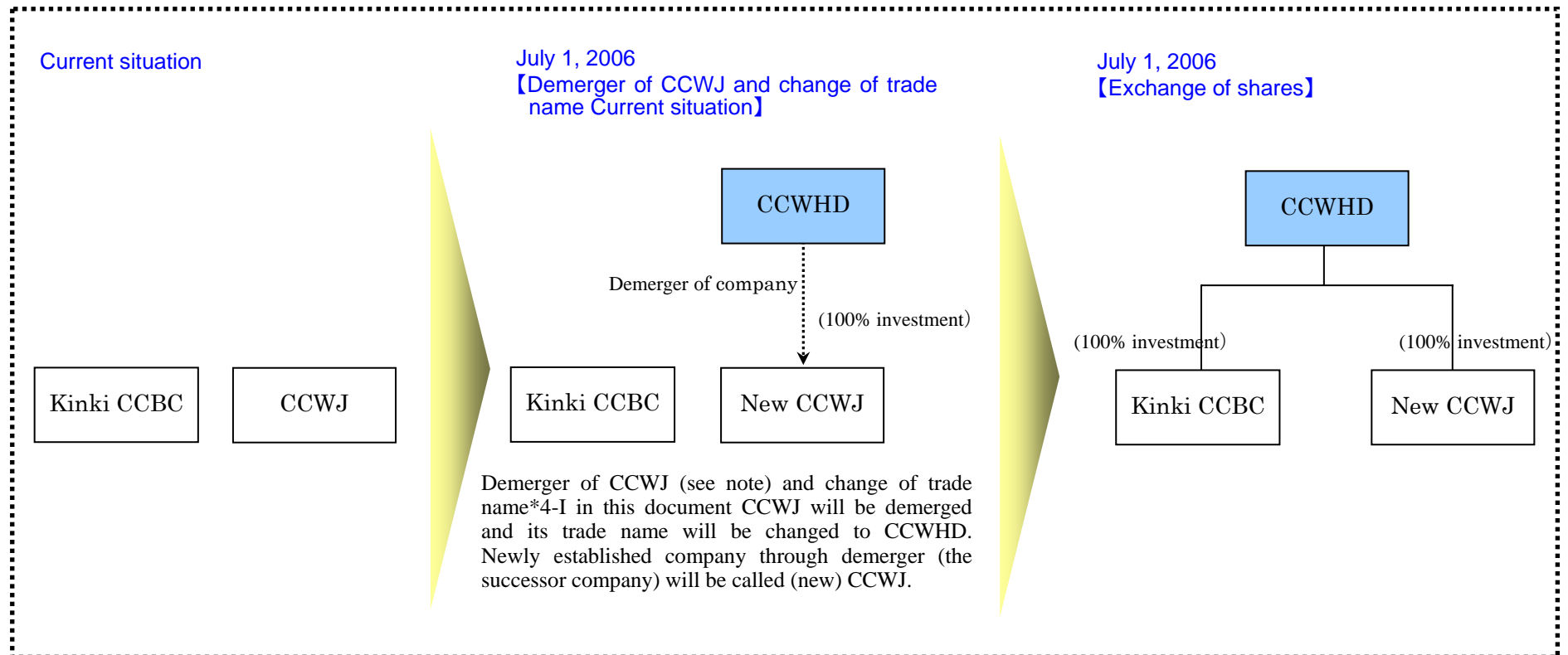
■ We and C-C West Japan merge the management of both companies

Establishment of the joint holding company will take place on an equal footing.

The joint holding company will be established by demerging CCWJ to position the operational company under a new holding company, changing the trade name from CCWJ to CCWHD, and then having Kinki CCBC exchange shares with the new holding company (current CCWJ), all in an integrated manner.

■ Share exchange ratio

CCWHD (Current company: CCWJ)	Kinki CCBC
1	0.451



■ Financial Highlights — Consolidated

	2002/12	2003/12	2004/12	2005/12	YoY	2006/12(E)	YoY
Sales Volume (Cases in thousands)	86,059	79,734	84,782	84,633	99.8%	87,600	103.5%
Sales (Yen in millions)	183,349	182,862	193,082	180,999	93.7%	185,700	102.6%
Operating Profit (Yen in millions)	5,469	5,986	7,991	6,133	76.8%	6,400	104.4%
Recurring Profit (Yen in millions)	5,475	5,323	7,808	6,106	78.2%	6,600	108.1%
Net Profit (Yen in millions)	161	-8,934	3,638	3,435	94.4%	3,800	110.6%
Operating Profit on Sales	3.0%	3.3%	4.1%	3.4%	- 37.0point	3.4%	+ 0.0point
Recurring Profit on Sales	3.0%	2.9%	4.0%	3.4%	- 0.6point	3.6%	+ 0.2point
Net Profit on Sales	0.1%	—	1.9%	1.9%	+ 0.0point	2.0%	+ 0.1point
EPS (Yen)	2.58	-144.38	56.27	53.57	- 2.70	60.77	+ 7.20
Shareholder's Equity Ratio	69.4%	60.1%	63.2%	73.1%	+ 9.9point	74.0%	+ 0.9point
BPS (Yen)	1,324.74	1,164.36	1,203.94	1,242.97	+ 39.03	1,278.35	+ 35.38
ROA	4.6%	4.4%	6.5%	5.4%	- 1.1point	6.0%	+ 0.6point
ROE	0.2%	-11.5%	4.9%	4.5%	- 0.4point	5.0%	+ 0.5point

■ 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 Kin 	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 (coca-cola products)	
Kansai Logistics Co., Ltd.	* Consigned distribution of beverages and food products	Established on January 4, 2002. Started sales on May 1
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	
Akiyoshi Systems Co., Ltd.	* Operates of Akiyoshi grilled chicken restaurants	

Consolidated Balance Sheet —Assets Section—

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY
Current assets	33,148	34,819	35,366	29,528	-5,838
Cash and deposits	8,436	7,122	4,609	7,274	2,665
Notes receivable & Accounts receivable	11,116	12,047	12,634	9,417	-3,217
Securities	1,599	—	—	—	—
Inventories	7,858	8,180	9,040	5,755	-3,285
Prepaid expenses	1,943	1,795	1,766	1,584	-182
Uncollected income	1,767	2,693	3,922	2,686	-1,236
Deferred tax assets	389	2,889	3,095	2,501	-594
Others	157	193	347	343	-4
Reserve for uncollectable accounts	-120	-102	-51	-35	16
Fixed assets	86,369	86,579	84,083	76,998	-7,085
Tangible fixed assets	66,583	64,625	64,146	57,861	-6,285
Buildings & structures	15,993	15,073	15,086	15,890	804
Machinery, equipment & vehicles	11,849	10,066	8,226	6,871	-1,355
Vending machines	13,077	13,436	14,145	14,463	318
Land	20,378	20,189	19,823	19,508	-315
Construction in progress	50	444	503	85	-418
Lease assets	3,453	3,601	4,396	—	-4,396
Others	1,781	1,813	1,963	1,041	-922
Intangible assets	5,054	3,385	3,508	3,646	138
Software	1,944	2,237	2,532	3,113	581
softwares in progress	191	365	589	190	-399
Consolidated adjustment account	2,007	212	185	159	-26
Others	912	570	199	183	-16
Investments, etc.	14,731	18,568	16,428	15,490	-938
Investment securities	5,975	6,744	6,489	7,540	1,051
Long-term loans	796	905	610	530	-80
Long-term prepaid expenses	1,719	2,133	2,218	2,009	-209
Guarantee money surrendered	1,929	1,789	1,703	1,543	-160
Deferred tax assets	2,381	6,276	4,903	3,604	-1,299
Others	2,483	1,288	1,007	901	-106
Reserve for uncollectable accounts	-555	-568	-502	-639	-137
Total assets	119,517	121,399	119,449	106,527	-12,922

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

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY
Current liabilities	26,338	27,836	26,392	17,992	-8,400
Notes payable & accounts payable	7,622	8,495	7,328	3,891	-3,437
Short-term debts	273	5,000	3,600	20	-3,580
Convertible bonds due within one year	8,167	—	—	—	—
Long term loans due within one year	1,884	5,175	4,817	4,244	-573
Unpaid accounts	3,266	4,036	4,869	4,450	-419
Unpaid corporate taxes, etc.	450	303	393	324	-69
Unpaid consumption tax, etc.	383	505	370	396	26
Unpaid expenses	3,091	3,231	3,863	3,641	-222
Deferred tax liabilities	11	19	—	5	5
Others	1,190	1,067	1,148	1,019	-129
Long-term liabilities	10,245	20,567	17,563	10,670	-6,893
Long-term debts	2,983	14,536	11,591	4,300	-7,291
Employees' severance and retirement benefits	5,394	723	1,368	1,710	342
Reserve for directors' retirement allowances	333	287	253	245	-8
Deferred tax liabilities	446	467	416	419	3
Others	1,087	4,553	3,933	3,995	62
Total liabilities	36,584	48,403	43,955	28,663	-15,292
Minority interest	55	64	80	55	-25
Common stock	10,948	10,948	10,948	10,948	—
Capital surplus	10,040	10,040	10,040	10,040	—
Retained earnings	61,954	51,792	54,209	56,024	1,815
Net unrealized holding gains on securities	-41	179	258	849	591
Treasury stock	-23	-29	-42	-53	-11
Total shareholders' equity	82,877	72,931	75,413	77,808	2,395
Total of liabilities, minority interest and shareholders' equity	119,517	121,399	119,449	106,527	-12,922

Consolidated Income Statement

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY	YoY(%)
Sales Volume (Cases in thousands)	86,059	79,734	84,782	84,633	-149	99.8%
Sales	183,349	182,862	193,082	180,999	-12,083	93.7%
Sales cost	97,577	98,851	105,115	101,075	-4,040	96.2%
Net sales	85,772	84,010	87,967	79,924	-8,043	90.9%
S&GA	80,303	78,024	79,976	73,790	-6,186	92.3%
Operating profit	5,469	5,986	7,991	6,133	-1,858	76.7%
Non-operating income	576	373	488	394	-94	80.7%
Non-operating expenses	570	1,036	671	422	-249	62.9%
Recurring profit	5,475	5,323	7,808	6,106	-1,702	78.2%
Extraordinary profits	1,812	295	259	686	427	264.9%
Extraordinary losses	7,218	20,579	2,761	1,426	-1,335	51.6%
Net profit before tax	69	-14,961	5,306	5,366	60	101.1%
Corporate taxes, corporate resident taxes & business taxes	751	469	597	431	-166	72.2%
Corporation tax adjustment	-861	-6,510	1,047	1,475	428	140.9%
Minority shareholders gain (—)	18	14	22	24	2	109.1%
Net profits	161	-8,934	3,638	3,435	-203	94.4%

■ SG & A Costs –Consolidated

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY
Personnel Costs	27,040	26,945	25,332	25,132	-200
Full-service sales commissions	16,208	15,949	17,131	15,739	-1,392
Sales promotional expenses and advertisement expenses	7,822	7,874	8,928	7,847	-1,081
Products delivery expenses	7,129	6,634	7,122	6,324	-798
Vending machine expenses	3,538	2,762	3,352	2,903	-449
Depreciation	9,521	9,600	9,790	9,341	-449
Computer expenses	850	880	650	526	-124
Depreciation for consolidated adjusted account	252	139	26	26	0
Other fixed costs (repairs, entertainment, miscellaneous)	7,939	7,236	7,645	5,947	-1,698
Total	80,303	78,024	79,976	73,790	-6,186

■ Nonoperating Income –Consolidated

【 Nonoperating income 】

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY
Interest received	9	19	33	14	-19
Security interest	2	0	—	—	—
Dividends received	19	20	19	15	-4
Real estate leasing charges	227	115	127	118	-9
Equity in earnings of affiliates	—	—	164	92	-72
Others	318	217	143	153	10
Total	576	373	488	394	-94

【 Nonoperating expenses 】

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY
Interest paid	71	80	207	153	-54
Bond interest	69	69	—	—	—
Real estate leasing costs	188	81	82	66	-16
Loss on disposal of supplies etc.	121	125	278	166	-112
Equity in loss of affiliates	12	553	—	—	—
Others	107	126	102	35	-67
Total	570	1,036	671	422	-249

■ Extraordinary Income –Consolidated

【 Extraordinary profit 】

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY
Gain from prior period adjustment	—	—	103	—	-103
Income on sale of fixed assets	352	293	0	0	0
Profit from sale of investment securities	2	2	74	11	-63
Reversal of allowance for doubtful accounts	—	—	80	16	-64
Profit from sale of the shares of consolidated subsidiary	—	—	—	657	657
Reversal of multiemployer pension plan benefits	1,456	—	—	—	—
Total	1,812	295	259	686	427

【 Extraordinary losses 】

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY
Loss from sales of fixed assets and fixed assets removal expenses	641	699	666	673	7
Special retirement allowances	2,604	875	1,309	—	-1,309
Loss on impairment	—	—	365	—	-365
Loss on disaster of typhoon	—	—	158	—	-158
Compensation for fixed assets removal expenses	—	—	—	257	257
Provision of reserve for uncollectable accounts	—	—	—	141	141
Expense of new type of paper money - ready on vending machine	—	—	257	316	59
Investment securities valuation losses	48	60	4	—	-4
Loss of evaluation of golf course membership	119	182	—	28	28
Loss of a shift to a contribution-type pension system	—	—	—	9	9
Transition obligation of employees' severance and retirement benefit plan	3,804	2,231	—	—	—
Losses on liquidation of the defined benefit plan	—	14,667	—	—	—
Depreciation in a lump for consolidated adjusted account	—	1,655	—	—	—
Others	—	207	—	—	—
Total	7,218	20,579	2,761	1,426	-1,335

■ Cash Flow –Consolidated

(Units: Yen in millions)

	2005/12		2005/12
I . Cash flow from operating activities	24,741	II . Cash flow from investing activities	-16,620
Net profit before adjustment, including tax, for interim term	5,366	Expenses from fixed-term deposits	-40
Depreciation	13,070	Proceeds from fixed-term deposits	30
Loss on impairment	—	Purchase of tangible fixed assets	-13,968
Amortization of long-term prepaid expenses	2,589	Sale of tangible fixed assets	943
Depreciation for consolidated adjusted account	26	Purchase of intangible fixed assets	-1,399
Decline in Employees' severance and retirement benefits	382	Purchase of long-term prepaid expenses	-2,461
Increase in reserve for director's retirement allowance	-2	Purchase of investment securities	-40
Increase in reserves for bad debt	198	Sale of investment securities	47
Interest and dividends received	-30	Sales of subsidiaries' equity	113
Interest paid	153	Loans extended	-79
Equity in losses of affiliate	-92	Loans recovered	158
Profit from sale of investment securities	-11	Decline in other investments	75
Investment securities valuation losses	—	III. Cash flow from financing activities	-5,465
Loss of evaluation of golf course membership	28	Decline in Short-term debts	-3,580
Profit from sales of tangible fixed assets	-0	Income from long-term debt	4,482
Loss from sale of fixed assets	673	Repayment of long-term debt	-4,847
Loss on disaster of typhoon	—	Share buyback costs	-10
Retirement allowances	—	Dividend payable	-1,500
Profit from sale of the shares of consolidated subsidiary	-657	Dividend paid to minority stockholders	-10
Increase in trade receivables	1,202	IV. Decline in cash and cash equivalents	2,654
Increase in inventories	3,285	V. Cash and cash equivalents at beginning of year	4,579
Increase in trade payables	-760	VI. Cash and cash equivalents at end of year	7,234
Increase in unpaid consumption tax and others	45		
Directors' bonuses payable	-116		
Decline in other assets and liabilities	86		
Subtotal	25,437		
Interest and dividends received	59		
Interest payable	-152		
Retirement allowances payable	—		
Corporate taxes payable	-603		

■ Capex and Depreciation – Consolidated

【 Capex 】

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY	2006/12(E)	YoY
Vending machines	5,517	6,779	7,228	7,031	-197	7,433	402
Buildings and structures	1,362	495	1,373	2,056	683	1,917	-139
Machinery, equipment and vehicles	3,062	949	1,542	2,152	610	1,038	-1,114
Tools and implements	1,006	620	800	518	-282	354	-164
Land acquisition	2,401	—	—	—	—	2,411	2,411
Land disposal	-681	-564	—	—	—	—	—
Construction in progress	-865	394	59	-417	-476	-72	345
Leased assets	1,729	1,753	2,664	2,616	-48	—	-2,616
Total of tangible fixed assets	13,531	10,426	13,675	13,958	283	13,081	-877
Intangible assets	1,141	1,176	1,312	1,314	2	649	-665
(of which, softwares)	(1,555)	(1,000)	(1,084)	(1,714)	(630)	(733)	(-981)
(of which, softwares in progress)	(-414)	(174)	(224)	(-399)	(-623)	(-84)	(315)
(of which, Consolidated adjustment account)	(—)	(—)	(—)	(—)	(—)	(—)	(—)
Long-term prepaid expenses	2,430	2,934	2,634	2,461	-173	2,859	398
Miscellaneous investments	575	129	9	51	42	11	-40
Total investments	17,677	14,665	17,630	17,784	154	16,600	-1,184

【 Depreciation 】

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY	2006/12(E)	YoY
Vending machines	5,606	5,874	6,044	6,261	217	6,506	245
Buildings and structures	1,438	1,252	1,145	1,114	-31	1,249	135
Machinery, equipment and vehicles	2,908	2,691	2,503	2,001	-502	1,323	-678
Tools and implements	525	575	624	697	73	341	-356
Leased assets	1,668	1,618	1,754	1,937	183	—	-1,937
Total	12,145	12,012	12,071	12,012	-59	9,419	-2,593
Intangible assets	1,328	2,859	1,162	1,058	-104	1,112	54
(of which, softwares)	(646)	(701)	(788)	(1,049)	(261)	(1,019)	(-30)
(of which, Amortization of goodwill)	(430)	(359)	(359)	(0)	(-359)	(0)	(0)
(of which, Consolidated adjustment account)	(252)	(1,795)	(26)	(26)	(0)	(26)	(0)
Long-term prepaid expenses	2,256	2,480	2,458	2,469	11	2,584	115

■ Financial Highlights –Parent

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY	2006/12(E)	YoY
Sales Volume (Cases in thousands)	80,189	77,919	82,905	82,807	99.9%	85,710	103.5%
Sales (Yen in millions)	162,196	162,275	170,932	158,338	92.6%	165,300	104.4%
Operating profit (Yen in millions)	4,113	4,126	5,683	3,674	64.7%	4,300	117.0%
Recurring profit (Yen in millions)	4,362	4,730	6,140	4,530	73.8%	5,200	114.8%
Net profit (Yen in millions)	-373	-8,977	2,301	2,774	120.6%	3,000	108.1%
Operating Profit on Sales	2.5%	2.5%	3.3%	2.3%	- 1.0point	2.6%	+ 0.3point
Recurring Profit on Sales	2.7%	2.9%	3.6%	2.9%	- 0.7point	3.1%	+ 0.2point
Net Profit on Sales	—	—	1.3%	1.8%	+ 0.5point	1.8%	± 0.0point
EPS (Yen)	-5.98	-144.09	35.96	43.87	+ 7.91	47.98	+ 4.11
Equity Ratio	75.3%	64.8%	67.6%	72.8%	+ 5.2point	73.0%	+ 0.2point
BPS (Yen)	1,293.84	1,134.29	1,153.43	1,182.29	+ 28.86	1,205.74	+ 23.45
Total dividends (Yen)	1,126	1,126	1,313	1,500	+ 187.00	1,502	+ 2
Annual dividends per share (Yen)	18.00	18.00	21.00	24.00	+ 3.00	24.00	± 0.00
Dividend propensity	—	—	57.1%	54.1%	- 3.0point	50.1%	- 4.0point
Ratio of dividends to capital stock	1.4%	1.6%	1.8%	2.0%	+ 0.2point	2.0%	± 0.0point
ROA	4.0%	4.4%	5.7%	4.3%	- 1.4point	5.0%	+ 0.7point
ROE	-0.5%	-11.8%	3.2%	3.8%	+ 0.6point	4.0%	+ 0.2point

■ Balance Sheet —Assets Section—

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY
Current assets	29,999	31,206	31,126	26,771	-4,355
Cash and deposits	6,263	5,466	3,026	6,068	3,042
Notes receivable	46	0	0	0	-0
Accounts receivable	10,405	10,631	10,648	9,100	-1,548
Securities	1,599	—	—	—	—
Merchandise	2,385	2,685	3,226	3,566	340
Products	3,014	3,114	3,369	—	-3,369
Raw materials	632	218	307	—	-307
Inventories	838	1,099	1,045	1,098	53
Prepaid expenses	1,623	1,527	1,473	1,411	-62
Short-term loans	1,213	1,257	1,386	613	-773
Uncollected income	1,805	2,598	3,878	2,656	-1,222
Deferred tax assets	66	2,433	2,401	1,906	-495
Others	207	253	393	377	-16
Reserve for bad debts	-103	-81	-32	-27	5
Fixed assets	77,569	78,410	75,677	74,875	-802
Tangible fixed assets	54,609	52,806	51,918	53,321	1,403
Buildings	12,333	11,731	11,902	12,735	833
Structures	1,161	1,050	1,096	1,295	199
Machinery, equipment, and vehicles	9,774	8,127	6,403	6,844	441
Tools and implements	861	791	987	989	2
Vending machines	12,815	13,207	13,935	14,283	348
Land	17,618	17,454	17,088	17,088	—
Construction in progress	45	444	503	85	-418
Intangible assets	2,171	2,620	3,145	3,433	288
Softwares	1,858	2,088	2,403	3,079	676
Telephone subscription rights	116	116	116	116	0
Facility use rights	52	50	49	47	-2
Treasury stock	144	365	576	190	-386
Investments, etc.	20,788	22,982	20,613	18,120	-2,493
Investment securities	1,334	2,594	2,634	3,607	973
Investment in subsidiaries and affiliate	7,826	6,310	5,853	5,783	-70
Long-term loans	124	98	98	103	5
Long-term loans to employee	147	199	9	54	45
Long-term loans to subsidiaries	4,845	4,478	4,305	2,503	-1,802
Past due loans and receivable	179	73	80	115	35
Long-term prepaid expenses	1,227	1,332	1,322	1,271	-51
Guaranties money surrendered	1,405	1,319	1,308	1,206	-102
Long-term deferred tax assets	1,941	5,901	4,527	3,277	-1,250
Others	2,265	1,182	898	752	-146
Reserve for bad debts	-509	-508	-425	-554	-129
Total assets	107,569	109,616	106,803	101,647	-5,156

■ Balance Sheet —Liabilities/Stockholders' Equity Section—

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY
Current liabilities	20,591	23,298	22,719	18,797	-3,922
Accounts payable	4,243	4,650	3,822	3,143	-679
Short-term debts	—	5,000	3,600	—	-3,600
Convertible bonds due within one year	8,167	—	—	—	—
Long term loans due within one year	—	3,328	3,328	3,344	16
Other accounts payable	2,707	3,498	4,281	3,978	-303
Corporation taxes payable	211	15	31	124	93
Consumption tax payable	52	230	82	171	89
Expenses payable	3,996	4,107	4,666	4,482	-184
Advances from customers	41	35	29	21	-8
Deposits received	737	1,773	2,098	2,685	587
Miscellaneous current liabilities	434	658	779	846	67
Long-term liabilities	6,032	15,329	11,896	8,889	-3,007
Long-term debts	—	10,672	7,344	4,000	-3,344
Long-term Other accounts payable	—	3,952	3,382	3,330	-52
Employees' severance and retirement benefits	4,943	171	678	1,079	401
Reserve for directors' retirement allowances	280	211	171	157	-14
Miscellaneous fixed liabilities	808	321	320	322	2
Total liabilities	26,624	38,627	34,616	27,686	-6,930
Common stock	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	60,020	49,867	51,006	52,228	1,222
Legal Reserve	1,618	1,618	1,618	1,618	—
Voluntary earned surplus	58,046	56,472	46,314	47,314	1,000
Unappropriated retained earnings	356	-8,224	3,072	3,294	222
Net unrealized holding gains on securities	-41	163	235	796	561
Treasury stock	-23	-29	-42	-52	-10
Total shareholders' equity	80,944	70,989	72,187	73,960	1,773
Total liabilities and shareholders' equity	107,569	109,616	106,803	101,647	-5,156

Income Statement – Parent

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY	YoY(%)
Sales Volume (Cases in thousands)	80,189	77,919	82,905	82,807	-97	99.9%
Sales	162,196	162,275	170,932	158,338	-12,593	92.6%
Cost of goods sold	89,885	91,817	97,333	92,662	-4,671	95.2%
Net sales	72,310	70,458	73,598	65,676	-7,922	89.2%
SG&A	68,197	66,331	67,915	62,001	-5,914	91.3%
Sales	60,853	59,701	62,829	57,236	-5,594	91.1%
General administrative expenses	7,343	6,630	5,085	4,765	-320	93.7%
Operating profit	4,113	4,126	5,683	3,674	-2,008	64.6%
Non-operating profit	693	1,064	1,127	1,304	177	115.7%
Non-operating expenses	444	459	669	449	-220	67.1%
Recurring profit	4,362	4,730	6,140	4,530	-1,610	73.8%
Extraordinary profit	2,268	283	270	951	680	352.2%
Extraordinary loss	7,166	20,431	2,723	1,320	-1,402	48.5%
Net profit before tax	-536	-15,417	3,687	4,160	473	112.8%
Corporation, resident and business taxes	329	30	30	25	-5	83.3%
Adjustment for corporation tax and other taxes	-491	-6,469	1,356	1,361	5	100.4%
Net profit	-373	-8,977	2,301	2,774	473	120.6%
Retained earnings brought forward from the prior fiscal year	1,293	1,316	1,334	1,270	-64	95.2%
Dividends (interim)	563	563	562	750	187	133.5%
Unappropriated retained earnings	356	-8,224	3,072	3,294	222	107.2%

■ Capex & Depreciation

【 Capex 】

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY	2006/12(E)	YoY
Vending machines	5,405	6,687	7,145	6,969	-176	7,332	363
Buildings and structures	1,219	462	1,358	2,047	689	1,820	-227
Machinery and equipment	2,226	288	824	1,711	887	1,030	-681
Tools and implements	282	199	481	347	-134	346	-1
Land acquired	2,400	—	—	—	—	2,411	2,411
Proceeds from sale of land	-1,118	-564	—	—	—	—	—
Construction in progress	-865	399	59	-417	-476	-72	345
Total tangible fixed assets	9,550	7,473	9,870	10,657	787	12,866	2,209
Intangible assets	1,074	1,100	1,269	1,288	19	641	-647
(of which, softwares)	(1,534)	(879)	(1,058)	(1,674)	(616)	(725)	(-949)
(of which, softwares in progress)	(-461)	(221)	(211)	(-368)	(-579)	(-84)	(284)
Long-term prepaid expenses	1,923	2,118	1,858	1,733	-125	2,196	463
Miscellaneous investment	575	129	26	51	25	11	-40
Total investment	13,124	10,823	13,024	13,731	707	15,715	1,984

【 Depreciation 】

(Units: Yen in millions)

	2002/12	2003/12	2004/12	2005/12	YoY	2006/12(E)	YoY
Vending machines	5,482	5,759	5,946	6,175	229	6,398	223
Buildings and structures	1,224	1,060	983	978	-5	1,120	142
Machinery and equipment	2,131	1,911	1,684	1,247	-437	1,317	70
Tools and implements	275	264	269	342	73	327	-15
Total	9,112	8,994	8,884	8,742	-142	9,162	420
Intangible assets	610	650	744	1,000	256	1,095	95
(of which, softwares)	(608)	(649)	(743)	(998)	(255)	(1,094)	(96)
Long-term prepaid expenses	1,808	2,021	1,879	1,806	-73	1,905	99

■ Company Overview

(as of December 31, 2005)

- 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 1,353
- Board of directors (as of May 30, 2006)

President chief executive officer	Masakazu Morito	Senior Corporate officer	Yoshio Toguchi
Executive director	Tamio Yoshimatsu	Senior Corporate officer	Miyaki Hiroyoshi
Managing director	Shigeki Ota	Senior Corporate officer	Reiji Gou
Managing director	Taijiro Naniwa	Senior Corporate officer	Noriyasu Yabumoto
Director	Yasuhiro Sato	Senior Corporate officer	Minoru Yoshizawa
Director	Toshiaki Hanawa	Corporate officer	Kenji Yoneda
Auditor	Toshio Takesue	Corporate officer	Hedetoshi Shimizu
Auditor	Hiroshi Kanda	Corporate officer	Hajime Hara
Auditor	Naomichi Asano	Corporate officer	Kiyoshi Fujiwara
Auditor	Yukiko kyoukane	Corporate officer	Tsutomu Nakamura
Senior Corporate officer	Noriyuki Korasaki	Corporate officer	Kazuhiko Shinpa
Senior Corporate officer	Toyojiro Yoshinaga	Corporate officer	Kiyotaka Yamada
Senior Corporate officer	Akira Noguchi	Corporate officer	Tsuneo Ikeda
Senior Corporate officer	Tadamasa Amitsuka	Corporate officer	Masao Kuroda

- Number of shares outstanding 62,591,049
 - Number of shareholders 8,913
 - Major shareholders
- | | No. of shares owned (,000) | Ratio (%) |
|---|----------------------------|-----------|
| Kirin Brewery Co., Ltd. | 25,779 | 41.25 |
| Mitsubishi Heavy Industries Co., Ltd. | 8,674 | 13.88 |
| The Master Trust Bank of Japan , Ltd. | 1,875 | 3.00 |
| Japan Trustee Services Bank, Ltd. | 1,708 | 2.73 |
| Employee ownership | 1,691 | 2.71 |
| Kamiyamato Co., Ltd. | 1,050 | 1.68 |
| BBH Merrill Lynch Global A Location Fund | 1,007 | 1.61 |
| Yatani Co., Ltd. | 590 | 0.94 |
| State Street Bank and Trust Company 505019 | 457 | 0.73 |
| Morgan Stanley And Company International Ltd. | 456 | 0.73 |