



# **Second Quarter and Half Year 2007 Results Presentation**

**August 10, 2007**

**Coca-Cola West Holdings (2579)**

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# Summary

## 1. 2Q Results

- ① Sales volume : This is third consecutive quarter of sales volume growth.
- ② Financial results: Total revenues increased 71.7%, operating income increased 84.2%, recurring income increased 91.2%, net income increased 128.2%.  
\*including the impact on review of depreciation method

## 2. 1H Results

- ① Sales volume : Sales volume increased 2.0% year-to-date.
- ② Financial results: Total revenues increased 72.7%, operating income increased 32.2%, recurring income increased 40.0%, net income increased 55.6%.  
\*including the impact on review of depreciation method.

## 3. 2H Business Plan

- ① Sales volume will increase 3.0% in 2<sup>nd</sup> half. Launch new products in tea category.
- ② CCWH has raised earnings expectation (2<sup>nd</sup> half/Full year) due to the review of depreciation method etc.

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# I . 2Q Results

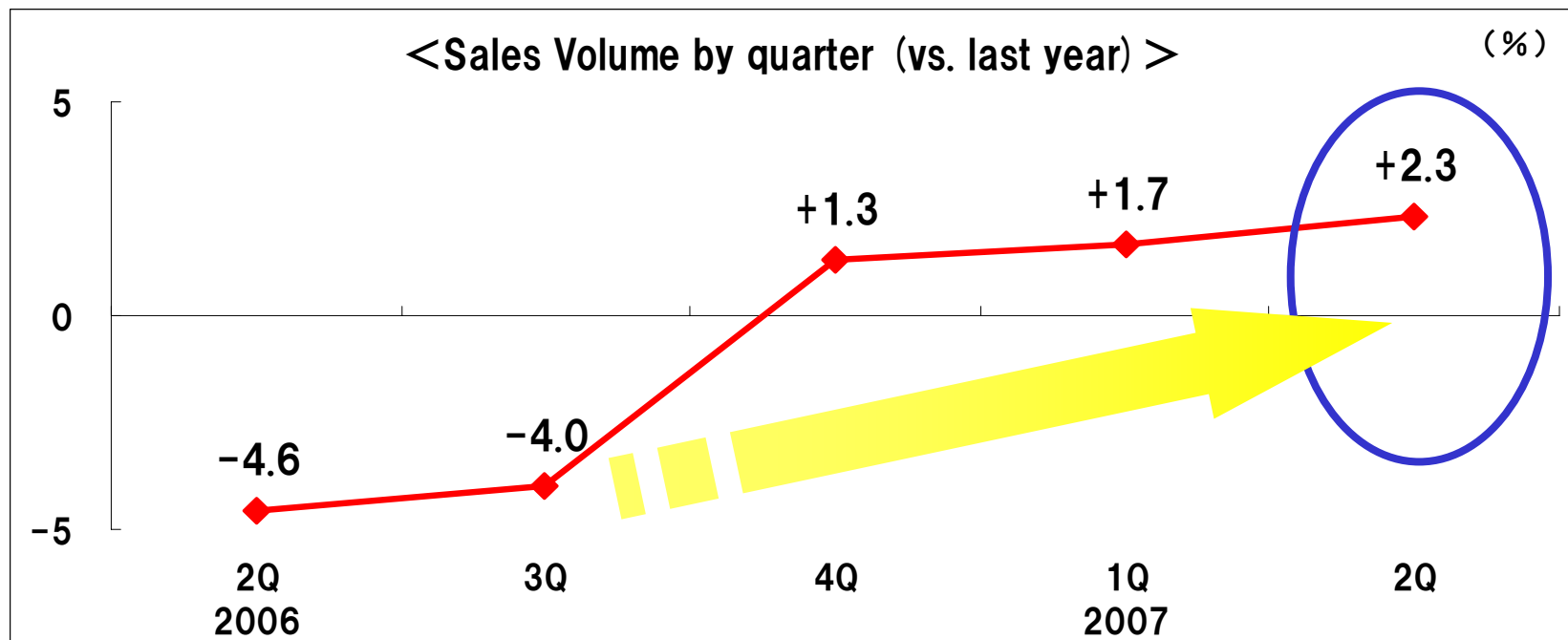
# 2Q Highlight — Sales Volume

(thousand cases except %)

2006 2Q actual ※1	2007 2Q					
	plan ※2	actual	vs. plan		vs. last year	
			change	%	change	%
46,369	48,029	47,425	-604	-1.3	+1,056	+2.3

※1 The actual figure is the total of CCWJ, Kinki CCBC, Mikasa CCBC actual.

※2 The above plan is based on the performance forecast announced as of Feb 7, 2007.



# 2Q Highlight — Brand

## Actual sales volume by brand

(thousand cases except %)

		2Q 2007				
		actual	vs. plan		vs. last year	
			change	%	change	%
C o r e	Coca-Cola	4,530	+393	+9.5	+523	+13.1
	Georgia	10,349	-623	-5.7	-104	-1.0
	Soukenbicha	3,950	+59	+1.5	+182	+4.8
	Aquarius	4,933	-476	-8.8	-193	-3.8
	Priority	3,838	+584	+18.0	+1,293	+50.8
	Complement	6,418	-832	-11.5	-850	-11.7
	Other	13,405	+290	+2.2	+205	+1.6
	<b>Total</b>	<b>47,425</b>	<b>-604</b>	<b>-1.3</b>	<b>+1,056</b>	<b>+2.3</b>

※ The actual figure is the total of CCWJ, Kinki CCBC, Mikasa CCBC actual.

\*Priority brand : Sprite, Karada Meguricha, Mineral Water, Minute Maid

\*Complement brand : Hajime, Fanta, Qoo, Koucha Kaden, Canada Dry, Hung Oolong Tea

## Review

### <Core Brand>

#### ■Coca-Cola TM

- Double-digit sales volume growth by success of the three-color initiative. (13.1%)
  - No-Calorie Coca-Cola increased 32.5%
  - Sales of Coca-Cola Zero (6/4 launch) are fairly good

#### ■Georgia

- Declined 1% as a reaction of marketing strategy. (renewal of Emerald Mountain Blend in last may)
  - 3 core flavors sales volume excluding Emerald Mountain Blend increased.
  - New flavors volume increased 32.1%
    - ⇒ Launched limited new product, Emblem Café Au Lait (6/11).

#### ■Soukenbicha

- Increased 4.8% by launching seasonable flavor on the subject of beauty, Venus White.

#### ■Aquarius

- Declined 3.8% as a reaction of launching new product, Free Style, last year.

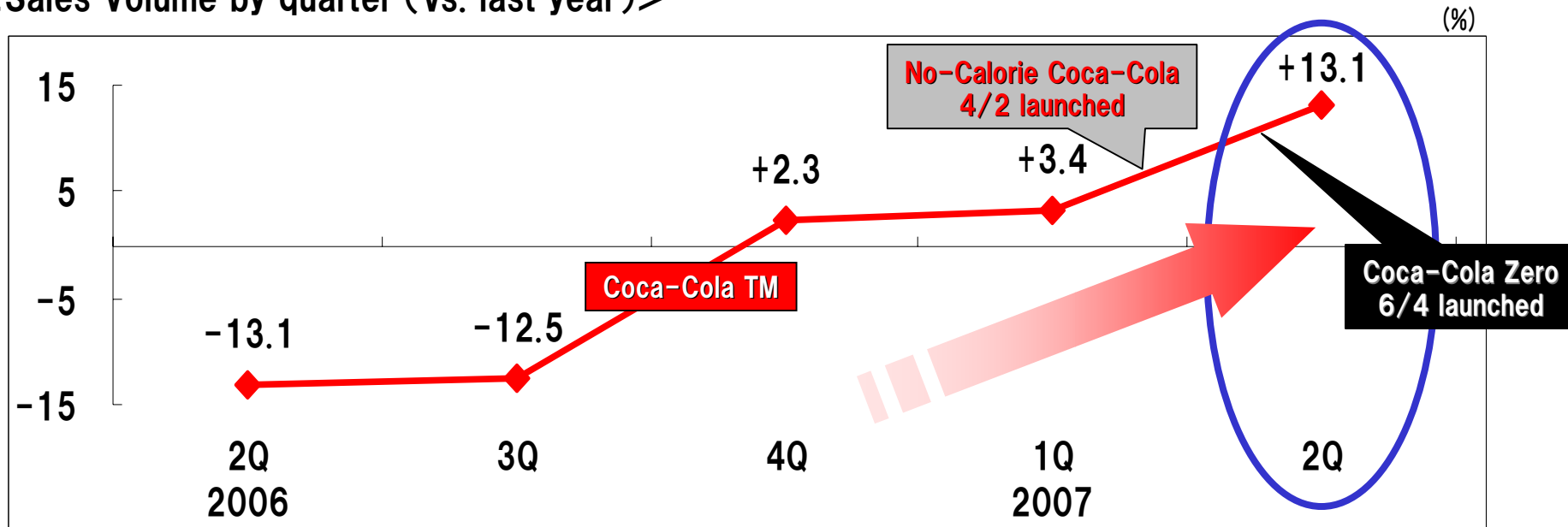
### <Priority Brand>

- Sprite increased 120.1%
- Minute Maid increased 45.4%
- Mineral Water increased 44.4%

# 2Q Highlight — Coca-Cola

- Coca-Cola TM brands grow double-digit by success of the three-color initiative. (+13.1)
- No-Calorie Coca-Cola increased exceeding further Diet Coca Cola. (+32.5)

<Sales Volume by quarter (vs. last year)>



<Ref. Sales Volume in July>

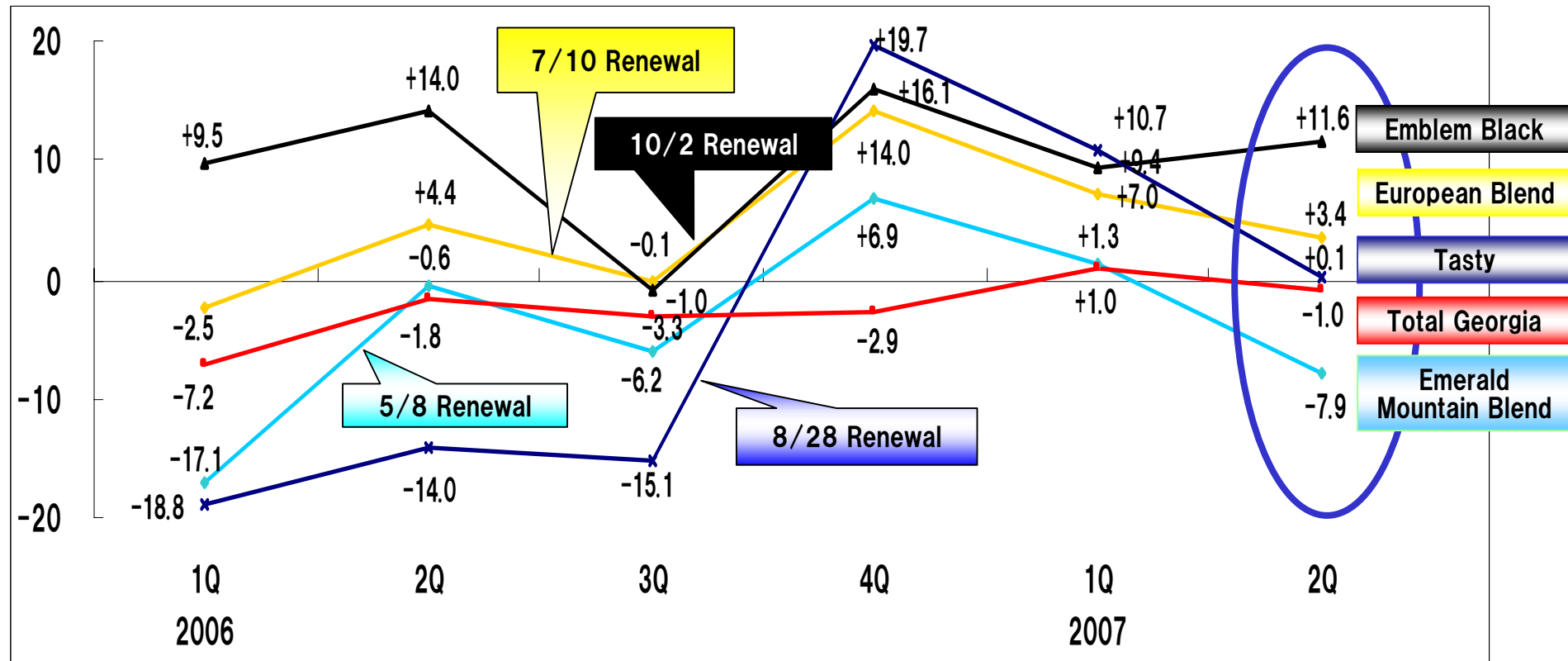
	Target	Volume (thousand C/S)	% ratio
Red (Coca-Cola)	Age16-24, M/F	1,180	66.3
Silver (No-Calorie Coca-Cola)	Age25+, Female	203	11.4
Black (Coca-Cola Zero)	Age25+, Man	397	22.3
Coca-Cola TM		1,780	100.0

# 2Q Highlight — Georgia

- 3 core flavors (European Blend, Tasty and Emblem Black) sales volume excluding Emerald Mountain Blend increased.
- Total Georgia declined 1% as a reaction of marketing strategy (package renewal of Emerald Mountain Blend in last may).  
2007 1Q:+1.0% ⇒ 2Q:-1.0%

<Core flavors and total Georgia sales volume by quarter (vs. last year) >

(%)





# 2Q Highlight — Channel

## Actual sales volume by channel

(thousand cases except %)

	2Q 2007				
	actual	vs. plan		vs. last year	
		change	%	change	%
Vending	14,776	-415	-2.7	+82	+0.6
Chain Store	10,107	-215	-2.1	+576	+6.0
CVS	4,337	-420	-8.8	-173	-3.8
Retail	7,144	+198	+2.8	-106	-1.5
Food Service	4,544	+106	+2.4	+312	+7.4
Distributor	444	+8	+1.8	+11	+2.5
Other	6,073	+135	+2.3	+355	+6.2
<b>Total</b>	<b>47,425</b>	<b>-604</b>	<b>-1.3</b>	<b>+1,056</b>	<b>+2.3</b>

\*2006 actual is the total of CCWJ, Kinki, Mikasa 2006 actual.

When the influence accompanying CCWJ/NNB enterprise adjustment (\*) is removed,

CCWH Vending (vs.ly): +6.5%

CCWJ Vending (vs.ly): +8.4%

\*CCWJ/NNB enterprise adjustment :

transferred CCWJ's cup machines to NNB

transferred NNB's Coca-Cola vending machines to CCWJ

(Sales volume of NNB is accounted in 'Other' section)

## Review

<Sales volume by area (vs. last year) > (%)

	CCWJ	Kinki	Mikasa
Vending	+0.1	+0.5	+3.5
Chain Store	+3.1	+9.8	+5.1

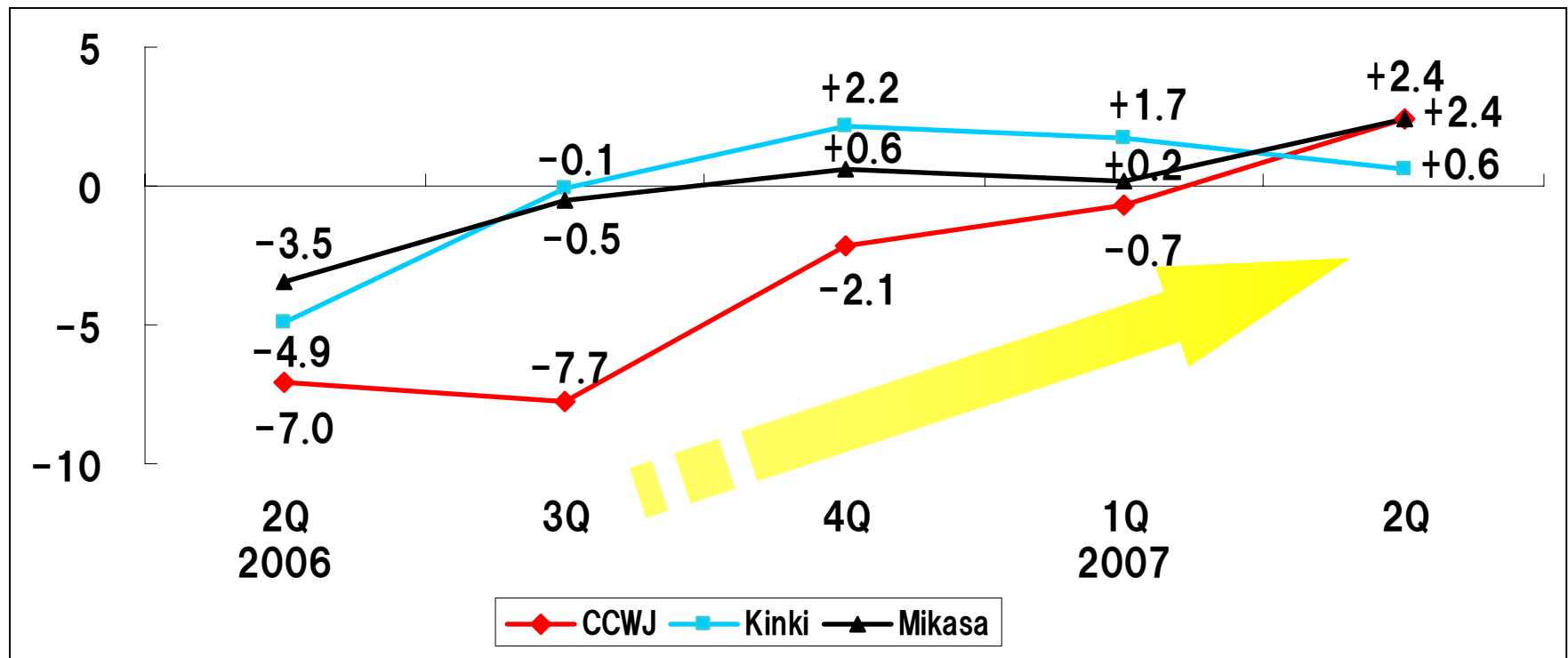
- Vending ⇒ VPM increased in all area.
- CCWJ: Sales volume of key accounts increased.  
Improved units with low sales volume.
- Kinki : Optimized product lineups.  
Decreased the number of removal of units.
- Mikasa: Strengthened strategy with 500ml PET.
- Chain Store ⇒ Increased sales volume in all area after executing operating plans.
- CCWJ : Sales volume of 500ml PET increased 16.6%.  
Increased the number of products.
- Kinki : Strengthened strategy with core brand and mineral water.
- Mikasa: Sales volume of 500ml PET increased 8.6% in local accounts.  
Strengthened customer management of top 20 accounts.

# 2Q Highlight — Vending

- VPM increased in all area after strengthening strategy with core brands which occupied 60% of sales volume in vending channel. (Sales volume of core brands increased 2.9%)
- In addition to strengthen strategy with core brands, VPM increased in CCWJ after strengthening strategy with improving units with low sales volume.  
(Number of improving units : plan 3,000 units ⇒ actual 3,550 units)

<VPM by area (vs. last year) > ※VPM...Volume Per Machine

(%)



# 2Q Highlight — Chain Store

## ➤ Improve earnings better than the plan in CCWJ and Mikasa.

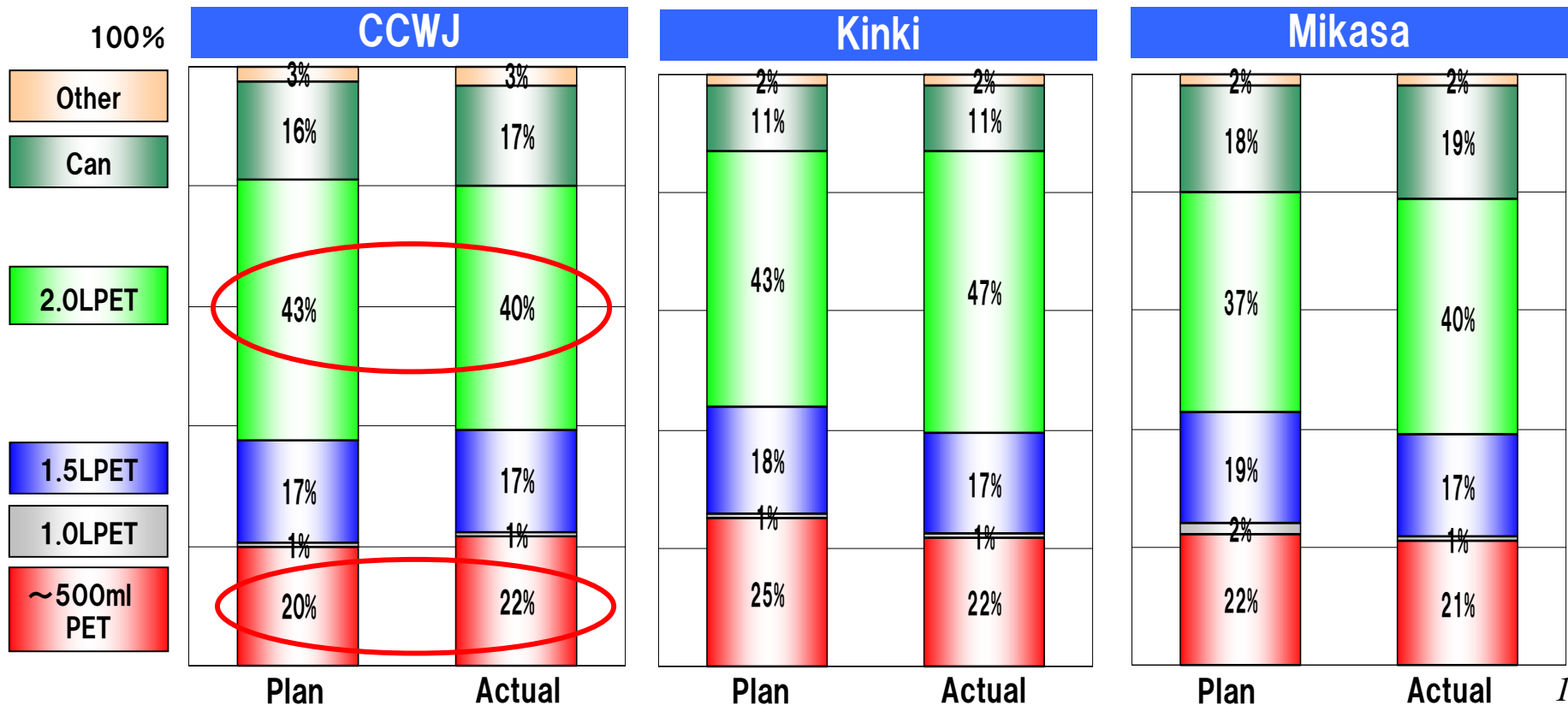
- CCWJ :Improve package mix by concentrating efforts on selling 500ml PET, and observe trading conditions in each account, etc. ⇒ Gross profit increased 8.9% for the plan.

- Mikasa:Strengthen strategy with 500ml PET especially in local accounts.  
⇒ Gross profit increased 1.3% for the plan.

## ➤ Success to improve earnings in Kinki. ⇒ Gross profit increased 5.9%, compared to the last year

\*Generally speaking, products of 500ml PET are much more profitable than those of 2.0L PET in Japan.

### <Sales volume by packages in Chain Store channel (vs. plan) >



# 2Q Highlights — Consolidated P/L

(million yen except %)	2Q 2006 actual ※1	2Q 2007					
		plan ※2	actual	vs. plan		vs. last year	
				change	%	change	%
Revenues	59,972	106,400	102,963	-3,436	-3.2	42,990	71.7
Cost of goods sold	34,030	60,800	59,277	-1,522	-2.5	25,247	74.2
Gross profit	25,941	45,600	43,685	-1,914	-4.2	17,743	68.4
SG&A	24,254	41,800	40,578	-1,221	-2.9	16,323	67.3
Operating income	1,687	3,800	3,107	-692	-18.2	1,419	84.2
Non-operating income	375	500	759	259	51.8	383	102.0
Non-operating expenses	182	300	269	-30	-10.0	87	48.2
Recurring income	1,880	4,000	3,596	-403	-10.1	1,715	91.2
Extraordinary income	-	100	59	-40	-40.7	59	-
Extraordinary losses	119	250	506	256	102.8	387	324.8
Income before income taxes, minority interests	1,761	3,850	3,148	-701	-18.2	1,387	78.8
Income taxes	953	1,650	1,236	-413	-25.1	283	29.7
Minority interests	-28	-	1	1	-	30	-
Net income	837	2,200	1,910	-289	-13.2	1,073	128.2

※1 The actual figure is the total of CCWJ, Kinki CCBC, Mikasa CCBC actual.

※2 The above plan is based on the performance forecast announced as of Feb 7, 2007.

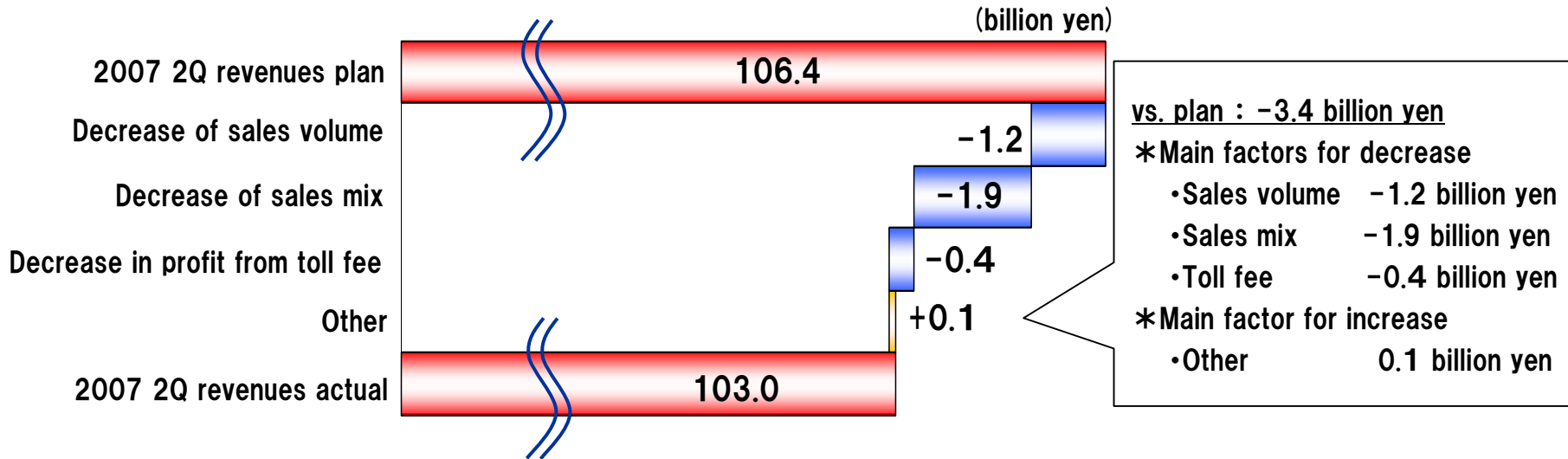
Impact on Minami Kyushu CCBC: +154 million yen

<Ref. : In case of not reviewing of depreciation method>

	2Q 2006 actual ※1	2Q 2007					
		plan ※2	actual	vs. plan		vs. last year	
				change	%	change	%
Operating income	1,687	3,800	3,575	-225	-5.9	1,888	111.9
Recurring income	1,880	4,000	4,064	64	1.6	2,184	116.2

Impact on review  
of depreciation  
method :  
-468 million yen

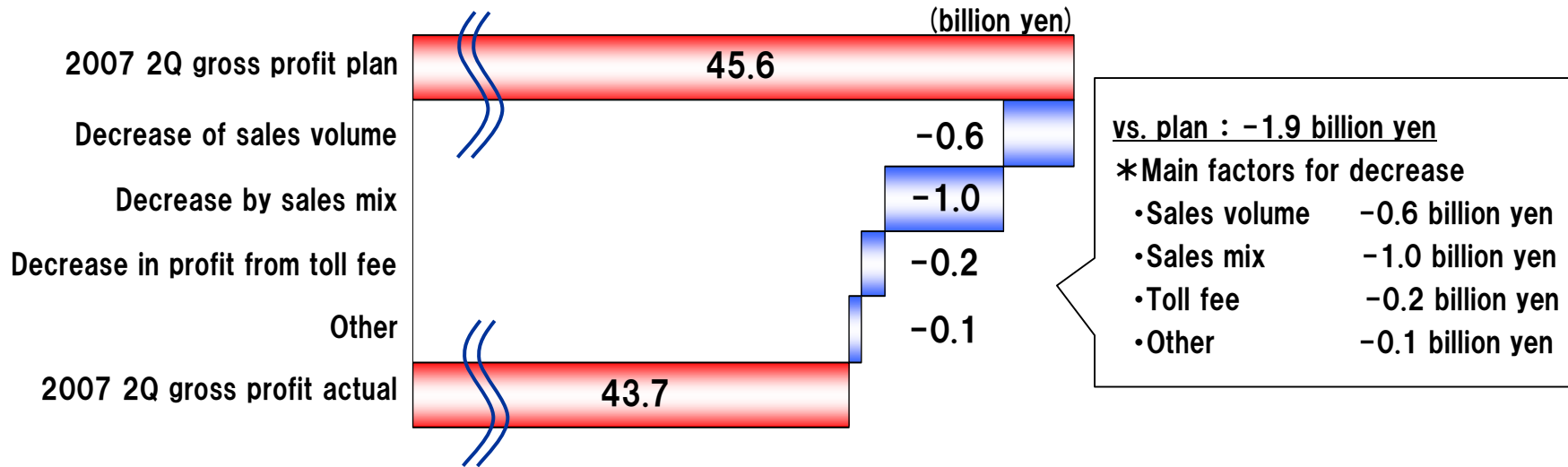
# 2Q Revenues Change Factors (vs. plan)



(million yen)

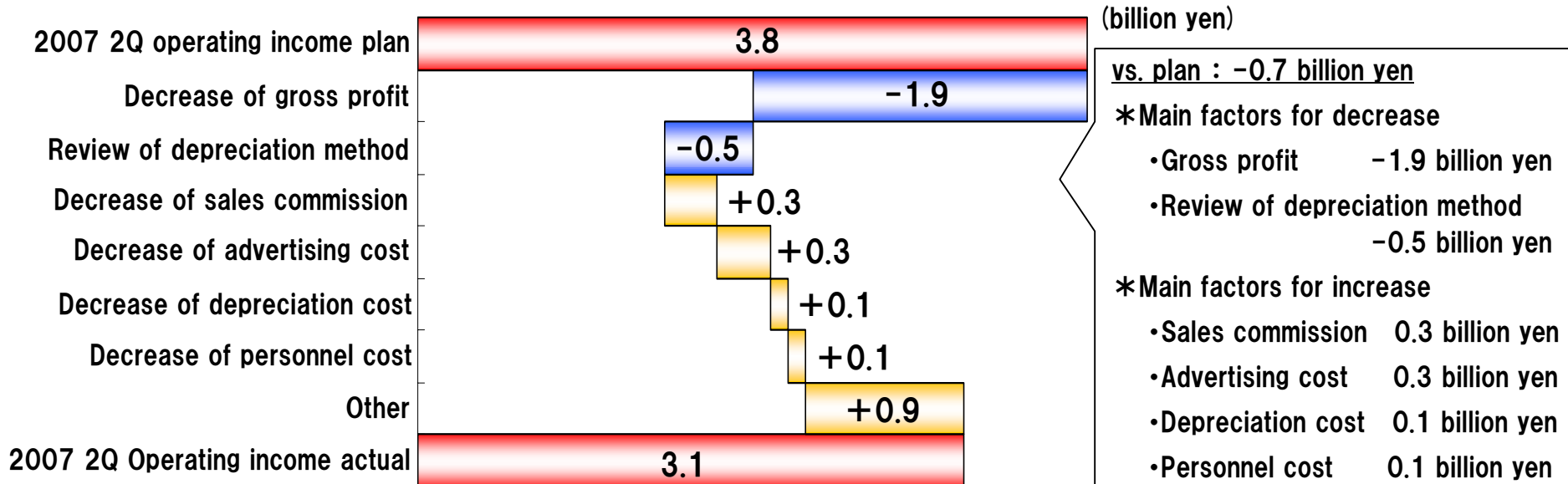
		Revenues
CCWJ	Sales volume (-16,000 C/S)	-32
	Sales mix	-891
	subtotal	-923
Kinki	Sales volume (-604,000 C/S)	-1,217
	Sales mix	-830
	subtotal	-2,047
Mikasa	Sales volume (+16,000 C/S)	32
	Sales mix	-167
	subtotal	-135
Decrease in profit from toll fee		-448
Other		117
Total		-3,436

# 2Q Gross Profit Change Factors (vs. plan)



(million yen)		Revenues	COGS	Gross Profit
CCWJ	Sales volume (-16,000c/s)	-32	-18	-14
	Sales mix	-891	-468	-423
	subtotal	-923	-486	-437
Kinki	Sales volume (-604,000c/s)	-1,217	-598	-619
	Sales mix	-830	-373	-457
	subtotal	-2,047	-971	-1,076
Mikasa	Sales voume (+16,000c/s)	32	17	15
	Sales mix	-167	-81	-86
	subtotal	-135	-64	-71
Decrease in profit from toll fee		-448	-289	-159
Impact on other group companies, etc		117	188	-71
Other			100	-100
Total		-3,436	-1,522	-1,914

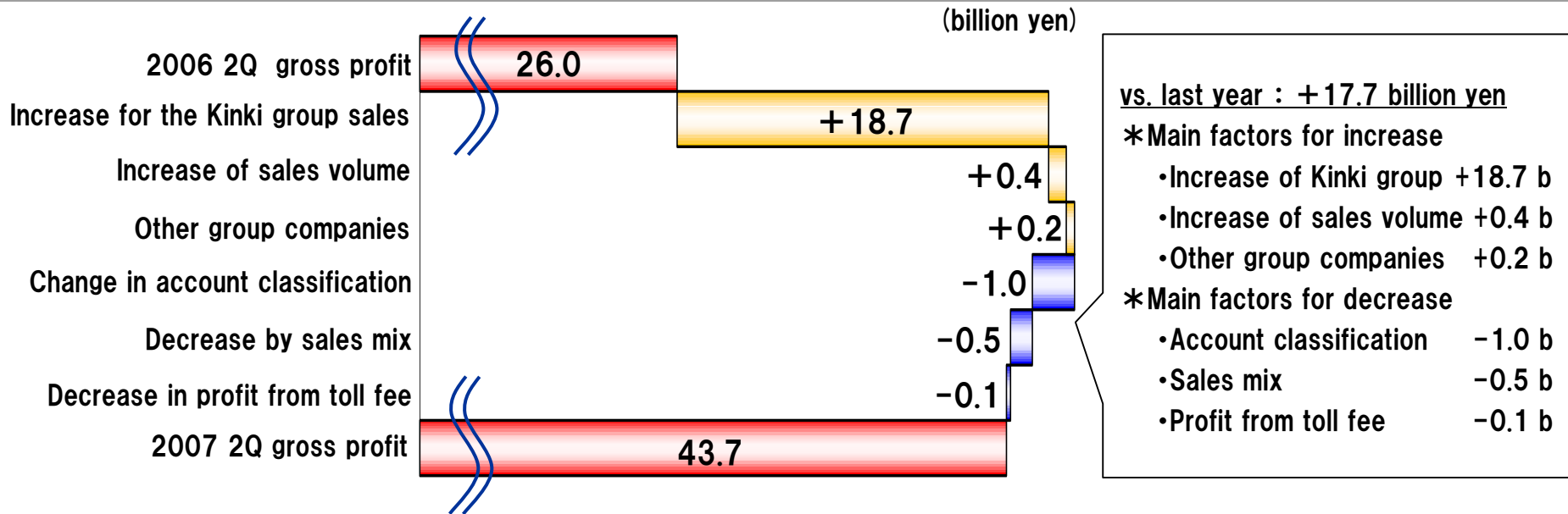
# 2Q Operating income Change Factors (vs. plan)



(million yen)

Main factors for change		change
Decrease of gross profit		-1,914
CCWJ	SG&A	614
Kinki	"	611
Mikasa	"	93
Review of depreciation method		-461
Other		365
Total		-692

# 2Q Gross Profit Change Factors (vs. last year)

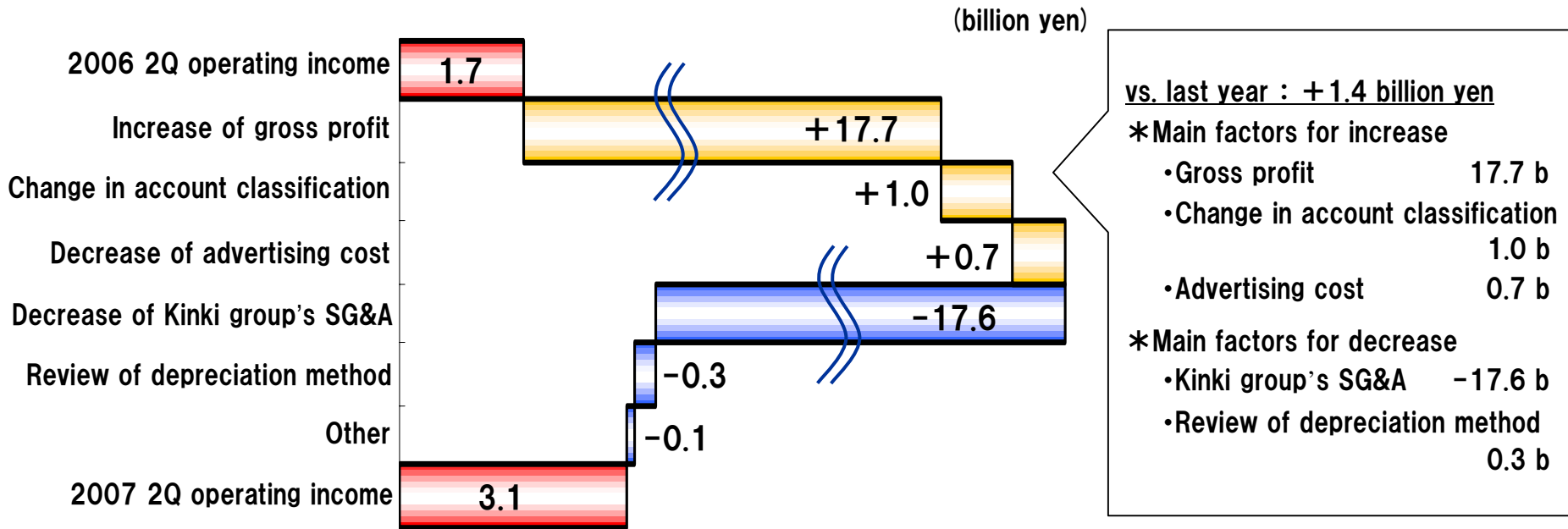


(million yen)

		Revenues	COGS	Gross profit
Increase of Kinki group sales		42,825	24,087	18,738
CCWJ	Sales volume (+335,000 C/S)	680	379	301
	Sales mix	-891	-447	-444
	subtotal	-211	-68	-143
Mikasa	Sales volume (+114,000 C/S)	220	113	107
	Sales mix	-99	-87	-12
	subtotal	121	26	95
Change in account classification		93	1,127	-1,034
Decrease in profit from toll fee		-118	-55	-63
Other group companies, etc		280	58	222
Other			72	-72
<b>Total</b>		<b>42,990</b>	<b>25,247</b>	<b>17,743</b>



# 2Q Operating income Change Factors (vs. last year)



(million yen)

Main factors for change		Change
Increase of gross profit		17,743
Kinki group's SG&A		-17,618
(* Impact on review of depreciation method -144)		
CCWJ	SG&A	708
Mikasa	"	45
Change in account classification		1,034
Review of depreciation method		-317
Other		176
<b>Total</b>		<b>1,419</b>

# Reference: 2Q Results

## In case of adding ex-Kinki group's actual

(million yen expect %)	2006 2Q actual ※1	2007 2Q		
		actual	vs. last year	
			Change	%
Revenues	103,512	102,963	-548	-0.5
Cost of goods sold	59,588	59,277	-310	-0.5
Gross profit	43,924	43,685	-238	-0.5
SG&A	41,490	40,578	-911	-2.2
Operating income	2,434	3,107	673	27.7
Non-operating income	600	759	159	26.5
Non-operating expenses	408	269	-138	-33.9
Recurring income	2,626	3,596	970	36.9
Extraordinary income	-	59	59	-
Extraordinary losses	1,867	506	-1,360	-72.8
Income before income taxes, minority interests	759	3,148	2,389	314.8
Income taxes	243	1,236	993	408.9
Minority interests	0	1	1	-
Net income	515	1,910	1,394	270.7

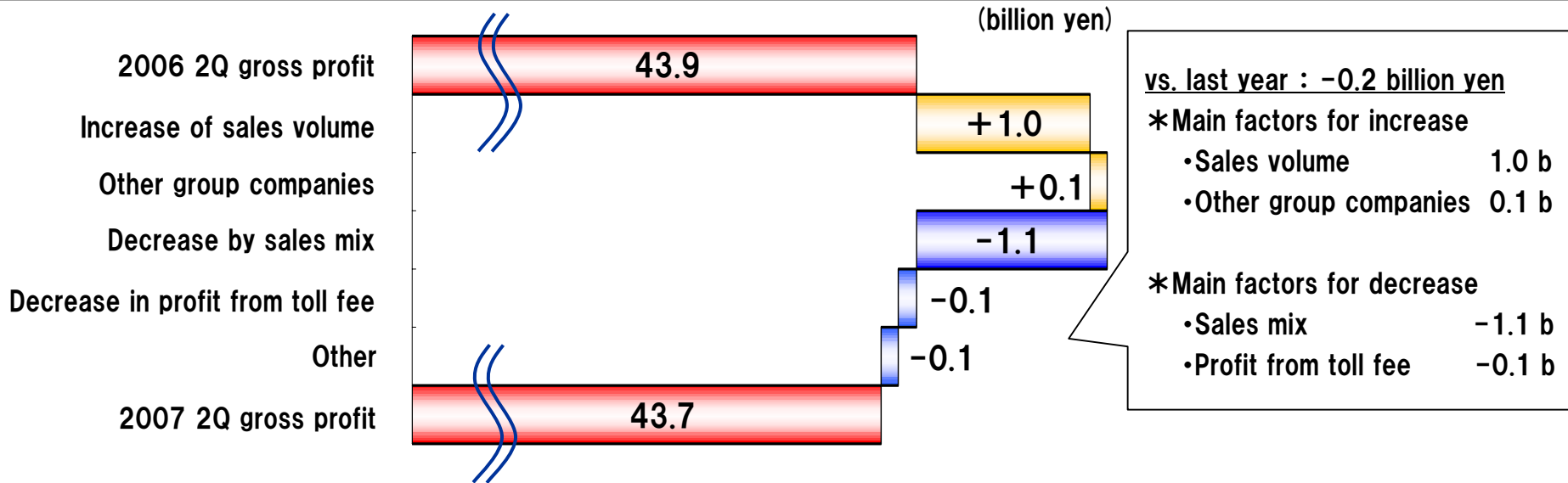
<In case of not reviewing of depreciation method>

※1 2006 2Q actual is adjusted based on a total of ex-CCWJ and ex-Kinki CCBC, eliminating inter-company transaction.

	2Q 2006 actual ※1	2Q 2007			Impact on review of depreciation method : -468 million yen
		actual	vs. last year		
			change	%	
Operating income	2,434	3,575	1,141	46.9	
Recurring income	2,626	4,064	1,438	54.8	

# Reference: 2Q Results – Gross Profit Changes Factors

## In case of adding ex-Kinki group's actual

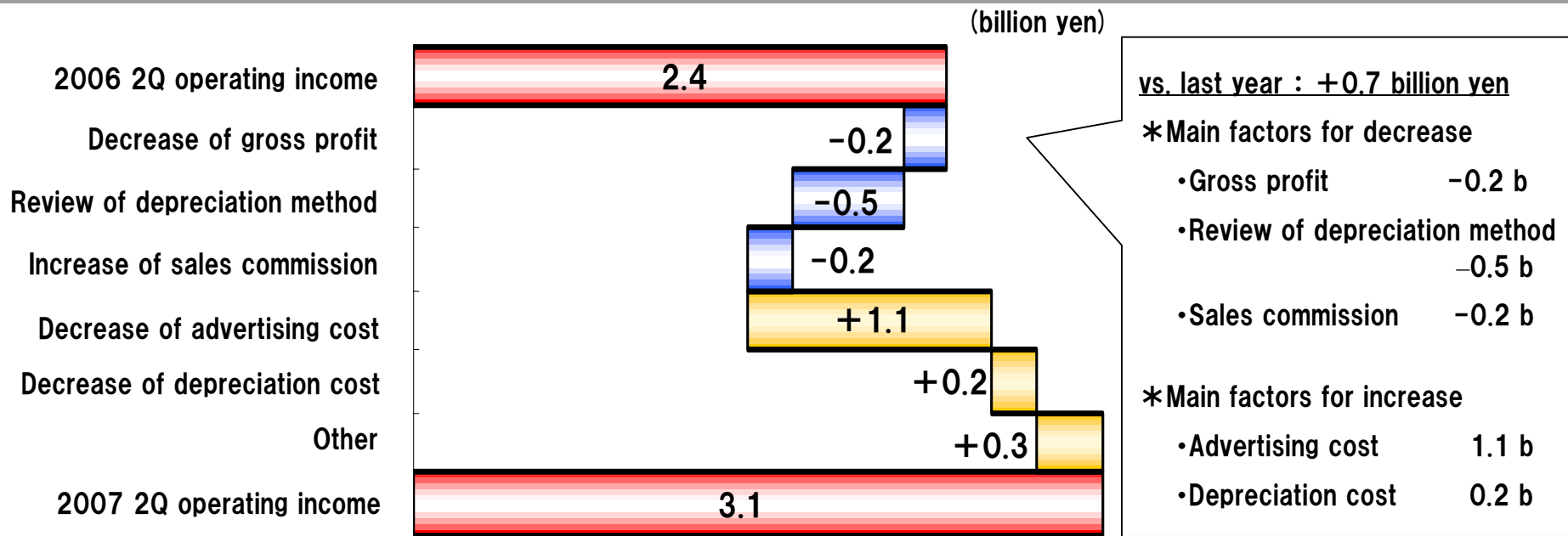


(million yen)

		Revenues	COGS	Gross profit
CCWJ	Sales volume (+335,000 C/S)	680	379	301
	Sales mix	-891	-447	-444
	subtotal	-211	-68	-143
Kinki	Sales volume (+606,000 C/S)	1,216	595	621
	Sales mix	-1,119	-435	-684
	subtotal	97	160	-63
Mikasa	Sales volume (+114,000 C/S)	220	113	107
	Sales mix	-99	-87	-12
	subtotal	121	26	95
Decrease in profit from toll fee		-227	-79	-148
Other group companies, etc		-328	-426	98
Other			77	-77
Total		-548	-310	-238

# Reference: 2Q Results – Operating Income Changes Factors

## In case of adding ex-Kinki group's actual



(million yen)

Main factors for change		Change
Decrease of gross profit		-238
CCWJ	SG&A	708
Kinki	"	637
Mikasa	"	45
Impact on review of depreciation method		-461
Other		-18
Total		673

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## II. 1H Results

# 1H Highlights – Sales Volume

(thousand cases except %)

2006 1H actual ※1	2007 1H					
	plan ※2	actual	vs. plan		vs. last year	
			change	%	change	%
84,832	86,898	86,532	-366	-0.4	+1,701	+2.0

※1 The actual figure is the total of CCWJ, Kinki CCBC, Mikasa CCBC actual.

※2 The above plan is based on the performance forecast announced as of Feb 7, 2007.

## Actual sales volume by brand

(thousand cases, %)

		2007 1H					
		actual ※	vs. plan		vs. last year		
			change	%	change	%	
C o r e	Coca-Cola	7,387	+526	+7.7	+616	+9.1	
	Georgia	21,125	-557	-2.6	+1	+0.0	
	Soukenbicha	6,843	+329	+5.1	+405	+6.3	
	Aquarius	7,810	-369	-4.5	+110	+1.4	
Priority		5,984	+706	+13.4	+2,003	+50.3	
Complement		11,988	-1,445	-10.8	-1,395	-10.4	
Other		25,395	+444	+1.8	-40	-0.2	
Total		86,532	-366	-0.4	+1,701	+2.0	

## Actual sales volume by channel

(thousand cases, %)

		2007 1H					
		actual ※	vs. plan		vs. last year		
			change	%	change	%	
Vending		28,015	-385	-1.4	+36	+0.1	
Chain Store		17,222	-91	-0.5	+1,091	+6.8	
CVS		8,751	-377	-4.1	+6	+0.1	
Retail		12,080	+47	+0.4	-561	-4.4	
Food Service		8,345	+291	+3.6	+518	+6.6	
Distributor		788	+15	+1.9	+13	+1.7	
Other		11,331	+134	+1.2	+596	+5.6	
Total		86,532	-366	-0.4	+1,701	+2.0	

※ The actual figure is the total of CCWJ, Kinki CCBC, Mikasa CCBC actual.

\*Priority brand : Sprite, Karada Meguricha, Mineral Water, Minute Maid

\*Complement brand : Hajime, Fanta, Qoo, Koucha Kaden, Canada Dry,

Hung Oolong Tea

When the influence accompanying CCWJ/NNB enterprise adjustment (\*) is removed,

CCWH Vending (vs.ly) : +5.8%

\*CCWJ/NNB enterprise adjustment :

transferred CCWJ's cup machines to NNB

transferred NNB's Coca-Cola vending machines to CCWJ

(Sales volume of NNB is accounted in 'Other' section)

# 1H Highlights – Consolidated P/L

(million yen except %)	1H 2006 actual ※1	1H 2007					
		plan ※2	actual	vs. plan		vs. last year	
				change	%	change	%
Revenues	111,693	195,500	192,866	-2,633	-1.3	81,173	72.7
Cost of goods sold	62,484	110,700	110,082	-617	-0.6	47,598	76.2
Gross profit	49,208	84,800	82,783	-2,016	-2.4	33,574	68.2
SG&A	46,079	80,500	78,646	-1,853	-2.3	32,566	70.7
Operating income	3,129	4,300	4,137	-162	-3.8	1,007	32.2
Non-operating income	696	900	1,224	324	36.1	527	75.8
Non-operating expenses	361	500	510	10	2.1	148	41.1
Recurring income	3,464	4,700	4,851	151	3.2	1,387	40.0
Extraordinary income	-	300	277	-22	-7.6	277	-
Extraordinary losses	119	300	542	242	80.7	422	354.2
Income before income taxes, minority interests	3,345	4,700	4,586	-113	-2.4	1,241	37.1
Income taxes	1,709	2,000	1,892	-107	-5.4	182	10.7
Minority interests	-94	-	3	3	-	97	-
Net income	1,729	2,700	2,690	-9	-0.3	961	55.6

※1 The above actual figure is ex-CCWJ group's (consolidated) actual.

※2 The above plan is based on the performance forecast announced as of Feb 7, 2007.

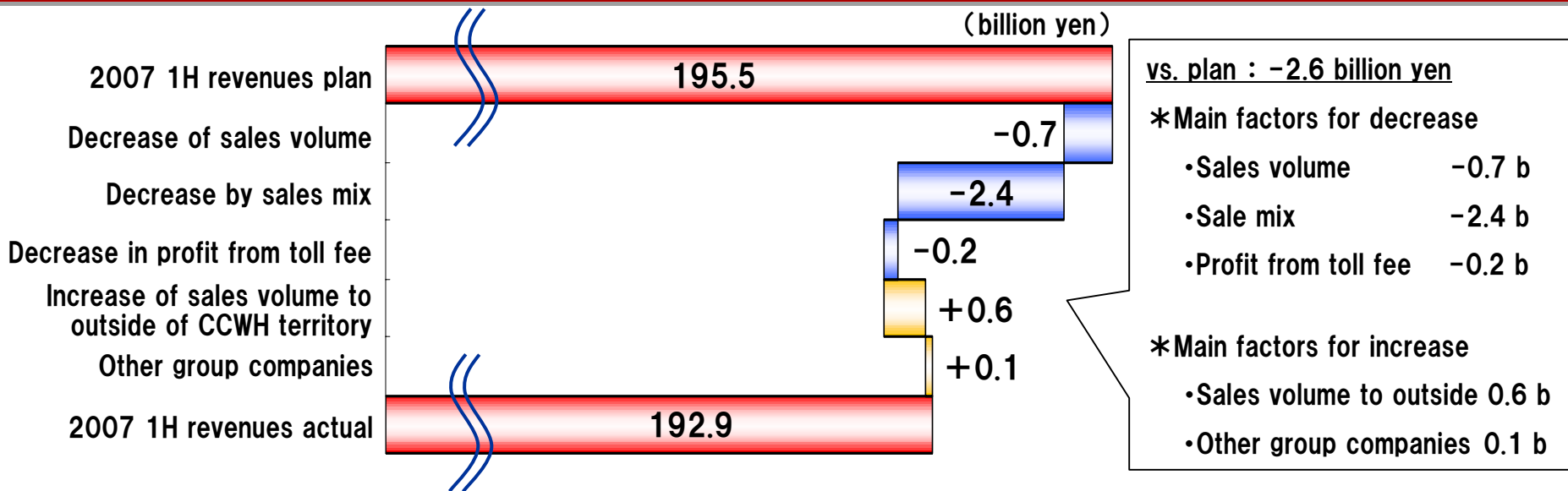
**Impact on Minami Kyushu CCBC: +154 million yen**

<Ref. : In case of not reviewing of depreciation method>

	1H 2006 actual ※1	1H 2007					
		plan ※2	actual	vs. plan		vs. last year	
				change	%	change	%
Operating income	3,129	4,300	4,606	306	7.1	1,476	47.2
Recurring income	3,464	4,700	5,320	620	13.2	1,855	53.6

**Impact on review  
of depreciation  
method :  
-468 million yen**

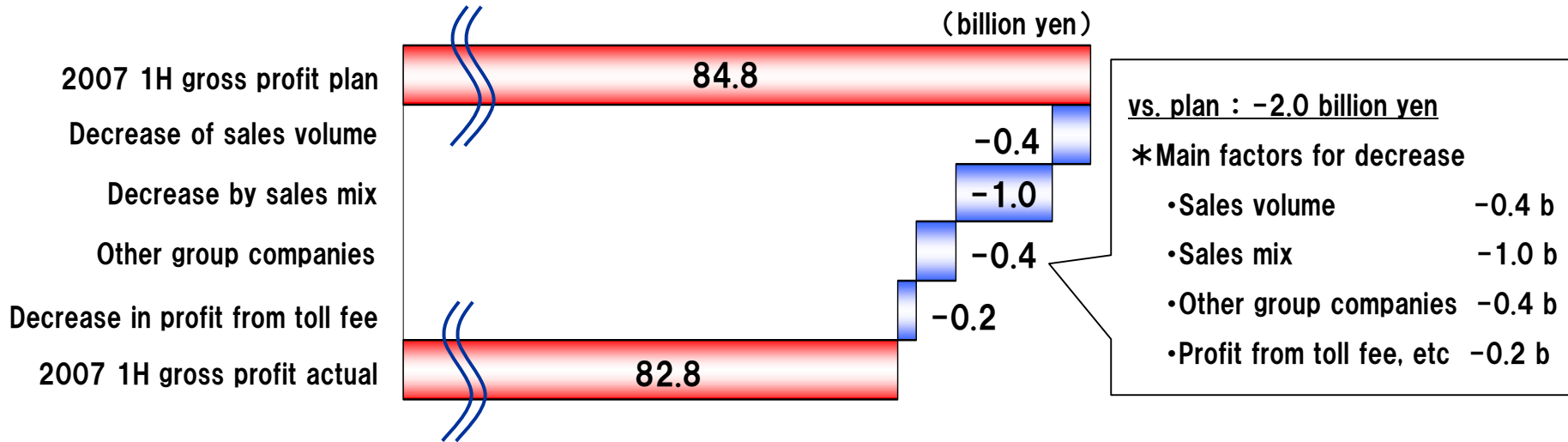
# 1H Revenues Change Factors (vs. plan)



(million yen)		Revenues
CCWJ	Sales volume (+105,000 C/S)	217
	Sales mix	-1,040
	Subtotal	-823
Kinki	Sales volume (-463,000 C/S)	-932
	Sales mix	-1,113
	Subtotal	-2,045
Mikasa	Sales volume (-8,000 C/S)	-16
	Sales mix	-210
	Subtotal	-226
Decrease in profit from toll fee		-236
Increase of sales volume to outside of territory		623
Other group companies, etc		74
Total		-2,633



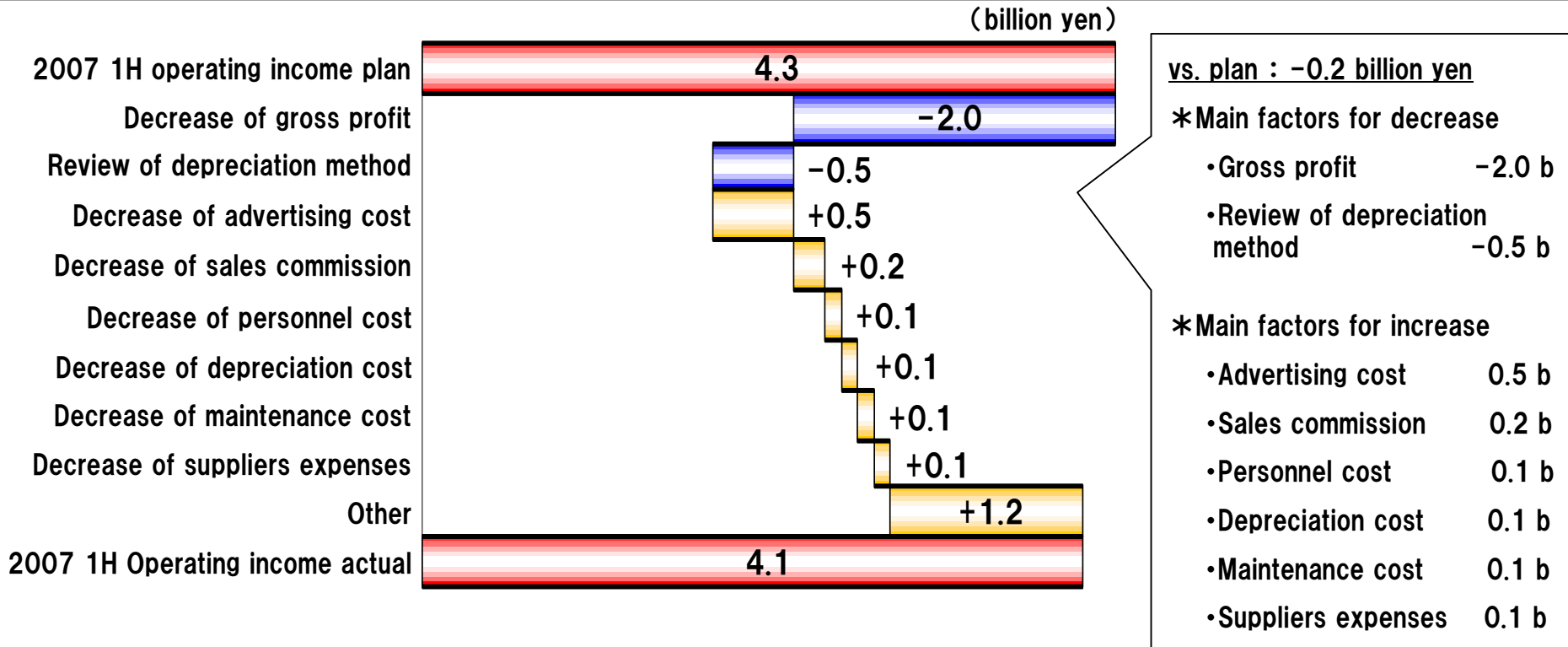
# 1H Gross Profit Change Factors (vs. plan)



(million yen)

		Revenues	COGS	Gross profit
CCWJ	Sales volume (+105,000 C/S)	217	116	101
	Sales mix	-1,040	-707	-333
	Subtotal	-823	-591	-232
Kinki	Sales volume (-463,000 C/S)	-932	-457	-475
	Sales mix	-1,113	-565	-548
	Subtotal	-2,045	-1,022	-1,023
Mikasa	Sales volume (-8,000 C/S)	-16	-8	-8
	Sales mix	-210	-86	-124
	Subtotal	-226	-94	-132
Decrease in profit from toll fee		-236	-84	-152
Sales volume to outside of CCWH territory		623	587	36
Other group companies, etc		74	444	-370
Other			143	-143
Total		-2,633	-617	-2,016

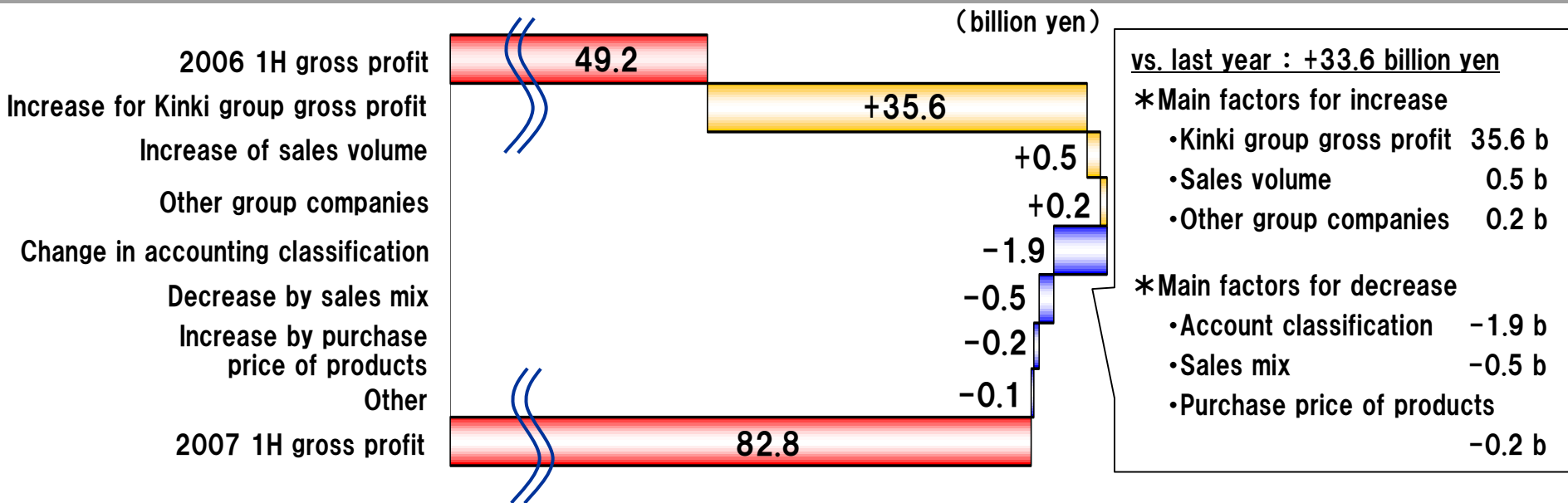
# 1H Operating Income Change Factors (vs. plan)



(million yen)

Main factors for change		Change
Decrease of gross profit		-2,016
CCWJ	SG&A	935
Kinki	"	665
Mikasa	"	160
Impact on review of depreciation method		-461
Other		555
<b>Total</b>		<b>-162</b>

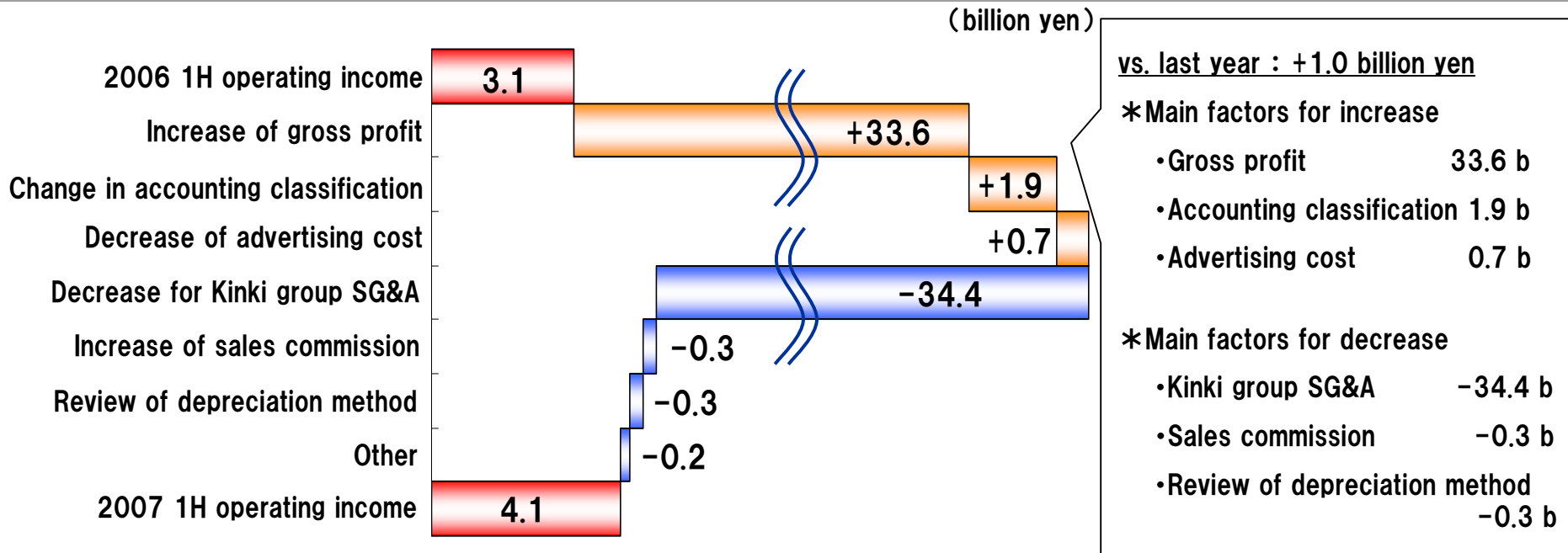
# 1H Gross Profit Change Factors (vs. last year)



(million yen)

		Revenues	COGS	Gross profit
Kinki group gross profit		80,601	45,029	35,572
CCWJ	Sales volume (+379,000 C/S)	780	433	347
	Sales mix	-1,167	-748	-419
	subtotal	-387	-315	-72
Mikasa	Sales volume (+131,000 C/S)	253	130	123
	Sales mix	-119	-67	-52
	subtotal	134	63	71
Change in accounting classification		202	2,103	-1,901
Increase of purchase price of products			202	-202
Other group companies		520	367	152
Increase in profit from toll fee		103	50	53
Other			99	-99
Total		81,173	47,598	33,574

# 1H Operating Income Change Factors (vs. last year)



(million yen)

Main factors for change	Change	
Increase of gross profit	33,574	
Kinki group SG&A	-34,423	
(*Review of depreciation method -144)		
CCWJ	SG&A	328
Mikasa	"	105
Change in accounting classification	1,901	
Review of depreciation method	-317	
Other	-161	
<b>Total</b>	<b>1,007</b>	

# Reference: 1H Results

## In case of adding ex-Kinki group's actual

(million yen expect %)	2006 1H actual ※1	2007 1H		
		actual	vs. last year	
			change	%
Revenues	192,324	192,886	542	0.3
Cost of goods sold	109,227	110,082	855	0.8
Gross profit	83,096	82,783	-313	-0.4
SG&A	79,360	78,646	-714	-0.9
Operating income	3,736	4,137	401	10.7
Non-operating income	1,092	1,224	132	12.1
Non-operating expenses	790	510	-280	-35.4
Recurring income	4,038	4,851	813	20.1
Extraordinary income	-	277	277	-
Extraordinary losses	2,056	542	-1,514	-73.6
Income before income taxes, minority interests	1,982	4,586	2,604	131.4
Income taxes	959	1,892	933	97.3
Minority interests	2	3	0	30.9
Net income	1,020	2,690	1,670	163.8

<In case of not reviewing of depreciation method>

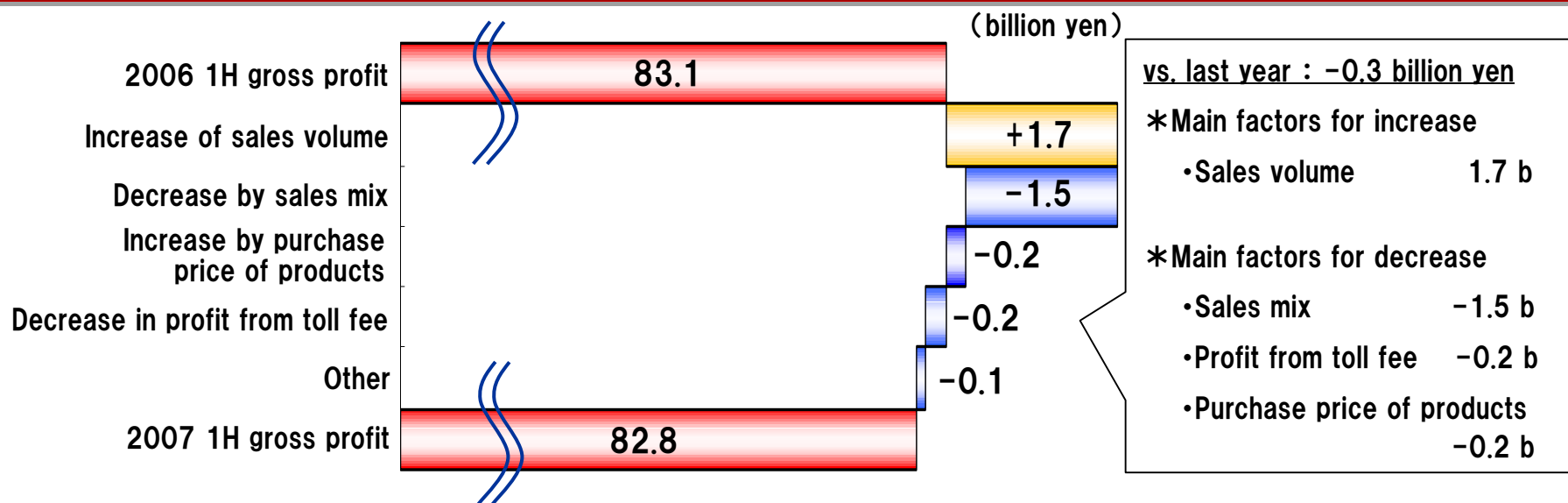
※1 2006 1H actual is adjusted based on a total of ex-CCWJ and ex-Kinki CCBC, eliminating inter-company transaction.

	2006 1H actual ※1	2007 1H		
		actual	vs. last year	
			change	%
Operating income	3,736	4,606	869	23.3
Recurring income	4,038	5,320	1,282	31.7

Impact on review  
of depreciation  
method :  
-468 million yen

# Reference: 1H Results – Gross Profit Changes Factors

## In case of adding ex-Kinki group's actual

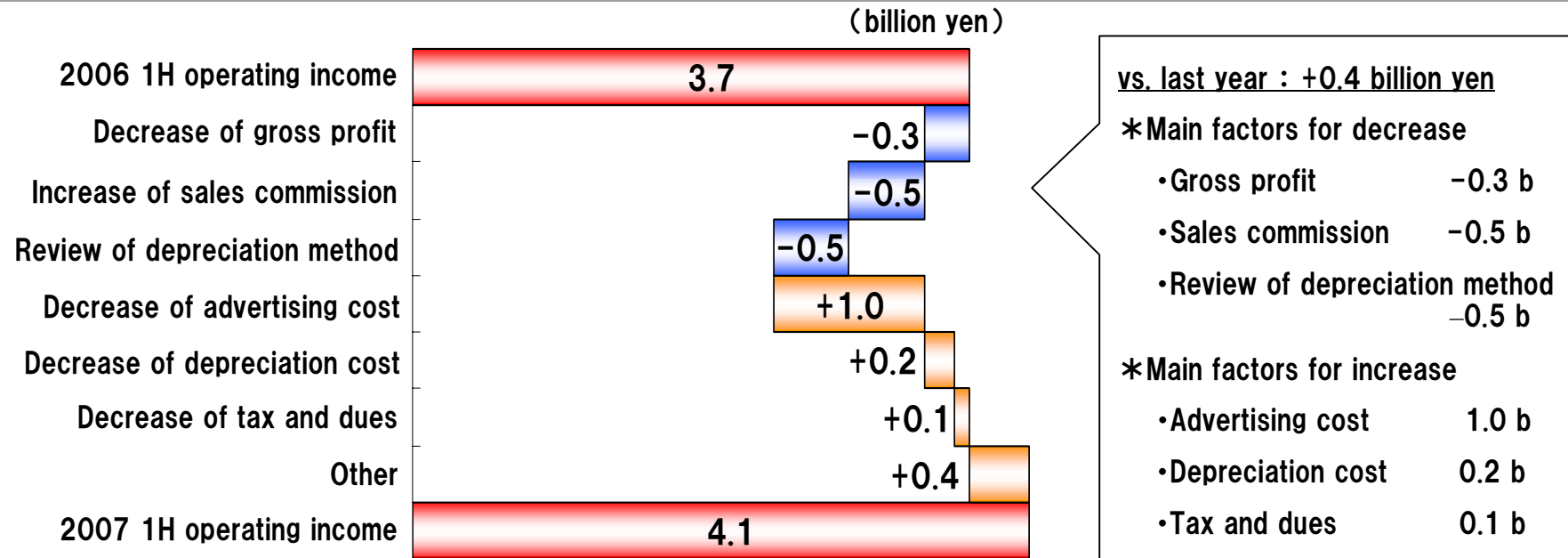


(million yen)

		Revenues	COGS	Gross profit
CCWJ	Sales volume (+379,000 C/S)	780	433	347
	Sales mix	-1,167	-748	-419
	Subtotal	-387	-315	-72
Kinki	Sales volume (+1,191,000 C/S)	2,390	1,159	1,231
	Sales mix	-1,387	-353	-1,034
	Subtotal	1,003	806	197
Mikasa	Sales volume (+131,000 C/S)	253	130	123
	Sales mix	-119	-67	-52
	Subtotal	134	63	71
Increase of purchase price of products			213	-213
Decrease in profit from toll fee		-175	22	-197
Other group companies, etc		-33	-73	40
Other			139	-139
Total		542	855	-313

# Reference: 1H Results – Operating Income Changes Factors

## In case of adding ex-Kinki group's actual



(million yen)

Main factors for change		Change
Decrease of gross profit		-313
CCWJ	SG&A	328
Kinki	"	530
Mikasa	"	105
Impact on review of depreciation method		-461
Other		212
<b>Total</b>		<b>401</b>

# Review of depreciation method

## 《Background》

- Drastic review of depreciation system was performed as revision of tax system in 2007.

Purpose: Environmental improvement for promoting business investment ⇒

Activation of corporate activity ⇒ Economic growth

(Point of depreciation tax system revision)

### ① Property acquired after this April

- New way of depreciation (new constant percentage method/new constant dollar plan) with early speed of depreciation is applicable.

- It is possible to depreciate to 1 yen (the former: to 95% of an acquisition price)

### ② Existing assets can also be depreciated to 1 yen.

(After depreciated to 95% of an acquisition price, it's possible to depreciate to 1 yen in five years)

examined and reviewed CCW group's appropriate depreciation method due to this revision of tax system method

## 《Contents of the review of depreciation method》

Adopt new way of depreciation by revision of tax system in order to perform early recovery of invested capital and strengthen a financial condition.

- ◆ Adopt new constant percentage method in terms of property acquired after this April, excluding sales equipment.

- ◆ Adopt new constant dollar plan in terms of sales equipment which is specific and important property in our business in order to rationalize the correspondence relation between profit and cost.

- adopt new constant dollar plan in all the sales equipment held at the beginning of period.

- depreciate to 1 yen in three years with constant dollar plan in terms of sales equipment which has already depreciated to 95% of an acquisition price.



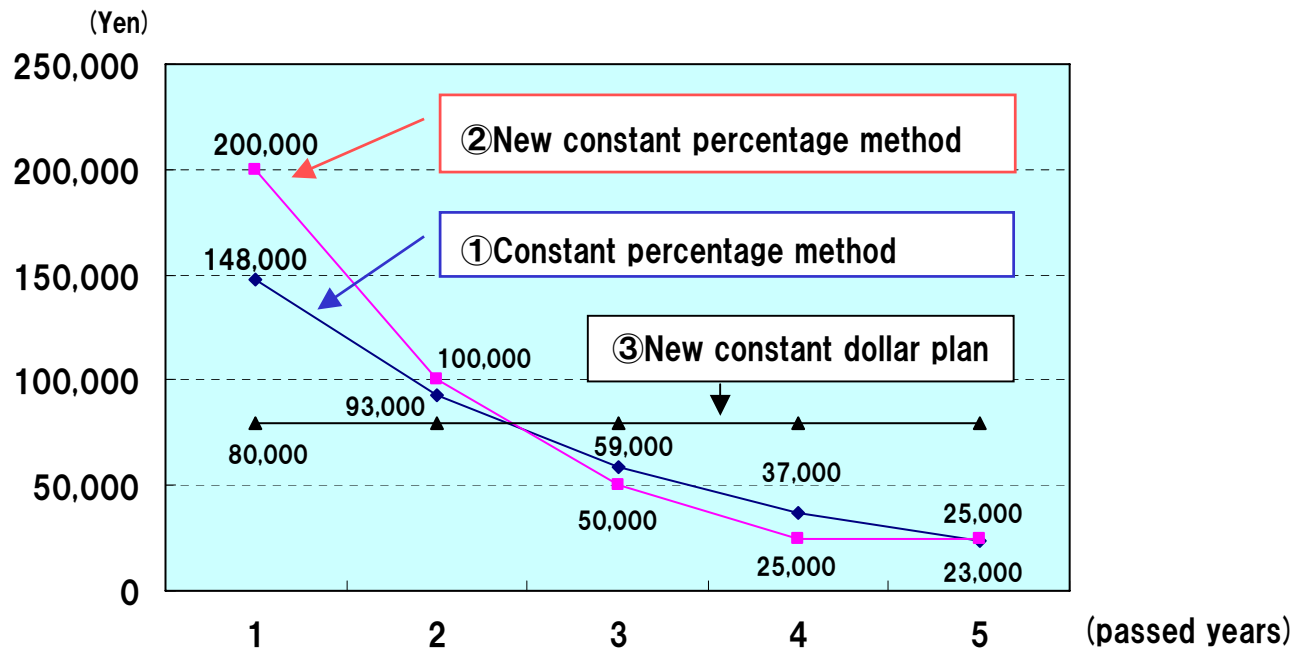
# The reason why we adopt new constant dollar plan in sales equipment

**Reason: rationalize the correspondence relation between revenues and cost.**

## <Correspondence relation between revenues and profit>

Relation between depreciation of vending machine (costs 400,000 yen) and revenues

- Revenues are stable around 1,000,000 yen every year.
- Depreciation :



# Impact on review of depreciation method

## <Results>

	(million yen)				
	2007	2008	2009	2010	2011
<b>Depreciation cost before the review ①</b>	<b>21,043</b>	<b>20,530</b>	<b>20,370</b>	<b>20,824</b>	<b>20,735</b>
Assets except sales equipment	7,955	8,058	8,124	8,635	8,668
Sales equipment	13,088	12,472	12,246	12,189	12,067
<b>Depreciation cost after the review ②</b>	<b>20,360</b>	<b>20,260</b>	<b>20,824</b>	<b>21,708</b>	<b>21,975</b>
Assets except sales equipment	8,118	9,003	9,214	9,783	9,897
Sales equipment	12,242	11,257	11,610	11,925	12,078
<b>Impact to operating income ①-②</b>	<b>683</b>	<b>270</b>	<b>-454</b>	<b>-884</b>	<b>-1,240</b>
Assets except sales equipment	-163	-945	-1,090	-1,148	-1,229
Sales equipment	846	1,215	636	264	-11

- Operating income increase due to the decrease of depreciation cost of sales equipment fiscal year 2007.  
⇒ Impact to operating income : +683 million yen (1H: -468 million yen/2H: +1,151 million yen)
- Depreciation cost after fiscal year of 2011 will increase around 1.2 billion yen compare to 2007.

## <Cash flows>

	(million yen)				
	2007	2008	2009	2010	2011
<b>Change of cash flows</b>	<b>-1,122</b>	<b>-572</b>	<b>-1,013</b>	<b>541</b>	<b>951</b>

- CCWH will get merit due to reviewing of depreciation method after fiscal year of 2010.

---

## III. 2H Business Plan

# 2H Performance Projections

## <Sales volume>

(thousand cases except %)

	2006 2H actual	2007 2H		
		plan	vs. last year	
			change	%
CCWH	97,375	100,309	2,934	+3.0

## <Consolidated P/L>

(million yen except %)

	2006 2H actual	2007 2H					
		initial plan	new plan	vs. initial plan		vs. last year	
				change	%	change	%
Revenues	216,128	220,200	219,800	-400	-0.2	3,672	1.7
Gross profit	92,347	95,200	94,000	-1,200	-1.3	1,653	1.8
Operating income	9,191	10,200	10,800	600	5.9	1,609	17.5
Recurring income	9,760	10,600	11,400	800	7.5	1,640	16.8
Net income	5,840	6,200	6,700	500	8.1	860	14.7

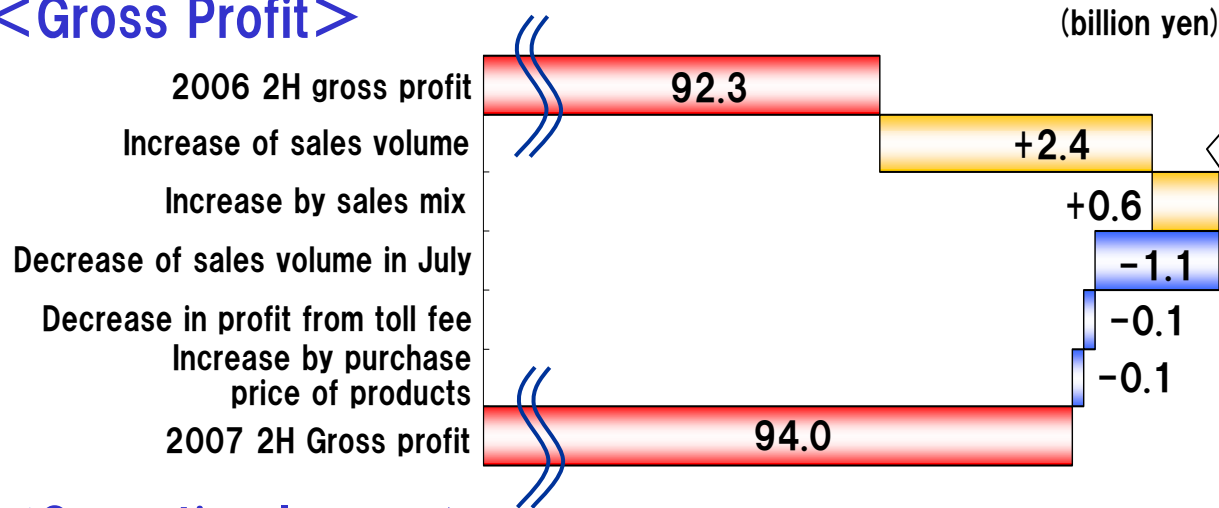
Impact on Minami Kyushu CCBC: +365 million yen

<Ref. : In case of not reviewing of depreciation method> Impact on review of depreciation method: +1,151 million yen

	2006 2H actual	2007 2H					
		initial plan	new plan	vs. initial plan		vs. last year	
				change	%	change	%
Operating income	9,191	10,200	9,649	-551	-5.4	458	5.0
Recurring income	9,760	10,600	10,249	-351	-3.3	489	5.0

# 2H Consolidated Profit Factors (vs. last year)

## <Gross Profit>



vs. last year : +1.7 billion yen

\* Main factors for increase

Sales volume 2.4 b

Sales mix 0.6 b

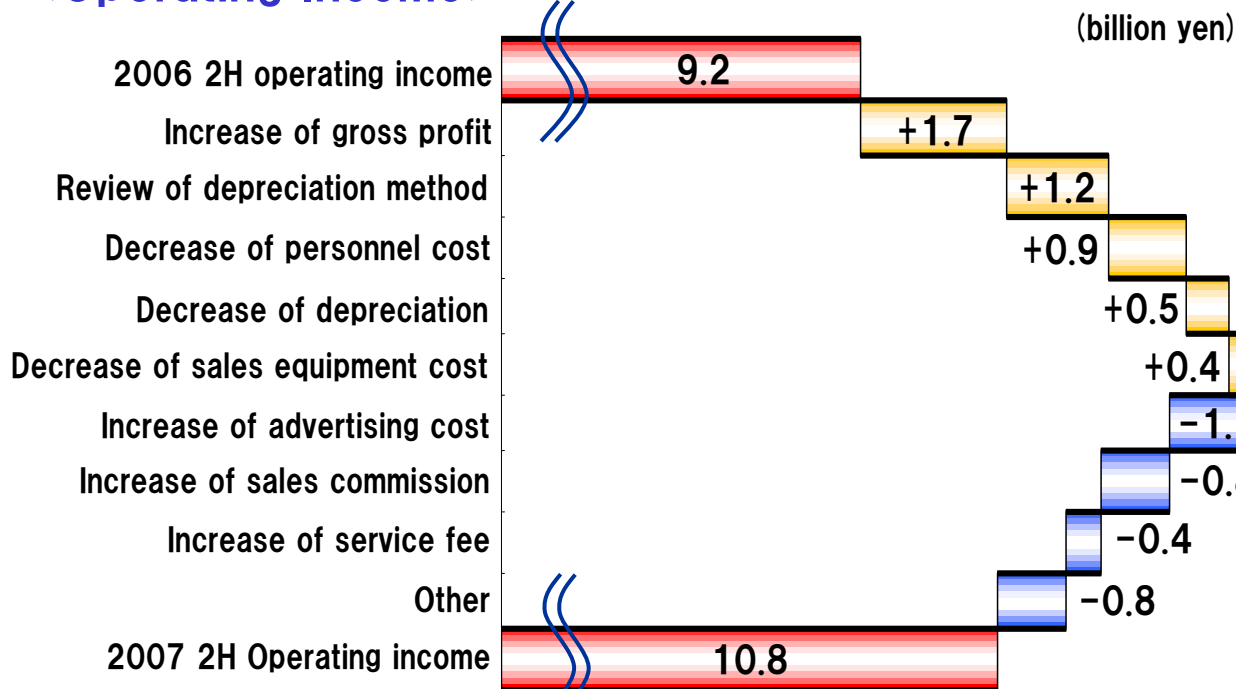
\* Main factors for decrease

Sales volume in July -1.1 b

Profit from toll fee -0.1 b

Purchase price of product -0.1 b

## <Operating Income>



vs. last year : +1.6 billion yen

\* Main factors for increase

Gross profit 1.7 b

Review of depreciation method 1.2 b

Personnel cost 0.9 b

Depreciation cost 0.5 b

Sales equipment cost 0.4 b

\* Main factors for decrease

Advertising cost -1.1 b

Sales commission -0.8 b

Service fee -0.4 b

# 2H Brand Strategy

## Sales volume plan by brand

(thousand cases except %)

		2006 2H actual	2007 2H		
			plan	vs. last year	
				change	%
C o r e	Coca-Cola	7,863	8,357	493	+6.3
	Georgia	21,542	22,683	1,141	+5.3
	Soukenbicha	8,273	8,400	127	+1.5
	Aquarius	11,598	11,797	199	+1.7
Priority		5,668	6,757	1,090	+19.2
Complement		15,034	14,588	-445	-3.0
Other		27,398	27,727	329	+1.2
Total		97,375	100,309	2,934	+3.0

\*Priority brand : Sprite, Karada Meguricha, Mineral Water, Minute Maid

\*Complement brand : Hajime, Fanta, Qoo, Koucha Kaden, Canada Dry, Hung Oolong Tea

## Activity points

- Deploy individual channel based programs focused on core brands.
- Strengthen initiatives with Georgia and HOT products.

<Core brand>

### ■ Coca-Cola TM

- ✓ Continue three-color initiative
- ✓ New promotion, Coke+iTunes, in summer

### ■ Georgia

- ✓ Launch new flavor in the beginning of September
- ✓ Strengthen Georgia brand by autumn promotion (in October)

### ■ Soukenbicha

- ✓ Launch seasonable flavor, Autumn Venus

### ■ Aquarius

- ✓ Maximize the exposure of Aquarius at the 11th IAAF world championship in Athletics, held in Osaka
- ✓ Appeal complement flavors through the media

### ■ Other

- ✓ Launch new products in tea category

# 2H Channel Strategy

## Sales volume plan by channel

(thousand cases except %)

	2006 2H actual	2007 2H		
		plan	vs. last year	
			change	%
Vending	30,779	31,656	+877	+2.8
Chain Store	20,624	21,537	+912	+4.4
CVS	10,087	10,197	+110	+1.1
Retail	14,018	13,746	-272	-1.9
Food Service	9,305	9,952	+647	+7.0
Distributor	891	903	+12	+1.3
Other	11,669	12,317	+648	+5.5
<b>Total</b>	<b>97,375</b>	<b>100,309</b>	<b>+2,934</b>	<b>+3.0</b>

When the influence accompanying CCWJ/NNB enterprise adjustment (\*) is removed,

CCWH Vending (vs.ly): +4.7%

CCWJ Vending (vs.ly): +6.0%

\*CCWJ/NNB enterprise adjustment :

transferred CCWJ's cup machines to NNB

transferred NNB's Coca-Cola vending machines to CCWJ

(Sales volume of NNB is accounted in 'Other' section)

## Activity points

### <Sales volume by area>

(%)

	CCWJ	Kinki	Misaka
Vending	+2.2	+2.5	+9.0
Chain Store	+2.5	+8.2	-1.1

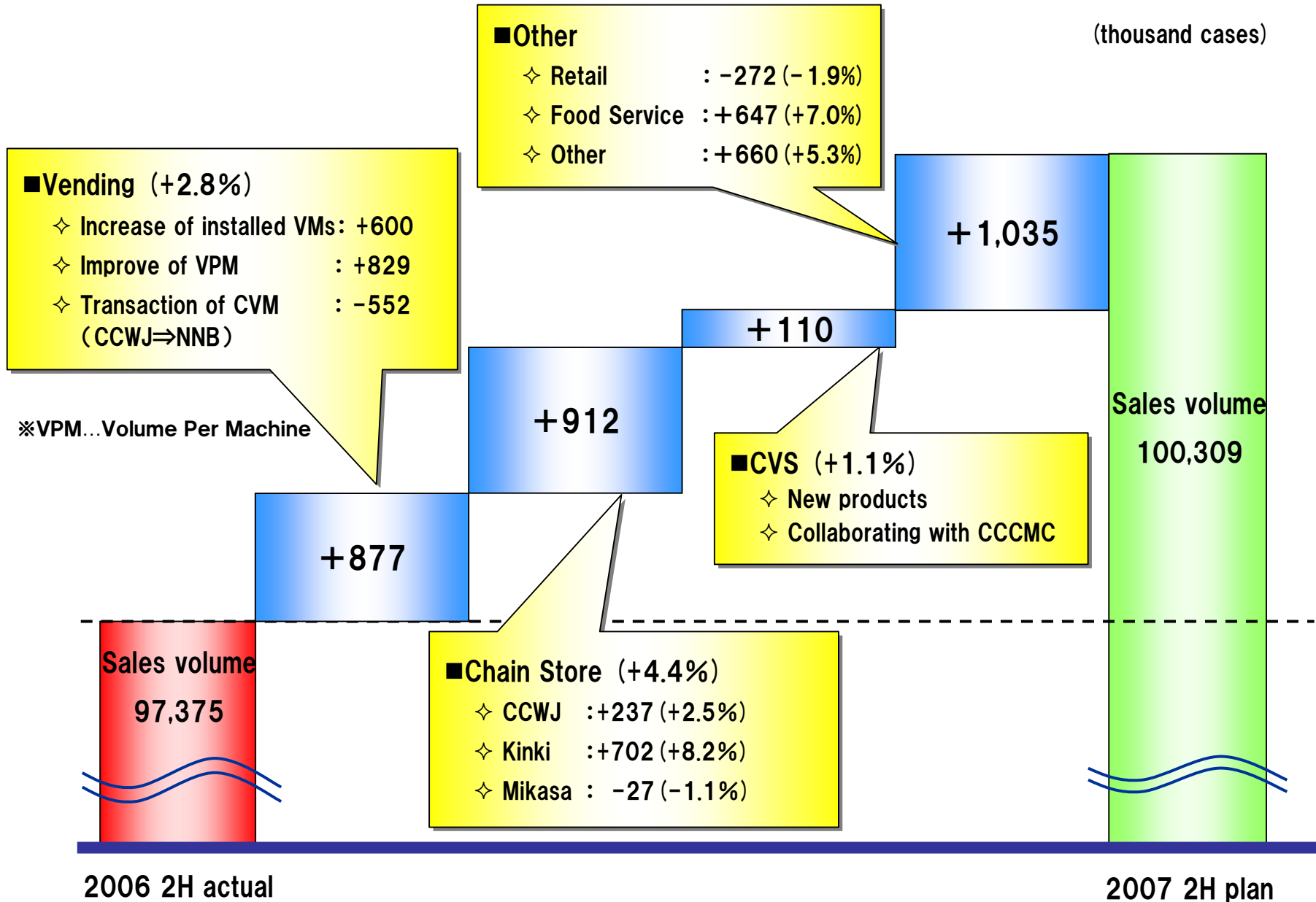
### ■ Vending

- CCWJ: Increase # of vending machine, mainly IT-enabled vending machines.  
Strengthen Merchandising based on location.
- Kinki : Decrease # of removal of vending machines.  
Secure prime locations. (generate earnings)
- Mikasa: Increase # of vending machine.  
Strengthen operations in existing locations.

### ■ Chain Store

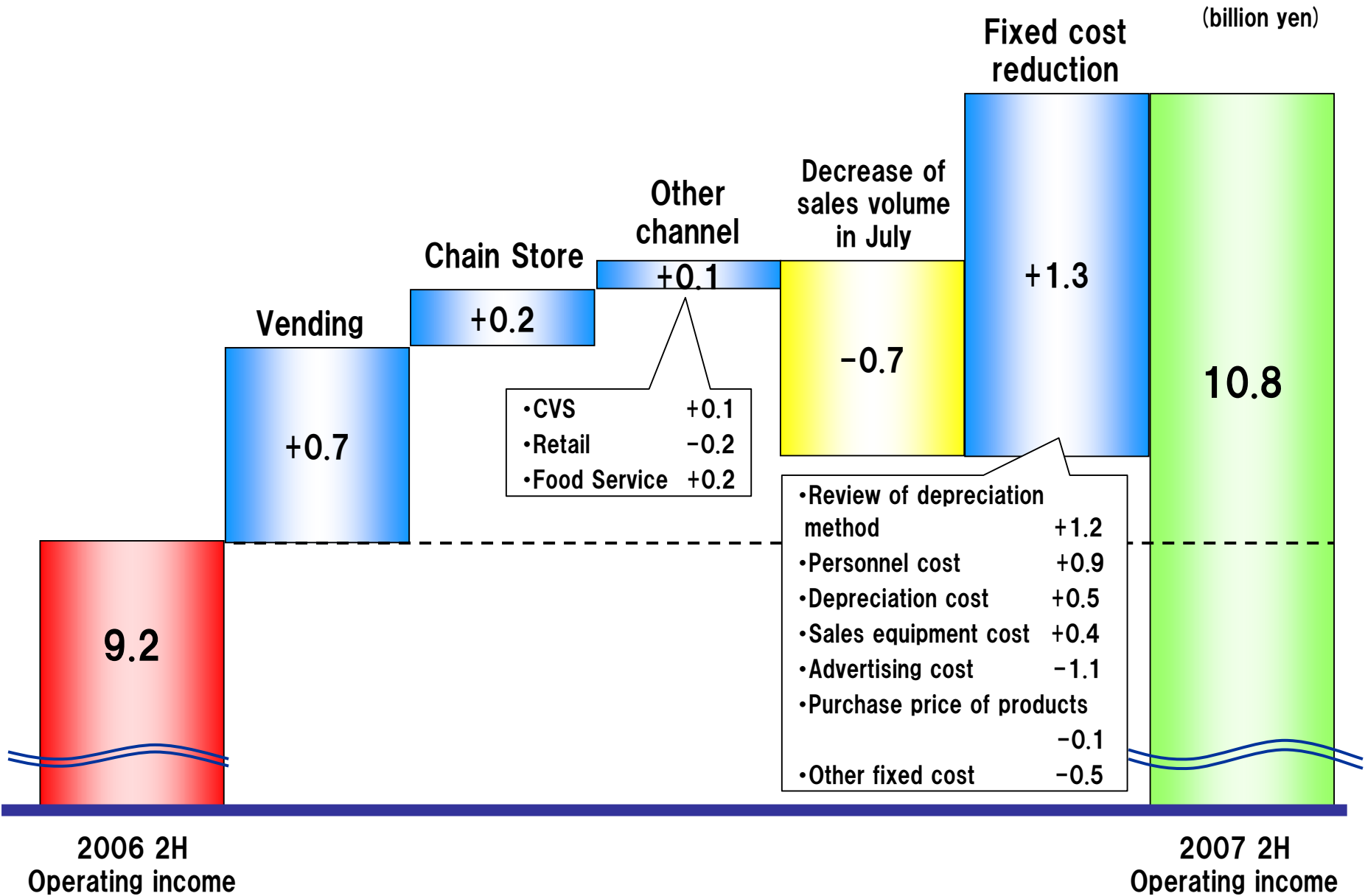
- CCWJ : Expand product lineup, mainly 500ml PET.
- Kinki : Expand retail space, mainly 500ml PET of core brands.
- Mikasa: Maximize profit by promoting of RGM.  
(Revenue Growth Management)

# 2H Scenario for Achieving Sales Volume





# 2H Scenario for Achieving Operating Income



# Performance Projections for the fiscal 2007

(million yen except %)

	2006 actual ※1	2007					
		initial plan	new plan	vs. initial plan		vs. last year	
				change	%	change	%
Revenues	327,821	415,700	412,600	-3,100	-0.7	84,778	25.9
Gross profit	141,556	180,000	176,800	-3,200	-1.8	35,244	24.9
Operating income	12,321	14,500	15,000	500	3.4	2,678	21.7
Recurring income	13,225	15,300	16,300	1,000	6.5	3,074	23.2
Net income	7,570	8,900	9,400	500	5.6	1,829	24.2

**Impact on Minami Kyushu CCBC  
: +519 million yen**

※1 2006 actual is CCWH consolidated P/L.  
(EX-CCWJ consolidated P/L (1H) + CCWH consolidated P/L (2H))

<Ref. : In case of not reviewing of depreciation method>

(million yen except %)

	2006 actual ※1	2007					
		initial plan	new plan	vs. initial plan		vs. last year	
				change	%	change	%
Operating income	12,321	14,500	14,317	-183	-1.3	1,996	16.2
Recurring income	13,225	15,300	15,617	317	2.1	2,392	18.1

**Impact on review of depreciation method: +683 million yen**

# Reference: Performance Projections for the fiscal 2007

## In case of adding ex-Kinki group's actual

(million yen except %)

	2006 actual ※	2007		
		new plan	vs. last year	
			change	%
Revenues	408,452	412,600	4,148	1.0
Gross profit	175,444	176,800	1,356	0.8
Operating income	12,927	15,000	2,073	16.0
Recurring income	13,799	16,300	2,501	18.1
Net income	6,860	9,400	2,540	37.0

※ 2006 actual are adjusted based on a total of ex-CCWJ and ex-Kinki CCBC, eliminating inter-company transaction.

<In case of not reviewing of depreciation method>

(million yen except %)

	2006 actual ※	2007		
		new plan	vs. last year	
			change	%
Operating income	12,927	14,317	1,390	10.8
Recurring income	13,799	15,617	1,818	13.2

Impact on review of depreciation method: +683 million yen

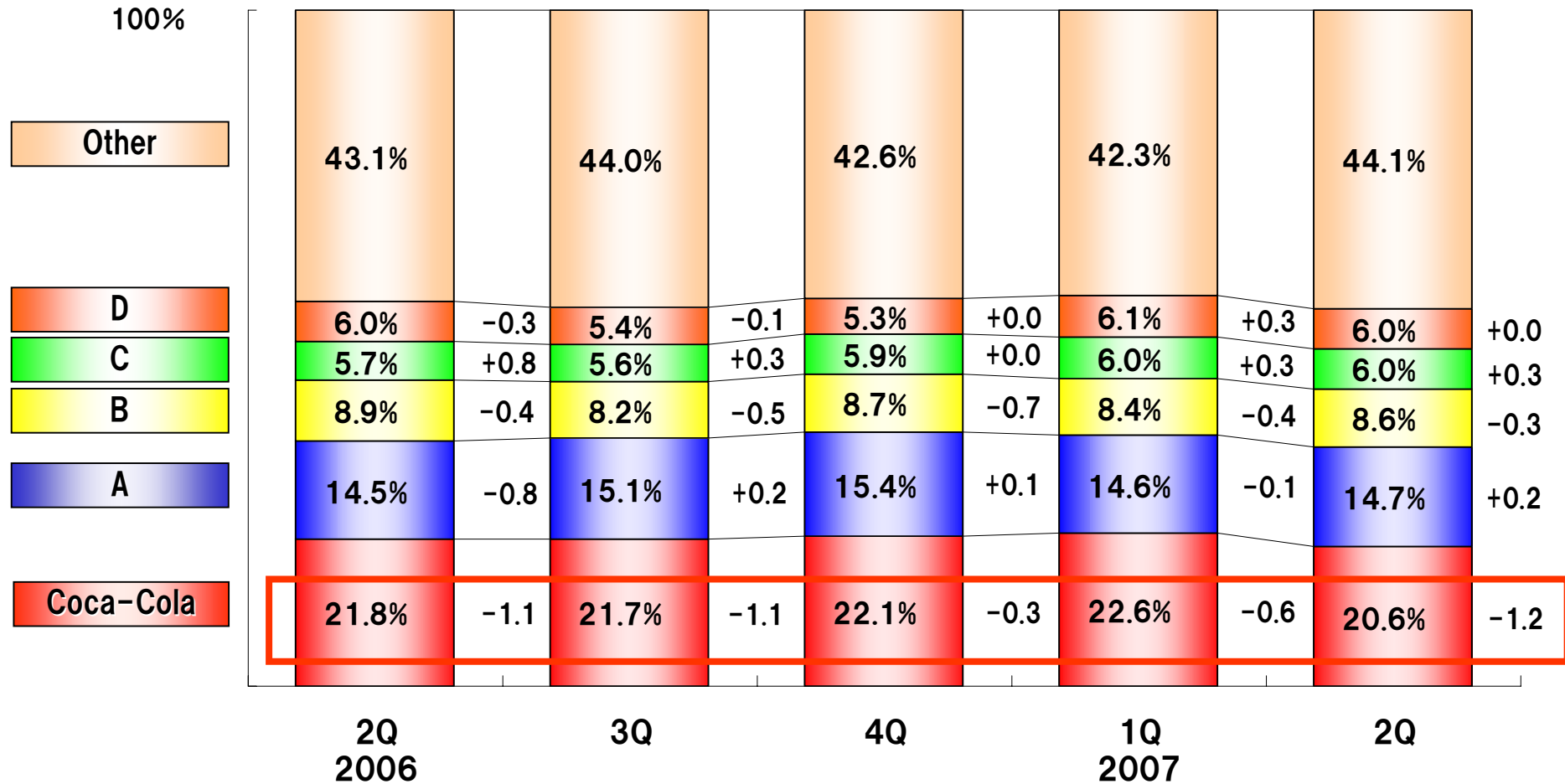
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**[ Reference ]**

# OTC Market Share (exclude vending machine) — CCWH area

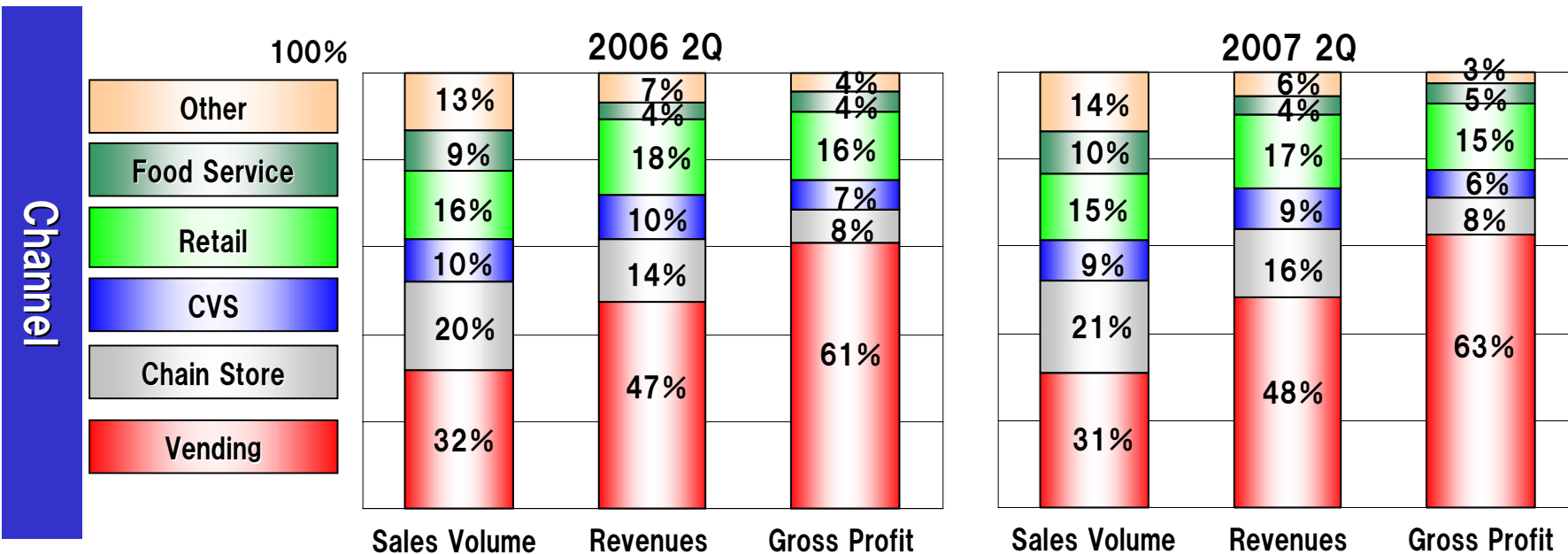
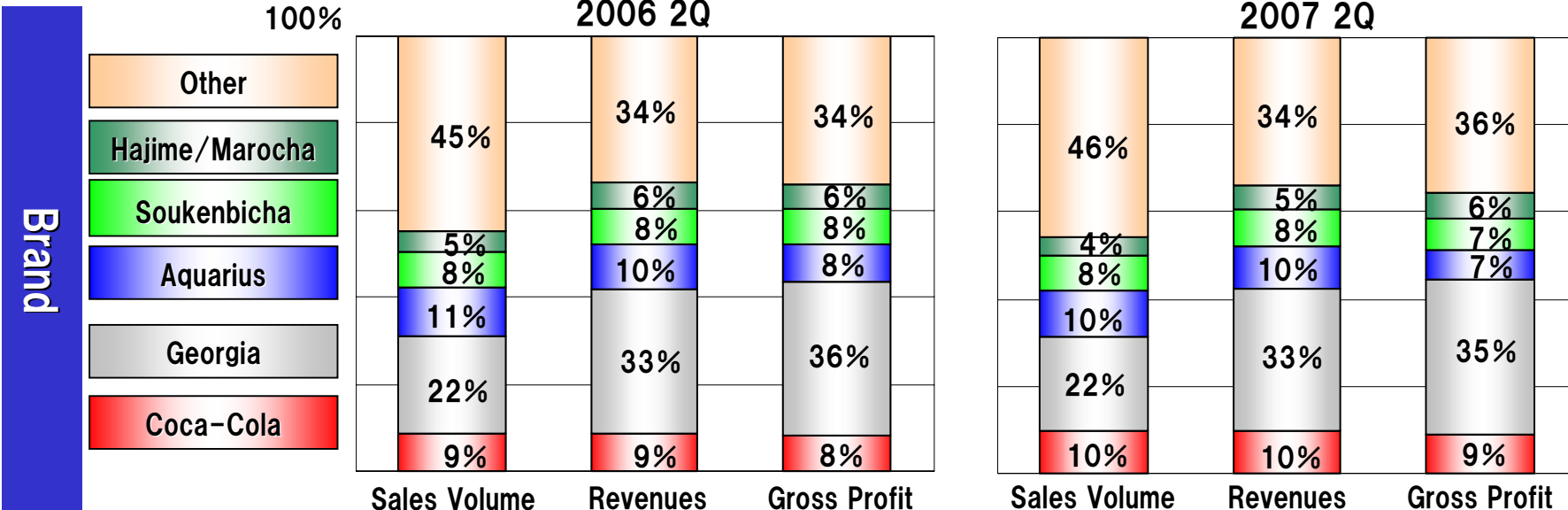
Source : Intage

※The numbers outside the graph are changes vs.ly  
(%, point)



# By Brand/Channel

## Sales Volume/Revenue/Gross Profit – 2Q



# Overview of Group Companies—2Q

(million yen, %)

<CCWJ>	2007 2Q			
	plan ※	actual	vs. plan	
			change	%
Revenues	41,985	41,201	-784	-1.9
Operating Income	1,531	1,603	72	4.7

## <Kinki CCBC>

Revenues	38,047	36,101	-1,946	-5.1
Operating Income	548	98	-450	-82.1

## <Mikasa CCBC>

Revenues	6,994	6,859	-135	-1.9
Operating Income	96	-17	-113	-117.7

## <Nishinohon Beverage>

Revenues	5,036	4,874	-161	-3.2
Operating Income	278	90	-188	-67.6

## <Kansai Beverage Service>

Revenues	8,604	8,178	-426	-5.0
Operating Income	465	275	-190	-40.9

## <Mikasa Beverage Service>

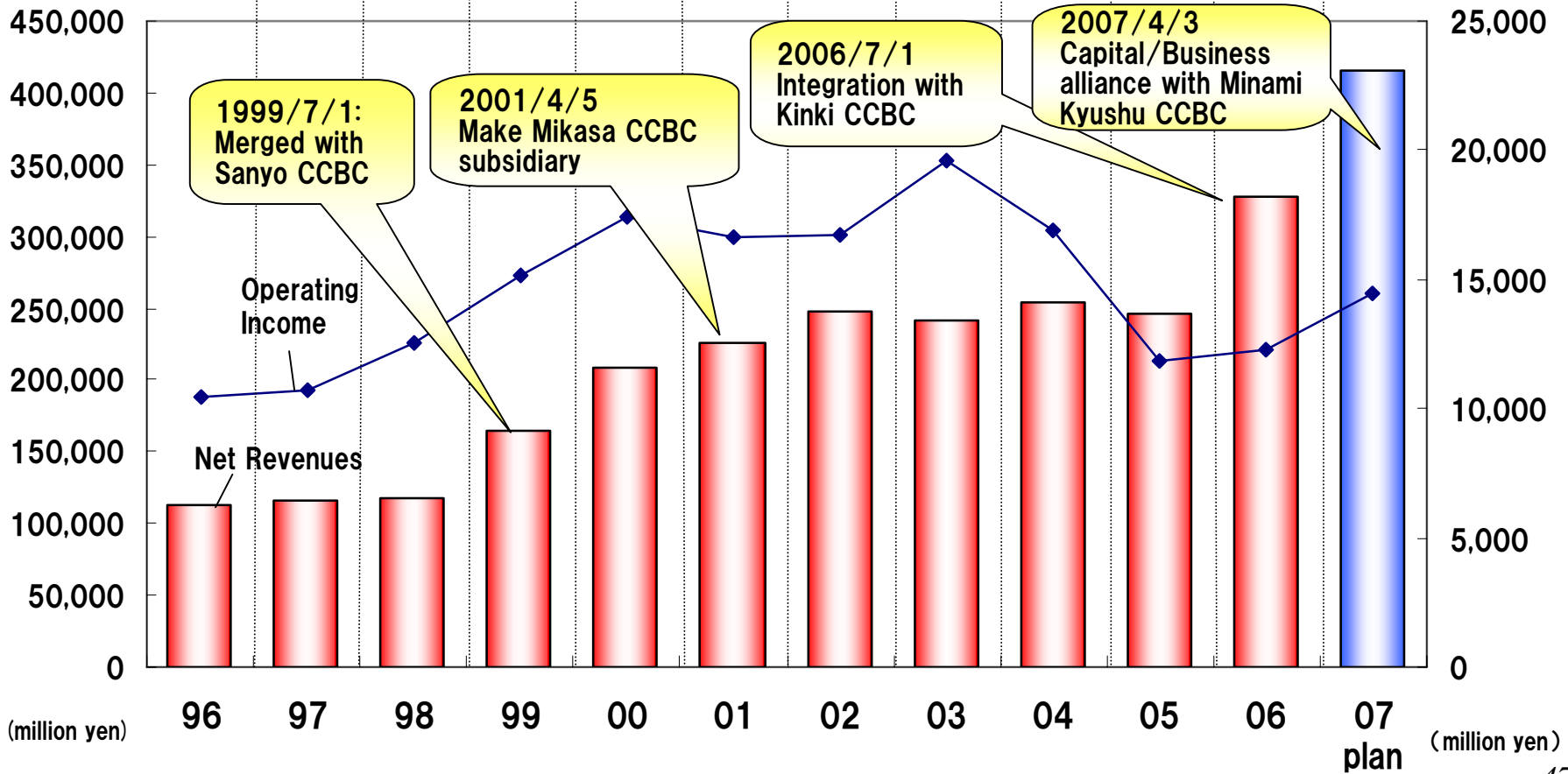
Revenues	677	695	18	2.7
Operating Income	13	8	-5	-38.5

※The above plan is based on the performance forecast announced as of Feb 7, 2007.

# Performance Trend

(million yen)

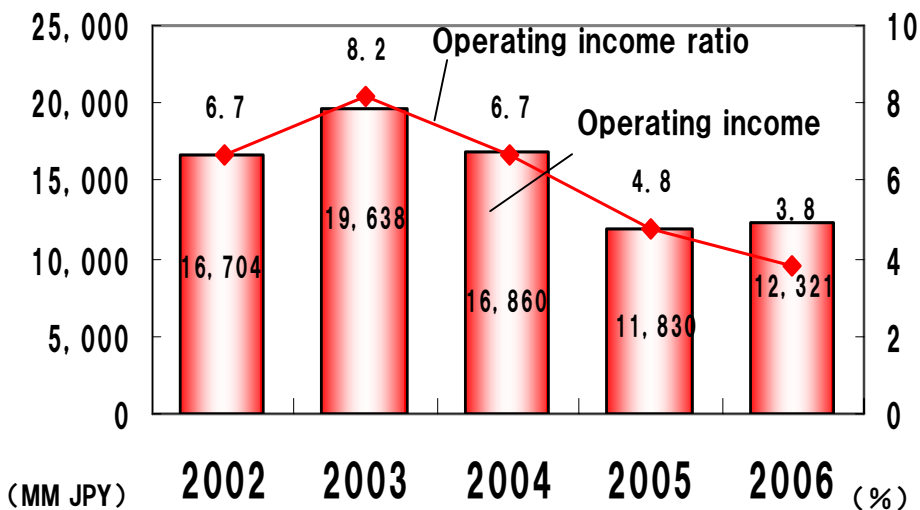
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 (plan)
Net Revenues	113,490	115,408	117,991	164,731	207,827	226,111	247,737	240,825	253,248	245,874	327,821	412,600
Operating Income	10,481	10,737	12,533	15,160	17,449	16,634	16,704	19,638	16,860	11,830	12,321	15,000
Recurring Income	11,273	11,054	12,510	15,889	18,516	16,021	17,005	19,895	17,065	12,256	13,225	16,300
Net Income	5,721	5,428	5,872	6,823	5,700	1,420	7,086	9,380	8,564	7,305	7,570	9,400



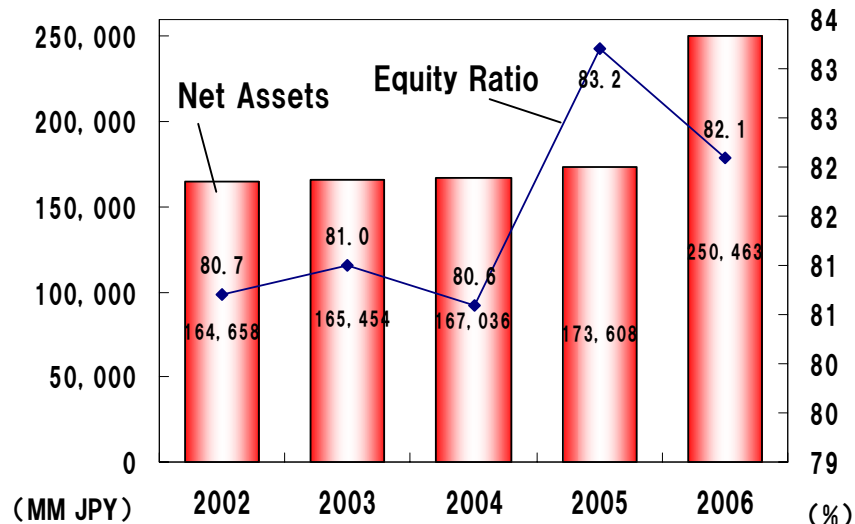


# Financial Data

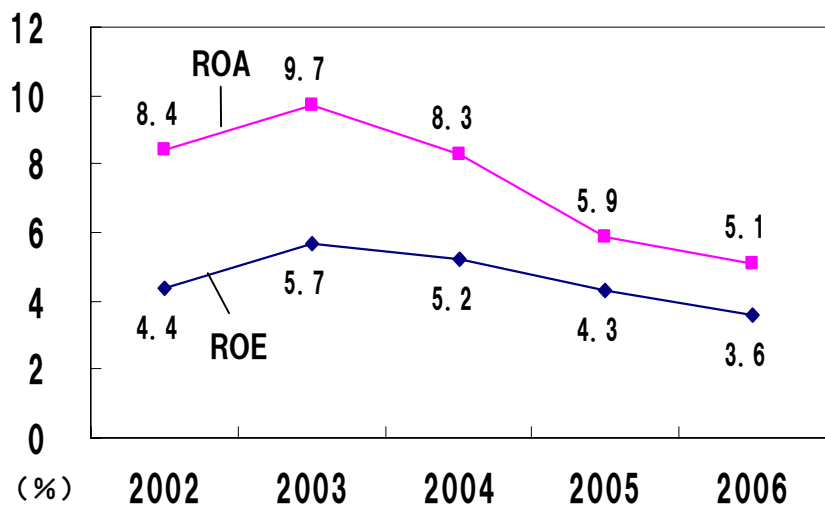
## <Operating Income/Operating Income Ratio>



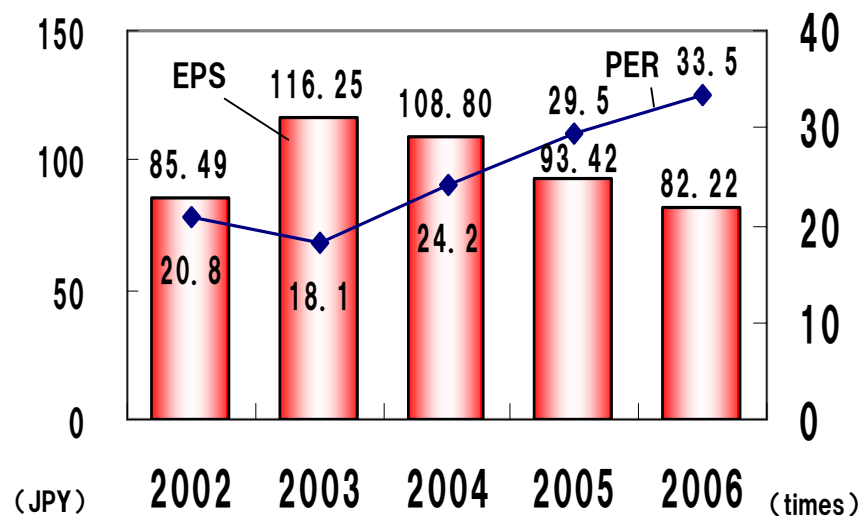
## <Net Assets / Equity Ratio>



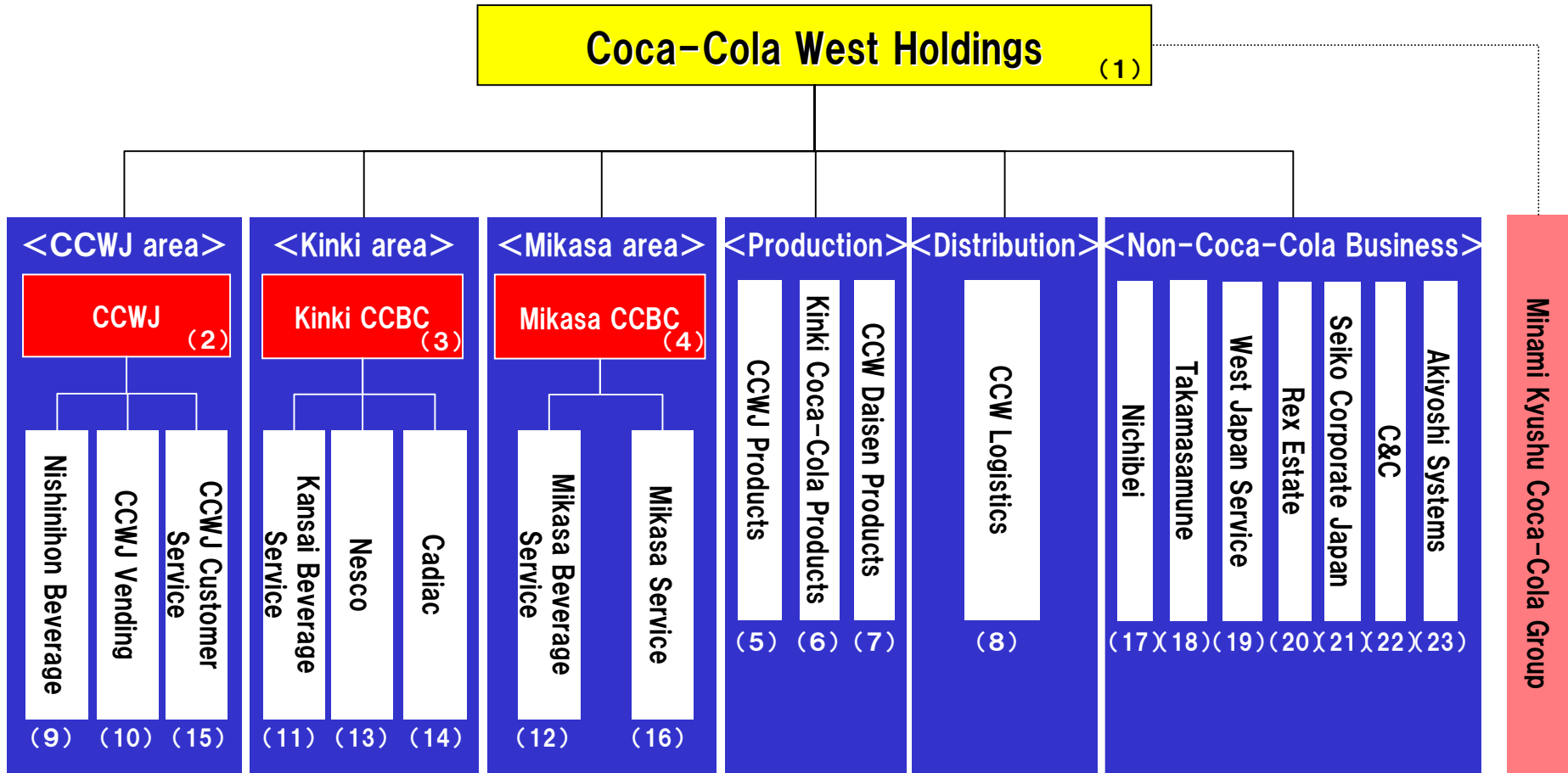
## <ROA/ROE>



## <EPS/PER>



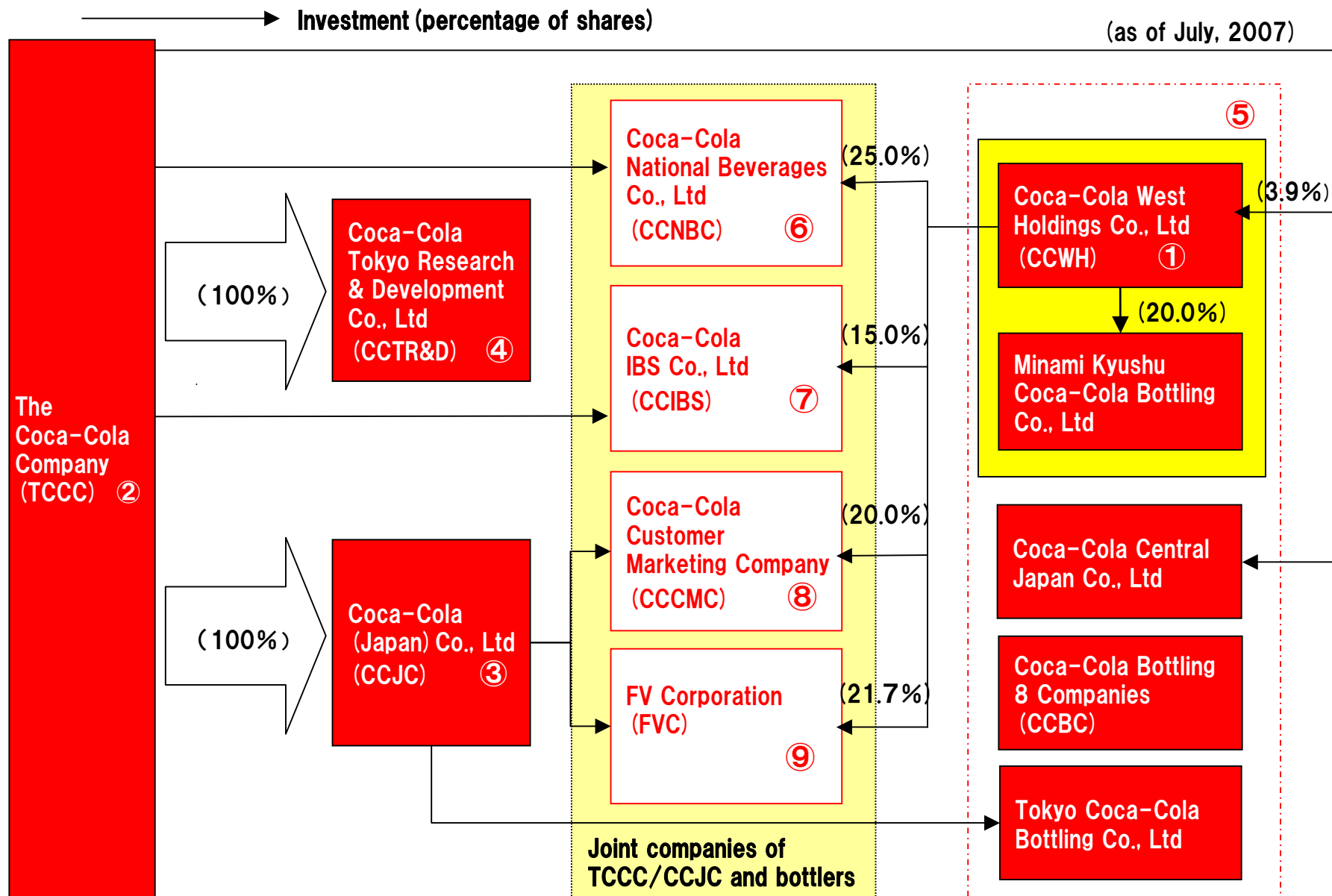
# Coca-Cola West Group-Structure



# Our Group Companies – Principal Business

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

# 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 IBS Co., Ltd (CCIBS)

Established through joint investment by The Coca-Cola Company and its bottling partners in Japan, and the company began operations on January 1, 2007. It is charged with providing business consulting services to the Coca-Cola system in Japan, as well as developing and generally maintaining the information systems to support such work.

## 8. Coca-Cola Customer Marketing Company (CCCMC)

Established through joint investment by Coca-Cola (Japan) Co., Ltd. and all of its bottling partners in Japan, and the company began operations on January 1, 2007. It is charged with holding business negotiations with major retailer outlets, such as nationwide convenience stores and supermarket chains, as well as developing proposals for sales promotions and storefront activities.

## 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.

# Glossary (1)

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## 1. Channel (Business Unit)

**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 for fast food restaurants, movie theaters, sports arenas, “family restaurants,” and theme parks

**On-Premise:**

Refers to the 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.

## 2. Vending

### **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

# Glossary (3)

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## 3. Chain Store

### **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

### **CBPPP:**

CBPPP (Channel, Brand, Price, Promotion) involves formulating and introducing optimum product lineups, price ranges, and sale promotions for specific retail formats

### **RGM:**

RGM (Revenue Growth Management) involves joining forces with customers to deliver stronger earnings through sustained sales increases by offering value to consumers

## 4. Other

### **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**