

Consolidated Financial Summary for the Second Quarter Ended June 30, 2014 (Japanese Standard)

August 1, 2014

Listed company name: Coca-Cola West Company, Limited
Code number: 2579
Delegate: Title: Representative Director, President
Contact: Title: Department Manager, Finance Department
Expected date of quarterly report submission: August 8, 2014
Expected date of the dividend payments: September 1, 2014
FY 2014 2Q supplementary information: Yes
FY 2014 2Q financial presentation: Yes

Listed stock exchanges: Tokyo and Fukuoka
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(Fractions of one million yen are round off)

1. Consolidated financial results for the 2nd quarter 2014 (from January 1, 2014 to June 30, 2014)

(Percentages indicate changes over the same period in the prior fiscal year)

(1) Consolidated financial results

	Net revenues		Operating income		Recurring income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
2nd quarter 2014	203,145	3.5	2,855	(40.3)	2,878	(49.3)	859	(92.2)
2nd quarter 2013	196,225	6.5	4,783	51.5	5,672	83.8	11,056	—

Note: Comprehensive income

2Q 2014: 2,552 million yen <(80.6)%>

2Q 2013: 13,127 million yen <—%>

	Earnings per share	Diluted earnings per share
	yen	yen
2nd quarter 2014	7.87	—
2nd quarter 2013	106.41	—

(2) Consolidated financial position

	Total assets	Net assets	Net assets (excl. minority interests) to total assets
	million yen	million yen	%
2nd quarter 2014	366,989	251,955	68.6
Full year 2013	374,418	257,936	68.8

Reference: Net assets (excl. minority interests)

2Q 2014: 251,602 million yen

End of 2013: 257,558 million yen

2. Dividends

(Record date)	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	yen	yen	yen	yen	yen
Full year 2013	—	20.00	—	21.00	41.00
Full year 2014	—	20.00			
Full year 2014 (Forecast)			—	21.00	41.00

Note: Revisions to the cash dividends forecasts most recently announced: None

3. Forecast of consolidated financial results 2014 (from January 1, 2014 to December 31, 2014)

(Percentages indicate changes over the same period in the prior fiscal year)

	Net revenues		Operating income		Recurring income		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year 2014	454,300	5.2	16,700	4.8	15,300	(7.9)	7,600	(44.2)	69.63

Note: Revisions to the forecasts of consolidated financial results most recently announced: None

Notes

- (1) Changes in significant subsidiaries during the current period (changes in specified subsidiaries resulting in change in scope of consolidation) : None
- (2) Application of special accounting for preparing the quarterly consolidated financial statement : None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- 1) Changes in accounting policies due to revisions to accounting standards and other regulations : None
 - 2) Changes other than those in 1) above : Yes
 - 3) Changes in accounting estimates : None
 - 4) Restatement of prior period financial statements after error corrections : None
- (4) Number of outstanding shares (common share)
- 1) Number of outstanding shares at the end of period (including treasury shares):
2Q 2014: 111,125,714 shares FY 2013: 111,125,714 shares
 - 2) Number of treasury shares at the end of period:
2Q 2014: 1,983,188 shares FY 2013: 1,982,355 shares
 - 3) Average number of outstanding shares at end of period (six months):
2Q 2014: 109,142,914 shares 2Q 2013: 103,902,443 shares

* Indication regarding execution of quarterly review procedures

At the time of disclosure of this quarterly financial summary, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act are in progress.

* Explanation regarding appropriate use of the forecast, other special instructions

Figures in the above forecast are based on information available to management at the time of announcement. Due to number of inherent uncertainties in the forecast, actual results may differ materially from the forecast.

Consolidated Results For The Second-Quarter 2014 Appendix

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***Coca-Cola* West**

Coca-Cola West Co., Ltd. (2579)

August 1, 2014

1. Situation of Consolidated Profit and Loss

(January 1, 2014 to June 30, 2014)

(million yen, %)

	2Q 2013 actual	2Q 2014					
		plan*	actual	vs. plan		vs. last year	
				change	% change	change	% change
Net revenues	196,225	209,300	203,145	(6,154)	(2.9)	6,919	3.5
Operating income	4,783	3,200	2,855	(344)	(10.8)	(1,927)	(40.3)
Recurring income	5,672	2,000	2,878	878	43.9	(2,793)	(49.3)
Net income	11,056	300	859	559	186.6	(10,196)	(92.2)

* The above plan is based on performance forecast announced as of April 30, 2014.

2. Profits Change Factor (vs. plan)

(January 1, 2014 to June 30, 2014)

(million yen)

	2Q 2014		change	Main factors for increase/decrease
	plan*	actual		
Net revenues	209,300	203,145	(6,154)	Impact on the soft drink business (4,502) Impact on the healthcare and skincare business (1,652)
Cost of goods sold	103,000	100,884	(2,115)	
Gross profit	106,300	102,260	(4,039)	Impact on the soft drink business (2,709) Impact on the healthcare and skincare business (1,330)
SG&A	103,100	99,404	(3,695)	Decrease in personnel cost (607) Decrease of sales equipment cost (491) Decrease of depreciation cost (405) Decrease of business consignment expenses (286) Decrease of repair expenses (224) Decrease of transportation expenses (211) Decrease of maintenance cost (168) Increase of sales commission 496 Increase of sales promotion & ad expenses 126 Impact on the healthcare and skincare business (947)
Operating income	3,200	2,855	(344)	
Non-operating income	400	748	348	
Non-operating expenses	1,600	725	(874)	Loss on retirement of fixed assets (1,032)
Recurring income	2,000	2,878	878	
Extraordinary income	—	67	67	
Extraordinary losses	700	950	250	Impact on the healthcare and skincare business 190
Income before income taxes and minority interests	1,300	1,995	695	
Income taxes	950	1,124	174	
Income before minority interests	350	871	521	
Minority interests	50	11	(38)	
Net Income	300	859	559	

* The above plan is based on performance forecast announced as of April 30, 2014.

3. Profits Change Factor (vs. last year)

(January 1, 2014 to June 30, 2014)

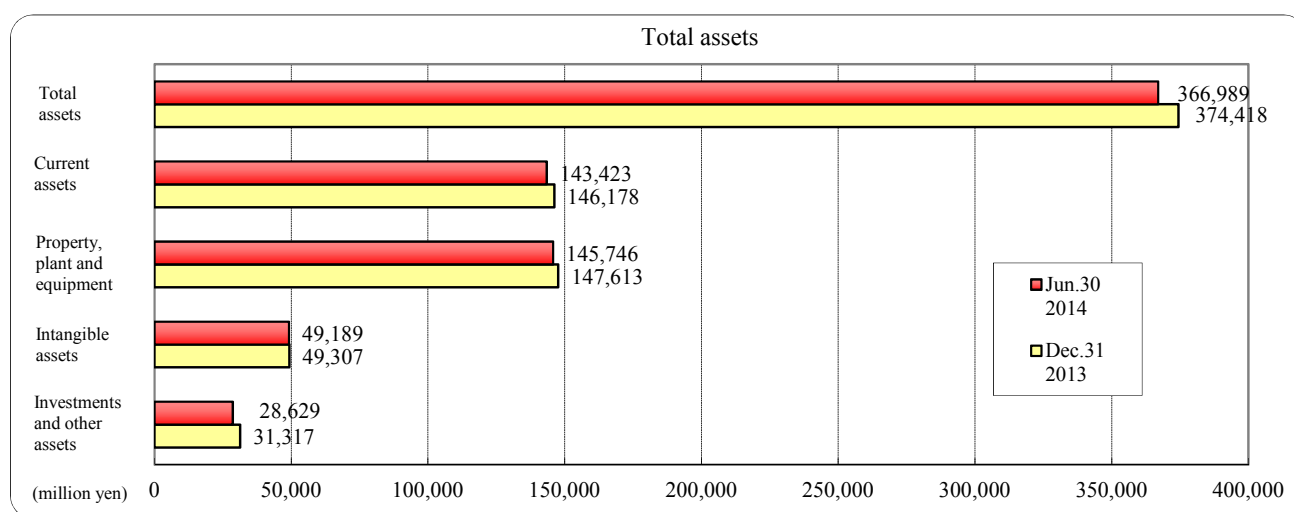
(million yen)

	2Q 2013	2Q 2014	change	Main factors for increase/decrease
Net revenues	196,225	203,145	6,919	Impact on the soft drink business 8,572 Impact on the healthcare and skincare business (1,652)
Cost of goods sold	97,997	100,884	2,887	
Gross profit	98,227	102,260	4,032	Impact on the soft drink business 5,338 Impact on the healthcare and skincare business (1,306)
SG&A	93,444	99,404	5,960	Increase of transportation expenses 2,024 Increase of business consignment expenses 1,447 Increase of sales promotion & ad expenses 1,318 Increase of sales commission 1,256 Increase of depreciation cost 390 Increase in personnel cost 276 Decrease of sales equipment cost (391) Impact on the healthcare and skincare business (499)
Operating income	4,783	2,855	(1,927)	
Non-operating income	1,499	748	(751)	Investment gain on equity method (950)
Non-operating expenses	610	725	114	
Recurring income	5,672	2,878	(2,793)	
Extraordinary income	14,438	67	(14,371)	Gain from negative goodwill (14,438)
Extraordinary losses	6,769	950	(5,819)	Loss on step acquisitions (5,567) Impairment loss (1,008) Restructuring cost 741 Impact on the healthcare and skincare business 190
Income before income taxes and minority interests	13,340	1,995	(11,345)	
Income taxes	2,263	1,124	(1,139)	
Income before minority interests	11,076	871	(10,205)	
Minority interests	20	11	(8)	
Net income	11,056	859	(10,196)	

4. Consolidated Balance Sheet and Change Factor

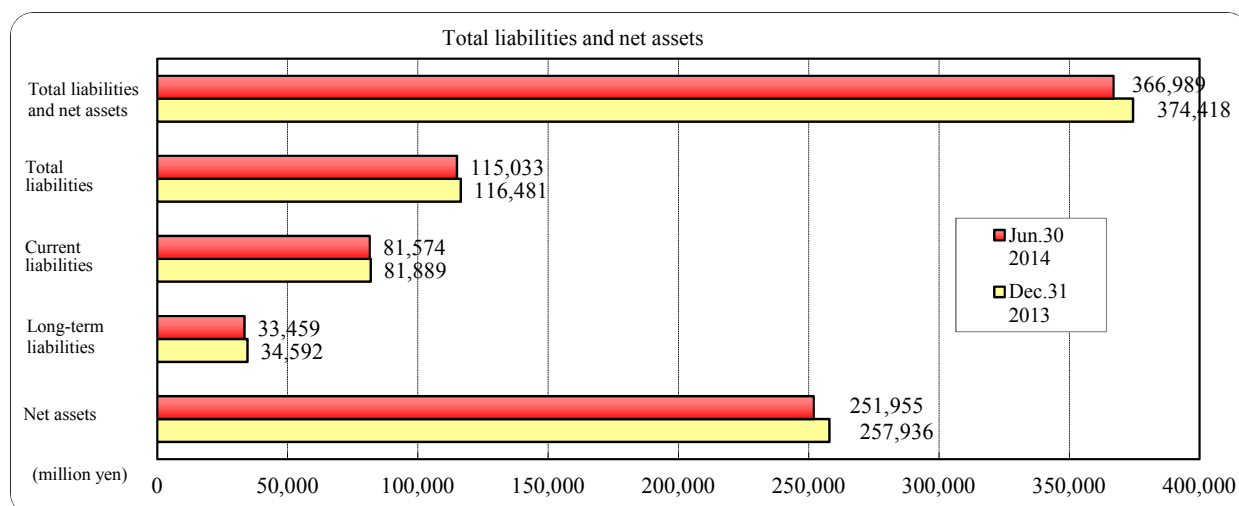
(million yen)

	Dec.31 2013	Jun.30 2014	change	Main factors for increase/decrease
Current assets	146,178	143,423	(2,755)	
Cash and deposits	45,632	37,883	(7,748)	Decrease in accrued expense by payments for restructuring cost (lump-sum allowance for employee transfer, etc.) and dividend
Trade notes and accounts receivable	26,876	29,310	2,433	
Marketable securities	25,132	20,627	(4,505)	Decrease by maturity of marketable securities
Merchandise and finished goods	26,621	31,136	4,514	Increase in inventories for demand season
Work in process	566	543	(22)	
Raw materials and supplies	2,071	3,680	1,608	
Other	19,630	20,571	941	
Allowance for doubtful accounts	(352)	(329)	22	
Fixed assets	228,239	223,565	(4,673)	
Property, plant and equipment	147,613	145,746	(1,866)	
Buildings and structures, net	35,826	34,522	(1,304)	
Machinery, equipment, vehicles, net	24,818	22,979	(1,838)	
Sales equipment, net	25,390	26,516	1,125	
Land	59,908	59,702	(206)	
Construction in progress	14	459	445	
Other, net	1,654	1,565	(88)	
Intangible assets	49,307	49,189	(117)	
Goodwill	42,189	40,864	(1,324)	
Other	7,118	8,325	1,207	
Investments and other assets	31,317	28,629	(2,688)	
Investment securities	17,306	18,222	916	Impact from the early application of revised accounting standard for retirement benefits
Advanced payments for retirement expenses	4,479	—	(4,479)	
Other	9,950	10,816	865	
Allowance for doubtful accounts	(418)	(410)	8	
Total assets	374,418	366,989	(7,428)	



(million yen)

	Dec.31 2013	Jun.30 2014	change	Main factors for increase/decrease
Current liabilities	81,889	81,574	(314)	
Trade notes and accounts payable	16,278	21,203	4,925	
Current portion of bonds	30,000	30,000	—	
Current portion of long-term loans payable	2,517	2,517	—	
Accrued income taxes	3,165	820	(2,345)	
Other accounts payable	17,624	19,189	1,565	
Provision for sales promotion expenses	203	233	30	
Other	12,098	7,608	(4,490)	Decrease in accrued expense by payments for restructuring cost (lump-sum allowance for employee transfer, etc.)
Long-term liabilities	34,592	33,459	(1,132)	
Bonds payable	20,000	20,000	—	
Long-term loans payable	5,237	3,978	(1,258)	
Allowance for employees' retirement benefits	2,048	—	(2,048)	Impact from the early application of revised accounting standard for retirement benefits
Net defined benefit liability	—	4,426	4,426	Impact from the early application of revised accounting standard for retirement benefits
Liabilities for directors' and corporate auditors' retirement benefits	149	144	(4)	
Other	7,156	4,909	(2,247)	
Total liabilities	116,481	115,033	(1,447)	
Shareholders' equity	255,346	249,640	(5,705)	
Common stock	15,231	15,231	—	
Capital surplus	109,072	109,072	—	
Retained earnings	135,619	129,916	(5,703)	Impact from the early application of revised accounting standard for retirement benefits and decrease by dividend payments
Treasury stock	(4,577)	(4,579)	(1)	
Accumulated other comprehensive income	2,212	1,961	(251)	
Net unrealized gains (loss) on other marketable securities	2,214	2,695	480	
Deferred gains or losses on hedges	(1)	(73)	(71)	
Remeasurements of defined benefit plans	—	(660)	(660)	
Minority interests	377	353	(23)	
Net assets	257,936	251,955	(5,980)	
Total liabilities and net assets	374,418	366,989	(7,428)	



5. Investment, Depreciation, Cash Flow (consolidated)

(January 1, 2014 to June 30, 2014)

(1) Investment, Depreciation

		(million yen)	
		2Q 2013	2Q 2014
Investment	Buildings	394	431
	Machinery & Equipment	4,993	1,416
	Sales equipment	5,962	6,077
	Other	2,413	2,927
	Construction in progress	(2,206)	445
	Total	11,558	11,297
Depreciation		11,304	11,238

(2) Cash Flow

		(million yen)	
		2Q 2013	2Q 2014
Cash flow from operating activities		11,904	2,029
Cash flow from investing activities		(11,782)	(2,980)
Cash flow from financing activities		(4,469)	(3,795)
Cash and cash equivalents at end of 2Q		40,625	55,529

6. Projections (consolidated)

(January 1, 2014 to December 31, 2014)

(1) Earnings

(million yen, %)

	2013 actual	2014 plan	change	% change
Net revenues	431,711	454,300	22,588	5.2
Operating income	15,927	16,700	772	4.8
Recurring income	16,606	15,300	(1,306)	(7.9)
Net income	13,625	7,600	(6,025)	(44.2)

(2) Investment, Depreciation

(million yen)

		2013 actual	2014 plan
Investment	Buildings	770	1,675
	Machinery & Equipment	6,368	6,143
	Sales equipment	9,501	13,658
	Other	3,602	5,163
	Total	20,242	26,641
Depreciation		23,758	23,427

7. Sales information

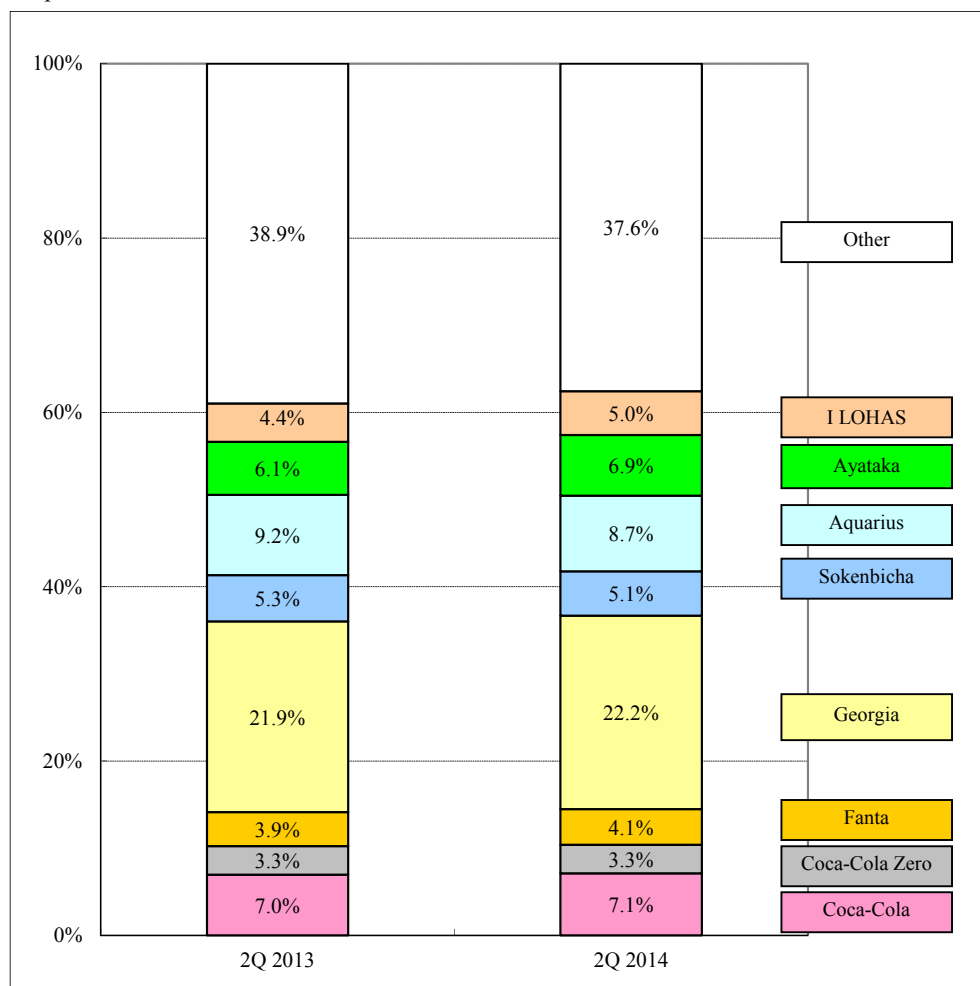
(January 1, 2014 to June 30, 2014)

<Sales volume by brand>

		(thousand cases, %)		
		2Q 2013	2Q 2014	% change
Core 8	Coca-Cola	6,639	7,268	9.5
	Coca-Cola Zero	3,121	3,324	6.5
	Fanta	3,771	4,184	11.0
	Georgia	20,858	22,622	8.5
	Sokenbicha	5,045	5,168	2.4
	Aquarius	8,773	8,853	0.9
	Ayataka	5,800	7,081	22.1
	I LOHAS	4,250	5,123	20.6
Other	37,144	38,319	3.2	
Total		95,400	101,942	6.9

Notes : Sales volume in 2013 is revised retroactively due to standardization of counting method in the affiliated company.

<Composition of brand>



<Sales volume by channel>

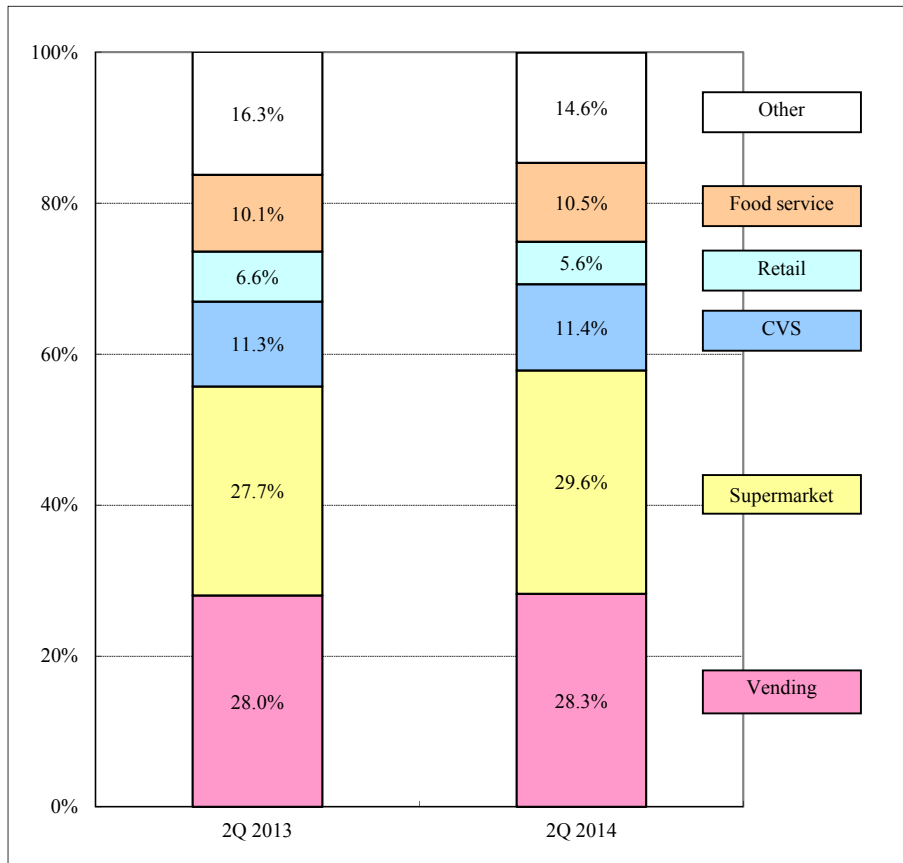
(thousand cases, %)

		2Q 2013	2Q 2014	% change
Vending	*1	26,724	28,805	7.8
Supermarket	*2	26,377	30,173	14.4
CVS	*3	10,743	11,626	8.2
Retail	*4	6,329	5,746	(9.2)
Food service	*5	9,681	10,657	10.1
Other		15,546	14,935	(3.9)
Total		95,400	101,942	6.9

Notes : Sales volume in 2013 is revised retroactively due to standardization of counting method in the affiliated company.

- *1 Vending : Retail sales business to distribute products through vending machine to consumers
- *2 Supermarket : Wholesale business for supermarket, drug store, discount store, home center chains
- *3 CVS : Wholesale business for convenience store chains
- *4 Retail : Wholesale business for grocery stores, liquor shops and other over-the-counter outlets
- *5 Food service : Syrup sale business for fast food restaurants, movie theaters, sports arena, 'family restaurants,' and theme parks

<Composition of channel>



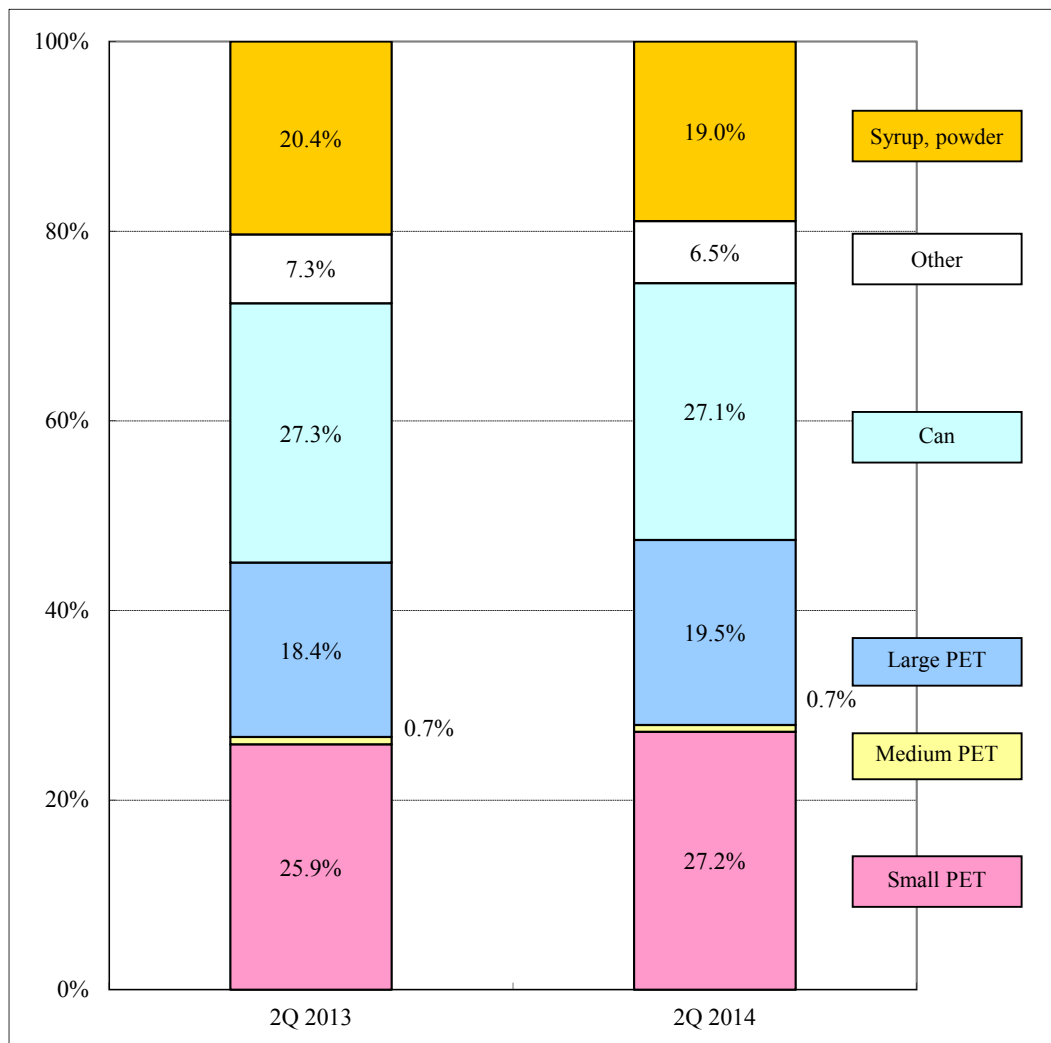
<Sales volume by package>

(thousand cases, %)

		2Q 2013	2Q 2014	% change
PET	Small-sized (less than 1,000ml)	24,707	27,726	12.2
	Medium-sized (less than 1,500ml)	714	751	5.2
	Large-sized (1,500ml or more)	17,547	19,863	13.2
	Subtotal	42,969	48,340	12.5
Can		26,080	27,635	6.0
Other		6,937	6,644	(4.2)
Syrup, powder		19,414	19,324	(0.5)
Total		95,400	101,942	6.9

Notes : Sales volume in 2013 is revised retroactively due to standardization of counting method in the affiliated company.

<Composition of package>



8. Number of Vending Machines, Market Share

(1) Number of vending machines

	(thousands units)		
	End of 2013	End of 2Q 2014	change
Can vending machine	309	307	(2)
Cup vending machine	25	24	(1)
Total	333	331	(3)

Notes: Figures are the combined total of Coca-Cola West Co., Ltd. and its affiliated company Nishinihon Beverage Co., Ltd.

(2) Market share of vending machines

	(%)	
	2013	2014
Out market share	30.8	—

(Source : Survey of vending machines conducted by McNET Inc., June to July in 2013.)

9. Home Market Share

(January 1, 2014 to June 30, 2014)

	(%)	
	2Q 2013	2Q 2014
Total	21.6	22.9
Supermarkets	22.0	23.1
CVS	22.0	22.1
Retail stores	19.9	20.6
Drug stores	22.9	23.0
Discount stores	20.0	23.9

(Source : Store Audit conducted by Intage Inc.)

10. Segment Information

	2Q 2013			2Q 2014		
	Soft drink	Healthcare and skincare	Total	Soft drink	Healthcare and skincare	Total
Net revenues	177,424	18,800	196,225	185,997	17,147	203,145
To outside customers and consumers	177,424	18,800	196,225	185,997	17,147	203,145
Intersegment sales or transfers	—	—	—	—	—	—
Segment profit (loss)	2,559	2,223	4,783	1,438	1,417	2,855

Notes: Net revenues and segment profit are based on net revenues and operating income reported in the consolidated statements of income.