



## 3Q Performance Announcement for the Year Ending December 2006

October 25, 2006

Coca-Cola West Holdings (2579)

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# I . Performance Results

# 3Q Earnings (Jul-Sep) : Sales Volume

➤ Sales Volume ; vs. plan -2.3%、 vs. last year -4.0%

(000 case、% )

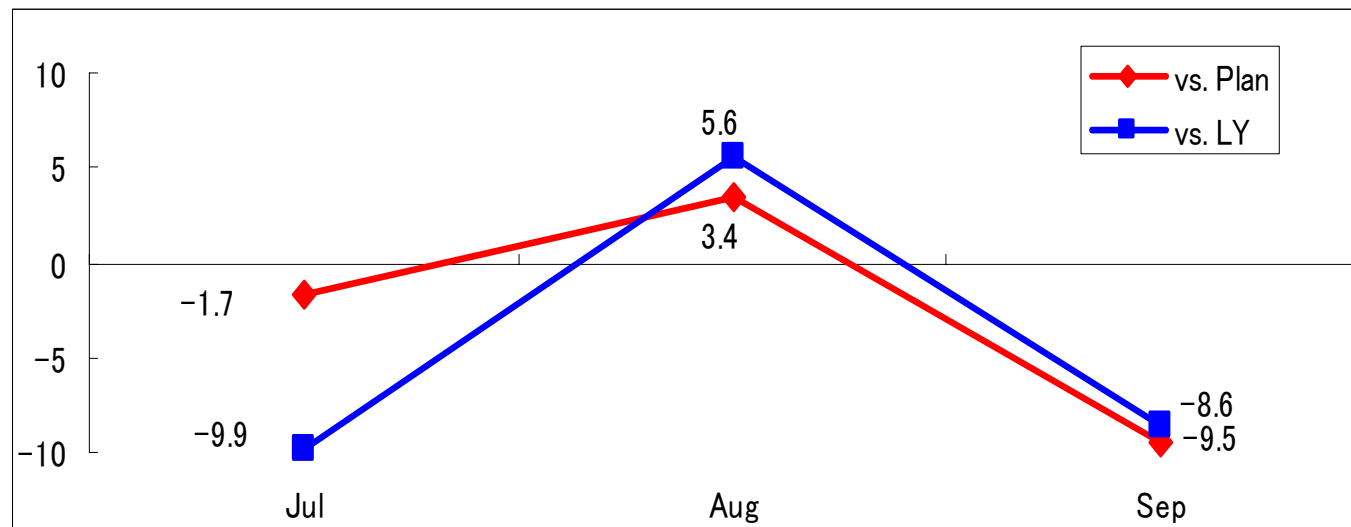
	2005 Actual ※1	Plan ※2	Actual	2006 3Q			
				vs. Plan		vs. Last Year	
				Difference	%	Difference	%
July	19,087	17,505	17,201	-304	-1.7	-1,886	-9.9
Aug	19,934	20,361	21,058	697	3.4	1,124	5.6
Sep	17,414	17,596	15,919	-1,677	-9.5	-1,495	-8.6
3Q Total	56,436	55,462	54,178	-1,284	-2.3	-2,257	-4.0

※1 2005 actual figure is the total of CCWJ、Kinki CCBC、Mikasa CCBC 2005 actual.

※2 The above plan is based on the performance forecast announced as of Aug. 8, 2006.

<Sales Volume by month (vs. Plan／vs. Last Year)>

(%)



# 3Q Earnings (Jul-Sep) : Consolidated Profits

- Revenue: vs. Plan 2,009 MM JPY decline (-1.7%)、vs. LY 46,539 MM JPY increase (+66.5%)  
 ➤ Operating Income: vs. Plan 34 MM JPY increase (+0.6%)、vs. LY 983 MM JPY increase (+20.8%) (MM JPY、%)

	2005 3Q Actual ※1	2006 3Q					
		Plan ※2	Actual	vs. Plan		vs. Last Year	
				Difference	%	Difference	%
Revenue	69,957	118,507	116,497	-2,009	-1.7	-46,539	66.5
Operating Income	4,720	5,670	5,704	34	0.6	983	20.8
Recurring Income	4,746	5,936	5,909	-26	-0.5	1,162	24.5
Net Income	2,594	3,470	3,455	-14	-0.4	861	33.2

※1. 2005 3Q actual figure is the consolidated actual figure of existing company group (former CCWJ).

※2. The above plan is based on performance forecast announced as of Aug. 8, 2006.

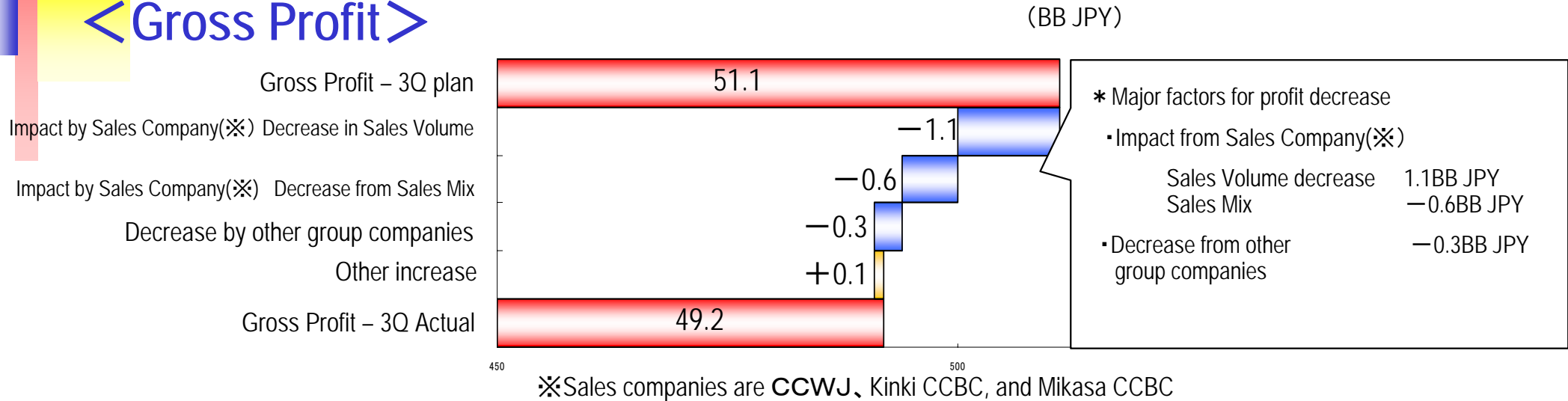
■ Reference : In the case of adding ex-Kinki group's actuals (MM JPY、%)

	2005 3Q Actual	2006 3Q		
		Actual	vs. Last Year	
			Difference	%
Revenue	120,900	116,497	-4,403	-3.6
Operating Income	7,500	5,704	-1,796	-23.9
Recurring Income	7,600	5,909	-1,691	-22.3
Net Income	4,100	3,455	-645	-15.7

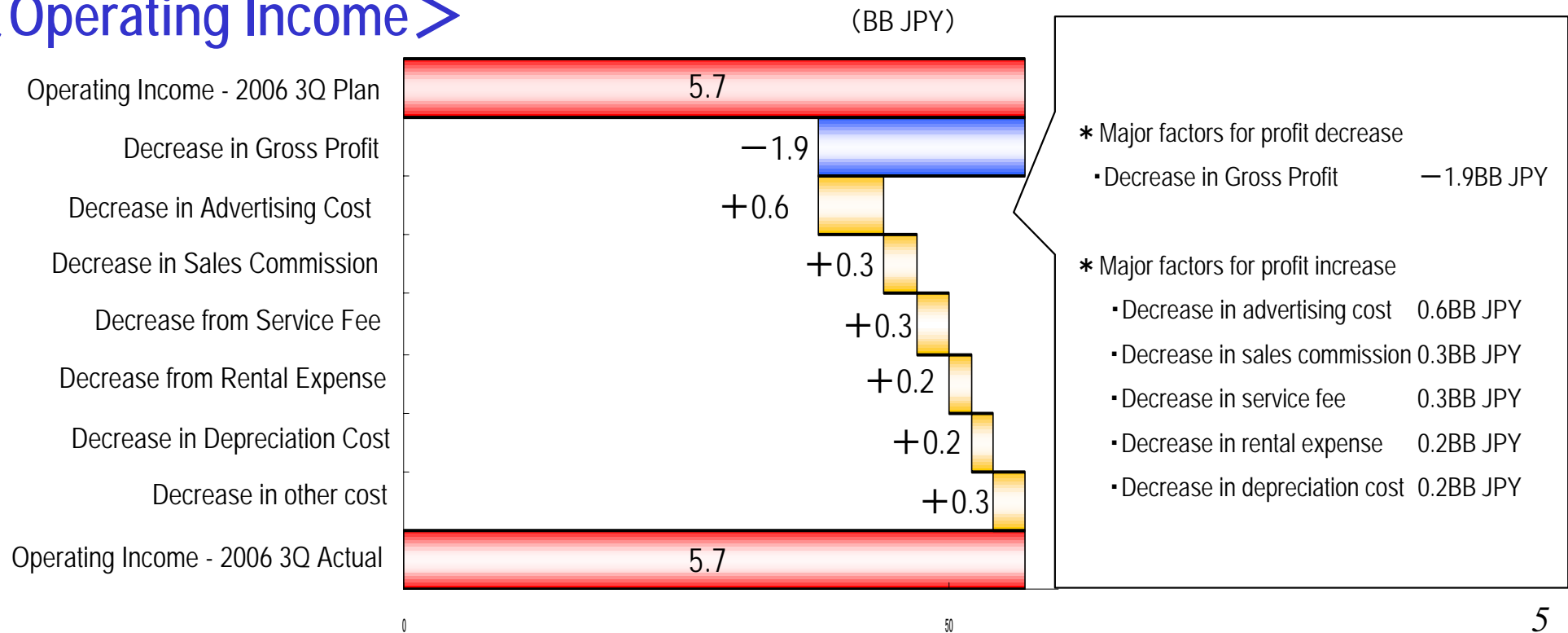
※The above 2005 actual is adjusted based on a total of ex-CCWJ and ex- Kinki CCBC, eliminating inter-company transaction.

# 3Q Consolidated Profit Change Factors (vs. Plan)

## <Gross Profit>

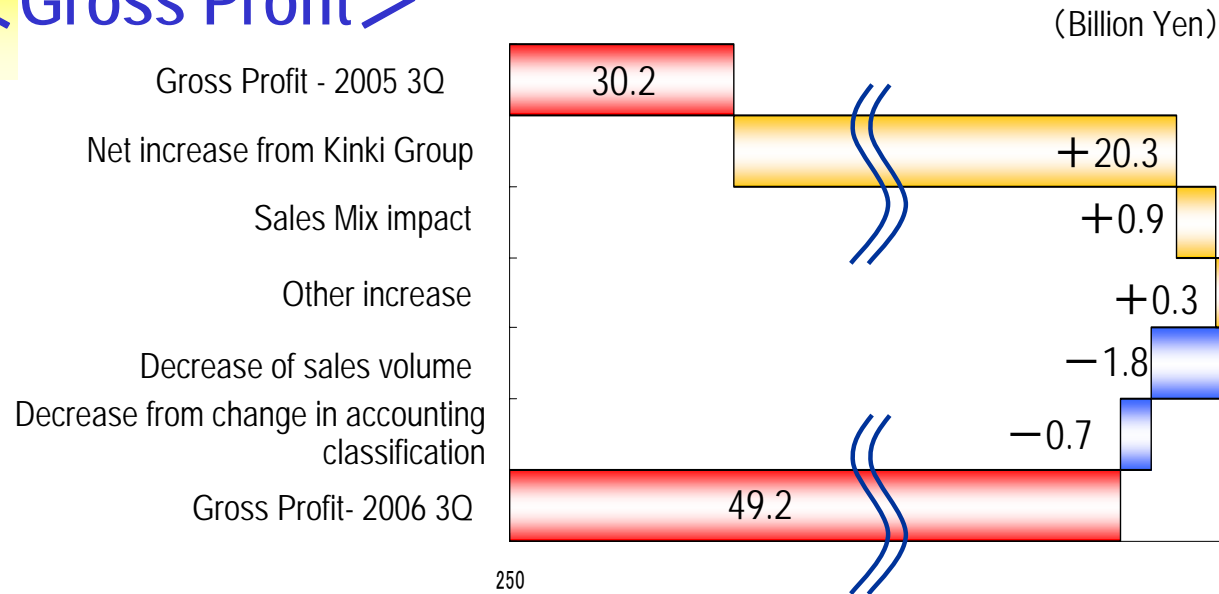


## <Operating Income>



# 3Q Consolidated Profit Change Factors (vs. LY)

## <Gross Profit>



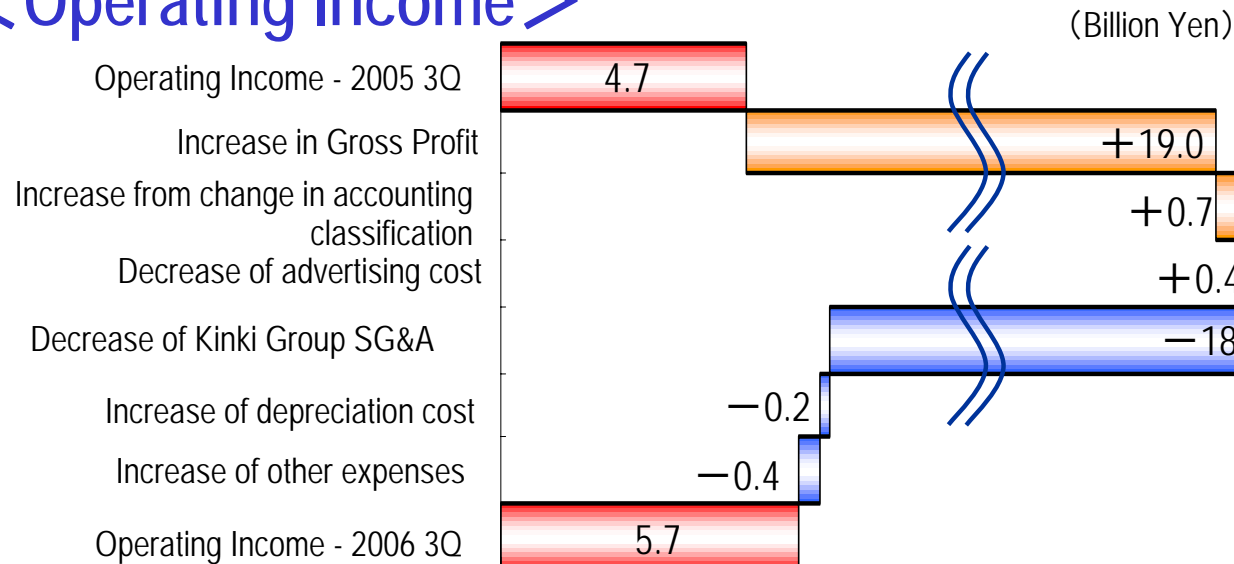
### \* Major factors for profit increase

- Net increase from Kinki Group 20.3BB JPY
- Sales Mix 0.9BB JPY

### \* Major factors for profit decrease

- Decrease of sales volume -1.8BB JPY
- Decrease from appropriations -0.7BB JPY

## <Operating Income>



### \* Major factors for profit increase

- Increase in Gross Profit 19.0BB JPY
- Change in account classification 0.7BB JPY
- Decrease in advertising cost 0.4BB JPY

### \* Major factors for profit decrease

- Kinki Group SG&A cost -18.5BB JPY
- Increase in depreciation cost -0.2BB JPY

# Group Companies' Performance

## < Coca-Cola West Japan >

(MM JPY、%)

	2005 3Q Actual ※1	2006 3Q					
		Plan ※2	Actual	vs. plan		vs. LY	
				Difference	%	Difference	%
Revenue	50,957	49,768	48,343	-1,425	-2.9	-2,613	-5.1
Operating Income	2,407	2,549	2,293	-255	-10.0	-114	-4.7

## < Kinki CCBC >

Revenue	46,001	45,865	45,472	-393	-0.9	-528	-1.1
Operating Income	1,687	809	1,549	739	91.3	-137	-8.1

## < Mikasa CCBC >

Revenue	8,304	8,056	8,051	-5	-0.1	-253	-3.0
Operating Income	303	276	226	-50	-18.1	-77	-25.4

## < Nishi Nihon Beverage >

Revenue	5,147	4,987	4,954	-32	-0.6	-193	-3.7
Operating Income	56	135	142	7	5.2	86	153.6

## < Kansai Beverage Service >

Revenue	8,897	9,044	8,785	-259	-2.9	-112	-1.3
Operating Income	575	361	373	11	3.0	-202	-35.1

## < Mikasa Beverage Service >

Revenue	723	756	743	-13	-1.7	19	2.6
Operating Income	16	28	30	1	3.6	13	81.3

※1 2005 3Q actual figure of CCWJ, Kinki, Mikasa is assumed as it was the same company form & business adjusted for this term

※2 The above plan is the figure based on performance forecast announced as of Aug.8, 2006.



# 4Q Performance Forecast (Oct-Dec) - Consolidated Profits

(MM JPY、%)

	2005 4Q Actual ※	2006 4Q		
		Actual	vs. LY	
			Difference	%
Revenue	58,557	103,200	44,643	76.2
Operating Income	1,796	3,600	1,804	100.4
Recurring Income	1,999	3,900	1,901	95.1
Net Profit	2,168	2,200	32	1.5

※2005 4Q Actual is the actual consolidated figure of existing group (former CCWJ).

■ Reference : In the case of adding ex-Kinki group's 2005 actuals

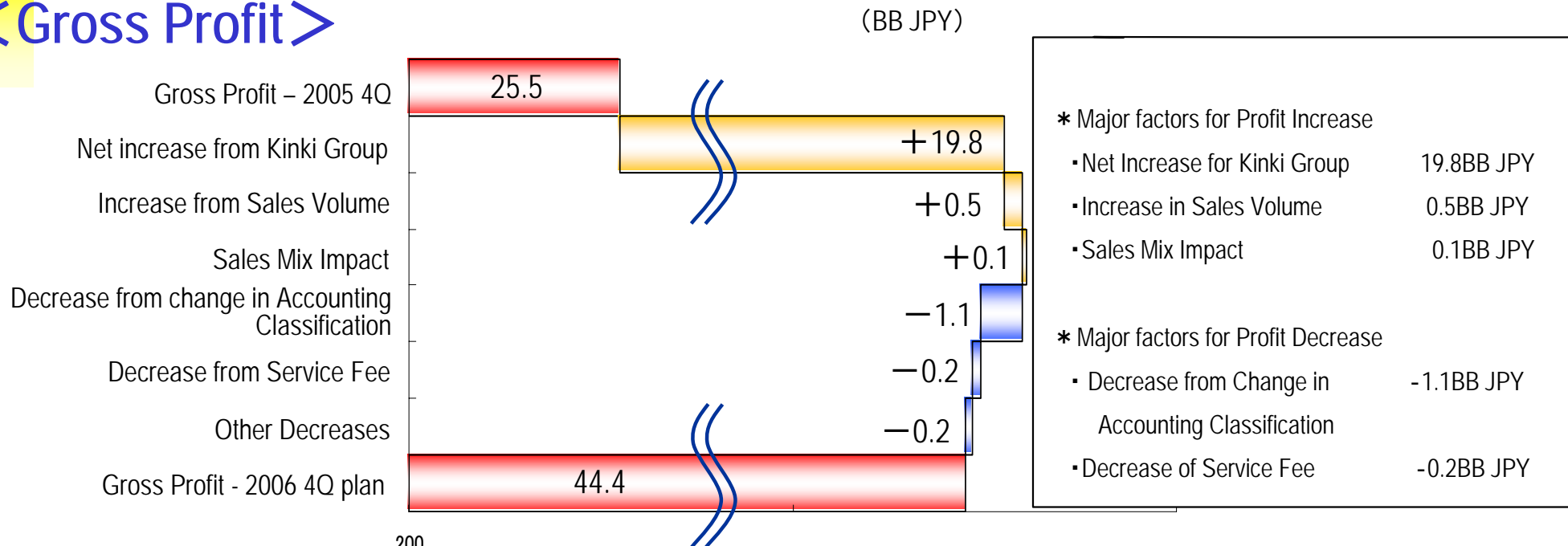
(MM JPY、%)

	2005 4Q Actual ※	2006 4Q		
		Plan	vs. LY	
			Difference	%
Revenue	100,900	103,200	2,300	2.3
Operating Income	2,700	3,600	900	33.3
Recurring Income	2,800	3,900	1,100	39.3
Net Profit	2,800	2,200	-600	-21.4

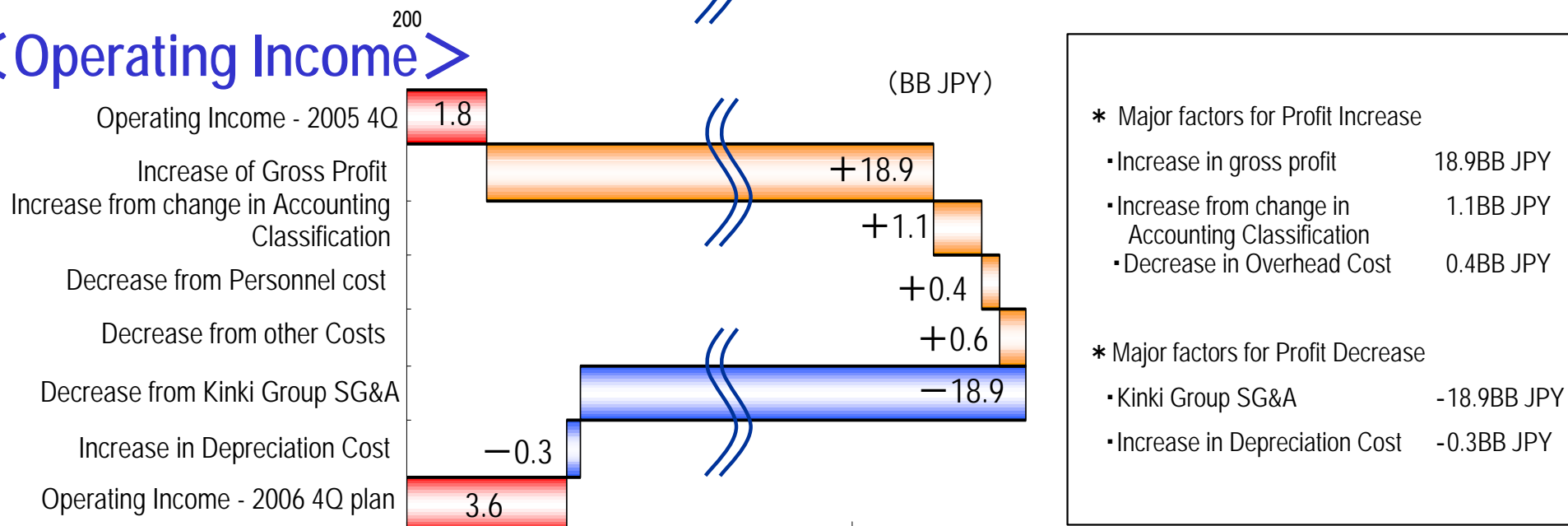
※The above 2005 actual is adjusted based on a total of ex-CCWJ and ex- Kinki CCBC, eliminating inter-company transaction.

# 4Q Consolidated Profit Change Factors (vs. LY)

## <Gross Profit>



## <Operating Income>



# Performance Forecast for the Fiscal Year

## ■ West Group 2H Plan + ex-CCWJ 1H Consolidated Actual Figure

(MM JPY, %)

	2005 Actual ※	2006		
		Plan	vs. Last Year	
			Difference	%
Revenue	245,874	333,400	87,526	35.6
Operating Income	11,830	12,400	570	4.8
Recurring Income	12,256	13,300	1,044	8.5
Net Profit	7,305	7,400	95	1.3

※2005 actual figure is the actual consolidated figure of existing company group (former CCWJ).

## ■ Reference : In the case of adding 2005 actual figure of ex-Kinki Group (West Group full year + ex-Kinki Group 1H Consolidated Actual)

(MM JPY, %)

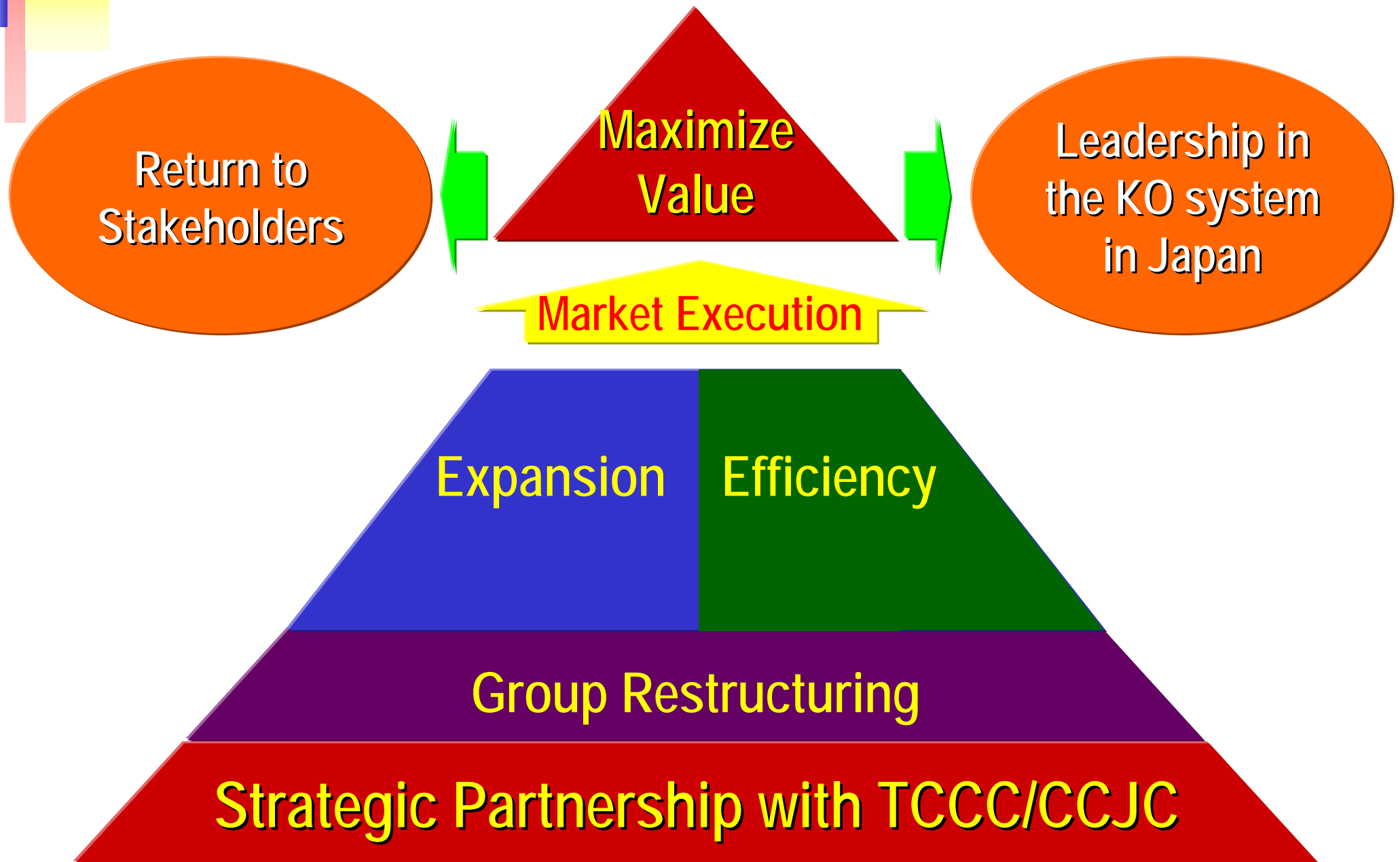
	2005 Actual ※	2006		
		Plan	vs. LY	
			Difference	%
Revenue	417,444	413,800	-3,644	-0.9
Operating Income	17,812	13,100	-4,712	-26.5
Recurring Income	18,065	13,800	-4,265	-23.6
Net Profit	10,554	6,400	-4,154	-39.4

※The above figure is adjusted based on a total of ex-CCWJ and ex-Kinki CCBC, eliminating inter-company transaction.



## II . Group Restructuring

# Group's Growth Strategy



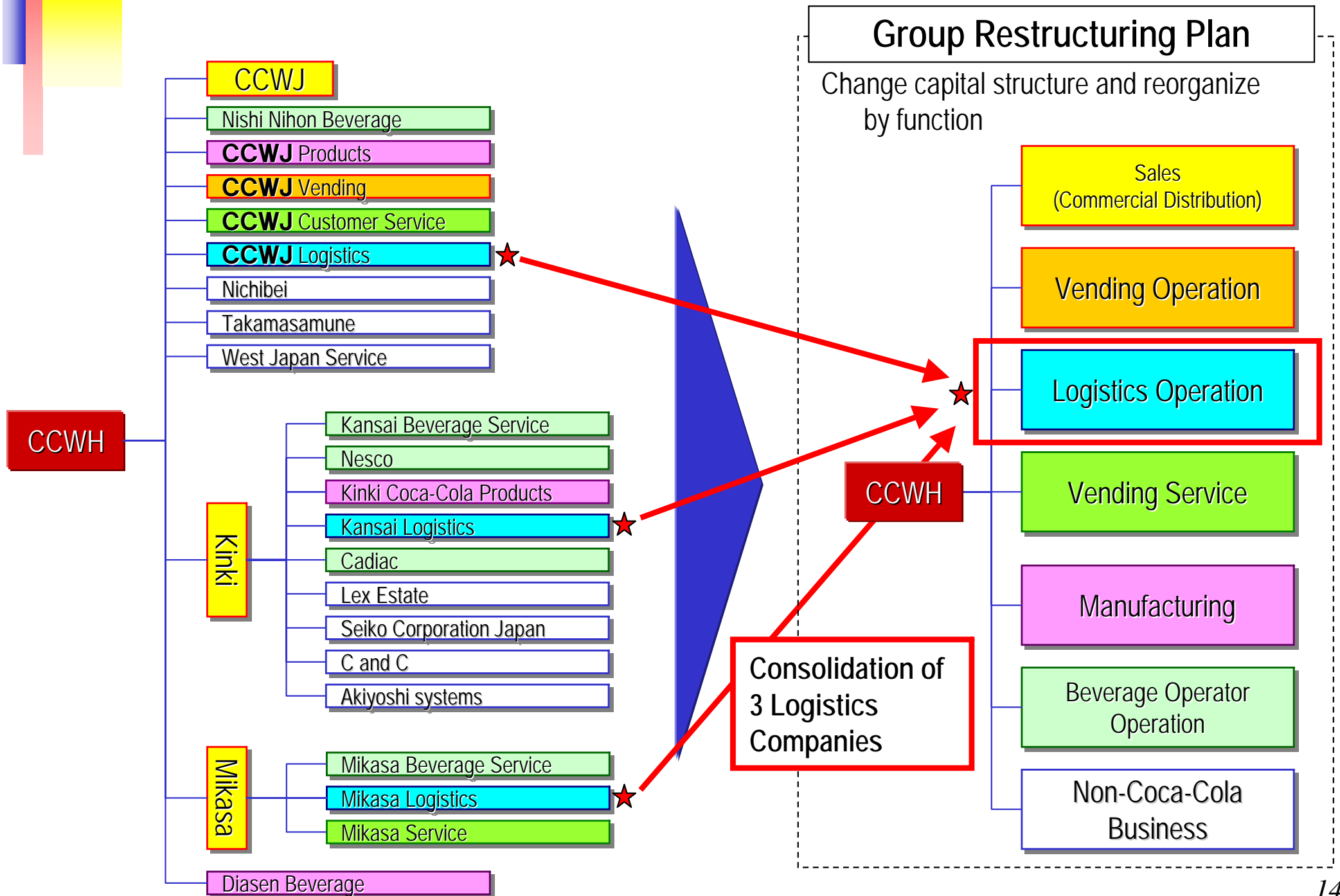
Restructure group companies in order to achieve further growth of CCW group.

Consolidation of Logistics Companies

Capital Reduction of  
Kinki, Mikasa, and Kansai Beverage Services

Corporate Name Change for Daisen Beverages

# Group Restructuring Plan



# Consolidation of Logistics Companies

➤ 3 logistics companies will be consolidated to achieve further growth of the group.

## <Objective of the Consolidation>

- ① Achieve economies of scale through expansion and enhance quality through efficient operations
- ② Share best practice and know-how of low-cost operations
- ③ Expedite decision-making related to logistics and strengthen execution capabilities
- ④ Consolidate back-office operation
- ⑤ Capture opportunities outside CCW group such as CCNBC

CCWJ Logistics

Kansai Logistics

Mikasa Logistics

Date of Consolidation:  
January 1, 2007 (plan)



## <Corporate Profile after Consolidation>

Name	Coca-Cola West Logistics, Co., Ltd.
Business	Carrier business
Address	Hiroshima City
Representative (Plan)	Katsuyoshi Kawabe
Capital	JPY70 MM
Total Assets	JPY3,362MM
Fiscal year end	December

Note: Total assets are the sum of each company's total assets as of December 31, 2005. 15



# Synergy from Consolidation of Logistics Companies

## <Synergy of Consolidation>

- Expand operations utilizing our own vehicle
  - Place our own vehicle in Kansai area:  
Secure 35% of our own vehicle operating rate
  - Assess opportunities of acquisition of other logistics companies
- Secure backload taking advantage of regional network across west Japan
- Promote collection and recycling business
- Consolidate back-office function

## 《Reference》 Projected Income Statement Highlight

(JPY in Million)

	2006	2007	2008	2009
Revenue	16,630	16,770	17,650	18,360
Operating Income	490	590	710	920
Operating Income Ratio	3.0%	3.5%	4.0%	5.0%

# Reduction of Capital: Kinki, Mikasa, and Kansai Beverage

- Reduce capital of Kinki, Mikasa, and Kansai Beverages to JPY100 MM without compensation

## <Objective of Capital Reduction>

- Shift to small corporation category under the corporation act and enhance flexibility of business management as a functional company within the CCW group such as in designing a decision-making body

✓ Kinki Coca-Cola Bottling: JPY10.9 billion ⇒ JPY100 MM

✓ Mikasa Coca-Cola Bottling JPY4.1 billion ⇒ JPY100 MM

✓ Kansai Beverage: JPY1.4 billion ⇒ JPY100 MM

Effective Date: Mid December 2006 (plan)

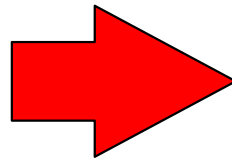
《Reference》 Capital of Coca-Cola West Japan : JPY100MM

# Renaming Daisen Beverages

## <Reason for the Change of Corporate Name>

- Daisen beverages became a wholly-owned subsidiary of CCWH in August 2006. By adding "Coca-Cola West" in the company name, it is clarified that Daisen Beverages is the group company of CCWH and the sense of unity within the group will be further nurtured.

Daisen Beverages



New Name;  
Coca-Cola West Daisen Products

Effective Date of Rename: December 31, 2006 (plan)



## III. Marketing



# Review of 3Q

# Review of 3Q — Key Brand Activities (1)

## 2H Key Brand Activities

### <Maximizing the Summer Demand>

#### ■ Coca-Cola

- ⇒ Expansion of Diet Coke
- ⇒ Deploying the value-added can

#### ■ Aquarius

- ⇒ Price, Heat-stroke countermeasures
- ⇒ Deploying the promotion of the value-added can, etc.
- ⇒ Expansion of Active Diet and Freestyle

#### ■ Non-Sugar Tea

- ⇒ Karada Meguricha : Maintain coverage, start of a new promotion

### <Re-vitalizing Georgia>

- ⇒ Maximum implementation of New / renewal products and increasing retail exposure.
- ⇒ Maximum implementation of the new campaign with displays at the counter

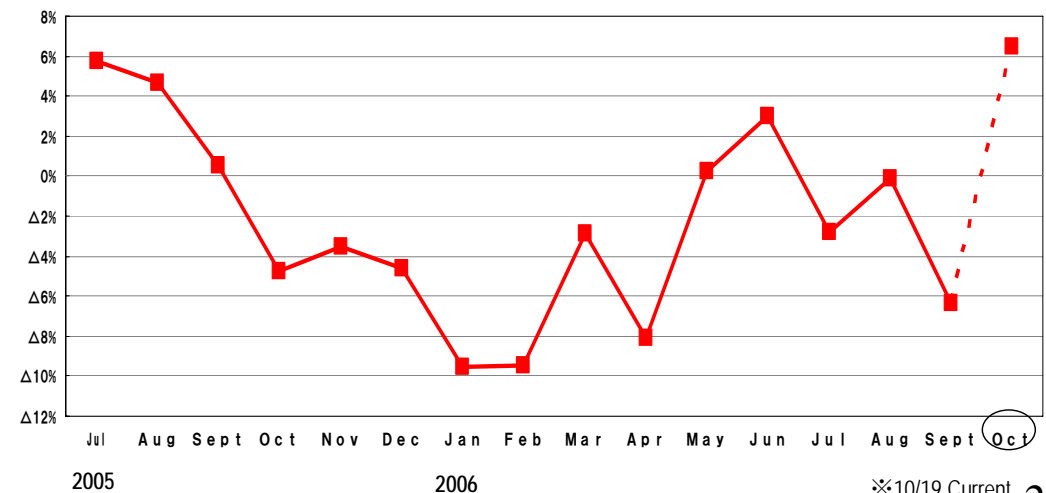
### <Re-vitalizing Hajime>

- ⇒ Brand re-vitalization through introduction of seasonal and sub-flavors

## Actual Sales Volume By Brand

(Unit : 000' uc, %)	Q3 2006				
	Actual Sales	v.s. Plan		v.s. Ly	
		Change	Rate	Change	Rate
Coke	4,661	-721	-13.4	-664	-12.5
Georgia	9,982	-596	-5.6	-338	-3.3
Sokenbicha	4,951	74	+1.5	40	+0.8
Aquarius	8,327	218	+2.7	320	+4.0
Hajime	2,543	-891	-26.0	-737	-22.5
Morino Mizu/Minaqua	1,891	-229	-10.8	-151	-7.4
Others	21,824	862	+4.1	-728	-3.2
Total	54,178	-1,284	-2.3	-2,257	-4.0

## Georgia Sales Growth by Month (v.s. LY)



# Review of 3Q – Key Brand Activities (2)

## 2H Key Brand Activities

<Maximizing the platform through new products>

⇒Further nurturing new products in 1H



⇒Introduction of new added-value products



⇒Introduction of seasonal flavors for key brands



## Sales Performance of Key New Products

● 7.2MM BAPC

● Composition Rate 16.9% (-5.9% vs. LY)

	Launched
Aquarius Freestyle	0.99 MM uc (in Apr)
Georgia Deepresso	0.73 MM uc (in Jul)
Karada Meguricha	0.61 MM uc (in May)
Georgia Five Blend	0.28 MM uc (in Aug)
Coca-Cola Citra	0.22 MM uc (in May)
Hajime Jikkuri Umami	0.12 MM uc (in Sep)
Hajime Sumi Gyokuro	0.09 MM uc (in Jul)
DASANI Sparkling	0.06 MM uc (in Aug)
	& others

# Review of 3Q – Key Channel Activities (1)

## 2H Key Channel Activities

### ■ Vending

- ⇒ Expand # of VM in the market
- ⇒ Deployment of VPM※ improvements
- ⇒ Engage in implementing tests for chilled products

※VPM... (Volume per machine)

### ■ Chain Store

- ⇒ Implement pricing strategies in large PET with a focus on Hajime, Mineral Water, and Aquarius
- ⇒ Strengthening category management.

### ■ On-Premise※

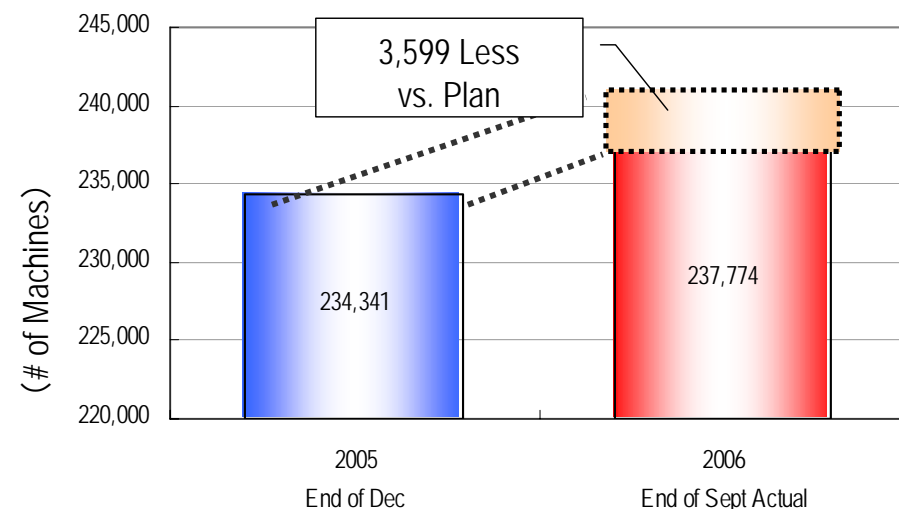
- ⇒ Market cultivation with a focus in the new quality channel
- ⇒ Strengthening sales of existing key accounts

※On-premise...Refers to the syrup and package sales business in the "eating out" market

## Actual Sales Volume By Channel

(000' uc, %)	Q3 2006				
	Actual Sales	v.s. Plan		v.s. Ly	
		Change	Rate	Change	Rate
Vending	16,459	-142	-0.9	-307	-1.8
Chain Store	12,983	-347	-2.6	97	+0.8
CVS	5,365	-164	-3.0	-248	-4.4
Retail	7,788	-75	-0.9	-1,067	-12.1
Food Service	5,332	-172	-3.1	-316	-5.6
Distributor	493	-31	-6.0	-45	-8.4
Others	5,758	-353	-5.8	-371	-6.1
<b>Total</b>	<b>54,178</b>	<b>-1,284</b>	<b>-2.3</b>	<b>-2,257</b>	<b>-4.0</b>

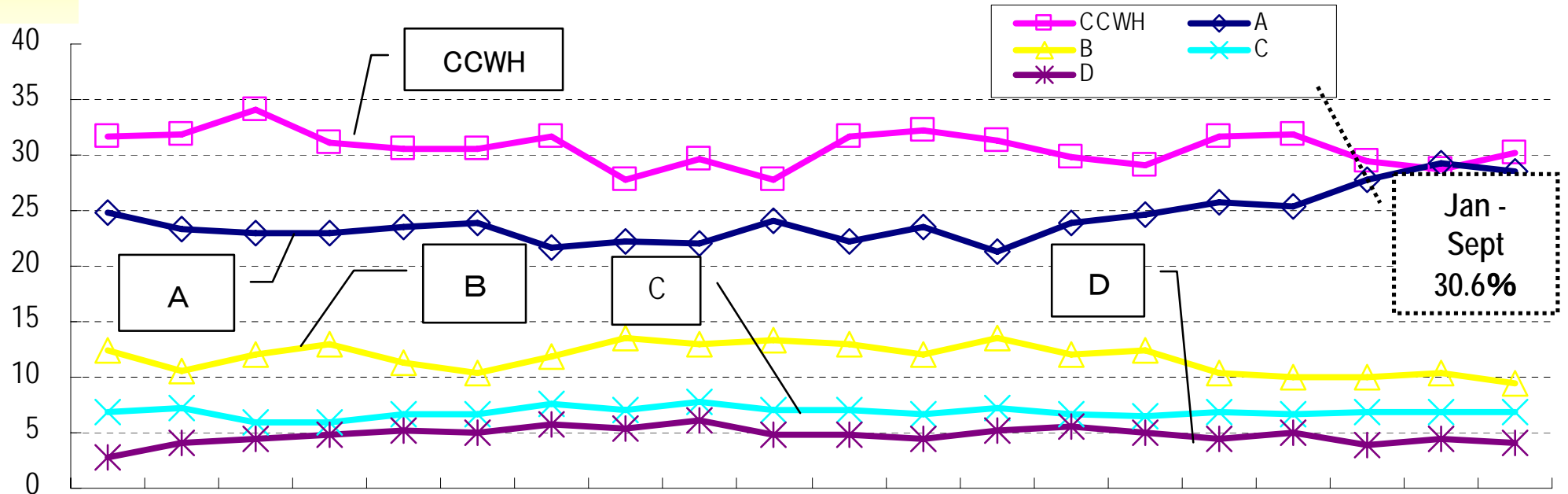
## Number of Vending Machines in the Market (excl. cup vending machines)



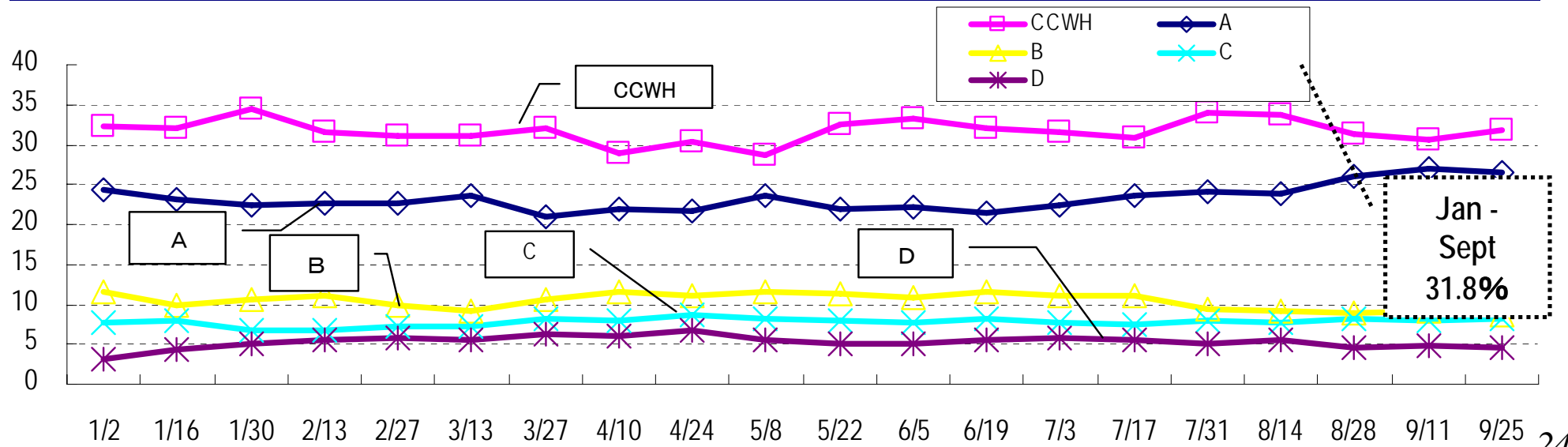


# Review of 3Q – Key Channel Activities (2)

## 2LPET "Volume Share" Trend By Maker in SM



## 2LPET "Value Share" Trend By Maker in SM



# General Overview of 3Q

## ■Sales

⇒Due to west Japan's favorable weather conditions in August, the sales were positive. However, Kyushu's weather in September was not favorable thus affecting sales. As a result, 3Q results v.s. plan and v.s. Ly were -2.3% and -4.0% respectively.

## ■Brand

⇒Positive momentum was attributed to the success of Georgia's core product renewal

⇒Favorable recovery is attributed to Sokenbicha's restage effects and implementation of the fit-bottle.

⇒Aquarius is establishing a concrete position by satisfying the summer demand.

⇒Coca-Cola and Hajime were down v.s. plan and v.s. Ly.

## ■Channel

⇒In the Vending area, the number of vending machines has increased, but it hasn't achieved the target.

⇒Chain store volume was down v.s. plan but up v.s. Ly., mainly due to the large PET pricing strategy in the chain store during the peak season.

## Activity Points for Q4

### (1) Brand Strategy

⇒Recapturing and strengthening Key Brands

### (2) Package Strategy

⇒Increasing the selection of warm products and implementing aggressive market development

### (3) Channel Strategy

⇒Investment focus on vending and chain store.



# Q4 Activity Plan

# Key Activities in Q4 — Brand Strategy

## Sales Plan By Brand

(000' uc, %)

	2005 Q4 Actuals	Q4 2006 Plan		
		Plan	v.s. Ly	
			Change	Rate
Coke	3,132	3,337	205	+6.6
Georgia	11,906	12,628	722	+6.1
Sokenbicha	2,931	3,211	280	+9.6
Aquarius	3,053	3,647	594	+19.4
Hajime	2,221	2,362	141	+6.4
Morino Mizu	1,291	1,392	101	+7.8
Others	18,966	18,774	-192	-1.0
Total	43,499	45,351	1,852	+4.3

※The 2005 actuals above are a total of CCWJ, Kinki and Mikasa's actual results

## Activity Points

### ➤ Recapturing and strengthening key brands

#### ■ Georgia

⇒ Recapturing and strengthening during peak seasons

★ Details on the next page

#### ■ Coca-Cola

⇒ Continued expansion of Diet Coke

⇒ Expanding sales by creating a Christmas theme at the outlets.

#### ■ Aquarius

⇒ Continued expansion of favorable sales by introducing a sub flavor, "Vitamin Guard"

⇒ Implementation in testing hot drinks

#### ■ Non-Sugar Tea

⇒ Continued coverage of Karada Meguricha as well as implementing new promotions

⇒ Implementation of hot drinks

# Key Activities in Q4 — Georgia Strengthening Implementation

## ■ Georgia : Recapturing and strengthening during peak seasons

➤ Expansion of retail exposure and maximum implementation of new / renewal products

⇒ Strengthened implementation of the new Georgia Emblem Black (10/2～)

➤ Implementation of the Autumn Promotion

⇒ Georgia G1 Challenge (8/28～)

➤ Introduce half case, multi-pack sales (Supermarket)

➤ Introduce hot products



**1着・2着の数字を当てれば、必ずもらえる!** ジョージアG1チャレンジ

ジョージアオリジナル ワンセグTV

対象商品:ジョージア 190g缶製品

シールを20枚集め、1着・2着を予想。はがきで応募。ワンセグTVをプレゼント。

※第1回抽籤 9月30日(土) ※2回抽籤 10月31日(火) ※最終抽籤 11月30日(木)

キャンペーン期間:2008年9月18日(月)～11月30日(木) 詳しくは応募はがきまたはジョージアWEBサイトをご覧ください。www.georgia.jp

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# Key Activities in Q4 — Package Strategy

## ■ Implement hot products with a focus on Georgia PET

⇒ Vending : Increase in VPM through a smooth transition to hot products as well as optimization of VM column.

※VPM...(Volume Per Machine)

⇒ OTC : Creation of the “Winter Sales Area” through a focus on maximizing Georgia and Non-sugar tea availabilities.

### Hot PET Products



## Sales Plan By Channel

(000' uc, %)

	2005 Q4 Actuals	Q4 2006 Plan		
		Plan	v.s. Ly	
			Change	Rate
Vending	14,205	15,039	834	+5.9
Chain Store	7,639	8,285	647	+8.5
CVS	4,531	4,898	368	+8.1
Retail	6,613	6,542	-72	-1.1
Food Service	4,619	4,835	216	+4.7
Distributor	418	398	-20	-4.8
Others	5,475	5,354	-121	-2.2
<b>Total</b>	<b>43,499</b>	<b>45,351</b>	<b>1,852</b>	<b>+4.3</b>

※The 2005 actuals above are a total of CCWJ, Kinki and Mikasa's actual results

## Activity Points

### Vending

- ⇒Optimizing the vending machine column
  - ...Smooth transition from autumn to winter products
  - ...Deploying hot products by location
- ⇒Increasing the number of vending machines
  - ...Strengthen development of vending location
  - limit withdrawal
- ⇒Continued implementation in testing chilled products

### Supermarket

- ⇒Maximizing CSD sales in the winter through winter CSD
  - Large PET promotions
- ⇒Sales recovery of mineral water
- ⇒Continued strengthening of category management

### On-Premise

- ⇒Investigating in capturing the market through establishing a new business model.

# Q4 Sales Volume Achievement Scenario

(000 BAPC)

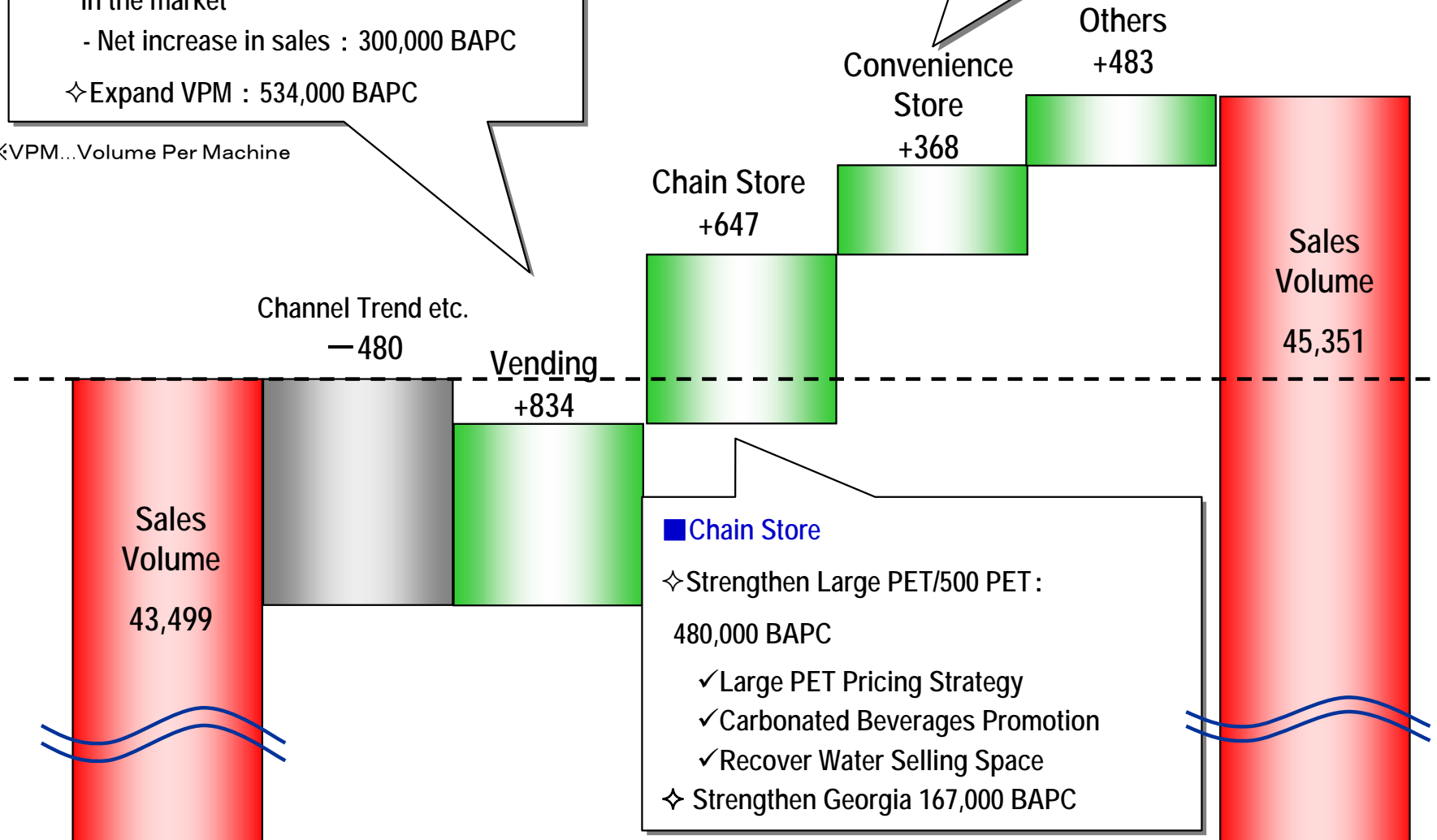
## ■ Vending

- ◇ Increase the number of vending machines in the market  
- Net increase in sales : 300,000 BAPC
- ◇ Expand VPM : 534,000 BAPC

※VPM...Volume Per Machine

## ■ Convenience Store

- ◇ New Product : 368,000 BAPC







[Reference]

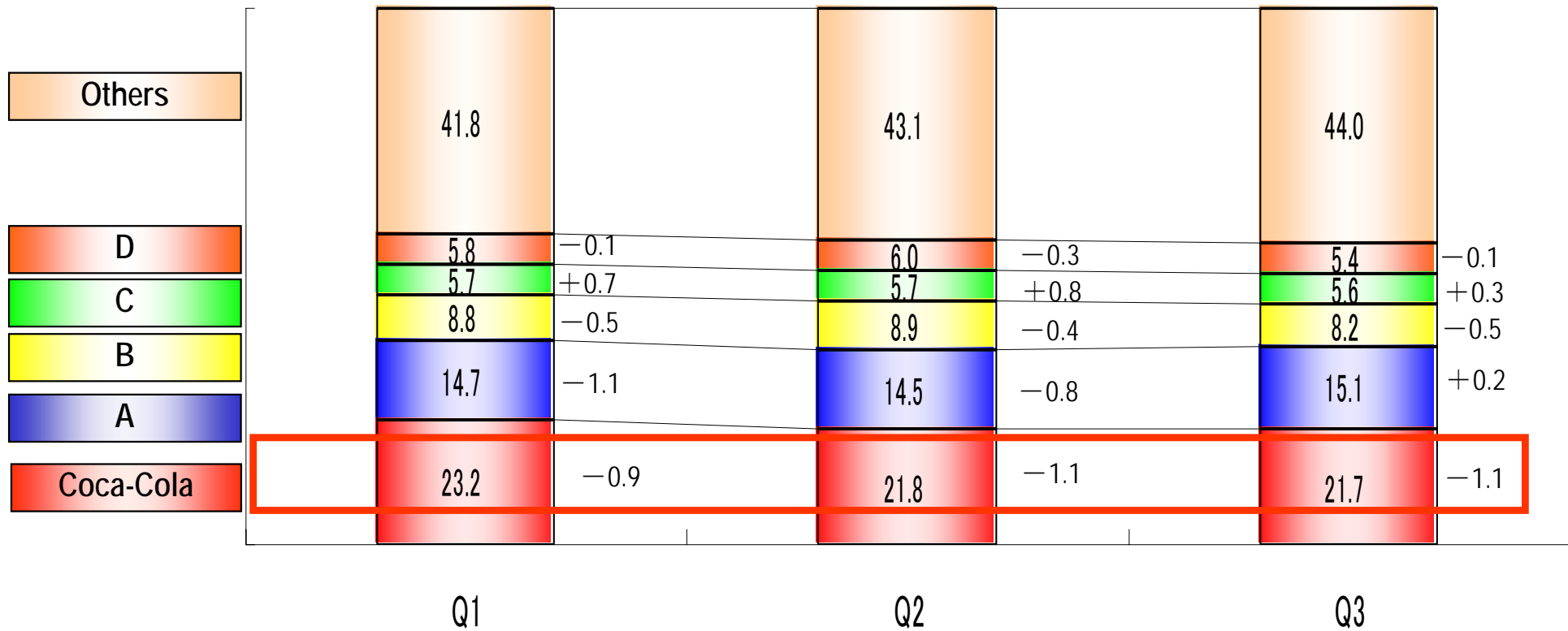
# OTC Market Share (Excl. VM) — CCWH Area

Source : Intage

※The numbers outside the graph  
are changes v.s. ly

(%, Point)

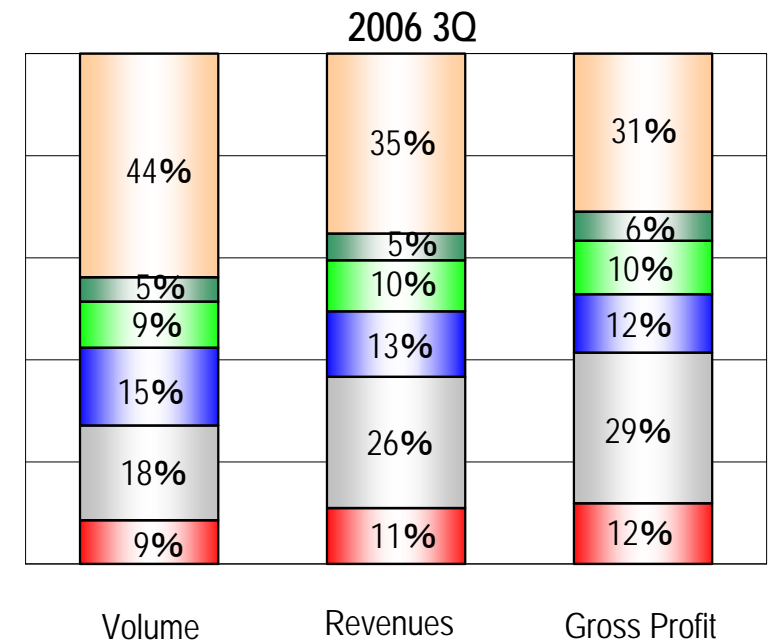
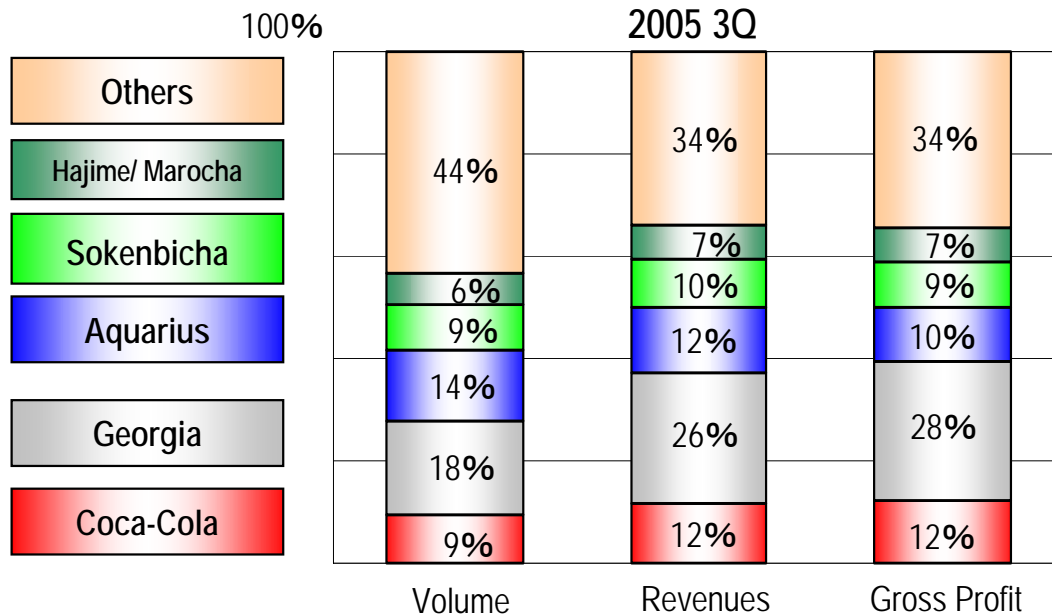
100%



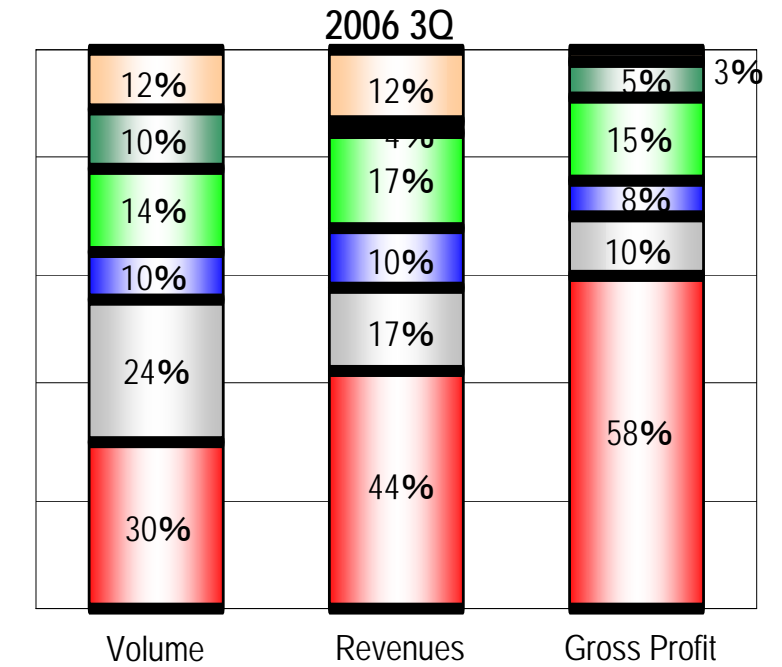
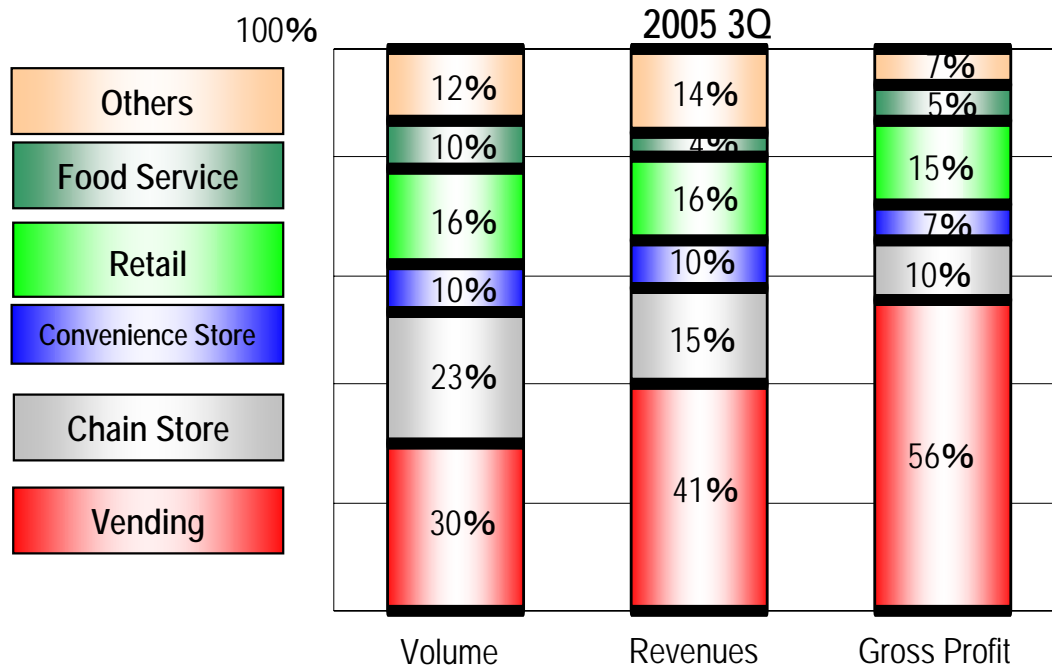
# By Brand/By Channel

## Volume/Revenues/Gross Profits

Brand



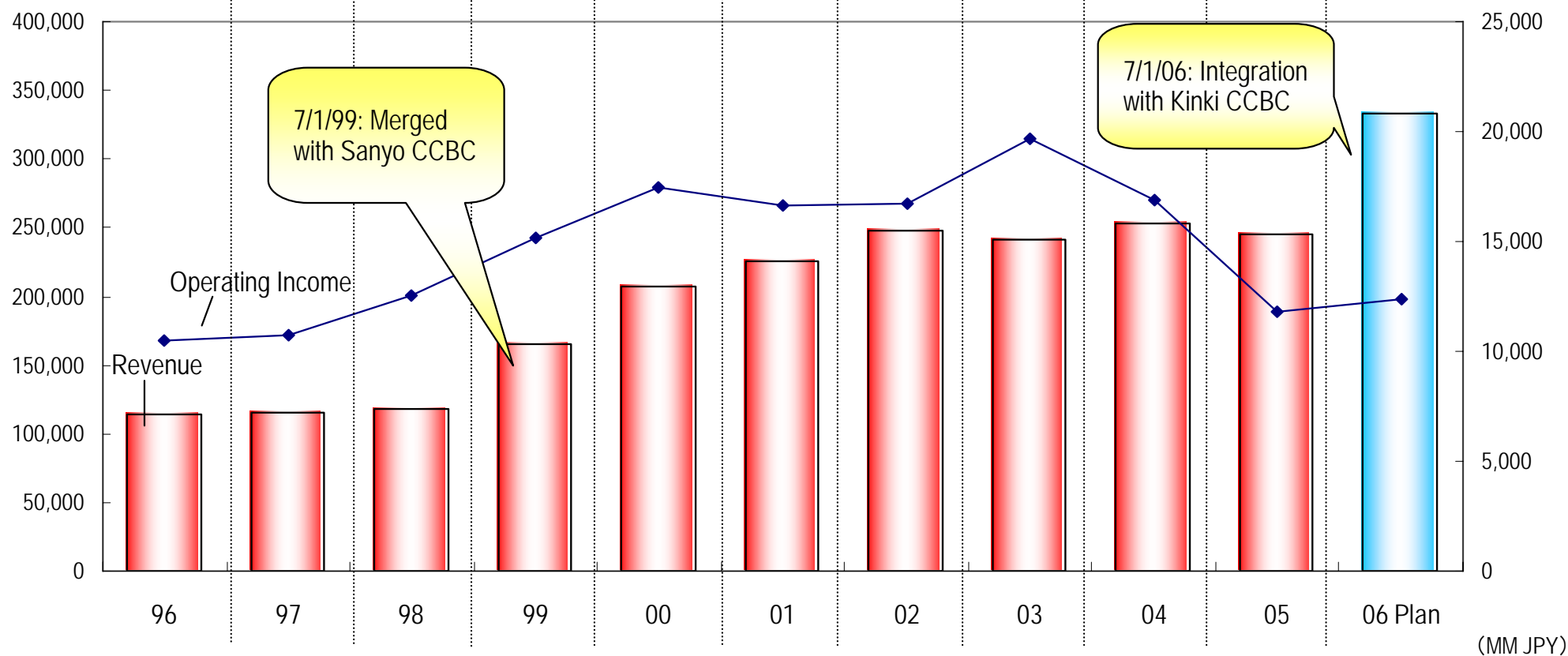
Channel



# Performance Trend (Consolidated)

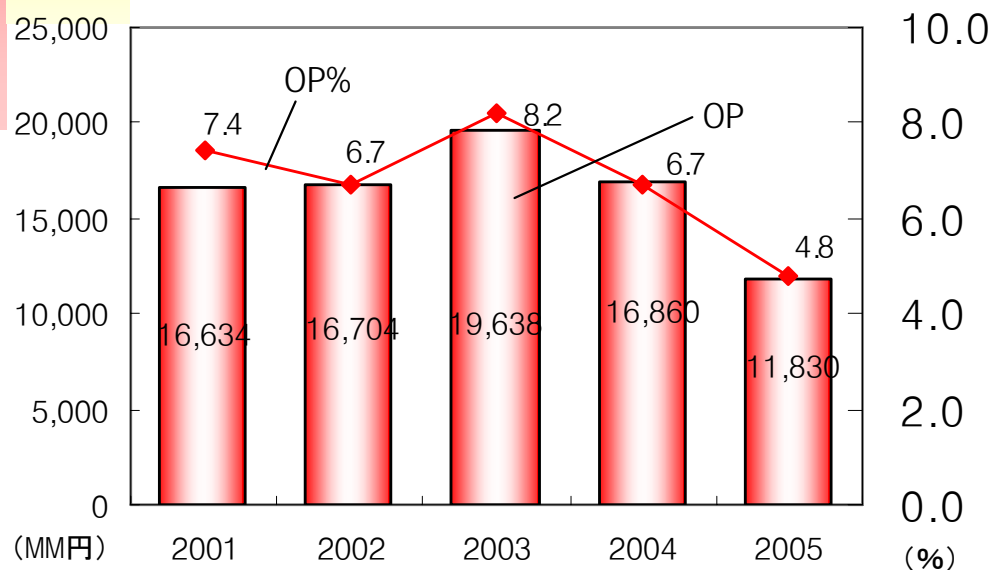
(MM JPY)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 Plan
Revenues	113,490	115,408	117,991	164,731	207,827	226,111	247,737	240,825	253,248	245,874	333,400
Operating Profits	10,481	10,737	12,533	15,160	17,449	16,634	16,704	19,638	16,860	11,830	12,400
Recurring Profits	11,273	11,054	12,510	15,889	18,516	16,021	17,005	19,895	17,065	12,256	13,300
Net Profits	5,721	5,428	5,872	6,823	5,700	1,420	7,086	9,380	8,564	7,305	7,400

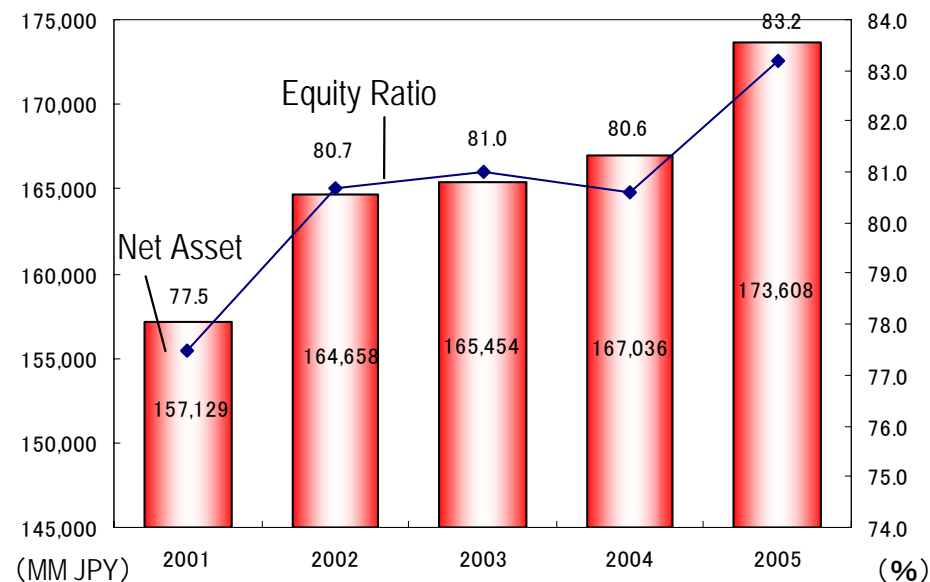


# Financial Data

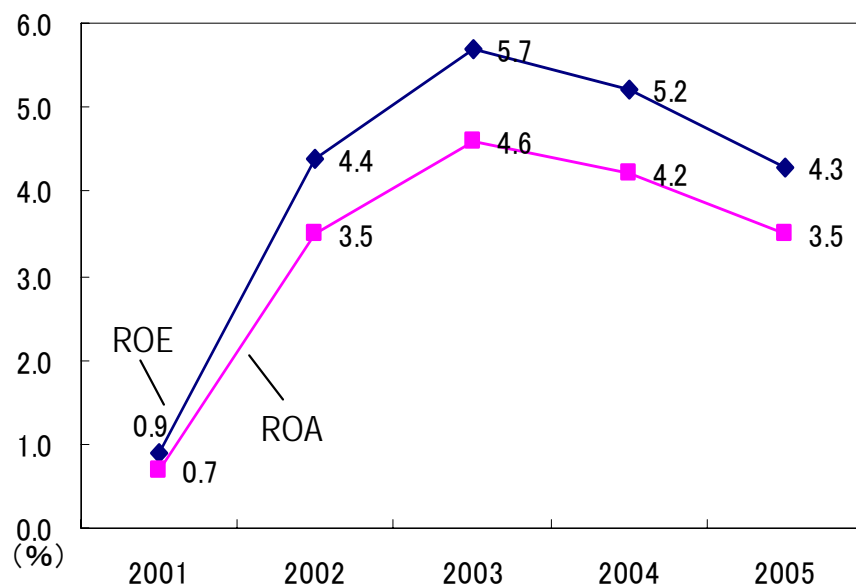
## <Operating Profit / OP Ratio>



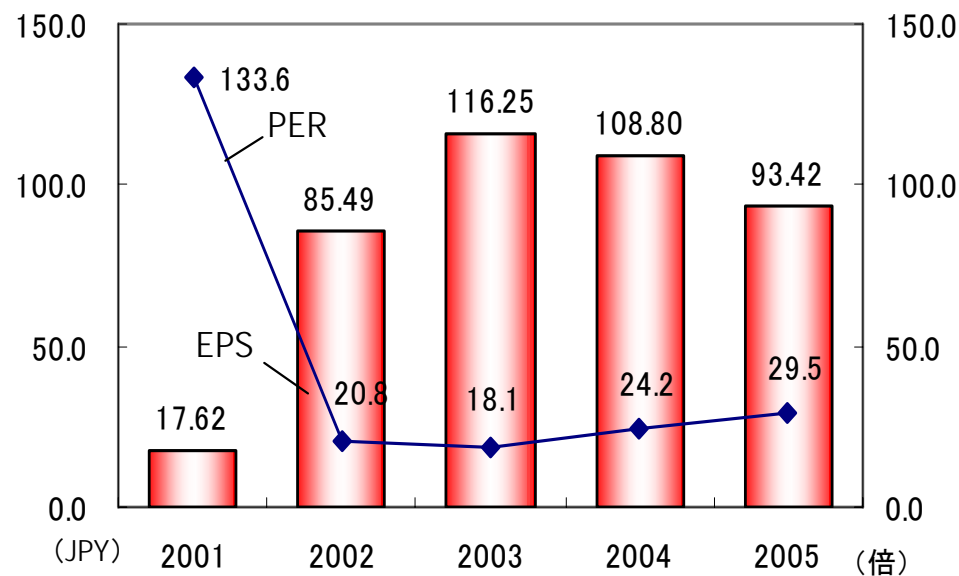
## <Net Assets / Equity Ratio>



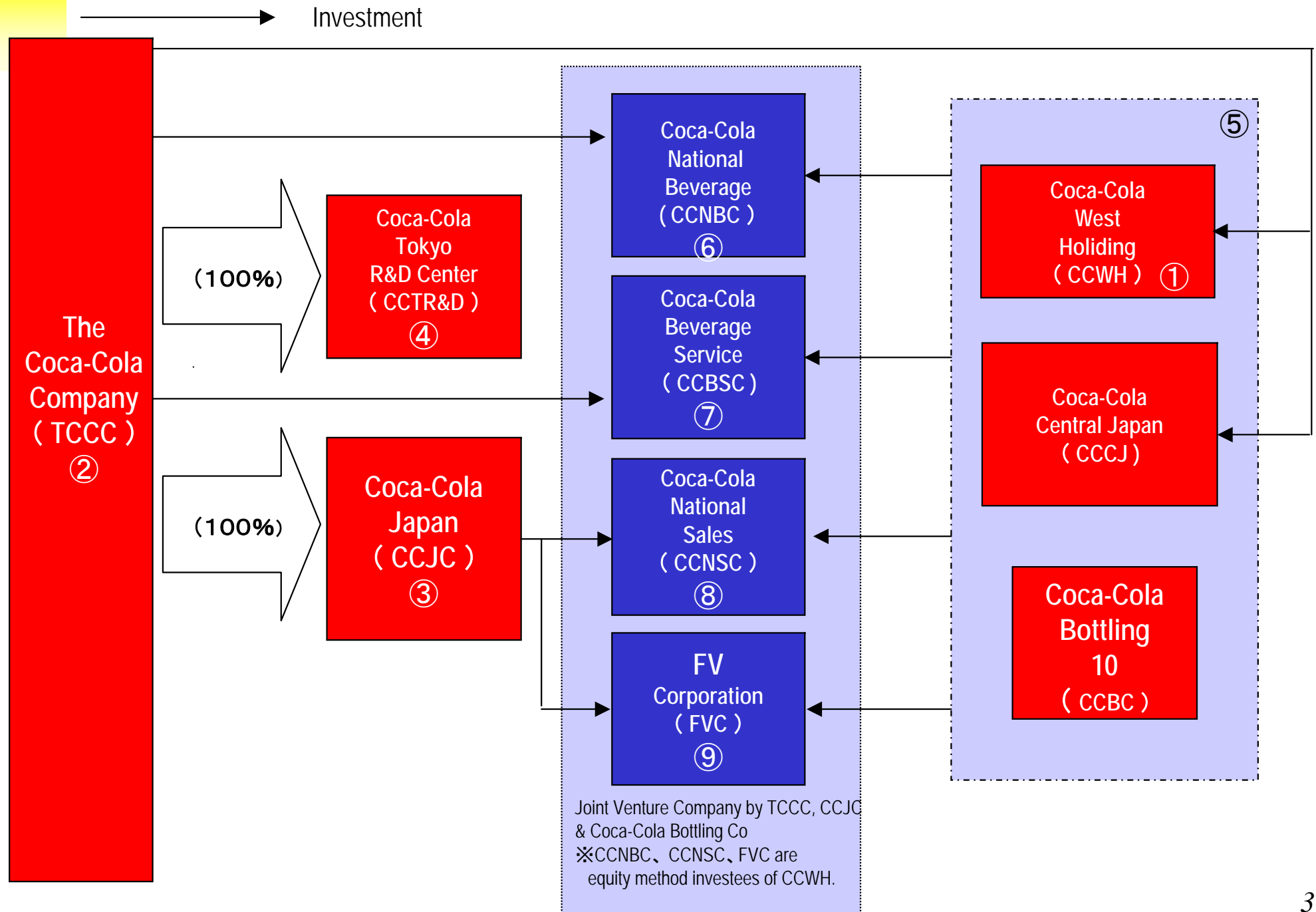
## <ROA / ROE>



## <EPS / PER>



# Coca-Cola System in Japan



# Coca-Cola Related Companies and Their Roles

## ① **Coca-Cola West Holdings Co., Ltd. (CCWH)**

In July, 2006, Coca-Cola West Japan Company, Limited and Kinki Coca-Cola Bottling Company, Limited merged the management of both companies by establishing a joint holding company CCWH.

## ② **The Coca-Cola Company (TCCC)**

Established 1919 in Atlanta, Georgia. Carries the rights to grant a license to manufacture and sell Coca-Cola products to the bottlers. TCCC (or its subsidiary) makes franchise agreements with the bottlers.

## ③ **Coca-Cola (Japan) Co., Ltd. (CCJC)**

Established 1957 in Tokyo, as “Nihon Inryo Kogyo K.K.,” a wholly-owned subsidiary of The Coca-Cola Company. The company name was changed in 1958 to Coca-Cola (Japan) Company, Limited. CCJC is responsible for marketing planning as well as manufacturing and distribution of concentrate in Japan.

## ④ **Coca-Cola Tokyo Research & Development Co., Ltd. (CCTR&D)**

Established in January 1993 as a wholly-owned subsidiary of The Coca-Cola Company. Since January 1995, carries out product development and technical support to respond to the needs of the Asian region.

## ⑤ **Coca-Cola bottlers (CCBCs)**

There are 12 bottlers in Japan, which are responsible for selling Coca-Cola products in the respective territories.

## ⑥ **Coca-Cola National Beverages Co., Ltd. (CCNBC)**

Jointly established in April 2003 by TCCC and CCBCs for the purpose of creating an optimal nationwide supply chain. It started operation in October 2003. CCNBC procures raw materials, coordinates manufacturing and supply/demand plans on a nationwide basis, and supply products to the bottlers.

## ⑦ **Coca-Cola Beverage Services Co., Ltd (CCBSC)**

Jointly established in June 1999 by TCCC and CCBCs and started operation in September 1999. Transferred procurement operations to CCNBC as of October 2003, CCBSC currently carries out activities to reform Japan's Coca-Cola information system.

## ⑧ **Coca-Cola National Sales Co., Ltd. (CCNSC)**

Jointly established in October 1995 by CCBCs and CCJC. Carries out sales activities for national chain customers.

## ⑨ **FV Corporation (FVC)**

Jointly established in May 2001 by CCBCs and CCJC. FVC carries out sales negotiations with national chain vending operators, and deals with non-KO products as well as KO products.

# Our Group Companies - Principal Business

Our Group Companies	Principal Business
(1) Coca-Cola West Japan (CCWJ)	Beverage sales
(2) Kinki Coca-Cola Bottling	Beverage sales
(3) Mikasa Coca-Cola Bottling	Beverage sales
(4) CCWJ Products	Beverage production
(5) Kinki Coca-Cola Products	Beverage production
(6) Daisen Beverages	Beverage production (mineral water)
(7) CCWJ Logistics	Freight transport-operations
(8) Kansai Logistics	Freight transport-operations
(9) Mikasa Logistics	Freight transport-operations
(10) CCWJ Vending	Vending machine operations (Coca-Cola products)
(11) Nishinohon Beverage	Vending machine sales and servicing
(12) Kansai Beverage Service	Vending machine sales and servicing
(13) Mikasa Beverage Service	Vending machine sales and servicing
(14) Nesco	Vending machine operations
(15) KADIAC	Vending machine operations (in the Kansai Air Port)
(16) CCWJ Customer Service	Vending machine-related businesses
(17) Mikasa Service	Vending machine-related businesses
(18) Nichibei	Manufacture of processed foods
(19) Takamasamune	Production and sales of alcoholic beverages
(20) West Japan Service	Insurance, leasing, and business machine sales
(21) Rex Estate	Real estate business
(22) Seiko Corporate Japan	Maintenance and repair of motor vehicle
(23) C&C	Sales and manufacturing of food, Chain restaurant business
(24) Akiyoshi Systems	Chain restaurant business



# Glossary

Term	Description
<b>Channel</b>	
▪ Vending	Retail sale business to distribute products through vending machines to consumers
▪ Chain store	Wholesale business for supermarket chains
▪ Convenience Store	Wholesale business for convenience store chains
▪ Retail	Wholesale business for grocery stores, liquor shops, and other over-the-counter outlets
▪ Food Service	Syrup sale business in the “eating out” market
▪ On-Premise	Syrup and package sales business in the “eating out” market
▪ Distributor	Middleman who work for Coca-Cola to handle our products in remote areas and islands
<b>Vending</b>	
▪ Regular vending machine	A vending machine offered free of charge to a customer who supervises its operation and uses it to sell products purchased from us.
▪ Full service vending machine	A vending machine installed and managed directly by us (product supply, collection of proceeds etc.). Fees are paid to the location proprietors.
▪ Out-market vending machine	An outdoor machine whose users are relatively unspecific
▪ In-market vending machine	An indoor machine whose users are relatively specific
▪ VPM	Sales volume per vending machine
<b>Chain Store</b>	
▪ National chain	National chain supermarket that CCNSC are responsible for negotiating
▪ Regional chain	Chain supermarket that owns its stores in the two or more bottlers’ territories
▪ Local chain	Chain supermarket that owns its stores in the single bottler’s territory
<b>Other</b>	
▪ Sales mix	Composite of products by brand, channel, package, etc. The difference between budget and actual sales or cost of sales might be affected by a change in product sales mix as well as a change in unit price



# Forward-Looking Statement

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The plans, performance forecasts, and strategies appearing in this material are based on the judgment of the management in view of data obtained as of the date this material was released. Please note that these forecasts may differ materially from actual performance due to risks and uncertain factors such as those listed below.

- Intensification of market price competition
- Change in economic trends affecting business climate
- Major fluctuations in capital markets
- Uncertain factors other than those above