(Translation)

Securities code: 2579

November 5, 2008

NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder,

You are cordially invited to attend the Extraordinary General Meeting of Shareholders of Coca-Cola West Holdings Company, Limited (the "Company"), which will be held as described hereunder.

If you are unable to attend the meeting, you may exercise your voting rights either by writing or over the Internet. Please review the Reference Materials for Extraordinary General Meeting of Shareholders and exercise your voting rights by 5:30 p.m., November 26 (Wednesday), 2008.

Sincerely yours,

Norio Sueyoshi
Representative Director & CEO
Coca-Cola West Holdings Company, Limited
7-9-66 Hakozaki, Higashi-ku, Fukuoka, Japan

MEETING AGENDA

1. Date and Time: 10:00 a.m., November 27 (Thursday), 2008

2. Venue: The Grand Ballroom (3F), Grand Hyatt Fukuoka
1-2-82 Sumiyoshi, Hakata-ku, Fukuoka, Japan

3. Agenda:

Items to be proposed:

Proposal No. 1 Approval for merger agreement
Proposal No. 2 Partial amendments to Articles of Incorporation

Although the Company has usually held informal gatherings for shareholders after general meetings of shareholders, please be informed that in this occasion of the Extraordinary General Meeting of Shareholders, we do not intend to hold such informal gathering.

4. Guidance for the Exercise of Voting Rights:

(1) Exercise of voting rights in writing

Please mark your approval or disapproval on the enclosed proxy voting form, and post it to the Company by no later than 5:30 p.m., November 26 (Wednesday), 2008.

(2) Exercise of voting rights over the Internet

When exercising your voting rights over the Internet, please exercise them no later than 5:30 p.m., November 26 (Wednesday), 2008.

(3) Treatment of multiple votes

(i) If you exercise your voting rights in both writing and over the Internet, the vote over the Internet shall be the one deemed to be effective.

(ii) In the case of Internet voting, if you exercise your voting rights more than once, or exercise such rights using both a computer and a cellular phone, the final vote cast shall be the one deemed to be effective.

Notes:

1. Attendees are requested to submit the proxy voting form to the reception desk when attending this Extraordinary General Meeting of Shareholders.
2. If we need to make any revision to the Reference Materials for Extraordinary General Meeting of Shareholders, we will notify you through the Company's website (http://www.ccwh.co.jp).

[This is a partial English translation prepared for the convenience of non-resident shareholders. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.]

Reference Materials for Extraordinary General Meeting of Shareholders

Proposals and Reference Materials

Proposal No. 1: Approval for merger agreement

1. Reasons for merger

The Company was inaugurated through the management integration of Coca-Cola West Japan Company, Limited (“CCWJ”) and Kinki Coca-Cola Bottling Company, Limited (“Kinki Coca-Cola”) in July 2006.

After its inauguration, the Company has further enhanced its collaboration with The Coca-Cola Company and Coca-Cola (Japan) Company, Limited and strived to reinforce the management basis through the improvement of service quality and improve the efficiency of the mechanism of operations by integrating the functions which had previously been carried out by each area: the distribution function into Coca-Cola West Logistics Co., Ltd., the production function into Coca-Cola West Products Co., Ltd. and the equipment service function into Coca-Cola West Equipment Service Co., Ltd., respectively.

However, with the management environment surrounding the Coca-Cola West Group (the “Company group”) getting harsher, the Company judged that to realize more effect of the management integration and continue to increase corporate value, it needs to further push forward with the reinforcement of the management basis and marketing capability and the reduction of administrative cost. Based on this judgment, we decided to merge with CCWJ, a subsidiary that takes on the sales function, Kinki Coca-Cola and Mikasa Coca-Cola Bottling Company, Limited (“Mikasa Coca-Cola”), effective of January 1, 2009, and concluded a merger agreement with the three companies on October 29, 2008, as described in “2. Outline of merger agreement.”

We would like our shareholders to support the purport mentioned above and approve this merger agreement.

2. Outline of merger agreement

Merger Agreement (Copy)

Coca-Cola West Holdings Company, Limited, the head office of which is located at 7-9-66 Hakozaki, Higashi-ku, Fukuoka, Japan (“CCWH”), Coca-Cola West Japan Company, Limited, the head office of which is located at 7-9-66 Hakozaki, Higashi-ku, Fukuoka, Japan (“CCWJ”), Kinki Coca-Cola Bottling Company, Limited, the head office of which is located at 7-9-31 Senrioka, Settsu-shi, Osaka, Japan (“Kinki Coca-Cola”) and Mikasa Coca-Cola Bottling Company, Limited, the head office of which is located at 643, Kabata-cho, Tenri-shi, Nara, Japan (“Mikasa Coca-Cola”), enter into this merger agreement as follows (“this Agreement”).

Article 1 Method of Merger

CCWH, CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola will merge in an absorption-type merger, whereby CCWH will survive and CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola will dissolve (the “Merger”).

Article 2 Amendment to Articles of Incorporation upon Merger

Upon the Merger, CCWH shall call for a resolution on the amendment in its Articles of Incorporation regarding the trade name and the purpose of CCWH on the Effective Date defined in Article 3 at the Shareholders’ Meeting for Approval of Merger set out in Article 6.1.

Before Amendment

Article 1 Trade Name

The name of the Company is Coca-Cola West Holdings Kabushiki Kaisha, which is indicated in English as Coca-Cola West Holdings Company, Limited.

Article 2 Purpose

The purpose of the Company is to control or manage business activities of another company conducting business outlined as follows by holding shares or interests in that company, or to conduct the following business:

Supplementary Provision The trade name of the Company was originally acquired through the Trade Name License Agreement dated July 1, 2006, between the Company and The Coca-Cola Company, a corporation headquartered at 1 Coca-Cola Plaza NW, Atlanta, Georgia, U.S.A., and the Company may use "コカ・コーラ" (*koka-kora*) and "Coca-Cola," which are trademarks of The Coca-Cola Company, as part of its trade name so long as the term of use under the agreement continues to be in effect, and on the condition that if The Coca-Cola Company disallows further use of the trademark the Company shall immediately cease the use thereof.

After Amendment

Article 1 Company Name

The name of the Company is Coca-Cola West Kabushiki Kaisha, which is indicated in English as Coca-Cola West Company, Limited.

Article 2 Purpose

The purpose of the Company is to conduct the following business:

Supplementary Provision The trade name of the Company was originally acquired through the Trade Name License Agreement dated January 1, 2009, between The Coca-Cola Company, a corporation headquartered at 1 Coca-Cola Plaza NW, Atlanta, Georgia, U.S.A., and the Company may use "コカ・コーラ" (*koka-kora*) and "Coca-Cola," which are trademarks of The Coca-Cola Company, as part of its trade name so long as the term of use under the agreement continues to be in effect, and on the condition that if The Coca-Cola Company disallows further use of the trademark the Company shall immediately cease use thereof.

Article 3 Effective Date of Merger

The date on which the Merger becomes effective will be January 1, 2009 (the "Effective Date"); provided, however, the Effective Date may be changed upon mutual consultation between CCWH, CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola if necessary due to the progress of the procedures for the Merger or for other reasons.

Article 4 Delivery of Cash or Other Consideration

Upon the Merger, CCWH shall not deliver cash or other consideration including CCWH's shares.

Article 5 Matters Regarding the Amount of Capital and Capital Reserve

The amount of capital and capital reserve of CCWH will not be increased upon the Merger.

Article 6 Approval of the General Meeting of Shareholders

1. CCWH shall convene an extraordinary general meeting of shareholders on November 27, 2008 (the "Shareholders' Meeting for Approval of Merger") and call for resolutions on the approval of this Agreement and matters required for the merger. However, this process of shareholder's approval may be changed upon mutual consultation between CCWH, CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola if necessary due to the progress of the procedures of the Merger or for other reasons.
2. CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola shall call for a resolution at each of their general meetings of shareholders (or shall obtain the consent of all the shareholders which is deemed to be the resolution at the general meeting of shareholders as provided for in Article 319.1 of the Companies Act) before November 27, 2008 which is needed for the Merger. However, this process of shareholder's approval may be changed upon mutual consultation between CCWH, CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola if necessary due to the progress of the procedures of the Merger or for other reasons.

Article 7 Succession of Rights and Obligations

CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola shall transfer to CCWH their respective assets, liabilities and any other rights and obligations on the Effective Date, identifying them (i) by their balance sheets as of June 30, 2008 and other calculations made on that same day and (ii) by attaching a separate statement of accounts regarding changes to their respective assets and liabilities during the period from June 30, 2008 and to the Effective Date, and CCWH shall assume them.

Article 8 Treatment of Employees

On the Effective Date, CCWH shall employ all employees of CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola as employees of CCWH. The years of service of each employee at CCWJ, Kinki Coca-Cola, and Mikasa Coca-Cola before the Effective Date will be added to the years of service of that employee at CCWH and CCWH, CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola shall determine other conditions for the employees upon mutual consultation.

Article 9 Duty of Care

CCWH, CCWJ, Kinki Coca-Cola, and Mikasa Coca-Cola shall execute their respective business, and manage and administer their property with the duty of care of a good manager during the period from the execution date of this Agreement to the Effective Date. If a party intends to carry out an act that might have a material effect on its property, rights or obligations, that party shall hold mutual consultations with the other parties before carrying out the act.

Article 10 Retirement Benefits for Directors of CCWJ or Kinki Coca-Cola

Retirement benefits for the directors of CCWJ or Kinki Coca-Cola approved at a general meeting of shareholders of the respective company before the execution date of this Agreement that have not been paid by CCWJ or Kinki Coca-Cola by the day before the Effective Date will be paid by CCWH on or after the Effective Date in accordance with the standards prescribed by CCWJ or Kinki Coca-Cola.

Article 11 Dissolution Expenses

CCWH bears all expenses to be paid from the Effective Date for the dissolution of CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola.

Article 12 Changed Circumstances

For the period from the execution date of this Agreement to the Effective Date, if, due to a natural disaster or other such event, any material change occurs to CCWH, CCWJ, Kinki Coca-Cola, or Mikasa Coca-Cola's respective property or management conditions, CCWH, CCWJ, Kinki Coca-Cola, and Mikasa Coca-Cola may, upon mutual consultation, amend the terms and conditions of the Merger or terminate this Agreement.

Article 13 Validity of Agreement

This Agreement will be void if the resolution at the Shareholders' Meeting for Approval of Merger set out in Article 6.1 is not obtained or if the consent of the relevant authorities cannot be obtained.

Article 14 Consultation

Any matters required for the Merger other than those stipulated in this Agreement will be determined upon mutual consultation between CCWH, CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola in accordance with the objectives of this Agreement.

In witness to this Agreement, CCWH, CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola have caused this Agreement to be signed and sealed in quadruplicate and each party shall retain one copy.

October 29, 2008

CCWH:	Coca-Cola West Holdings Company, Limited 7-9-66 Hakozaki, Higashi-ku, Fukuoka, Japan Norio Sueyoshi [seal] Representative Director & CEO
CCWJ:	Coca-Cola West Japan Company, Limited 7-9-66 Hakozaki, Higashi-ku, Fukuoka, Japan Tadatsugu Harada [seal] Representative Director & President
Kinki Coca-Cola:	Kinki Coca-Cola Bottling Company, Limited 7-9-31 Senrioka, Settsu-shi, Osaka, Japan Tamio Yoshimatsu [seal] Representative Director & President
Mikasa Coca-Cola:	Mikasa Coca-Cola Bottling Company, Limited 643, Kabata-cho, Tenri-shi, Nara, Japan Hiroyoshi Miyaki [seal] Representative Director & President

3. Outline of details stipulated in Article 191 of the Companies Act Enforcement Regulations

(1) Matters concerning the reasonableness of the absence of provisions about matters listed in Article 749, Paragraph 1, Items 2 and 3 of the Companies Act

Since all the dissolved entities – CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola – are wholly owned subsidiary of the Company, we will not allocate money, etc. to shareholders of the dissolved entities attendant upon this merger.

(2) Details of financial statements of the dissolved entities for the final fiscal year

Financial statements of CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola for the final fiscal year are as described in and after the following pages (from page 10 through page 59).

(3) Events that significantly affect the status of corporate assets, which occurred after the end of the final fiscal year of the companies concerned with the merger

The Company acquired treasury stock as follows, in accordance with resolutions made by the Board of Directors at meetings held respectively on February 7, 2008, April 24, 2008 and August 4, 2008.

(i)	Type of shares acquired:	Common stock of the Company
(ii)	Acquisition period:	February 8, 2008 – March 24, 2008 April 25, 2008 – June 30, 2008 August 5, 2008 – September 30, 2008
(iii)	Total number of shares acquired:	4,865,900
(iv)	Total of acquisition value of shares:	11,766,733,500 yen
(v)	Acquisition method:	Purchase made on the Tokyo Stock Exchange

The Company also decided at a meeting of the Board of Directors held on October 29, 2008, to purchase treasury stock as follows:

(i)	Type of shares to be acquired:	Common stock of the Company
(ii)	Acquisition period:	October 30, 2008 – December 31, 2008
(iii)	Total number of shares to be acquired:	1,300,000 (upper limit)
(iv)	Total of acquisition value of shares:	3,250,000,000 yen (upper limit)

There are no relevant matters concerning CCWJ, Kinki Coca-Cola and Mikasa Coca-Cola.

<Financial statements etc. of Coca-Cola West Japan Company, Limited for the final fiscal year>

Business Report

(From January 1, 2007 to December 31, 2007)

1. Current Status of CCWJ

(1) Operating progress and results

During the fiscal year ended December 31, 2007, the Japanese economy continued to expand slowly, exemplified by increased capital investment, improved employment situation and others, as corporate earnings increased continuously. On the other hand, consumer spending remained almost unchanged due to slowdown in the growth of personal income, coupled with rises in commodity prices resulting from skyrocketing crude oil prices and confusion of the financial market originating in the subprime mortgage crisis.

In the soft drink industry, though the market grew thanks to a record-breaking summer heat wave after the rainy season, the management environment surrounding soft drink producers is getting harder because of intensified sales competition among soft drink producers and sharp increases in prices of raw and other materials due to higher crude oil prices.

In such a harsh management environment, CCWJ strived for the growth and development of the Company group as a whole through various activities, as a business company specializing in the sales function in the Company group and by pulling the entire area under its charge in accordance with the Company group organization management system.

In response to the Company group's medium-term management plan, dubbed "W'ing," CCWJ put up "reform toward Consumer View" as its medium-term management policy for a fiscal year from 2007 through 2009, and has worked on activities centering on three reforms – "reform of sales method," "structural reform" and "reform of human resources/corporate climate."

In the "reform of sales method," with our pivot leg particularly placed on the enhancement of existing outlets, it thoroughly carried out carefully meticulous sales activities in accordance with respective segments such as channel, business category and account, not uniformly on a company-wide basis. In the vending machine channel, it pushed forward with the introduction of IT-based, cashless machines, aimed at further predominance over competitors.

As for merchandise strategies, CCWJ did its utmost to expand sales and market share by proactively introducing new products and implementing various promotional activities, mainly for its four key brands – “Georgia,” “Coca-Cola,” “Sokenbicha” and “Aquarius” – and strategic brands – “Morino Mizu-dayori,” “Minaqua” and “Hajime.”

In the area of “structural reform,” CCWJ carried out various reforms of the earnings structure, including review of transaction terms such as “commission” and “electricity charge” to make the terms more corresponding to sales in the vending machine channel, in addition to continued efforts to boost earnings in channels of low profitability such as package mix in chain stores and improvement of money-losing outlets in food service.

With regard to “reform of human resources/corporate climate,” CCWJ endeavored to create a company where employees can work feeling their lives worth while by implementing basic training in branch management and other matters for all executives to maximize their ability to act onsite, and continuing to promote “time management,” which is one of the most important management challenges and taking other measures.

As a result, for the fiscal year under review, CCWJ posted net sales of 162,813 million yen (up 82.6% year on year), operating income of 7,367 million yen (up 102.5% year on year), recurring profit of 7,390 million yen (up 100.3%) and net income of 4,104 million yen (up 98.2%).

(2) Status of capital investment

During the fiscal year under review, CCWJ spent a total of 6,934 million yen on plants and equipment. The money was mainly spent as follows:

a. Acquisition of sales equipment, including vending machines and coolers

b. Establishment of new Fukuyama Higashi base

(3) Status of fund procurement

No items to report

(4) Status of assets and operating results (Millions of yen)

Category	1st term (Fiscal year ended December 2006)	2nd term (Fiscal year ended December 2007)
Net sales	89,142	162,813
Operating income	3,638	7,367
Recurring profit	3,688	7,390
Net income	2,071	4,104
Total assets	79,956	81,233
Net assets	65,446	66,427

(5) Issues to be dealt with

As the soft drink market has matured and is not expected to grow significantly, the management environment surrounding the Company group is projected to get harsher from now on mainly due to aggravation of profitability resulting from a shift to channels with low profit margins and the industrial restructuring through business alliances and mergers and acquisitions (M&A) by soft drink producers, aimed at survival. The situation is expected to become harder because of sluggish stock prices and steep rises in raw materials, crude oil and other items.

Under such circumstances, CCWJ will strive to realize growth that overwhelmingly exceeds growth of competitors and establish a firm earnings basis by thoroughly implementing and enhancing its efforts for the medium-term management policy – "reform toward Consumer View" – and "three reforms" and also carrying out management under which all group companies in the area working in a body.

In merchandise strategies, CCWJ will continue to focus on the four major brands regarding them as the top priority items and improve their brand value, while it will thoroughly enhance such efforts toward the expansion of sales and earnings. With regard to "Georgia," which is the pillar of its earnings, in particular, it will endeavor to recover the sales, which tend to decline, by revitalizing the coffee market through reinforced activities throughout the year.

CCWJ will devote all its energies to the creation of a company that is trusted by all stakeholders, including customers, business partners and employees.

(6) Principal business

The principal business of CCWJ is sales of Coca-Cola and other beverages.

(7) Status of principal offices and employees

a. Location of the head office

7-9-66 Hakozaki, Higashi-ku, Fukuoka

b. Sales bases

Three prefectures in north Kyushu (Fukuoka Prefecture, Saga Prefecture and Nagasaki Prefecture) and five prefectures in the Chugoku region (Hiroshima Prefecture, Okayama Prefecture, Yamaguchi Prefecture, Shimane Prefecture and Tottori Prefecture)

c. Status of employees

Number of employees	Year-on-year changes	Average age	Average years of service
1,656	Down 102	40.4	1.4

Note: The number of employees indicates the number of working employees, and does not include 340 employees seconded to other firms.

(8) Principal lenders and amount of loans

No items to report

(9) Other significant matters concerning the current status of CCWJ

No items to report

2. Matters Related to Officers

Name, position/responsibility, representation for other companies, etc.

Position	Name	Responsibility or main occupation
Representative Director	Tadatsugu Harada	President of CCWJ; Director of Coca-Cola West Holdings Company, Limited
Director	Koichi Morii	Vice President of CCWJ; Director of Coca-Cola West Holdings Company, Limited
Director	Norio Sueyoshi	Representative Director & CEO of Coca-Cola West Holdings Company, Limited
Corporate Auditor	Tomoji Ohata	

Notes: Changes during the fiscal year under review:

(1) Director Tadatsugu Harada was elected as Representative Director at a meeting of the Board of Directors held on February 7, 2007, and took office on March 1, 2007.

(2) Tomoji Ohata was newly elected as Corporate Auditor at the Ordinary General Meeting of Shareholders held on March 23, 2007, and took office.

3. Matters Related to Shareholders

a. Number of shareholder: 1

b. Shareholder

Name of shareholder	Number of shares held	Ratio of voting rights
Coca-Cola West Holdings Company, Limited	1	100.0%

Non-consolidated Balance Sheet

As of December 31, 2007

	Millions of yen
ASSETS	
Current Assets	
Cash and deposits	3,062
Trade notes receivable	39
Trade accounts receivable	8,305
Merchandise	4,644
Supplies	63
Prepaid expenses	1,659
Deferred tax assets	334
Accrued income	2,518
Deposits paid	6,825
Other current assets	31
Allowance for doubtful accounts	(49)
Total Current Assets	27,433
Fixed Assets	
Property, plant and equipment	
Buildings	7,069
Structures	815
Machinery and equipment	176
Vehicles	1,310
Tools, instruments and fixtures	565
Sales equipment	12,085
Land	18,027
Construction in progress	32
Total property, plant and equipment	40,083
Intangible assets	
Software	882
Other intangible assets	30
Total intangible assets	912
Investments and other assets	
Long-term prepaid expenses	950
Prepaid annuity expense	11,707
Other assets	171
Allowance for doubtful accounts	(25)
Total investments and other assets	12,803
Total Fixed Assets	53,799
Total Assets	81,233

Non-consolidated Balance Sheet

As of December 31, 2007

	Millions of yen
LIABILITIES	
Current Liabilities	
Trade accounts payable	1,108
Other accounts payable	5,430
Accrued expenses	608
Accrued income taxes	2,184
Money entrusted	1,312
Total Current Liabilities	10,644
Long-term Liabilities	
Deferred tax liabilities	3,618
Allowance for employees' retirement benefits	478
Other long-term liabilities	65
Total Long-term Liabilities	4,161
Total Liabilities	14,805
NET ASSETS	
Shareholders' equity	
Common stock	100
Additional paid-in capital	
Capital reserve	63,275
Total additional paid-in capital	63,275
Retained earnings	
Other retained earnings	
Retained earnings to be carried forward	3,052
Total other retained earnings	3,052
Total retained earnings	3,052
Total shareholders' equity	66,427
Total Net Assets	66,427
Total Liabilities and Net Assets	81,233

Note: Amounts less than one million yen are omitted.

Non-consolidated Statement of Income

For the fiscal year ended December 31, 2007

	Millions of yen
Net sales	162,813
Cost of sales	92,574
Gross profit	70,239
Selling, general and administrative expenses	62,871
Operating income	7,367
Non-operating income:	
Interest received	22
Other non-operating income	353
Non-operating income	376
Non-operating expenses:	
Interest expenses	3
Other expenses	350
Non-operating expenses	353
Recurring profit	7,390
Extraordinary losses:	
Expenses for measures for earthquakes	136
Extraordinary losses	136
Income before income taxes	7,253
Corporate, inhabitant and business taxes	3,052
Income taxes	97
Net income	4,104

Note: Amounts less than one million yen are omitted.

Non-consolidated Statement of Changes in Shareholders' Equity
For the fiscal year ended December 31, 2007

(Millions of yen)

	Shareholders' equity				Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Total shareholders' equity	
		Capital reserve	Other retained earnings		
			Retained earnings to be carried forward		
Balance as of Dec. 31, 2006	100	63,275	2,071	65,446	65,446
Changes during this term					
Dividends of retained earnings	-	-	(3,123)	(3,123)	(3,123)
Net income	-	-	4,104	4,104	4,104
Total changes during this term	-	-	981	981	981
Balance as of Dec. 31, 2007	100	63,275	3,052	66,427	66,427

Note: Amounts less than one million yen are omitted.

Notes to Non-consolidated Financial Statements
(From January 1, 2007 to December 31, 2007)

1. Notes to Significant Accounting Policies

(1) Standards and methods for valuation of assets

a. Inventories

(a) Merchandise

Stated at lower of cost or market based on the periodic average method

(b) Supplies

Stated at lower of cost or market based on the moving average method

(2) Depreciation or amortization methods for fixed assets

a. Property, plant and equipment

(a) Sales equipment

The straight-line method is used. The useful life range is mainly 5-6 years.

(b) Assets other than sales equipment

The declining-balance method is used. The useful life range is as follows:

Buildings: 3 – 50 years

Vehicles: 4 – 6 years

(Changes in accounting policy)

Though depreciation of sales equipment was previously calculated using the declining-balance method, the method was changed to the straight-line method effective from the fiscal year under review.

As the environment of the sales equipment installation business has been changing in recent years as seen in the increase in the number of indoor installations and other aspects, it examined more appropriate methods of allocating expenses, and, as a result, determined that the allocation of expenses based on the straight-line method more appropriately reflects actual conditions in light of the correspondence relation to earnings produced by these assets. Consequently, the change to the straight-line method was effectuated.

Following the revision of the Corporate Tax Law, the Company changed the depreciation method of property, plant and equipment except for buildings (excluding building fixtures) acquired on or after April 1, 2007 to a method based on the revised Corporate Tax Law, effective from the fiscal year under review.

As a result of these changes, operating income, recurring profit and income before income taxes for the fiscal year under review respectively increased 370 million yen compared with figures obtained using the previous method.

b. Intangible assets

The straight-line method is used. Software for internal use is amortized using the straight-line method over an estimated useful life of 5 years.

(3) Standards for reporting allowances

a. Allowance for doubtful accounts

In order to prepare for losses from doubtful trade accounts receivables and loans, the estimated uncollectible amount is recorded as an allowance after reviewing the individual collectibility of certain doubtful accounts based on the historical rate of default for general receivables.

b. Allowance for retirement benefits

In order to prepare for the payment of employees' retirement benefits, the amount deemed payable at fiscal year end is recorded as an allowance based on the projected amount of retirement benefit obligations and related pension assets at fiscal year end.

Actuarial differences are charged to expenses in proportional amounts from the following fiscal year for each amount, respectively, using the straight-line method over a fixed number of years (10 years) within the average remaining employee service period as incurred in each fiscal year.

(4) Accounting method of lease transactions

Finance lease transactions other than those that deem the ownership of the leased properties as transferred to the lessees are accounted for based on the accounting method used in ordinary lease transaction.

(5) Accounting of consumption taxes

Consumption tax is excluded.

2. Notes to Non-Consolidated Balance Sheet

(1) Accumulated depreciation

Accumulated deprecation of property, plant and equipment: 64,305 million yen

(2) Accounting method of bills due on the last day of the fiscal year under review

Bills due on the last day of the fiscal year under review are deemed to have been settled on the bill clearing date. Since the last day of the fiscal year under review was a bank holiday, bills due on the last day of the fiscal year are included in the balance at the end of the term as follows:

Trade notes receivable 22 million yen

3. Notes to Non-Consolidated Statement of Changes in Shareholders' Equity

(1) Matters related to the type and total number of issued and outstanding shares

	Number of shares as of December 31, 2006	Increase in the number of shares during the year ended December 31, 2007	Decrease in the number of shares during the year ended December 31, 2007	Number of shares as of December 31, 2007
Number of issued and outstanding shares	Shares	Shares	Shares	Shares
Common stock	1	-	-	1
Total	1	-	-	1

(2) Matters related to dividends

a. Amount of dividends paid

Resolution	Type of stock	Total amount of dividends	Dividend per share	Base date	Effective date
Ordinary General Meeting of Shareholders held on March 23, 2007	Common stock	2,071 million yen	2,071,330,186 yen	December 31, 2006	March 24, 2007
Extraordinary General Meeting of Shareholders held on September 14, 2007	Common stock	1,052 million yen	1,052,029,000 yen	June 30, 2007	September 20, 2007

b. Among dividends whose base dates are in the fiscal year ended December 31, 2007, those whose effective dates are in the following fiscal year:

Resolution	Type of stock	Total amount of dividends	Dividend per share	Base date	Effective date
Ordinary General Meeting of Shareholders held on February 26, 2008	Common stock	2,231 million yen	2,231,544,000 yen	December 31, 2007	February 27, 2008

4. Notes to Deferred Tax Accounting

Breakdown of deferred tax assets and deferred tax liabilities by main cause

	(Million yen)
Deferred tax assets	
Depreciation expenses	1,249
Allowance for employees' retirement benefits	199
Accrued business taxes	188
Other	105
Total deferred tax assets	1,743
Deferred tax liabilities	
Reserve for advanced depreciation	(143)
Prepaid annuity expense	(4,883)
Total deferred tax liabilities	(5,027)
Net deferred tax liabilities	(3,283)

Corporate Auditor's Report (originally issued in Japanese)

Audit Report

I, the Corporate Auditor, have audited the execution of duties by Directors in the 2nd fiscal year from January 1, 2007 to December 31, 2007 and report the methods and results as follows:

1. Auditing methods and details

I have maintained good communications with Directors, Internal Audit Division and other employees, as well as Corporate Auditors and others of the parent company; strived to collect information and improve the audit environment; attended important meetings; received from Directors and employees reports on the execution of their duties and asked for explanations as necessary; reviewed the documents pertaining to important decisions; and studied business and financial conditions at the head office and principal offices. Based on the methods mentioned above, I have examined the business reports for the said fiscal year.

In addition, I have studied the accounting records and other related documents, and examined non-consolidated financial statements and their supporting schedules for the said fiscal year.

2. Results of audit

(1) Results of audit on the business reports, etc.

(i) The business reports are found to accurately present the CCWJ's status in conformity with laws and regulations and the Articles of Incorporation.

(ii) With regard to the execution of duties by Directors, no fraudulent act or material evidence of a violation of laws and regulations or the Articles of Incorporation is found to exist.

(2) Results of audit on non-consolidated financial statements and their supporting schedules

The non-consolidated financial statements and their supporting schedules are found to be proper with respect to all the significant aspects, including CCWJ's financial position and the results of operation.

February 1, 2008

Tomoji Ohata [seal]
Corporate Auditor
Coca-Cola West Japan Company, Limited

<Financial statements etc. of Kinki Coca-Cola Bottling Company, Limited for the final fiscal year>

Business Report

(From January 1, 2007 to December 31, 2007)

1. Current Status of Kinki Coca-Cola

(1) Operating progress and results

During the fiscal year under review, the Japanese economy remained on a recovery track thanks to the recovery of consumer spending and increases in capital investment following the improvement of corporate earnings. However, the pace slowed in the latter half of the year due to fluctuations in the financial capital market resulting from the subprime mortgage crisis and further rises in crude oil prices.

In the soft drink industry, the market remained robust because of a sweltering summer and the heat of late summer. However, the management environment continues to be harsh, squeezing corporate earnings, since the market environment got harsher mainly due to declines in sales prices following intensified competition with competitors.

In such a situation, during the fiscal year under review, which is the first year of the medium-term management plan of the Company group, called "W'ing," Kinki Coca-Cola focused on business activities on a company-wide basis in order to achieve target profits, based on the management policies – "expansion of market share in the Kansai market through the establishment of a strong sales system" and "reinforcement of the management basis by reform of the earnings structure" – and by acknowledging anew that the basis of all activities is CSR management.

With regard to sales, Kinki Coca-Cola strived to boost sales by launching sales promotional campaigns to enhance brand name, including "the Coke side of life Campaign," "Aquarius Challenge Promotion" and "Georgia Mission," and releasing such new products as "Coca-Cola zero," "No Calorie Coca-Cola" and "Ayataka Josencha." Also, it further strengthened the sales basis by promoting category management in cooperation with business partners, and reinforced quality management in the market, aimed at providing safer products. Meanwhile, as part of its activities to contribute to local communities, Kinki Coca-Cola supported the IAAF World Championships in Athletics Osaka 2007, presented unicycles to elementary schools and conducted other activities to support sports. It also continued to create Coca-Cola fans through the "Magical Ecola Factory Tour" at the Kyoto Factory and supporting regional events and other activities.

In the area of management control, Kinki Coca-Cola endeavored to spread the

"Coca-Cola West Group Conduct Code" and the "Coca-Cola West Environmental Basic Principles and Action Guideline," with a view to becoming a corporate group trusted by society. In addition, it made efforts to reduce expenses by slashing inventories for vending machines and raising commercialization ratio, and disposed of the buildings and equipment of the Akashi Factory and the Kyoto Factory and shares it had held in Mikasa Coca-Cola, a production function company and a distribution function company by transferring them to the Company for the improvement of management efficiency of the Company group and reduction of total assets in Kinki Coca-Cola itself.

As a result of these activities, the sales volume increased 3.6% form the previous year. Net sales stood at 143,806 million yen (down 7.5% year on year), partly because there were no sales to other bottling companies and no sales of consigned production and distribution due to changes in the business model. However, net sales actually increased 1.5% from a year earlier after adjustment of the changes. Kinki Coca-Cola posted recurring profit of 3,120 million yen (up 17.8% year on year) and net income of 1,353 million yen (up 10.8% year on year), both of which were higher than year earlier levels.

(2) Status of capital investment

During the fiscal year under review, Kinki Coca-Cola spent a total of 5,174 million yen on plants and equipment. The money was mainly spent as follows:

a. Sales equipment, including vending machines
b. Replacement of equipment in the Kyoto Factory and the Akashi Factory
c. Information-related equipment

(3) Status of fund procurement

Though Kinki Coca-Cola had repeated short-term borrowings and repayment to ensure operating funds until the first quarter of the fiscal year under review, it had got no short-term loans since April thanks to a stable fund position. Of the long-term debt of 4,000 million yen that it held at the end of the previous fiscal year, 2,000 million yen was repaid by its equity capital. Consequently, the balance of long-term debt (due within one year) decreased to 2,000 million yen.

(4) Status of assets and operating results (Millions of yen)

Category	46th term (Fiscal year ended December 2004)	47th term (Fiscal year ended December 2005)	48th term (Fiscal year ended December 2006)	49th term (Fiscal year ended December 2007)
Net sales	170,932	158,338	155,503	143,806
Operating income	5,683	3,674	1,997	2,348
Recurring profit	6,140	4,530	2,647	3,120
Net income	2,301	2,774	1,221	1,353
Total assets	106,803	101,647	99,427	90,415
Net assets	72,187	73,960	73,514	72,781

(5) Issues to be dealt with

The Japanese economy is expected to remain in an adjustment phase. Under such circumstances, coupled with intensification of competition between companies, the soft drink industry is projected to continue to face a harsh management environment. To realize the "W'ing" medium-term management plan of the Company group, Kinki Coca-Cola will aim at "group management from the consumer/business partner view," "making work more worthwhile and rewarding for employees," "doing common things thoroughly" and "activation of organization and personnel affairs," with all employees. It will also strive to boost earnings and create corporate value by pushing forward with efforts specializing in "management of the freshness of merchandise."

(6) Basic policies on the establishment of internal control system

Kinki Coca-Cola decided basic policies on the establishment of an internal control system at its Board of Directors' meeting held on June 9, 2006. The basic idea of the policies is to implement management with thorough compliance in a bid to achieve long-term, continuous increases in profits through daily sound corporate activities.

(7) Principal business

The principal business of Kinki Coca-Cola is sales of Coca-Cola and other beverages.

(8) Status of principal offices/factories and employees

a. Location of the head office

7-9-31 Senrioka, Settsu-shi, Osaka

b. Principal production bases

Hyogo Prefecture: Akashi Factory; Kyoto Prefecture: Kyoto Factory

Note: The buildings and equipment of the factories mentioned above were transferred to the Company as of December 31, 2007.

c. Principal sales bases

Osaka Prefecture: 23 branches, including Regular Service Senrioka Branch

Hyogo Prefecture: 15 branches, including Regular Service Amagasaki Branch

Kyoto Prefecture: 9 branches, including Regular Service Rakunan Branch

Total 47 branches

d. Status of employees

Number of employees	Year-on-year changes	Average age	Average years of service
870	25	43.4	22.7

Note: The number of employees does not include 447 employees seconded to other firms.

(9) Principal lenders and amount of loans

Lender	Balance at the end of term
Syndicated loan	2,000 million yen

Note: The syndicated loan was extended by a ten-member syndicated loan consortium, including the Bank of Tokyo-Mitsubishi, Ltd. and Sumitomo Mitsui Banking Corporation, as of December 19, 2003.
The corporate name of the Bank of Tokyo-Mitsubishi, Ltd. was changed to the Bank of Tokyo-Mitsubishi UFJ, Ltd. following the merger of the bank with UFJ Bank Limited on January 1, 2006.

(10) Other significant matters concerning the current status of Kinki Coca-Cola

No items to report

2. Matters Related to Officers

Name, position/responsibility, representation for other companies, etc.

Position	Name	Responsibility in Kinki Coca-Cola and representation for other companies, etc.
Representative Director & President	Tamio Yoshimatsu	Concurrently serving as Director and Group Senior Corporate Officer of Coca-Cola West Holdings Company, Limited
Director and Senior Corporate Officer	Shigeki Ota	Concurrently servings as General Manager of the Administration Dept. of Kinki Coca-Cola and Director and Group Senior Corporate Officer of Coca-Cola West Holdings Company, Limited
Director and Senior Corporate Officer	Taijiro Naniwa	Concurrently serving as General Manager of the Sales Dept. of Kinki Coca-Cola and Group Senior Corporate Officer of Coca-Cola West Holdings Company, Limited
Corporate Auditor	Tadamasa Amitsuka	Concurrently serving as Corporate Auditor of Nesco Co., Ltd., Kadiac Co., Ltd., Mikasa Coca-Cola, Mikasa Beverage Service Co., Ltd. and Mikasa Service Co., Ltd.

Notes: Changes during the fiscal year under review:

(1) Representative Director, President and Corporate Officer Masakazu Morito retired from his office and became Director as of February 28, 2007.

(2) Senior Managing Director and Executive Corporate Officer Tamio Yoshimatsu took office as Representative Director & President on March 1, 2007.

(3) Tadamasa Amitsuka was newly elected as Corporate Auditor at the 48th Ordinary General Meeting of Shareholders, held on March 23, 2007, and took office.

(4) Director Masakazu Morito retired from his office and Full-time Corporate Auditor Toshio Takesue resigned at the end of the 48th Ordinary General Meeting of Shareholders, held on March 23, 2007.

3. Matters Related to Shareholders

a. Number of shareholder: 1

b. Shareholder

Name of shareholder	Number of shares held	Ratio of voting rights
Coca-Cola West Holdings Company, Limited	62,591,049	100.0%

4. Matters Related to Accounting Auditors

Name of accounting auditor

KPMG AZSA & Co.

Non-consolidated Balance Sheet

As of December 31, 2007

	Millions of yen
ASSETS	
Current Assets	
Cash and deposits	3,015
Trade notes receivable	24
Trade accounts receivable	8,304
Merchandise	3,589
Supplies	29
Prepaid expenses	1,715
Short-term loans receivable	5
Deposits paid	8,000
Accrued income	16,941
Deferred tax assets	1,050
Other current assets	32
Allowance for doubtful accounts	(26)
Total Current Assets	42,681
Fixed Assets	
Property, plant and equipment	
Buildings and accompanying facilities	5,629
Structures	693
Machinery and equipment	445
Tools, instruments and fixtures	602
Sales equipment	12,015
Land	17,420
Total property, plant and equipment	36,808
Intangible assets	
Software	1,935
Right of using facilities	2
Goodwill	42
Total intangible assets	1,980
Investments and other assets	
Investment securities	2,735
Investments in stocks of affiliates	1,381
Long-tern loans	98
Long-term loans to employees	14
Claims probable in bankruptcy, claims probable in rehabilitation and other	96
Long-term prepaid expenses	1,019
Guarantee deposits	892
Deferred tax assets	2,403
Other assets	597
Allowance for doubtful accounts	(295)
Total investments and other assets	8,944
Total Fixed Assets	47,734
Total Assets	90,415

Non-consolidated Balance Sheet
As of December 31, 2007

	Millions of yen
LIABILITIES	
Current Liabilities	
Trade accounts payable	1,685
Long-term debt due within one year	2,000
Other accounts payable	5,997
Accrued income taxes	25
Accrued consumption taxes	1,046
Accrued expenses	412
Money entrusted	1,293
Other current liabilities	12
Total Current Liabilities	12,473
Long-term Liabilities	
Allowance for employees' retirement benefits	1,826
Long-term accounts payable	3,059
Other long-term liabilities	274
Total Long-term Liabilities	5,159
Total Liabilities	17,633
NET ASSETS	
Shareholders' equity	
Common stock	100
Additional paid-in capital	
Capital reserve	10,040
Other additional paid-in capital	10,848
Total additional paid-in capital	20,888
Retained earnings	
Legal reserve	1,618
Other retained earnings	
Reserve for dividends	428
Reserve for advanced depreciation of fixed assets	794
General reserve	47,100
Retained earnings to be carried forward	1,493
Total other retained earnings	
Total retained earnings	51,435
Total shareholders' equity	72,423
Valuation and translation adjustments	
Net unrealized gains on other marketable securities	357
Total valuation and translation adjustments	357
Total Net Assets	72,781
Total Liabilities and Net Assets	90,415

Note: Amounts less than one million yen are omitted.

Non-consolidated Statement of Income

For the fiscal year ended December 31, 2007

	Millions of yen
Net sales	143,806
Cost of sales	82,694
Gross profit	61,112
Selling, general and administrative expenses	58,763
Operating income	2,348
Non-operating income:	
Interest received	54
Dividend received	665
Rent income of real estate	2,481
Miscellaneous income	190
Non-operating income	3,391
Non-operating expenses:	
Interest expenses	49
Cost of real estate rent	2,162
Loss on disposal of fixed assets	318
Miscellaneous expenses	90
Non-operating expenses	2,619
Recurring profit	3,120
Extraordinary income:	
Gains on sale of investment securities	91
Reversal of allowance for doubtful accounts	23
Gains on sale of fixed assets	74
Gains on revision to gains (losses) in the previous fiscal year	382
Extraordinary income	571
Extraordinary losses:	
Loss on disposal and sale of fixed assets	775
Appraisal losses for golf membership	2
Expenses for measures against fall of vending machines	367
Transfer of allowance for doubtful accounts	43
Loss on valuation of investment securities	4
Loss on sale of affiliates stocks	519
Extraordinary losses	1,712
Income before income taxes	1,979
Corporate, inhabitant and business taxes	22
Income taxes	603
Net income	1,353

Note: Amounts less than one million yen are omitted.

Non-consolidated Statement of Changes in Shareholders' Equity

For the fiscal year ended December 31, 2007

(Millions of yen)

	Shareholders' equity											
		Additional paid-in capital			Retained earnings							
						Other retained earnings						
	Common stock	Capital reserve	Other additional paid-in capital	Total additional paid-in capital	Legal reserve	Reserve for preparation for dividends	Reserve for special account for reduction in fixed assets	Reserve for reduction in fixed assets	General reserve	Retained earnings to be carried forward	Total retained earnings	Total share-holders' equity
Balance as of Dec. 31, 2006	100	10,040	10,848	20,888	1,618	700	87	794	47,100	1,616	51,917	72,906
Changes during this term												
Dividends of retained earnings						(271)				(1,564)	(1,836)	(1,836)
Reversal of reserve for reduction							(87)			87	-	-
Net income										1,353	1,353	1,353
Changes in items other than shareholders' equity during this term, net												
Total changes during this term	-	-	-	-	-	(271)	(87)	-	-	(122)	(482)	(482)
Balance as of Dec. 31, 2007	100	10,040	10,848	20,888	1,618	428	-	794	47,100	1,493	51,435	72,423

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on other marketable securities	Total valuation and translation adjustments	
Balance as of Dec. 31, 2006	608	608	73,514
Changes during this term			
Dividends of retained earnings			(1,836)
Reversal of reserve for reduction			-
Net income			1,353
Changes in items other than shareholders' equity during this term, net	(250)	(250)	(250)
Total changes during this term	(250)	(250)	(733)
Balance as of Dec. 31, 2007	357	357	72,781

Note: Amounts less than one million yen are omitted.

Notes to Non-consolidated Financial Statements

(From January 1, 2007 to December 31, 2007)

1. Notes to Significant Accounting Policies

(1) Standards and methods for valuation of assets

(i) Securities

a. Bonds to be held to maturity: Stated at amortized cost

b. Investments in subsidiaries and affiliates: Stated at the cost method based on the moving average method

c. Other securities:

With fair market value: Stated at fair market value based on the quoted market price as of the fiscal year end (The related valuation differences are directly charged or credited to the shareholders' equity and the cost of securities sold is computed by the moving average method.)

Without fair market value: Stated at cost based on the moving average method

(ii) Derivatives

Stated at fair market value

(iii) Inventories

a. Merchandise

Stated at lower of cost or market based on the periodic average method

b. Supplies

Stated at lower of cost or market based on the monthly moving average method. Some supplies are stated at cost based on the last purchase cost method.

(2) Depreciation or amortization methods for fixed assets

(i) Property, plant and equipment

a. Sales equipment

The straight-line method is used. The useful life is mainly 5 years.

b. Those other than sales equipment

The declining-balance method is used. The useful life range is mainly as follows:

Buildings and accompanying facilities:	3 – 50 years
Structures:	3 – 60 years
Machinery and equipment:	2 – 17 years
Tools, instruments and fixtures:	2 – 20 years

(ii) Intangible assets

The straight-line method is used. The useful lives are as follows:

Software:	5 years
Right of using facilities	15 years
Goodwill:	5 years

(iii) Long-term prepaid expenses

The expenses are amortized according to durations.

(3) Standards for reporting allowances

a. Allowance for doubtful accounts

In order to prepare for losses from doubtful trade accounts receivables, the estimated uncollectible amount is recorded as an allowance after reviewing the individual collectibility of certain doubtful accounts based on the historical rate of default for general receivables.

b. Allowance for retirement benefits

In order to prepare for the payment of employees' retirement benefits, the amount deemed payable at fiscal year end is recorded as an allowance based on the projected amount of retirement benefit obligations and related pension assets at fiscal year end.

Actuarial differences are charged to expenses in proportional amounts from the following fiscal year for each amount, respectively, using the straight-line method over a fixed number of years (15 years) within the average remaining employee service period as incurred in each fiscal year.

(4) Accounting method of lease transactions

Finance lease transactions other than those that deem the ownership of the leased properties as transferred to the lessees are accounted for based on the accounting method used in ordinary lease transaction.

(5) Method of hedge accounting

(i) Method of hedge accounting

Exceptional treatment is adopted to interest rate swaps, since requirements for exceptional treatment are satisfied.

(ii) Hedging instruments and hedged items

a. Hedging instrument: Interest rate swaps

b. Hedged item: Interest on debt

(iii) Hedging policy

Kinki Coca-Cola uses interest rate swaps to hedge the fluctuation risk of interest rates on debt. Hedged items are identified by individual contracts.

(iv) Assessment of hedging effectiveness

Assessment of hedging effectiveness on the settlement date is omitted, since requirements for exceptional treatment of interest rate swaps are satisfied.

(6) Changes in accounting policy

(Depreciation of buildings)

Though depreciation of buildings (excluding building fixtures) was previously calculated using the straight-line method, Kinki Coca-Cola changed the depreciation method to the declining-balance method effective from the fiscal year under review to unify accounting methods with those of its parent company, Coca-Cola West Holdings Company, Limited. As a result of this change, operating income decreased 167 million yen and recurring profit and income before income taxes respectively declined 328 million yen compared with the figures obtained using the previous method.

(Depreciation of sales equipment)

Though depreciation of sales equipment was previously calculated using the declining-balance method, the method was changed to the straight-line method effective from the fiscal year under review. As the asset scale of sales equipment, which is highly important in business, increased in the Company group following the management integration and the installation environment of sales equipment has been changing in recent years, including an increase in the number of sales equipment installed indoors, we considered more appropriate methods of allocating expenses, and determined that the allocation of expenses based on the straight-line method more appropriately reflects actual conditions in light of the correspondence relation to earnings produced by the these assets. Consequently, the change to the straight-line method was effectuated. As a result of this change, operating income increased 66 million yen and recurring profit and income before income taxes respectively grew by the same amount compared with the figures obtained using the previous method.

(Depreciation of assets other than buildings (excluding building fixtures) and sales equipment)

Following the revision of the Corporate Tax Law ((Ordinance for Partial Amendment of the Income Tax Law, etc.: March 30, 2007, Law No. 6) and (Ordinance for Partial Amendment of the Corporate Tax Law: March 30, 2007, Law No. 83)), Kinki Coca-Cola changed the depreciation method of assets acquired on or after April 1, 2007 to a method based on the revised Corporate Tax Law. The impact of this change on profit and loss is insignificant.

(7) Consumption taxes

Consumption tax is excluded.

2. Notes to Non-Consolidated Balance Sheet

(1) Accumulated depreciation (Million yen)

Accumulated deprecation of property, plant and equipment: 61,294

(2) Monetary receivables and payables with respect to affiliated companies

Monetary receivables	25,155
Monetary payables	3,212

(3) Amounts less than one million yen are omitted.

3. Notes to Non-consolidated Statement of Income

(1) Transactions with affiliated companies (Million yen)

Sales	10,078
Amount of goods purchased	93,764
Selling, general and administrative expenses	14,862
Other	19,192

(2) Amounts less than one million yen are omitted.

4. Notes to Non-consolidated Statement of Changes in Shareholders' Equity

(1) Matters related to the type and total number of issued and outstanding shares and the type and number of shares of treasury stocks

	Number of shares as of December 31, 2006	Increase in the number of shares during the year ended December 31, 2007	Decrease in the number of shares during the year ended December 31, 2007	Number of shares as of December 31, 2007
Number of issued and outstanding shares	Thousand shares	Thousand shares	Thousand shares	Thousand shares
Common stock	62,591	-	-	62,591
Total	62,591	-	-	62,591

(2) Matters related to dividends

a. Amount of dividends paid

Resolution	Type of stock	Total amount of dividends	Dividend per share	Base date	Effective date
Ordinary General Meeting of Shareholders held on March 23, 2007	Common stock	1,564 million yen	25 yen	December 31, 2006	March 26, 2007
Extraordinary General Meeting of Shareholders held on September 14, 2007	Common stock	218 million yen	3.49 yen	June 30, 2007	September 20, 2007
Extraordinary General Meeting of Shareholders held on October 25, 2007	Common stock	53 million yen	0.85 yen	September 30, 2007	November 20, 2007

b. Among dividends whose base dates are in the fiscal year ended December 31, 2007, those whose effective dates are in the following fiscal year:

Resolution	Type of stock	Total amount of dividends	Dividend per share	Base date	Effective date
Ordinary General Meeting of Shareholders held on February 29, 2008	Common stock	10,327 million yen	165 yen	December 31, 2007	March 3, 2008

(3) Amounts less than one million yen are omitted.

5. Notes to Deferred Tax Accounting

Breakdown of deferred tax assets and deferred tax liabilities by main cause

(Current assets)	(Million yen)
Deferred tax assets	
Losses carried forward	998
Other	51
Total deferred tax assets	1,050

(Fixed assets)	
Deferred tax assets	
Excess of loss of allowance for retirement benefits	767
Excess of depreciation expenses	851
Amount not regarded as valuation loss on affiliates stocks	670
Amount not regarded as loss on golf membership	139
Accrued retirement benefits due to dissolution of welfare pension funds	1,260
Others	287
Sub-total deferred tax assets	3,977
Allowance for evaluation losses	(737)
Total deferred assets	3,239
Deferred tax liabilities	
Reserve for reduction in fixed assets	(576)
Net unrealized loss on other marketable securities	(259)
Total deferred tax liabilities	(836)
Net deferred tax liabilities	2,403

6. Notes to Lease Transactions

	(Million yen)
(1) Acquisition cost	356
(2) Accumulated depreciation	213
(3) Future lease payments obligation	147

7. Notes to Related Party Transactions

(1) Parent company, etc.

Affiliation	Company name	Capital or investments (Millions of yen)	Description of business	Percentage of voting rights or ownership (%)	Relationship		Transaction description	Transaction amount (Millions of yen)	Account	Balance at fiscal year-end (Millions of yen)
					Interlocking directorate	Business relation				
Parent company	Coca-Cola West Holdings Company, Limited	15,231	Production and sale of Coca-Cola and other soft drinks; management of Group companies, etc.	Direct: 100	Two directors concurrently serving: 2	Purchase of beverages, etc.	Purchase of products	73,911	Trade accounts payable	935
							Lease of factories and distribution facilities	2,302	Accrued income	451
							Sale of factories and distribution facilities	12,417	Accrued income	13,038
							Loss on sale	707		
							Sale of shares in affiliated companies	3,886	-	-
							Gain on sale	73		
							Loss on sale	419		
							Sale of investment securities	43	-	-
							Gain on sale	11		
							Deposit of funds by CMS	7,100	Deposits	8,000
							Interest received	28	Other current assets	4

Notes:

1. Consumption taxes, etc. are not included in the transaction amount; they are included in the balance at the end of the fiscal year.
2. Transaction conditions and policy for determining transaction conditions
   - Purchase of beverages, etc. by the Company is in accordance with the operating agreements concluded between Coca-Coca bottlers nationwide and Coca-Cola National Beverage Co., Ltd.
   - Rents of factories and distribution facilities are determined with reference to market prices.
   - With regard to the sale of factories and distribution facilities, the transfer price is the book value calculated by the declining-balance method since the time of acquisition.
   - As for the sale of affiliated stocks and investment securities, sale prices are decided based on current net asset value per share.
   - Deposits are related to the cash management system that the Company provides to group companies. The transaction amount represents the net increase or decrease. Interest rates are determined referring to market interest rates.

(2) Subsidiaries, etc.

Affiliation	Company name	Capital or investments (Millions of yen)	Description of business	Percentage of voting rights or ownership (%)	Relationship		Description of transactions	Transaction amount (Millions of yen)	Account	Balance at fiscal year-end (Millions of yen)
					Interlocking directorate	Business relation				
Subsidiary	Kansai Beverage Service Co., Ltd.	100	Operation of vending machines; sale of soft drinks; office coffee service business; and repair of various vending machines	Direct: 100	None	Sale of beverages, etc. Management of vending machines, etc.	Sale of beverages, etc.	8,439	Trade accounts payable	1,004
Subsidiary	Kinki Coca-Cola Products Co., Ltd.	100	Production of Coca-Cola and other soft drinks	Direct: 100	None	Purchase of roasted coffee products	Sale of shares in affiliated company Loss on sale	- 100	-	-

Notes:

1. Consumption taxes, etc. are not included in the transaction amount; they are included in the balance at the end of the fiscal year.
2. Transaction conditions and policy for determining transaction conditions
   - Sale prices of beverages, etc. to Kansai Beverage Service Co., Ltd. are determined based on purchase prices.
   - Sale of affiliated stocks to Kinki Coca-Cola Products Co., Ltd. was effectuated by the gratuitous transfer of the shares the Company held in Kinki Coca-Cola Products Co., Ltd. resulting from the restructuring of the Group. On January 1, 2008, Kinki Coca-Cola Products Co., Ltd. merged with Coca-Cola West Japan Products Co., Ltd., which then changed its corporate name to Coca-Cola West Products Co., Ltd.

8. Notes to Per-share Information

(1) Net assets per share 1,162.81 yen

(2) Net income per share 21.63 yen

9. Notes to Significant Subsequent Events

No items to report

Accounting Auditor's Report (originally issued in Japanese)

Independent Auditor's Report

January 30, 2008

Tamio Yoshimatsu,
Representative Director & President
Kinki Coca-Cola Bottling Company, Limited

KPMG AZSA & Co.
Tetsuzo Hamashima [seal]
Designated and Engagement Partner
Certified Public Accountant

Masafumi Tanabe [seal]
Designated and Engagement Partner
Certified Public Accountant

Yasuhiro Wada [seal]
Designated and Engagement Partner
Certified Public Accountant

We have audited the financial statements, that is the balance sheet, the statement of income, the statement of changes in shareholders' equity, notes to non-consolidated financial statements and their supporting schedules of Kinki Coca-Cola Company, Limited ("Kinki Coca-Cola") in the 49th fiscal year from January 1, 2007 to December 31, 2007, in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act. The financial statements and their supporting schedules are the responsibility of the management of Kinki Coca-Cola. Our responsibility is to express an opinion on the financial statements and their supporting schedules based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the financial statements and their supporting schedules are free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the financial statements and their supporting schedules. We believe that our audit provides a reasonable basis for our opinion.

As a result of the audit, in our opinion, the financial statements and their supporting schedules referred to above presents fairly in all the significant aspects the financial position and the results of operations for the period concerning the financial statements and their supporting schedules in conformity with corporate auditing standards generally accepted in Japan.

Additional Information

1. As described in "1. (6) Changes in accounting policy" in Notes to Non-consolidated Financial Statements, Kinki Coca-Cola has changed the method of depreciation of buildings (excluding building fixtures) from the straight-line method to the declining-balance method effective from the fiscal year under review.
2. As described in "1. (6) Changes in accounting policy" in Notes to Non-consolidated Financial Statements, Kinki Coca-Cola has changed the method of depreciation of sales equipment from the declining-balance method to the straight-line method effective from the fiscal year under review.

Our firm and engagement partners have no interest in Kinki Coca-Cola that should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Corporate Auditor's Report (originally issued in Japanese)

Audit Report

I, the Corporate Auditor, have audited the execution of duties by Directors in the 49th fiscal year from January 1, 2007 to December 31, 2007 and report the methods and results as follows:

1. Auditing methods and details

I have maintained good communications with Directors and other employees as well as Corporate Auditors and the Internal Audit Division of the parent company; strived to collect information and improve the audit environment; attended the management meetings and other important meetings; received from Directors and employees reports on the execution of their duties and asked for explanations as necessary; reviewed the documents pertaining to important decisions; and studied business and financial conditions at the head office and principal offices. Based on the methods mentioned above, I have examined the business reports for the said fiscal year.

In addition, I have monitored and verified whether the accounting auditors maintained independency and properly implemented audit, and received from the accounting auditors reports on the execution of their duties and asked them for explanations as necessary. In addition, I have received notice from the accounting auditors that "systems for ensuring proper execution of duties" has been established in accordance with the "Quality Control Standards for Audit" and other relevant standards, and asked them for explanations as necessary. Based on the methods mentioned above, I have examined non-consolidated financial statements (balance sheet, statement of income, statement of changes in shareholders' equity, etc. and notes to non-consolidated financial statements) and their supporting schedules for the said fiscal year.

2. Results of audit

(1) Results of audit on the business reports, etc.

(i) The business reports are found to accurately present the status of Kinki Coca-Cola in conformity with laws and regulations and the Articles of Incorporation.

(ii) With regard to the execution of duties by Directors, no fraudulent act or material evidence of a violation of laws and regulations or the Articles of Incorporation is found to exist.

(2) Results of audit on non-consolidated financial statements and their supporting schedules

The auditing methods and results of the Accounting Auditor of Kinki Coca-Cola, KPMG AZSA & Co., are found to be proper.

February 1, 2008

Tadamasa Amitsuka [seal]
Corporate Auditor
Kinki Coca-Cola Bottling Company, Limited

<Financial statements etc. of Mikasa Coca-Cola Bottling Company, Limited for the final fiscal year>

Business Report

(From January 1, 2007 to December 31, 2007)

1. Current Status of Mikasa Coca-Cola

(1) Operating progress and results

During the fiscal year under review, while capital investment continuously increased backed by robust corporate earnings led by export, and the employment situation remained firm, the number of sources of anxiety grew, including the strong yen (weak dollar), sharp rises in prices of crude oil and other resources and steep declines in construction starts because of the revision of the Building Standards Law.

In the soft drink industry, the market saw a year-on-year increase of 3% thanks to such weather factors as a heat wave in the mid summer and the heat of late summer over a long term and the efforts of soft drink producers to proactively introduce new products and reinforce existing products. However, the management environment of the beverage market that has matured in recent years is getting harsher, as Japanese tea-based drinks, which have been one of the driving forces of the market, cannot be expected to grow faster than before while competition between beverage producers is getting keener and there are a pile of factors of cost increase, which squeeze earnings.

In such a business environment, in the first fiscal year under the “W’ing” medium-term management plan of the Company group, Mikasa Coca-Cola proactively focused on the establishment of predominance that overwhelms competitors, further promotion of management efficiency and improvement of business quality, aimed at strengthening of its management basis.

In the area of sales, Mikasa Coca-Cola rejuvenated the soda category market, which had been somewhat in doldrums, by carrying out Coca-Cola Group’s worldwide campaign “the Coke side of life” on a large scale and thereby succeeding in unearthing customers in their teens, while winning male customers who are aware of need to lose weight by “Coca-Cola zero,” released in June as a pillar of the three color strategy. It also endeavored to improve availability for the key brands – Georgia, Sokenbicha and Aquarius – by using celebrities in commercials of these brands and implementing sales promotions using applications via the Internet.

As for new products, it introduced four new items to the Sokenbicha brand for limited seasons and boosted the drinking ratio among women in their 20s as well as aggressively unearthed new markets leveraging “Georgia Vintage Label” and “Ayataka,” a premium green tea.

As part of locally-oriented, carefully thought-out sales activities, Mikasa Coca-Cola has proactively promoted installation of regional support vending machines (a fixed portion of their sales is used to contribute to local communities) and disaster-response vending machines (capable of providing real-time disaster information and offering drinks free of charge when major disasters occur) in tie-ups with municipalities.

Working with Mikasa Beverage Service Co., Ltd., which is a sales function company, Mikasa Coca-Cola has pushed forward with market development and improvement of efficiency through integration of management operations.

Mikasa Coca-Cola transferred the buildings, production facilities, etc. of the Shiga Factory to the Company as of the end of December 2007 to engage in business activities as a company specializing in sales both in name and reality, starting from January 2008.

As for supply and demand, Mikasa Coca-Cola had previously worked in cooperation with the Company. However, after having considered a proper structure of supply and demand operations based on a new business model, it decided to conduct supply and demand activities in collaboration with Kinki Coca-Cola from January 2008 to proceed with more timely supply of products and proper management of inventories.

With regard to logistics, Mikasa Coca-Cola has considered transfer of the sales and distribution business from Coca-Cola West Logistics Co., Ltd. in January 2008, while transferring the Shiga Logistics Center to the Company as of the end of December in the same way as transfer of production facilities.

In management, Mikasa Coca-Cola has worked on the improvement of business quality on a company-wide basis and produced fruits: reduction of inventories and slashing of trade accounts receivable and claims in arrears. However, some challenges remain to be addressed, including product quality assurance (reduction of matters pointed out by customers) and reduction of cash discrepancies on income from full service vending machines.

Also, Mikasa Coca-Cola acquired land in Shiga Prefecture, aimed at higher efficiency and rationalization of operations and improvement of the workplace environment, and finished preparations for the construction of building toward the establishment of a new base in January 2008.

Mikasa Coca-Cola also did its utmost to raise motivation of employees by carrying out an event in October to commemorate the 45th anniversary from its founding.

As a result of these activities, net sales for the fiscal year under review stood at 26,514 million yen (down 2.3% from a year earlier), marking a year-on-year decrease mainly due to a change in the business model, while operating income amounted to 353 million yen (up 292 million yen year on year) and recurring profit was 409 million yen (up 292 million yen year on year), with net income standing at 936 million yen (up 744 million yen).

Net sales by business category are: 6,257 million yen (up 0.1% year on year) from carbonated drinks and 20,207 million yen (down 0.9% year on year) from non-carbonated drinks in the beverage business; and 49 million yen (down 90.4% year on year) in other businesses since there were no sales in other companies and no revenues from processing business because of a change in the business model.

(2) Status of capital investment

During the fiscal year under review, Mikasa Coca-Cola spent a total of 1,557 million yen on plants and equipment. The money was mainly spent to fund construction of buildings in the new Shiga base (506 million yen); to purchase sales equipment (855 million yen) and vehicles (103 million yen).

(3) Status of fund procurement

No items to report

(4) Status of assets and operating results (Millions of yen)

Category	43rd term (Fiscal year ended December 2004)	44th term (Fiscal year ended December 2005)	45th term (Fiscal year ended December 2006)	46th term (Fiscal year ended December 2007)
Net sales	32,292	27,965	27,149	26,514
Operating income	422	293	60	353
Recurring profit	463	341	116	409
Net income	376	184	192	936
Total assets	14,142	13,308	13,794	13,542
Net assets	8,984	9,139	9,196	9,889

(5) Issues to be dealt with

It will likely remain to be seen what will happen in the future, as higher crude oil prices will adversely affect the economy as a whole, while uncertainty over the future of the economy is growing as exemplified by sluggish stock markets mainly due to the slowdown of the U.S. economy originating in the subprime mortgage crisis and the prolonged pension issue in Japan. The management environment of the soft drink industry is projected to get harsher because of keen competition between companies and advance in corporate restructuring, as the market is not expected to grow sharply unless otherwise affected by weather factors.

Under such circumstances, as a business corporation of the Company group, Mikasa Coca-Cola will provide products and services that satisfy customers and business partners in the three prefectures in its territory – Shiga, Nara and Wakayama Prefecture – by regarding "transfer to the Consumer View" as the greatest challenge. Thus, it will aim to conduct regionally-oriented sales activities, boost earnings and increase corporate value by expanding sales volume, net sales, profit and market share.

It is also determined to thoroughly improve business quality, reinforce the management basis and create mechanism/corporate climate that helps employees grow and find their work worth doing.

(6) Principal business

The principal business of Mikasa Coca-Cola is sales of soft drinks and other foodstuffs, with the three prefectures of Shiga, Nara and Wakayama as its sales region.

(7) Status of principal offices/factories and employees

a. Location of the head office

643 Kabata-cho, Tenri-shi, Nara

b. Principal sales bases and distribution bases

Shiga Prefecture: Chain Store Shiga Branch, Nagahama Branch, Hikone Branch, Otsu Branch, Konan Branch and Kosai Branch

Nara Prefecture: Chain Store Nara Branch, Nara Branch, Tenri Branch, Chuwa Branch and Tenri Distribution Center

Wakayama Prefecture: Chain Store Wakayama Branch, Uchita Branch, Wakayama-minami Branch, Yura Branch, Kinan Branch and Wakayama Logistics Center

Total: 15 branches and 2 centers

c. Status of employees

Number of employees	Year-on-year changes	Average age	Average years of service
270	Up 2	42.6	19.4

Note: The number of employees does not include 193 employees seconded to other firms, temporary employees and part-time workers.

(8) Principal lenders and amount of loans

No items to report

(9) Other significant matters concerning the current status of Mikasa Coca-Cola

No items to report

2. Matters Related to Officers

Name, position/responsibility, representation for other companies, etc.

Position	Name	Responsibility or main occupation
Representative Director & President	Takeaki Sueyasu	
Director	Noriyasu Yabumoto	Senior General Manager of Sales Dept. and General Manager of Nara Sales Dept.
Director	Nobuji Kihara	In charge of administrative division and CSR
Corporate Auditor	Tadamasa Amitsuka	Corporate Auditor of Kinki Coca-Cola

Notes: Changes during the fiscal year under review:

(1) Yukio Tanaka, Norio Sueyoshi and Masakazu Morito retired from their offices as Director at the end of the 45th Ordinary General Meeting of Shareholders held on March 23, 2007.

(2) Tadamasa Amitsuka was newly elected as Corporate Auditor at the 45th Ordinary General Meeting of Shareholders held on March 23, 2007, and took office.

(3) Hisao Nishimoto retired from his office as Corporate Auditor at the end of the 45th Ordinary General Meeting of Shareholders held on March 23, 2007.

(4) Tadatsugu Harada and Tamio Yoshimatsu retired from their offices as Corporate Auditor as of March 23, 2007.

(5) Takeaki Sueyasu retired from his office as Representative Director as of December 31, 2007.

(6) Hiroyoshi Miyaki newly took office as Director and Representative Director as of January 1, 2008 in accordance with the approval of the Extraordinary General Meeting of Shareholders dated December 5, 2007.

3. Matters Related to Shareholders

a. Number of shareholder: 1

b. Shareholder

Name of shareholder	Number of shares held	Ratio of voting rights
Coca-Cola West Holdings Company, Limited	17,643 thousand	100.0%

Non-consolidated Balance Sheet

As of December 31, 2007

	Thousands of yen
ASSETS	
Current Assets	
Cash and deposits	531,024
Trade notes receivable	15,177
Trade accounts receivable	1,911,495
Merchandise	894,401
Supplies	1,817
Prepaid expenses	233,661
Deferred tax assets	54,720
Accrued income	1,887,787
Deposit paid in affiliates	1,223,650
Other current assets	2,621
Allowance for doubtful accounts	(20,938)
Total Current Assets	6,735,419
Fixed Assets	
Property, plant and equipment	
Buildings	676,708
Structures	74,261
Machinery and equipment	40,085
Vehicles	194,403
Sales equipment	1,484,063
Tools, instruments and fixtures	55,487
Land	2,156,394
Construction in progress	506,942
Total property, plant and equipment	5,188,347
Intangible assets	
Software	464,819
Total intangible assets	464,819
Investments and other assets	
Investment securities	50,449
Investments in stocks of affiliates	190,000
Long-tern loans	6,601
Long-term prepaid expenses	109,654
Deferred tax assets	862,099
Other assets	44,857
Allowance for investment loss	(90,000)
Allowance for doubtful accounts	(19,934)
Total investments and other assets	1,153,728
Total Fixed Assets	6,806,896
Total Assets	13,542,316

Non-consolidated Balance Sheet

As of December 31, 2007

	Thousands of yen
LIABILITIES	
Current Liabilities	
Trade accounts payable	552,342
Other accounts payable	1,098,436
Accrued expenses	107,244
Accrued income taxes	14,343
Accrued consumption taxes	118,484
Other current liabilities	174,995
Total Current Liabilities	2,065,847
Long-term Liabilities	
Allowance for employees' and retirement benefits	1,543,608
Long-term accounts payable	21,660
Other long-term liabilities	21,550
Total Long-term Liabilities	1,586,818
Total Liabilities	3,652,666
NET ASSETS	
Shareholders' equity	
Common stock	100,000
Additional paid-in capital	
Capital reserve	4,108,458
Other additional paid-in capital	
Gains on decrease in capital	4,059,956
Total other additional paid-in capital	4,059,956
Total additional paid-in capital	8,168,415
Retained earnings	
Legal reserve	400,117
Other retained earnings	
General reserve	140,000
Retained earnings to be carried forward	1,075,247
Total other retained earnings	1,215,247
Total retained earnings	1,615,365
Total shareholders' equity	9,883,780
Valuation and translation adjustments	
Net unrealized gains on other marketable securities	5,869
Total valuation and translation adjustments	5,869
Total Net Assets	9,889,649
Total Liabilities and Net Assets	13,542,316

Note: Amounts less than one thousand yen are omitted.

Non-consolidated Statement of Income

For the fiscal year ended December 31, 2007

	Thousands of yen
Net sales	26,514,807
Cost of sales	15,669,847
Gross profit	10,844,960
Selling, general and administrative expenses	10,491,787
Operating income	353,173
Non-operating income:	
Interest and dividend received	39,831
Other non-operating income	75,667
Non-operating income	115,498
Non-operating expenses:	
Interest expenses	1,357
Other expenses	58,248
Non-operating expenses	59,606
Recurring profit	409,065
Extraordinary income:	
Gains on reversal of allowance for doubtful accounts	2,068
Gains on sale of investment securities	8,266
Extraordinary income	10,334
Extraordinary losses:	
Loss on disposal of fixed assets	5,107
Impairment loss	123,332
Expenses for measures against fall of vending machines	95,777
Expenses for removal and disposal of assets	37,800
Loss on valuation of investment securities	99
Extraordinary losses	262,117
Income before income taxes	157,283
Corporate, inhabitant and business taxes	10,000
Income taxes	(789,575)
Net income	936,858

Note: Amounts less than one thousand yen are omitted.

Non-consolidated Statement of Changes in Shareholders' Equity
For the fiscal year ended December 31, 2007

(Thousands of yen)

	Shareholders' equity								
	Common stock	Additional paid-in capital			Retained earnings				Total shareholders' equity
		Capital reserve	Other additional paid-in capital	Total additional paid-in capital	Legal reserve	Other retained earnings		Total retained earnings	
						General reserve	Retained earnings to be carried forward		
Balance as of Dec. 31, 2006	100,000	4,108,458	4,059,956	8,168,415	400,117	140,000	382,464	922,582	9,190,997
Changes during this term									
Reserve from appropriation of retained earnings	-	-	-	-	-	-	-	-	-
Dividends of retained earnings	-	-	-	-	-	-	(244,075)	(244,075)	(244,075)
Net income	-	-	-	-	-	-	936,858	936,858	936,858
Changes in items other than shareholders' equity during this term	-	-	-	-	-	-	-	-	-
Total changes during this term	-	-	-	-	-	-	692,783	692,783	692,783
Balance as of Dec. 31, 2007	100,000	4,108,458	4,059,956	8,168,415	400,117	140,000	1,075,247	1,615,365	9,883,780

	Valuation and translation adjustments	Total net assets
	Net unrealized gains on other marketable securities	
Balance as of Dec. 31, 2006	5,641	9,196,638
Changes during this term		
Reserve from appropriation of retained earnings	-	-
Dividends of retained earnings	-	(244,075)
Net income	-	936,858
Changes in items other than shareholders' equity during this term	227	227
Total changes during this term	227	693,010
Balance as of Dec. 31, 2007	5,869	9,889,649

Note: Amounts less than one thousand yen are omitted.

Notes to Non-consolidated Financial Statements
(From January 1, 2007 to December 31, 2007)

1. Notes to Significant Accounting Policies

(1) Standards and methods for valuation of assets

(i) Securities

Investment in subsidiaries: Stated at the cost method based on the moving average method

Other securities:

With fair market value: Stated at fair market value based on the quoted market price as of the fiscal year end (The related valuation differences are directly charged or credited to the shareholders' equity and the cost of securities sold is computed by the moving average method)

Without fair market value: Stated at cost based on the moving average method

(ii) Inventories

Merchandise: Stated at lower of cost or market based on the periodic average method

Supplies: Stated at lower of cost or market based on the moving average method

(2) Depreciation or amortization methods for fixed assets

(i) Property, plant and equipment

(a) Sales equipment

The straight-line method is used. The useful life is 5 years.

(b) Other than sales equipment

The declining-balance method is used. The useful life range is as follows:

Buildings:	15 – 38 years
Machinery and equipment:	10 – 12 years

(Changes in accounting policy)

Though depreciation of sales equipment was previously calculated using the declining-balance method, the method was changed to the straight-line method effective from the fiscal year under review.

As the asset scale of sales equipment, which is highly important in business, increased and the installation environment of sales equipment has been changing in recent years, including an increase in the number of sales equipment installed indoors, it considered more appropriate methods of allocating expenses, and determined that the allocation of expenses based on the straight-line method more appropriately reflects actual conditions in light of the correspondence relation to earnings produced by the said assets. Consequently, the change to the straight-line method was effectuated.

Following the revision of the Corporate Tax Law, the Mikasa Coca-Cola changed the depreciation method of property, plant and equipment except for buildings (excluding building fixtures) acquired on or after April 1, 2007 to a method based on the revised Corporate Tax Law, effective from the fiscal year under review.

As a result of these changes, operating income, recurring income and income before income taxes for the fiscal year under review respectively decreased 28,293 thousand yen compared with the figures obtained using the previous method.

(ii) Intangible assets

The straight-line method is used. The estimated useful life of software is as follows:

Software: 5 years

(iii) Long-term prepaid expenses

The straight-line method is used.

(3) Standards for reporting allowances

a. Allowance for doubtful accounts

In order to prepare for losses from doubtful trade accounts receivables and loans, the estimated uncollectible amount is recorded as an allowance after reviewing the individual collectibility of certain doubtful accounts based on the historical rate of default for general receivables.

b. Allowance for retirement benefits

In order to prepare for the payment of employees' retirement benefits, the amount deemed payable at fiscal year end is recorded as an allowance based on the projected amount of retirement benefit obligations and related pension assets at fiscal year end.

Actuarial differences are charged to expenses in proportional amounts from the following fiscal year for each amount, respectively, using the straight-line method over a fixed number of years (10 years) within the average remaining employee service period as incurred in each fiscal year.

(4) Accounting method of lease transactions

Finance lease transactions other than those that deem the ownership of the leased properties as transferred to the lessees are accounted for based on the accounting method used in ordinary lease transaction.

(5) Accounting of consumption taxes

Consumption tax and local consumption tax are excluded.

2. Notes to Non-Consolidated Balance Sheets

(1) Accumulated depreciation (Thousand yen)

Accumulated deprecation of property, plant and equipment:	8,863,026

(2) Monetary receivables and payables with respect to affiliated companies

Monetary receivables	3,108,771
Monetary payables	802,908

(3) Monetary receivables and payables with respect to Directors and Corporate Auditors

No items to report

(4) Amounts less than one million yen are omitted.

3. Notes to Non-consolidated Statements of Income

(1) Transactions with affiliated companies (Thousand yen)

Sales	82,279
Amount of goods purchased	14,976,175
Selling, general and administrative expenses	1,746,125
Other	1,627,346

(2) Amounts less than one million yen are omitted.

4. Notes to Non-consolidated Statement of Changes in Shareholders' Equity

(1) Matters related to the type and total number of issued and outstanding shares and the type and number of shares of treasury stock

	Number of shares as of December 31, 2006	Increase in the number of shares during the year ended December 31, 2007	Decrease in the number of shares during the year ended December 31, 2007	Number of shares as of December 31, 2007
Number of issued and outstanding shares	Thousand shares	Thousand shares	Thousand shares	Thousand shares
Common stock	17,643	-	-	17,643
Total	17,643	-	-	17,643

(2) Matters related to dividends

(i) Amount of dividends paid

Resolution	Type of stock	Total amount of dividends	Dividend per share	Base date	Effective date
Ordinary General Meeting of Shareholders held on March 23, 2007	Common stock	194,075 thousand yen	11 yen	December 31, 2006	March 26, 2007

Resolution	Type of stock	Type of dividend property	Book value of dividend property	Dividend per share	Base date	Effective date
Extraordinary General Meeting of Shareholders held on September 14, 2007	Common stock	Common stock of Coca-Cola West Logistics Co., Ltd.	50,000 thousand yen	2.8 yen	June 30, 2007	September 20, 2007

(ii) Among dividends whose base dates are in the fiscal year ended December 31, 2007, those whose effective dates are in the following fiscal year:

Resolution	Type of stock	Total amount of dividends	Dividend per share	Base date	Effective date
Ordinary General Meeting of Shareholders held on February 28, 2008	Common stock	670,443 thousand yen	38 yen	December 31, 2007	February 29, 2008

(3) Amounts less than one thousand yen are omitted.

5. Notes to Deferred Tax Accounting

(1) Breakdown of deferred tax assets and deferred tax liabilities by main cause

Deferred tax assets	(Thousand yen)
Business tax	718
Loss carried forward	62,150
Allowance for doubtful accounts	7,839
Depreciation expenses	186,750
Allowance for directors' retirement benefits	9,008
Allowance for retirement benefits	641,986
Impairment loss	51,293
Provision of allowance for investment losses	37,431
Accrued expenses	49,532
Other	38,776
Sub-total deferred tax assets	1,085,487
Allowance for evaluation losses	(164,487)
Total deferred tax assets	921,000
Deferred tax liabilities	
Valuation difference on marketable securities	4,179
Total deferred tax liabilities	4,179
Net deferred tax liabilities	916,820

(2) Breakdown of main items that caused differences between the statutory tax rate and the burden rate of corporate taxes after the application of deferred tax accounting

Statutory tax rate	41.59%
(Adjustments)	
Permanent differences – expenses (e.g. entertainment expenses)	4.04
Directors' bonuses	3.35
Permanent differences – revenue (e.g. cash dividends received)	(6.02)
Per capita inhabitant taxes	6.35
Valuation allowance	(541.22)
Other	(3.74)
Burden rate of corporate taxes after the application of tax effect accounting	(537.24)

6. Notes to Lease Transactions

(1) Finance leases, except for those that deem the ownership of the leased assets as transferred to the lessee, are as follows:

(i) Acquisition cost, accumulated depreciation and book value of leased properties

(a) Acquisition cost

	(Thousand yen)
Machinery and equipment	364,000
Vehicles	1,309
Tools, instruments and fixtures	193,707
Software	37,400
Total	596,417

(b) Accumulated depreciation

Machinery and equipment	291,200
Vehicles	1,001
Tools, instruments and fixtures	135,124
Software	28,064
Total	455,391

(c) End of year balance

Machinery and equipment	72,799
Vehicles	307
Tools, instruments and fixtures	58,583
Software	9,335
Total	141,026

(ii) Future lease payments obligation

Due within one year	85,159
Due after one year	70,408
Total	155,568

(iii) Lease payments, depreciation expenses and interest expenses

Lease payments	130,407
Depreciation expenses	115,109
Interest expenses	6,947

(iv) Calculation method of depreciation expenses and interest

- Calculation method of depreciation expenses

  Depreciation is calculated using the straight-line method over the lease term, which is regarded as the useful life, without residual value.

- Calculation method of interest

  The difference between total leases and acquisition cost is deemed to be interest, which is allocated to each term by the interest method.

(2) Operating leases

Borrower

Future lease payments obligation	(Thousand yen)
Due within one year	3,367
Due after one year	3,086
Total	6,453

7. Notes to Severance and Retirement Benefit Accounting

(1) Outline of the retirement benefit system

The Company uses an approved retirement annuity system and a lump-sum retirement benefit system as its retirement benefit system.

(2) Retirement benefit obligations and their breakdown

	(Thousand yen)
Retirement benefit obligations	2,806,773
(i) Pension assets	1,134,544
(ii) Allowance for retirement benefits	1,543,608
(iii) Unrecognized actuarial differences	128,620

(3) Retirement benefit expenses and their breakdown

	(Thousand yen)
Retirement benefit expenses	183,191
(i) Service cost	104,885
(ii) Interest cost	70,998
(iii) Expected return on plan assets (decrease)	27,135
(iv) Amount of actuarial differences charged to expenses	34,443

Note: Retirement benefit expenses include 73,905 thousand yen expended by companies to which employees were dispatched.

(4) Items pertaining to the basis for calculating severance and retirement benefit obligations

(i) Discount rate 2.5%

(ii) Rate of expected return on plan assets 2.5%

(iii) Periodic allocation method for projected severance and retirement benefits

Fixed amount allocated to each period

(iv) Years over which prior service obligations are treated

1 year (12 months)

(v) Years over which actuarial differences are treated 10 years

8. Notes to Per-share Information

(1) Net assets per share 560.53 yen

(2) Net income per share 53.10 yen

9. Notes to Significant Subsequent Events

No items to report

Corporate Auditor's Report (originally issued in Japanese)

Audit Report

I, the Corporate Auditor, have audited the execution of duties by Directors in the 46th fiscal year from January 1, 2007 to December 31, 2007 and report the methods and results as follows:

1. Auditing methods and details

I have maintained good communications with Directors and other employees as well as Corporate Auditors and the Internal Audit Division of the parent company; strived to collect information and improve the audit environment; attended the management meetings and other important meetings; received from Directors and employees reports on the execution of their duties and asked for explanations as necessary; reviewed the documents pertaining to important decisions; and studied business and financial conditions at the head office and principal offices. Based on the methods mentioned above, I have examined the business reports for the said fiscal year.

In addition, I have studied the accounting records and other related documents, and examined non-consolidated financial statements (balance sheet, statement of income, statement of changes in shareholders' equity, etc. and notes to non-consolidated financial statements) and their supporting schedules for the said fiscal year.

2. Results of audit

(1) Results of audit on the business reports, etc.

(i) The business reports are found to accurately present the status of Mikasa Coca-Cola in conformity with laws and regulations and the Articles of Incorporation.

(ii) With regard to the execution of duties by Directors, no fraudulent act or material evidence of a violation of laws and regulations or the Articles of Incorporation is found to exist.

(2) Results of audit on non-consolidated financial statements and their supporting schedules

The non-consolidated financial statements and their supporting schedules are found to be proper with respect to all the significant aspects, including the financial position and the results of operations of Mikasa Coca-Cola.

February 1, 2008

Tadamasa Amitsuka [seal]
Corporate Auditor
Mikasa Coca-Cola Bottling Company, Limited

Proposal No. 2: Partial amendments to Articles of Incorporation

1. Reasons for amendments

To change the company name and purpose of the Company attendant upon the merger stipulated in Proposal No. 1, we propose to amend the Articles of Incorporation of the Company. These amendments to the Articles of Information will take effect on the effective date of the merger (slated for January 1, 2009) on condition that Proposal No. 1 be approved as originally proposed and this merger should come into effect (these amendments to the Articles of Incorporation will become effective after this merger takes effect).

2. Details of proposed amendments

Details of the proposed amendments are as follows:

(Amended portions are underlined.)

Existing Articles of Incorporation	Proposed Amendments
Article 1 Trade Name The name of the Company is Coca-Cola West Holdings Kabushiki Kaisha, which is indicated in English as Coca-Cola West Holdings Company, Limited.	**Article 1 Company Name** The name of the Company is Coca-Cola West Kabushiki Kaisha, which is indicated in English as Coca-Cola West Company, Limited.
Article 2 Purpose The purpose of the Company is to control or manage business activities of another company conducting business outlined as follows by holding shares or interests in that company, or to conduct the following business:	**Article 2 Purpose** The purpose of the Company is to conduct the following business:
Supplementary Provision The trade name of the Company was originally acquired through the Trade Name License Agreement dated July 1, 2006, between the Company and The Coca-Cola Company, a corporation headquartered at 1 Coca-Cola Plaza NW, Atlanta, Georgia, U.S.A., and the Company may use “コカ・コーラ” (*koka-kora*) and “Coca-Cola,” which are trademarks of The Coca-Cola Company, as part of its trade name so long as the term of use under the agreement continues to be in effect, and on the condition that if The Coca-Cola Company disallows further use of the trademark the Company shall immediately cease the use thereof.	Supplementary Provision The trade name of the Company was originally acquired through the Trade Name License Agreement dated January 1, 2009, between The Coca-Cola Company, a corporation headquartered at 1 Coca-Cola Plaza NW, Atlanta, Georgia, U.S.A., and the Company may use “コカ・コーラ” (*koka-kora*) and “Coca-Cola,” which are trademarks of The Coca-Cola Company, as part of its trade name so long as the term of use under the agreement continues to be in effect, and on the condition that if The Coca-Cola Company disallows further use of the trademark the Company shall immediately cease use thereof.