Coca-Cola West Holdings First Quarter 2008 Results

April 30th, 2008

Coca-Cola West Holdings (2579)

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Contents

Ⅰ. 1Q Results

Ⅱ. 2Q Business plan

Ⅲ. Initiatives for increasing corporate value

Ⅰ. 1Q Results

Highlight

Issues in 2008 :Initiatives for growth and efficiency have moving forward.

Issues: (1) Strengthen Georgia, sparkling etc.

(2) Transformation of operational structure.

(3) Strengthen function, increase in efficiency which harnessed management integration.

Operation :The sixth consecutive quarter of growth in spite of bad weather.

Weather (vs last year)

	Fukuoka	Osaka
Rainy days (day)	+7	+7
Precipitation (ml)	+94	+66
Average temperature (℃)	-1.4	-1.5

Finance :1Q net income increased 8.0% to 188 million yen after considering items impacting comparability.

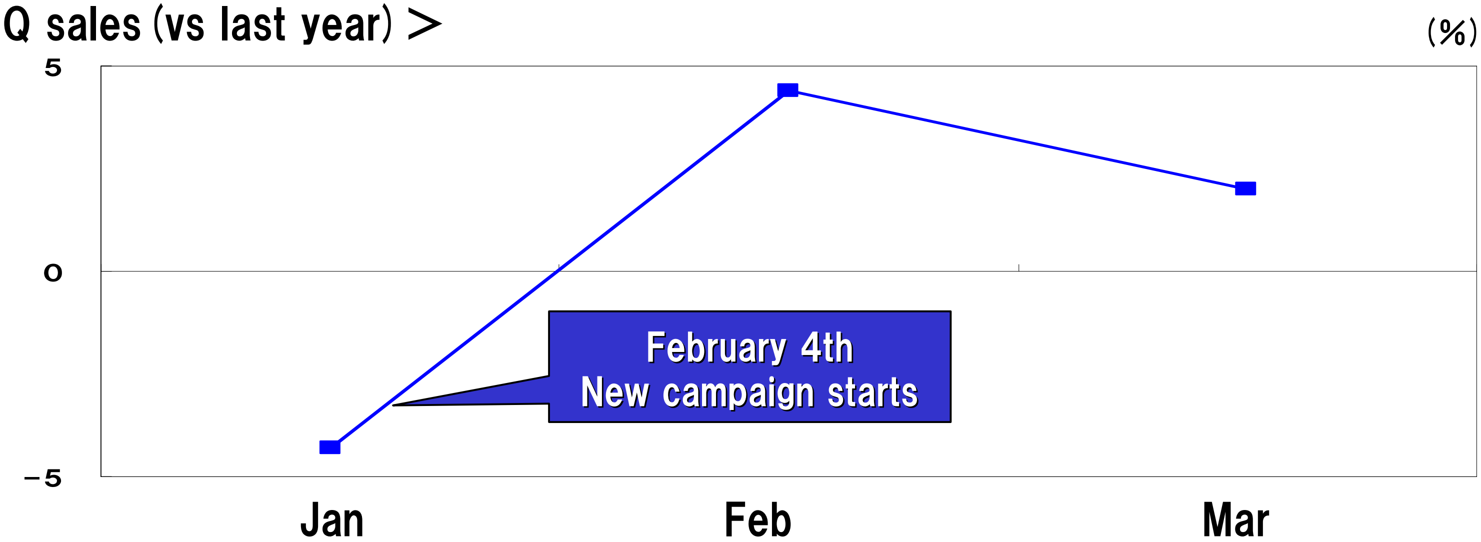
Priority issues in 2008 (1)

Priority issues in 2008	1Q initiatives
1. Increase value and sales of Georgia Coffee	➢Running aggressive sales campaign 'GEORGIA – Today's pretty excellent' (Feb) ➢Renewal of core flavor (Feb) •Emerald Mountain Blend ➢Execution of national sales promotion (Mar)
2. Strengthen sparkling category	➢Focus on Coca-Cola TM •Execution of three color strategy
3. Growth of vending business as well as efficiency of vending operation	➢Engaging in new development to generate earnings (Focus on indoor market) •Full service vending machine increased 750 units (vs end of 2007)
4. Execute merchandise base on consumer rationale for store visit	➢Increase market share in chain store channel •Increase sales of 'sparkling' and 'water' ⇒Market share (vs last year) CCWJ :+0.1 points Kinki :+0.2 points Mikasa :+0.2 points

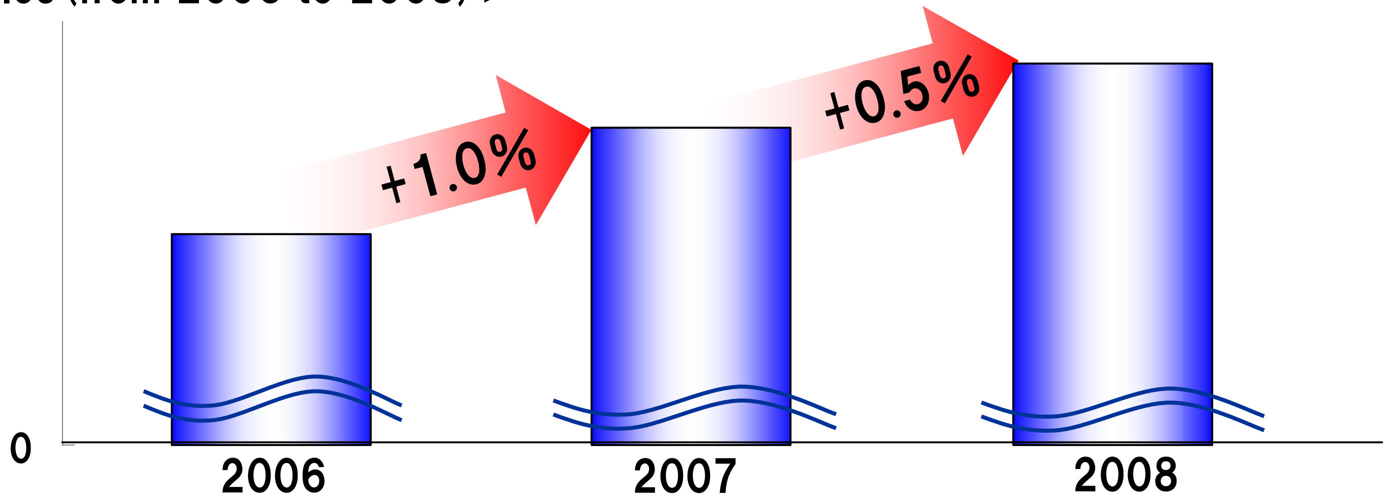
Increase value and sales of Georgia Coffee

➢ Sales are good shape after running aggressive sales campaign 'GEORGIA – Today's pretty excellent'

＜1Q sales (vs last year)＞



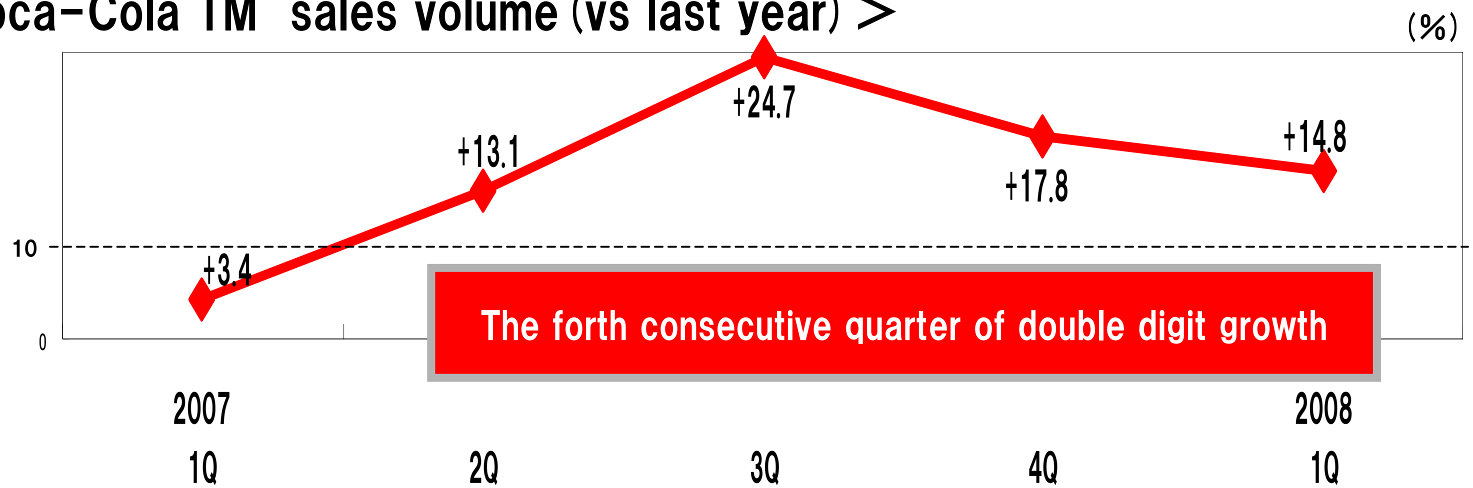
＜1Q sales (from 2006 to 2008)＞



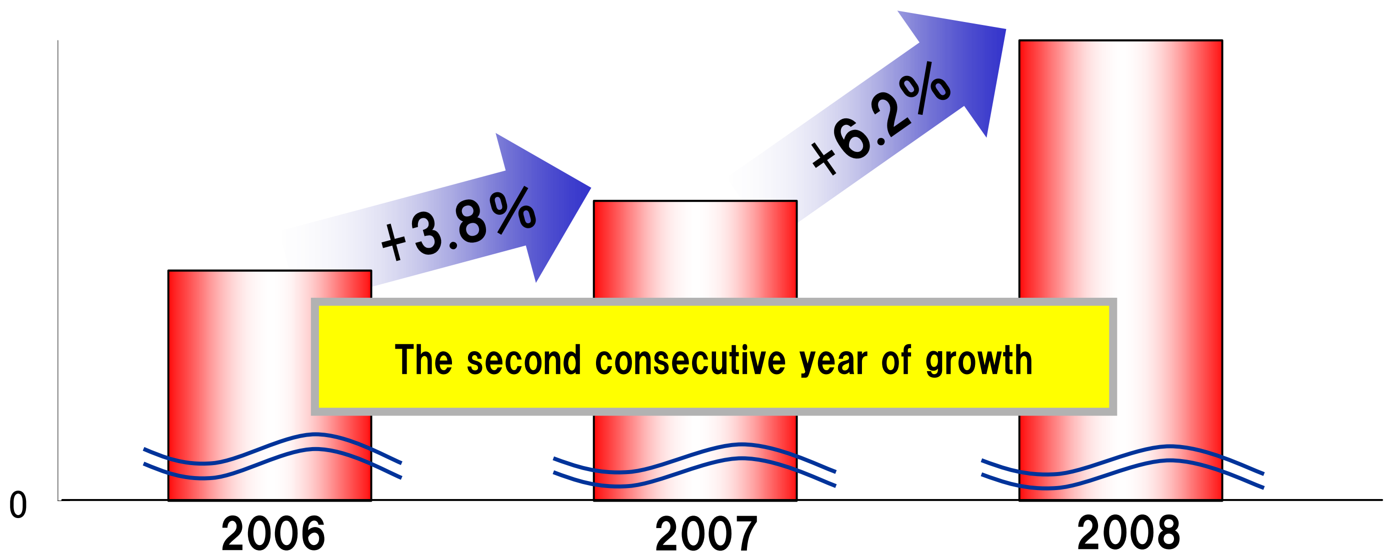
Strengthen sparkling category

➢Sparkling category increases sales mainly among Coca-Cola TM

＜Coca-Cola TM sales volume (vs last year)＞



＜Sparkling category 1Q sales volume (from 2006 to 2008)＞



Priority issues in 2008 (2)

Priority issues in 2008	1Q initiatives
Transformation of operational structure	➢Transfer distribution section in CCW logistics to each sales company, CCWJ, Kinki CCBC, and Mikasa CCBS. Distribution section in CCW logistics + CCWJ Kinki CCBC Mikasa CCBC Integration of sales and distribution section = Reinforce commercial capability

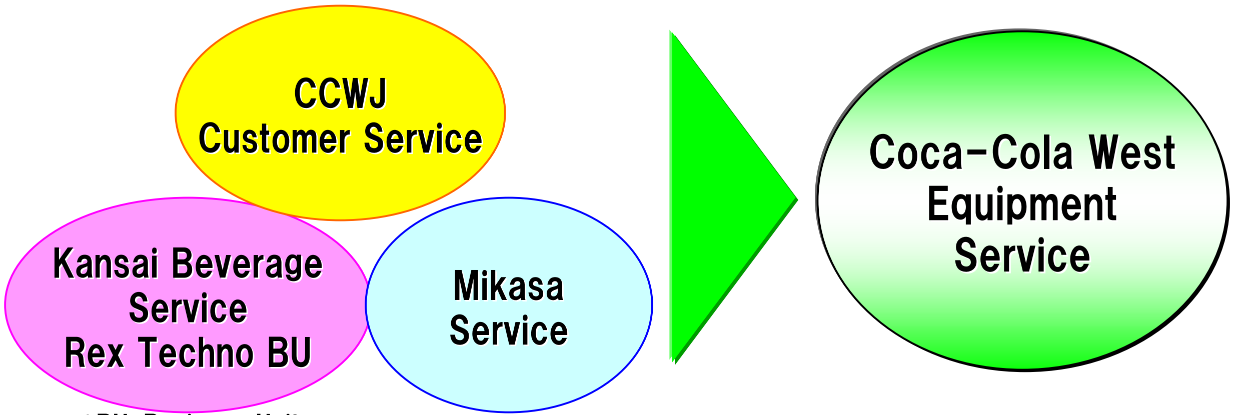
Priority issues in 2008 (3)

Priority issues in 2008

Strengthen function, increase in efficiency which harnessed management integration

1Q initiatives

- Integration of sales equipment service subsidiaries (April 2008)



*BU :Business Unit

Synergy for the integration

- Better quality of service
- Faster decision-making
- Gathering together of management and support functions
- Reduction of equipment cost, etc

↓

Cost reduction: 500 million yen in two years (vs 2007)

Coca-Cola West Group Organization Structure

<Subsidiaries> 2006 2008
Coca-Cola business：17 ⇒ 13

July 1st, 2006

- CCWH
  - CCWJ
    - Nishinihon Beverage
    - CCWJ Vending
    - CCWJ Customer Service
    - CCWJ Products
    - CCWJ Logistics
    - Nichibei
    - Takamasamune
    - West Japan Service
  - Kinki
    - Kansai Beverage Service
    - Nesco
    - Kadiac
    - Kinki Coca-Cola Products
    - Kansai Logistics
    - Rex Estate
    - Seiko Corporate Japan
    - C&C
    - Akiyoshi Systems
  - Mikasa
    - Mikasa Beverage Service
    - Mikasa Service
    - Mikasa Logistic
  - Daisen Beverage

April 1st, 2008

- CCWH
  - CCWJ area
    - CCWJ
      - Nishinihon Beverage
      - CCWJ Sales
  - Kinki area
    - Kinki
      - Kansai Beverage Service
      - Nesco
      - Kadiac
  - Mikasa area
    - Mikasa
      - Mikasa Beverage Service
  - Sales equipment
    - CCWES (integrate '08/04)
  - Production
    - CCWP (integrate '08/01)
    - CCW Daisen Products
  - Logi-stics
    - CCWJ (integrate '07/01)
  - Other Group Companies
  - Minami Kyushu CCBC

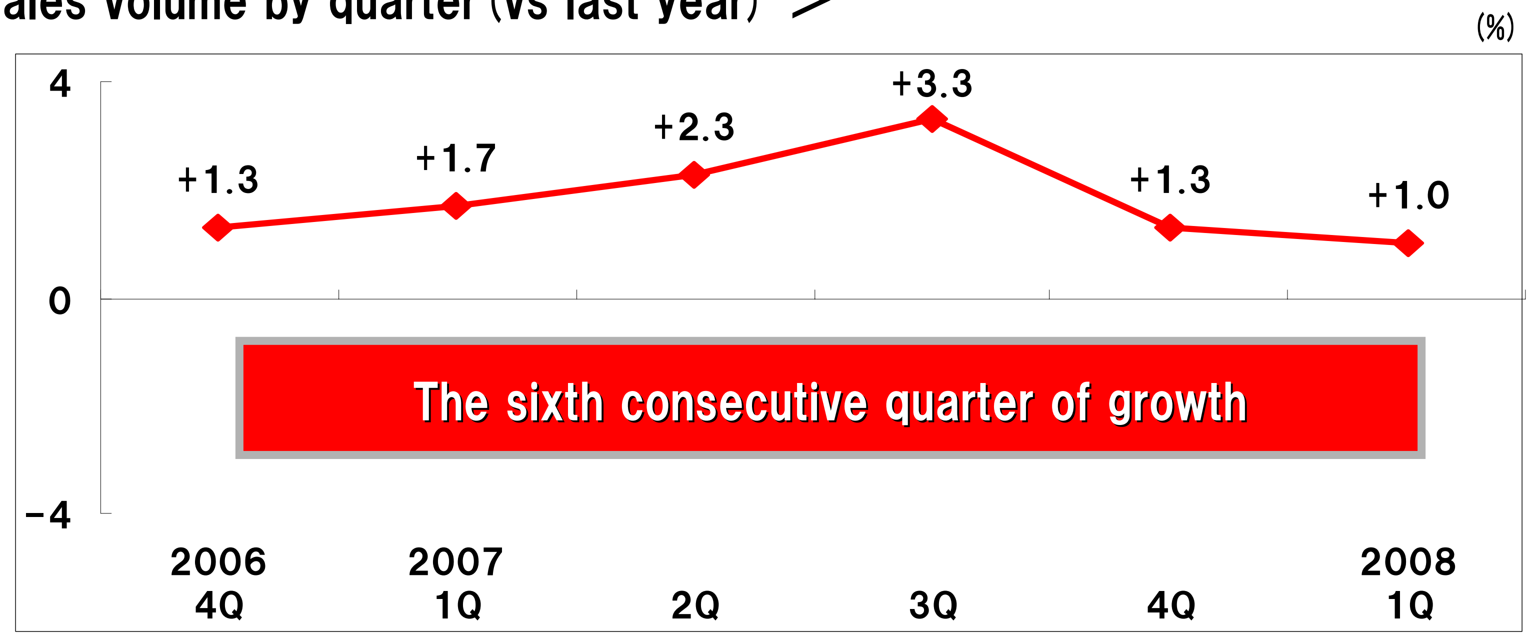
1Q Highlight - Sales volume

(thousand cases, %)

1Q 2007 actual	1Q 2008					
	plan	actual	vs plan		vs last year	
			change	%	change	%
39,108	40,073	39,487	-586	-1.5	+379	+1.0

*The above plan is based on the performance forecast announced as of February 7, 2008.

＜Sales volume by quarter (vs last year) ＞



1Q Highlight - Sale volume by Brand

Sales volume by brand

(thousand cases, %)

		1Q 2008				
		actual	vs plan		vs last year	
			change	%	change	%
Core	Coca-Cola	3,278	+23	+0.7	+421	+14.8
Core	Georgia	10,826	-238	-2.2	+51	+0.5
Core	Soukenbicha	2,766	-201	-6.8	-127	-4.4
Core	Aquarius	2,818	-189	-6.3	-59	-2.0
Core	subtotal	19,688	-605	-3.0	+286	+1.5
Priority		5,099	+293	+6.1	+463	+10.0
Other		14,700	-274	-1.8	-369	-2.5
Total		39,487	-586	-1.5	+379	+1.0

*Priority brand :Hajime/Ayataka, Fanta, Minute Maid,
Water (Minaqua, Morino-Mizudayori)

Review

■Coca-Cola
・Increase sales volume by executing three color strategy
・The forth consecutive quarter of double digit growth

■Georgia
・Sales are good shape launching new campaign (February)
・The second consecutive quarter of growth

■Soukenbicha
・Decrease sales due to the dull of seasonable flavors

■Aquarius
・Decrease sales due to the dull of 'Active diet' and 'Free style'

1Q Highlight – Sale volume by Channel

Sales volume by channel

(thousand cases, %)

	1Q 2008				
	actual	vs plan		vs last year	
		change	%	change	%
Vending	13,158	-392	-2.9	-81	-0.6
Chain store	7,518	-28	-0.4	+404	+5.7
CVS	4,245	-269	-6.0	-169	-3.8
Retail	4,966	+209	+4.4	+30	+0.6
Food service	3,894	+45	+1.2	+93	+2.5
Other	5,706	-151	-2.6	+103	+1.8
Total	39,487	-586	-1.5	+379	+1.0

Review

■Vending

*VPM :Volume Per Machine

- No. of vending machine increased, but sales decreased because VPM declined
  - No. of the machine *Exclude Cup machine

(units)

vs end of march 2007	vs end of last year
+2,350	+750

  - Full service VPM (vs ly) *Exclude Cup machine

(%)

CCWJ	Kinki	Mikasa
-3.3	-3.9	-2.3

■Chain store

- Increased sales volume and market share by strengthen sparkling and water
  - Market share vs last year

(points)

CCWJ	Kinki	Mikasa
+0.1	+0.2	+0.2

Change in accounting method in 2007 (1)

➢Change of sales equipment depreciation method (July, 2007)

≪Item≫

◆The company changed the method from constant percentage method to new constant dollar plan in order to rationalize the correspondence between revenues and cost.

–Adopt new constant dollar plan to all sales equipments held at the beginning of the period.

–Depreciate in three years with constant dollar plan in terms of sales equipment which has already depreciated to 95% of an acquisition price.

≪Impact on the change≫

◆Assets which remaining depreciable life is short (one-two years) at the time, increase depreciation cost.

◆Assets which remaining depreciable life is long (four-five years) decrease depreciation cost.

➢Change of advanced payment depreciation method (January, 2007)

≪Item≫

◆Kinki changed advanced payment depreciation method from one time to time depreciation method in order to unify the accounting method in the group.

≪Impact on the change≫

◆Depreciation cost at the fiscal year of 2007 decreased because the advanced payment cost was depreciated with one time method in 2006.

Change in accounting method in 2007 (2)

<Impact on changing accounting method which the company did in 2007>

(million yen)

	1H			2H			Total
	1Q	2Q	subtotal	3Q	4Q	subtotal	
Sales equipment depreciation (constant percentage method to new constand dollar plan)	711	-711	0	0	0	0	0
Advanced payment depreciation (one time to time depreciation)	333	192	525	32	6	38	563
Total	1,044	-519	525	32	6	38	563

Performance Projections for the fiscal 2008

<Full fiscal year>

(million yen, %)

	2007 actual ※2	2008 plan ※1	2008 vs last year change	2008 vs last year %
Revenues	409,521	425,000	15,478	3.8
Gross profit	175,208	181,800	6,591	3.8
Operating income	15,492	17,000	1,507	9.7
Recurring income	16,929	18,500	1,570	9.3
Net profit	9,048	10,100	1,051	11.6

2007 actual	2008 vs last year change	2008 vs last year %
409,521	15,478	3.8
175,208	6,591	3.8
16,056	943	5.9
17,493	1,006	5.8
9,375	724	7.7

※1) The plan is based on performance projections announced as of February 7, 2008
※2) The actual of 2007 is revised as below in order to compare with same accounting method. (We changed accounting method in 2007)
We changed advanced payment depreciation method of Kinki (from one time depreciation to time depreciation) in order to unify accounting method in CCW group :added 563,000,000 yen as cost

<First quarter>

(million yen, %)

	1Q 2007 actual ※4	1Q 2008 plan ※3	1Q 2008 vs last year change	1Q 2008 vs last year %
Revenues	89,903	91,400	1,497	1.7
Gross profit	39,098	39,500	402	1.0
Operating income	-15	300	315	—
Recurring income	209	500	291	139.2
Net income	174	100	-74	-42.5

1Q 2007 actual	1Q 2008 vs last year change	1Q 2008 vs last year %
89,903	1,497	1.7
39,098	402	1.0
1,030	-730	-70.9
1,255	-755	-60.2
780	-680	-87.2

※3) The plan is based on performance projections announced as of February 7, 2008
※4) The actual of 2007 is revised as below in order to compare with same accounting method. (We changed accounting method in 2007)
Review of the advanced payment depreciation method of Kinki :added 333,000,000 yen as cost
Review of he sales equipment depreciation method :added 711,000,000 yen as cost

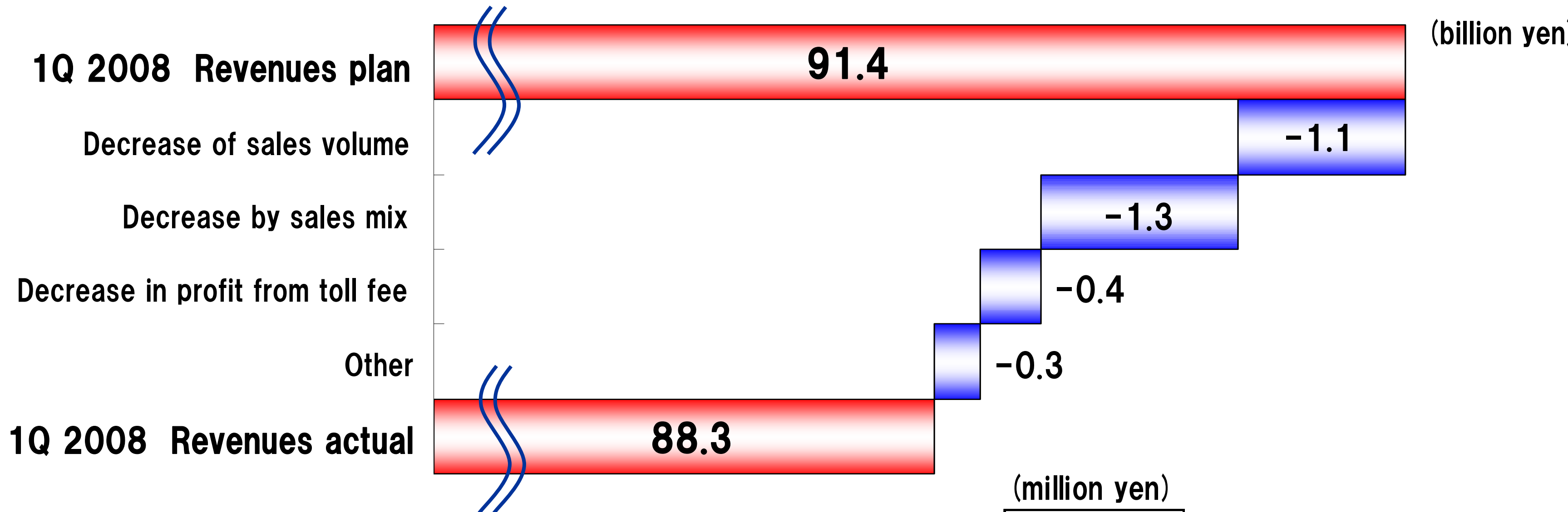
1Q Highlight - Consolidated P/L (vs plan)

(thousand cases, million yen, %)

	1Q 2008			
	plan ※	actual	vs plan	
			change	%
Sales volume (CCWH area)	40,073	39,487	-586	-1.5
Revenues	91,400	88,296	-3,103	-3.4
COGS	51,900	50,643	-1,256	-2.4
Gross profit	39,500	37,652	-1,847	-4.7
SG&A	39,200	37,409	-1,790	-4.6
Operating income	300	242	-50	-19.1
Non-operating income	500	379	-120	-24.1
Non-operating expense	300	245	-54	-18.1
Recurring income	500	376	-123	-24.7
Extraordinary income	100	329	229	229.7
Extraordinary losses	200	218	18	9.2
Income before IT, MI	400	487	87	21.9
Income taxes (IT)	300	294	-5	-1.7
Minority interests (MI)	0	4	4	-
Net income	100	188	88	88.4

※ The plan is based on performance projections announced as of February 7, 2008

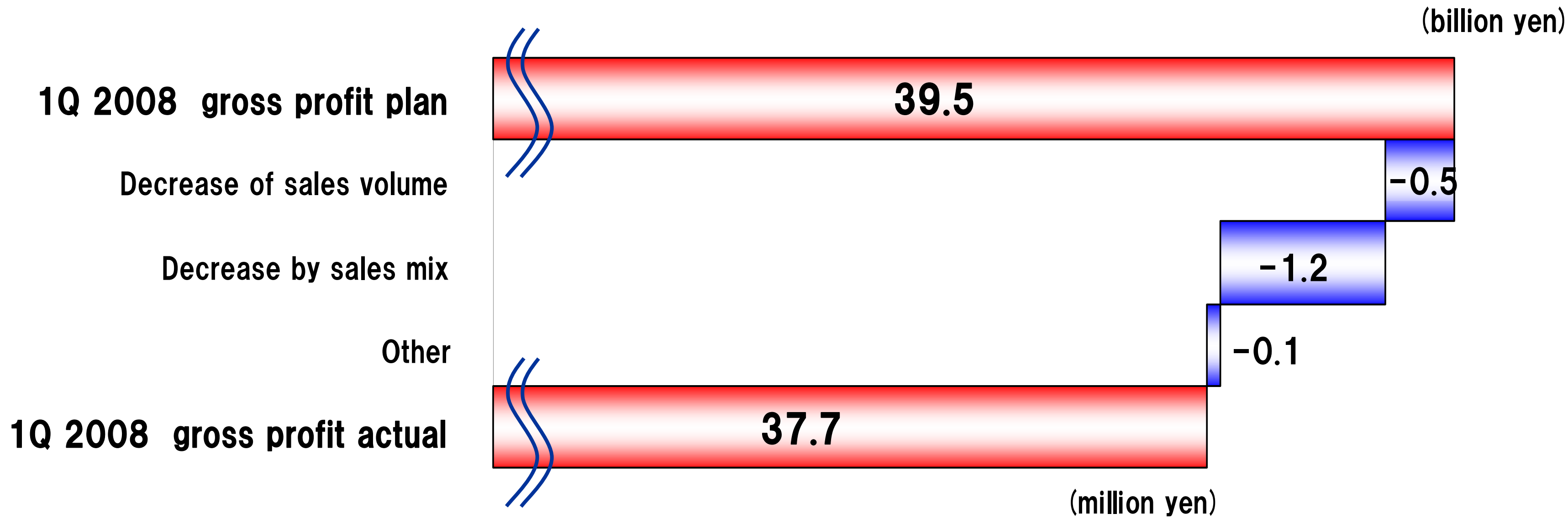
1Q Revenues Change Factors – vs plan



(million yen)

		Revenues
CCWJ	Sales volume (-209,000 c/s)	-410
	Sales mix	-695
	subtotal	-1,105
Kinki	Sales volume (-312,000 c/s)	-545
	Sales mix	-591
	subtotal	-1,136
Mikasa	Sales volume (-64,000 c/s)	-123
	Sales mix	-24
	subtotal	-147
Decrease in profit from toll fee		-408
Other		-307
Total		-3,103

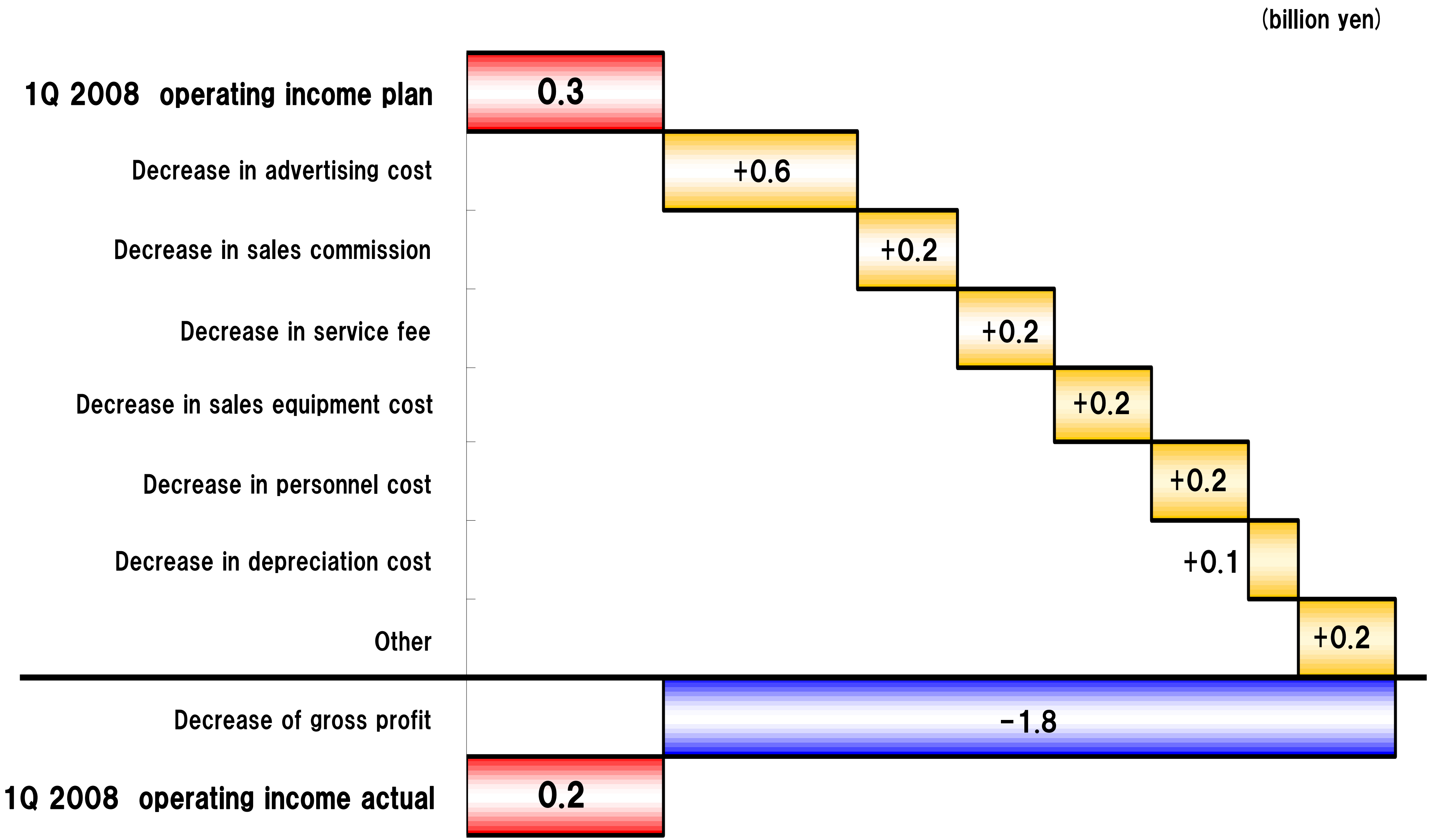
1Q Gross Profit Change Factors – vs plan



(million yen)

		Gross profit
CCWJ	Sales volume (-209,000 c/s)	-187
	Sales mix	-714
	subtotal	-901
Kinki	Sales volume (-312,000 c/s)	-249
	Sales mix	-389
	subtotal	-638
Mikasa	Sales volume (-64,000 c/s)	-54
	Sales mix	-68
	subtotal	-122
Decrease in profit from toll fee		-60
Other		-126
Total		-1,847

1Q Operating Income Change Factors – vs plan



1Q Highlight – Consolidated P/L (vs last year)

➢Increased income after considering items impacting comparability

(thousand cases, million yen,%)

	2007 1Q actual ※1	1Q 2008			2007 1Q actual	1Q 2008 vs last year	
		actual	vs last year change	vs last year %		change	%
Sales volume（CCWH area)	39,108	39,487	379	1.0	39,106	380	1.0
Reveunes	89,903	88,296	-1,607	-1.8	89,903	-1,607	-1.8
COGS	50,804	50,643	-161	-0.3	50,804	-161	-0.3
Gross profit	39,098	37,652	-1,445	-3.7	39,098	-1,445	-3.7
SG&A	39,113	37,409	-1,703	-4.4	38,067	-658	-1.7
Operating income	-15	242	257	—	1,030	-787	-76.5
Non-operating income	465	379	-85	-18.4	465	-85	-18.4
Non-operating losses	240	245	5	2.3	240	5	2.3
Recurring income	209	376	166	79.5	1,255	-879	-70.0
Extraordinary income	217	329	111	51.2	217	111	51.2
Extraordinary losses	35	218	183	522.5	35	183	522.5
Income befor IT, MI	392	487	95	24.2	1,438	-950	-66.1
Income taxes	216	294	78	36.4	655	-361	-55.0
Minority interests	1	4	2	—	1	2	—
Net income	174	188	13	8.0	780	-592	-75.9

※1) The actual of 2007 is revised as below in order to compare with same accounting method.(We changed accounting method in 2007)
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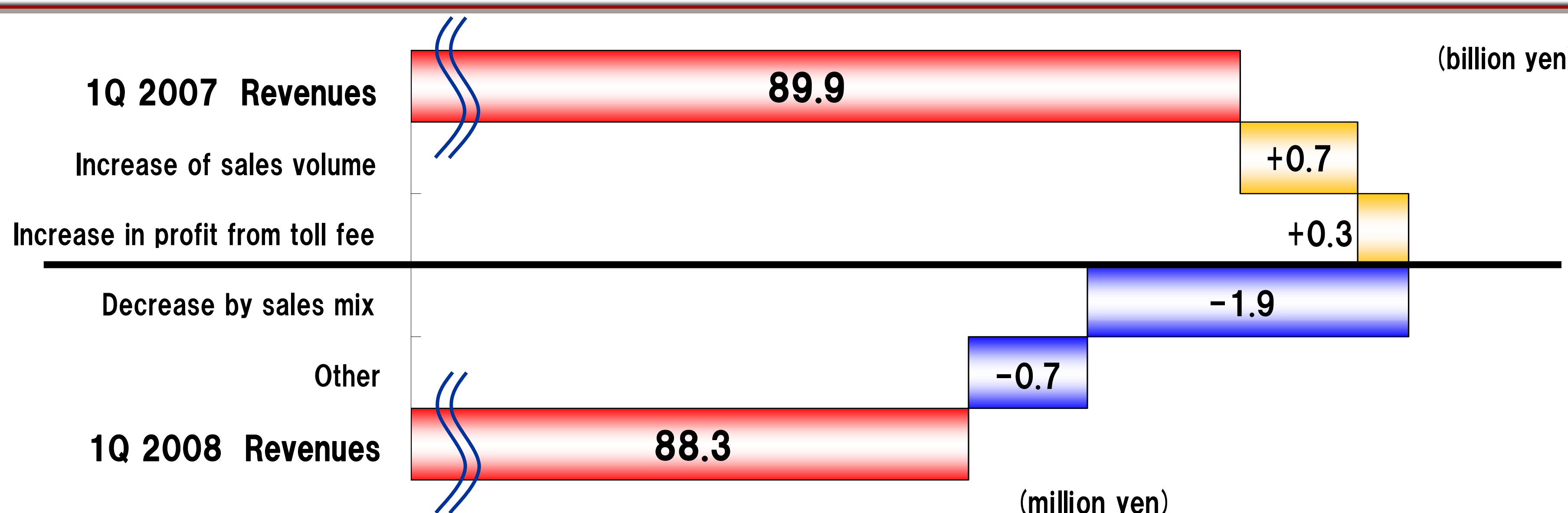
Review of he sales equipment depreciation method :added 711,000,000 yen as cost

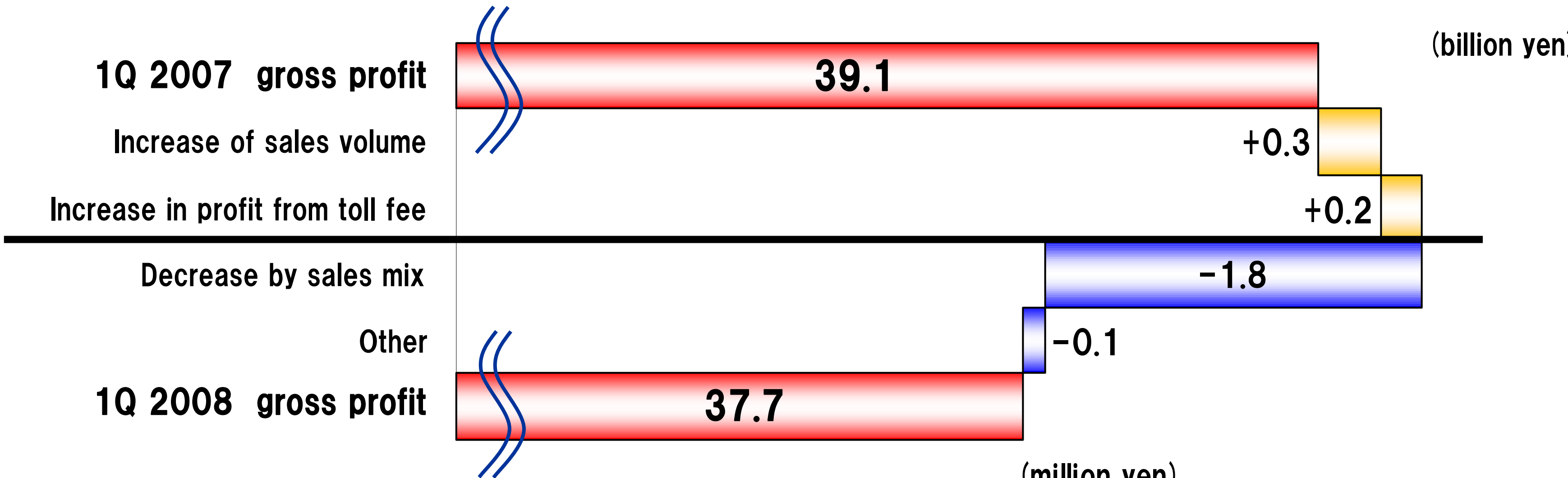
1Q Revenues Change Factors - vs last year



(million yen)

		Revenues
CCWJ	Sales volume (+261,000 c/s)	515
	Sales mix	-1,102
	subtotal	-587
Kinki	Sales volume (+92,000 c/s)	163
	Sales mix	-716
	subtotal	-553
Mikasa	Sales volume (+26,000 c/s)	47
	Sales mix	-115
	subtotal	-68
Increase in profit from toll fee		310
Other		-709
Total		-1,607

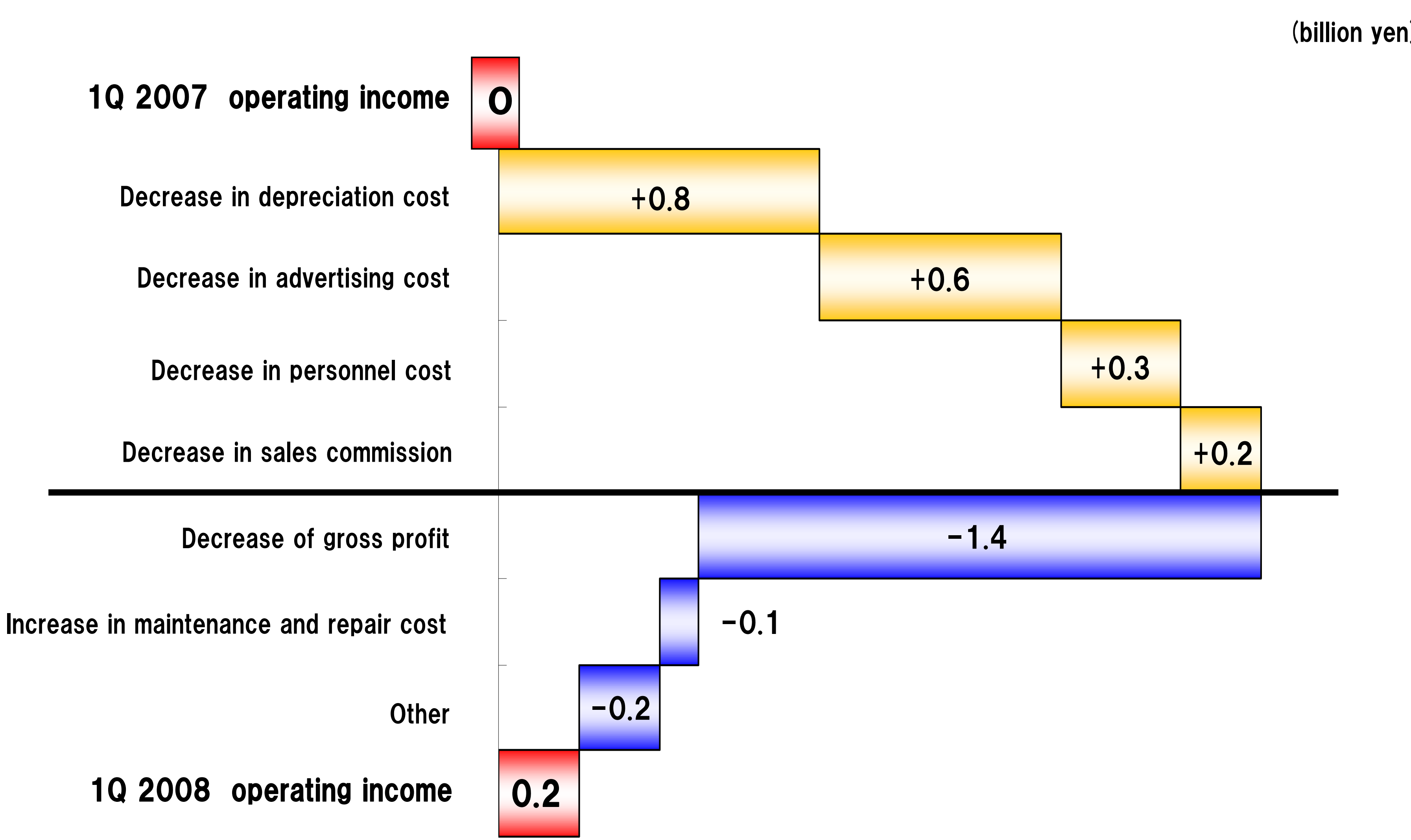
1Q Gross Profit Change Factors – vs last year



(million yen)

		Gross profit
CCWJ	Sales volume (+261,000 c/s)	236
	Sales mix	-1,153
	subtotal	-917
Kinki	Sales volume (+92,000 c/s)	75
	Sales mix	-609
	subtotal	-534
Mikasa	Sales volume (+26,000 c/s)	20
	Sales mix	-67
	subtotal	-47
Increase in profit from toll fee		163
Other		-110
Total		-1,444

1Q Operating Income Change Factors – vs last year



II. 2Q Business Plan

2Q Highlight

1. Toward the expansion of sales, share and profits

- ■Increase value and sales of Georgia Coffee
- ■Strengthen sparkling category
- ■Growth of vending business as well as efficiency of vending operation
- ■Execute merchandise base on consumer rationale for store visit
- ■New activities and revise of the sales opportunities at HORECA

2. For the increase of corporate value

- ■Reorganization of the group (integrate four companies)
- ■Share buy back
- ■Closing almond operation

2Q Highlight – Sales volume

(thousand cases, %)

	2Q 2007 actual	2Q 2008 plan	vs last year change	%
CCWH area	47,429	49,148	1,719	+3.6

Sales volume plan by brand

		2Q 2007 actual	2Q 2008 plan	vs last year change	%
Core	Coca-Cola	4,530	4,934	404	+8.9
	Georgia	10,349	10,762	413	+4.0
	Soukenbicha	3,950	3,989	39	+1.0
	Aquarius	4,933	5,204	271	+5.5
	subtotal	23,763	24,889	1,126	+4.7
Priority		6,794	7,419	625	+9.2
Other		16,872	16,840	-32	-0.2
Total		47,429	49,148	1,719	+3.6

Sales volume plan by channel

	2Q 2007 actual	2Q 2008 plan	vs last year change	%
Vending	14,776	15,474	698	+4.7
Chain store	10,107	10,997	890	+8.8
CVS	4,337	4,672	335	+7.7
Retail	7,144	6,807	-336	-4.7
Food service	4,544	4,690	146	+3.2
Other	6,521	6,507	-14	-0.2
Total	47,429	49,148	1,719	+3.6

2Q Performance Projections (Consolidated)

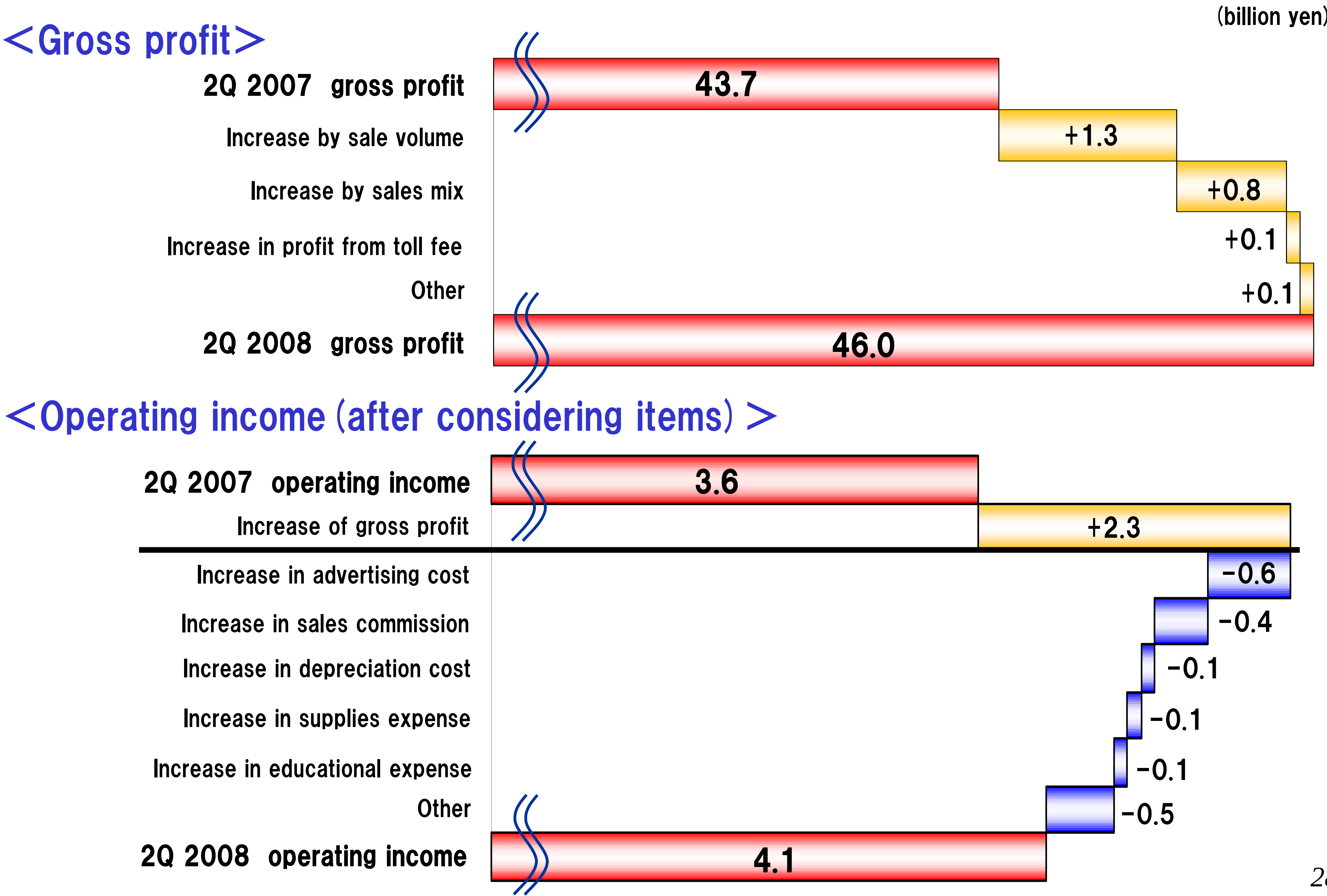
(million yen, %)

	2Q 2007 actual ※2	2Q 2008 plan ※1	2Q 2008 vs last year change	2Q 2008 vs last year %
Revenues	102,963	108,300	5,536	5.2
Gross profit	43,685	46,000	2,314	5.3
Operating income	3,626	4,100	473	13.0
Recurring income	4,116	4,500	383	9.3
Net income	2,211	2,100	-111	-5.0

	2Q 2007 actual	2Q 2008 vs last year change	2Q 2008 vs last year %
Revenues	102, 963	5, 336	5. 2
Gross profit	43, 685	2, 314	5. 3
Operating income	3, 107	992	32. 0
Recurring income	3, 596	903	25. 1
Net income	1, 910	189	9. 9

※1) The plan is based on performance projections announced as of February 7, 2008
※2) The actual of 2007 is revised as below in order to compare with same accounting method. (We changed accounting method in 2007)
Review of the advanced payment depreciation method of Kinki :added 192,000,000 yen as cost
Review of he sales equipment depreciation method :subtracts 711,000,000 yen as cost

2Q Profit Change Factors – vs last year



2Q Operational Strategy – Opportunities for growth

- Increase value and sales of Georgia Coffee
- Strengthen sparkling category
  - Drive growth with strong sales of Coca-Cola
- Growth of vending business as well as efficiency of vending operation
  - Engaging in new development to generate earnings (Focus on indoor market)
- Execute merchandise base on consumer rationale for store visit
- New activities and revise of the sales opportunities at HORECA

Expansion of sales and share

2Q Operational Strategy – Increase value and sales of Georgia

➢Strengthen core flavor 'Emerald Mountain Blend' to continue turning up of sales

＜Black, ZERO calorie＞

＜Standard＞

＜Café Au Lait, no sugar＞

2Q Operational Strategy – Strengthen sparkling category

➢Enlarge the number of sparkling consumers by launching new products

No calorie Coca-Cola plus vitamin

Coca-Cola Zero 500ml can

Fanta FURUFURU shaker

Fanta 1.5L new bottle

➢Promotion that takes advantage of the Olympics in Beijing, 2008

2Q Operational Strategy – Execute merchandise base on consumer rationale for store visit

- Strengthen green tea

  ⇒Launch new product 'Chaka'

- Increase number of sales place

  ⇒Taking advantage of the Olympics

- Increasing profitability with various packaging formats

(500ml OTG bottle) *OTG stands for 'On The GO'

(1.65L slim bottle)

Ⅲ. Initiatives for increasing corporate value

1. Reorganization Plan

Objectives of the integration with Kinki CCBC

Increase corporate value

Improve profitability through expansion in sales and share as well as implementation of efficient organization structure and business processes

Take leadership in making changes in Coca-Cola business of Japan

Facilitate execution of growth strategy and structural changes through robust collaboration with CCJC and other bottlers

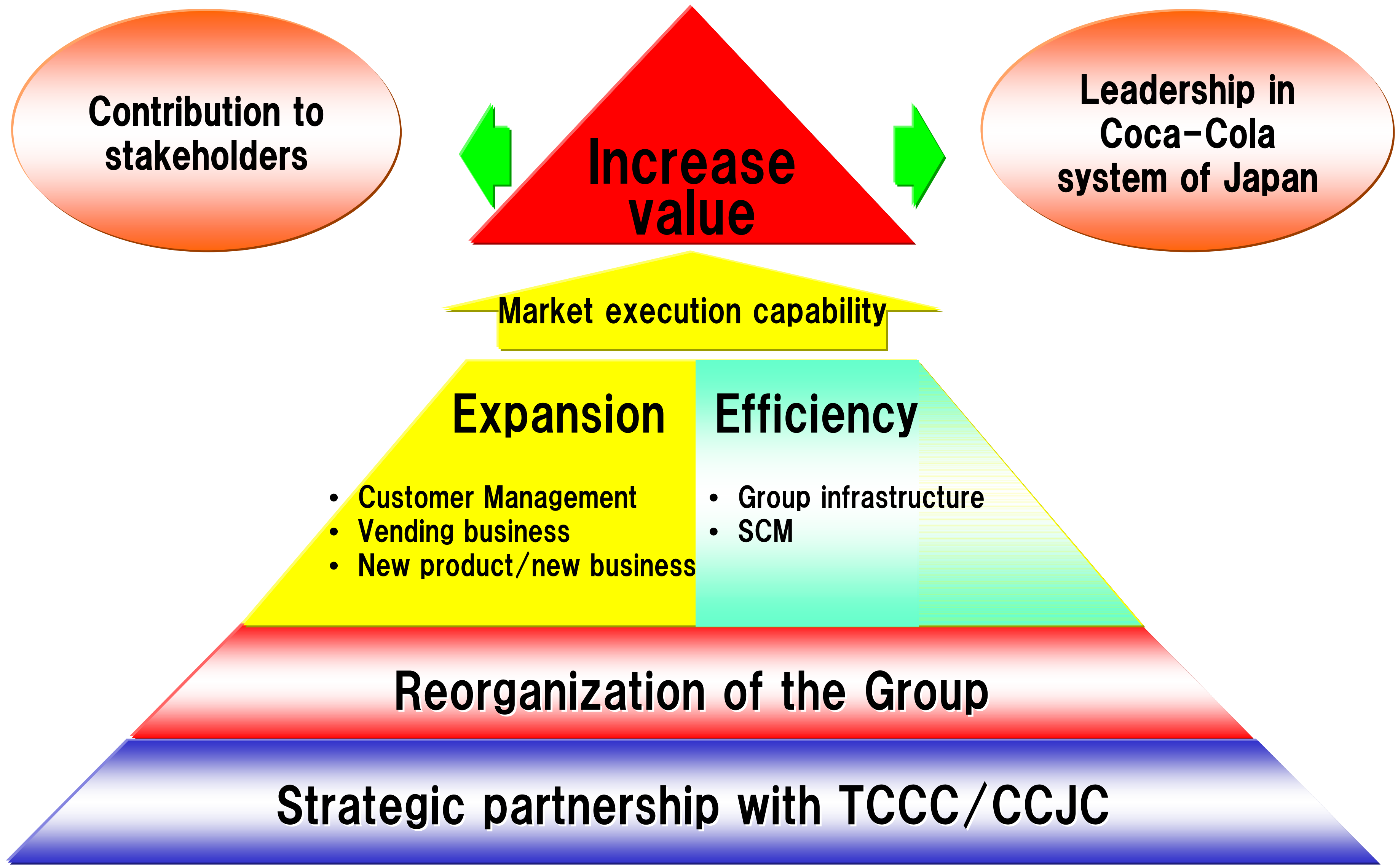
Strengthen basis for management

Maximize synergy effects by sharing know-how and best practices

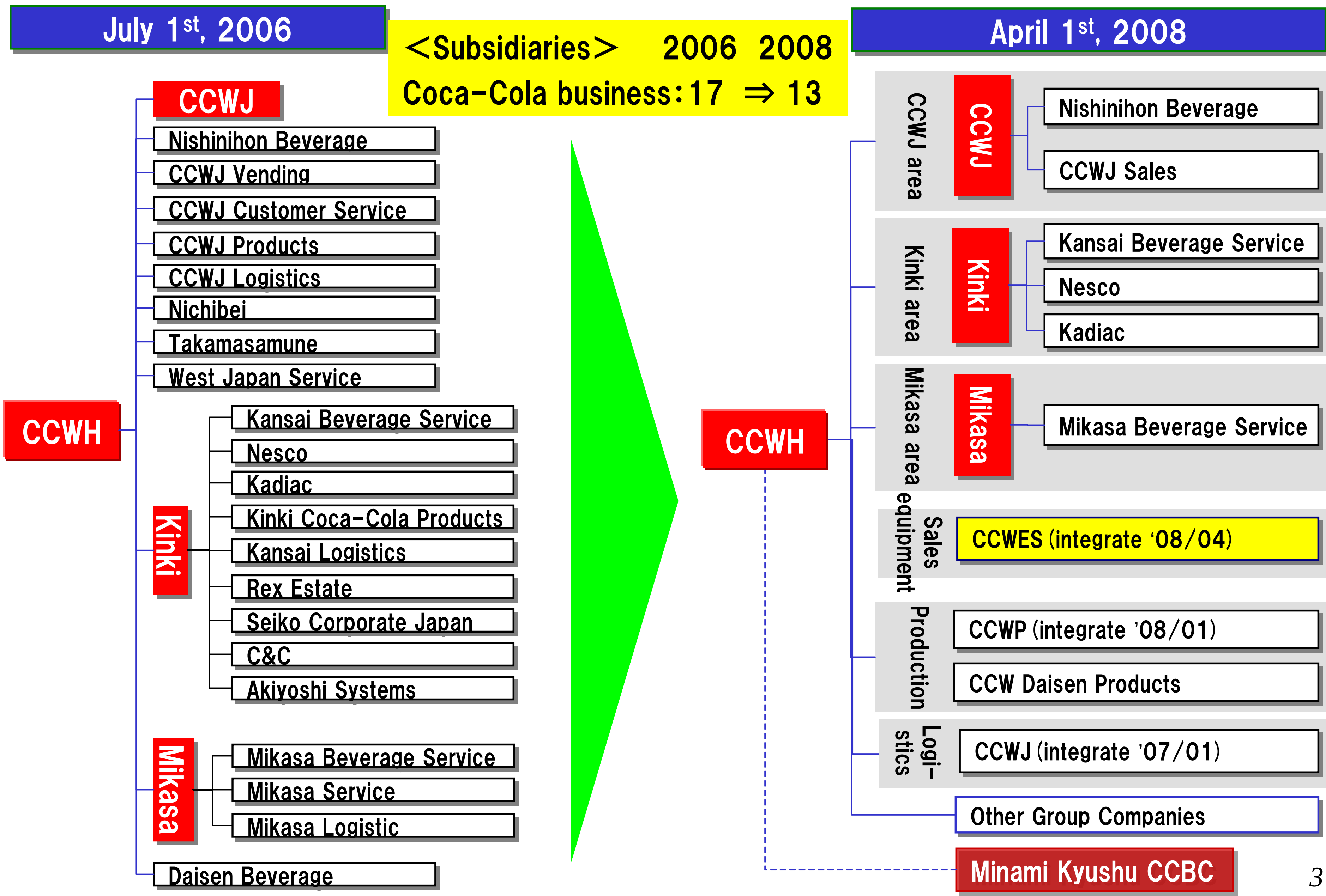
Enhance commercial capabilities

Reinforce commercial capability through outstanding customer marketing and expansion of VM network

Increase corporate value of the CCWG



Coca-Cola West Group Organization Structure



Issues with the CCWG

1. Inadequate commercial operating framework

2. Inefficient and ineffective organization

3. Inefficient Sales/Distribution model

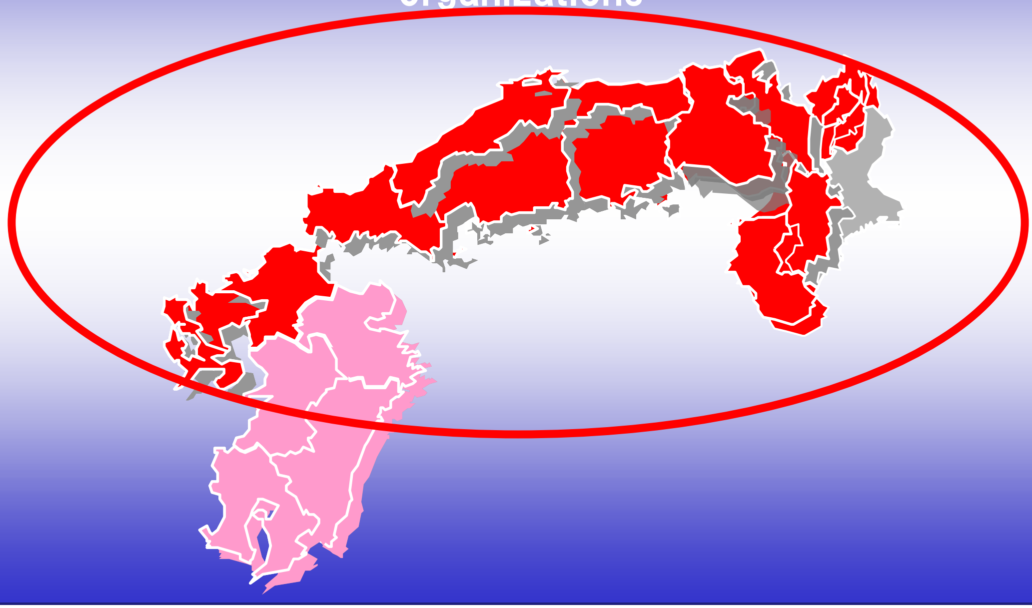
Reorganization Plan (1)

Image of New Management Structure

Complete business restructuring

Single-company model

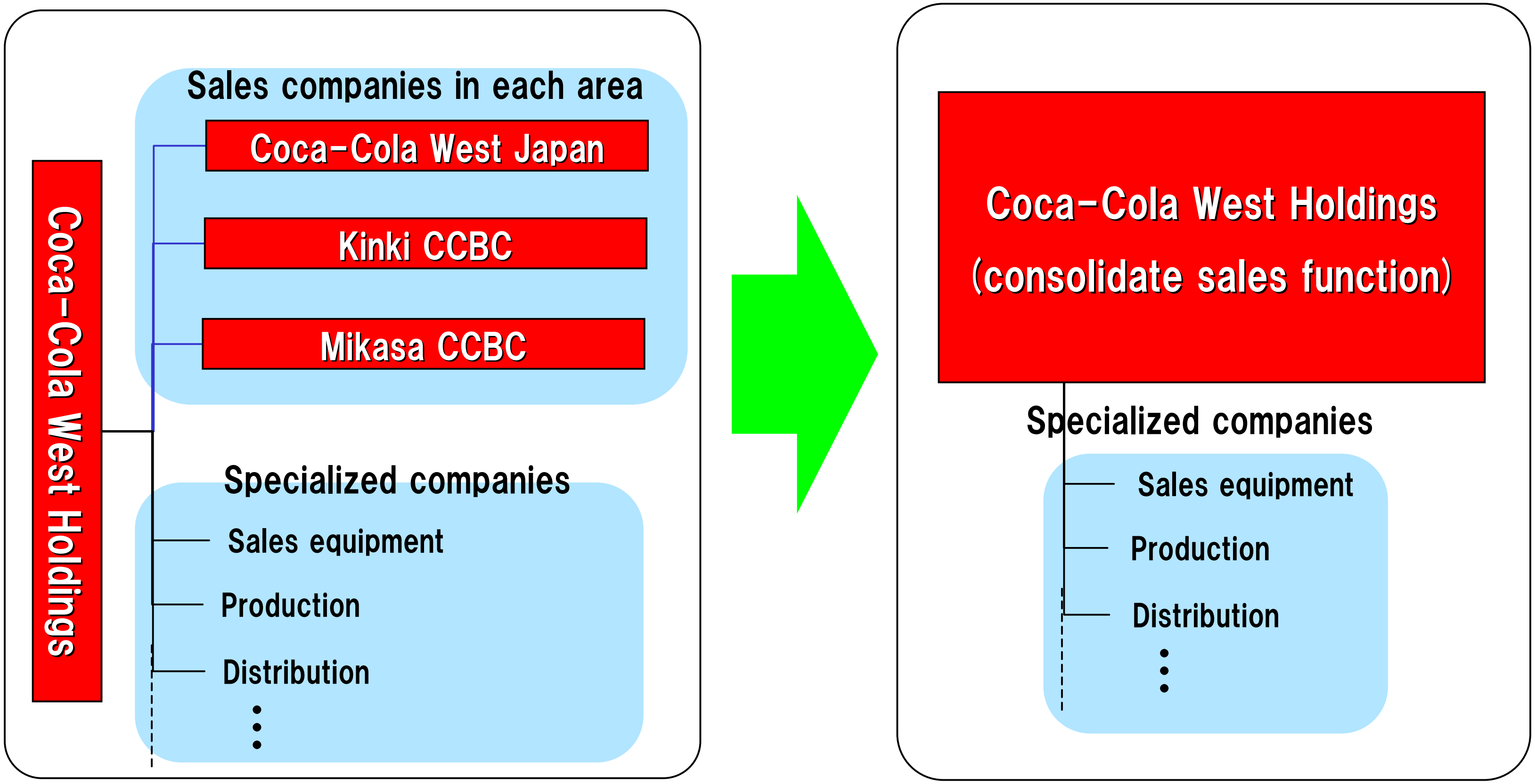
One integrated company with function-based organizations



In line with other functional companies of Coca-Cola systems

Reorganization Plan (2)

Integrate CCWH, CCWJ, Kinki and Mikasa in order to achieve true integration and establish a world-class management structure as well as operation mechanism



Reorganization Plan (3)

<Objectives of the integration>

Strengthen basis for management	Strengthen basis for management by establishing a new management structure with new policies and standards that conform to the single-company model.
Strengthen sales function	Increase sales and share as well as improving profitability by establishing trade marketing (*) function which is based on consumer view.
Reduction of indirect cost	Reduce cost and increase efficiency by integrate support functions of each group company.

*What is Trade Marketing?

Trade marketing is the application of brand marketing on the trade.

Trade marketing is a specific function that uses shopper and retail knowledge to develop in-store strategies that ultimately result in higher brand equity and an increase in the quantity and value of shopper purchases.

2. Share Buy Back

Share buy back

▪Based on article 156 of corporation law, the company passed a resolution to buy back the company share

- Objectives : Improvement of capital efficiency to make flexibly capital policy corresponding change of business environment possible
- Acquisition number of shares : 3.0 million shares (upper limit)
  ＊2.87% in proportion to number of shares issued (excluding company shares)
- Total acquisition price : 8 billion yen (upper limit)
- Term : April 25, 2008 to July 30, 2008

<Condition last time>

Item	Condition	Authorized issues at BOD
Aquired shares	1,500,000	1,500,000
Acquisition price	3,320,425,000	4,000,000,000
Term	2/21/2008～3/17/2008	2/8/2008～3/24/2008

<ROA, ROE, EPS>

Item	2007 actual	2008 projection (after share buy back)
ROE	3.72%	4.08%
ROA	5.64%	6.08%
EPS	88.29 yen	97.18 yen

＊ Share condition at March 31, 2008

- Number of shares issued (excluding company shares) :104,678,641
- Number of company shares : 6,447,073

3. Closing Almond Operation

Closing almond operation

Background

- Blue Diamond Growers (head office: USA) closes Japan section, Blue Diamond Almond Growers (BDAG) .
- CCWG decides to stop processing almond and selling almond products

➢ **Coca-Cola West Group closes almond processing operation.**

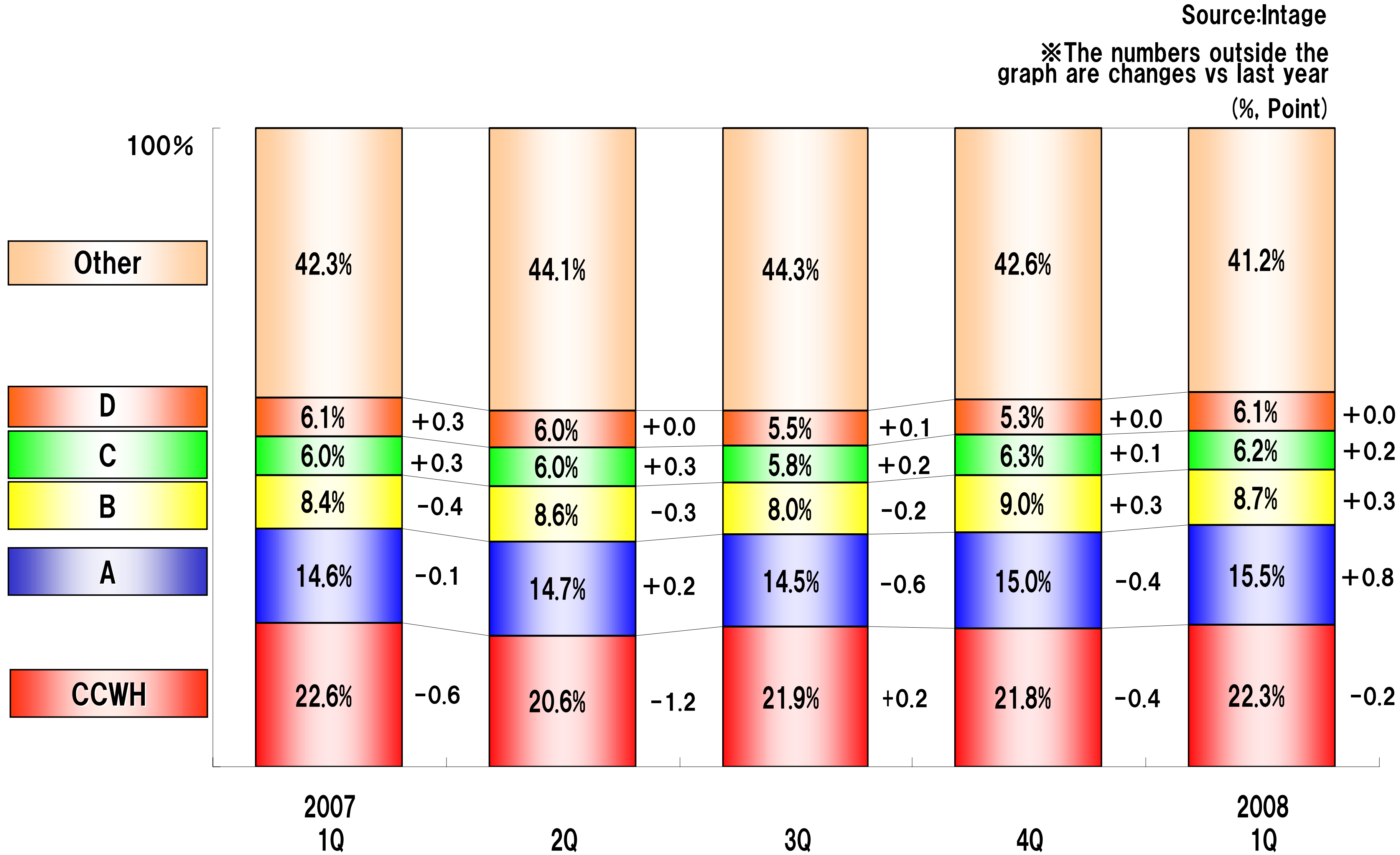
- Contract almond processing with BDAG in Nichibei which is one of the CCWG company
- Sales of almond products in CCWJ, Kinki, Mikasa stock from BDAG

➢ **Liquidation of 'Nichibei' (Almond processing operation, Coffee roasting operation)**

Almond processing operation	•End of contract almond processing with BDAG (End of June, 2008) •CCWH buy out Nichibei in which remains land and build (Before the end of the year)
Coffee roasting operation	•Transfer the operation to CCW Products Co., Ltd which is a product company in CCWG. (End of September, 2008)

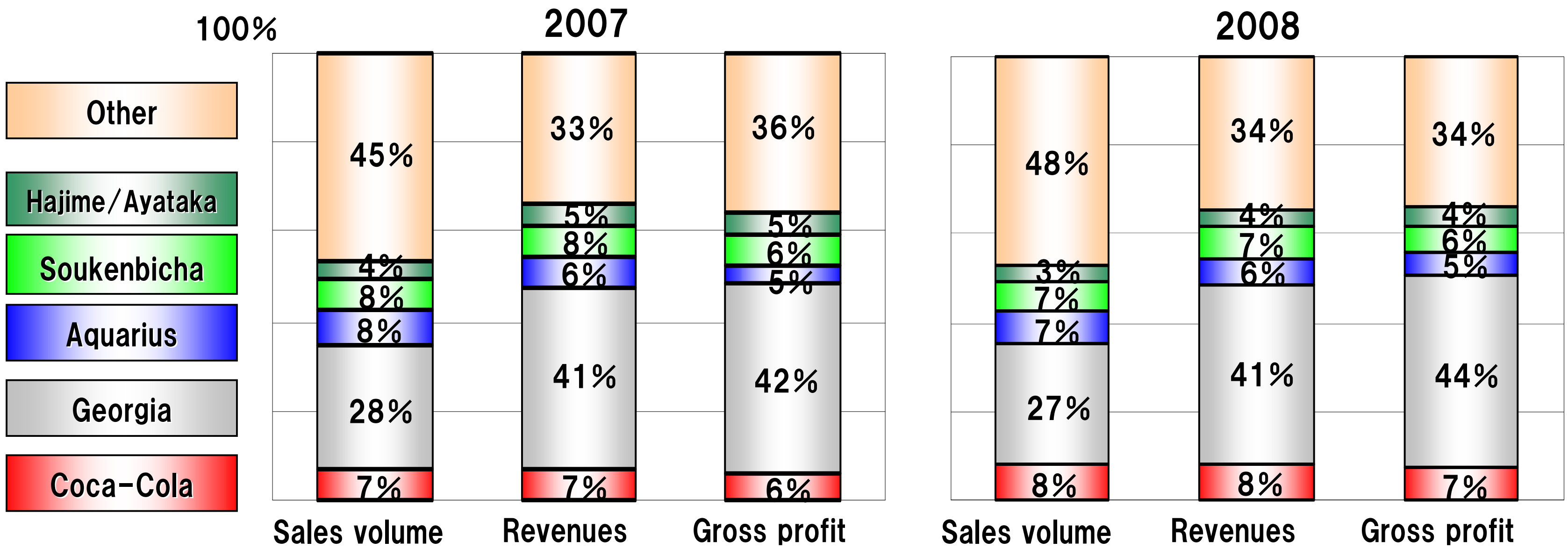
[Reference]

OTC Market Share (Exclude.VM) -CCWH Area

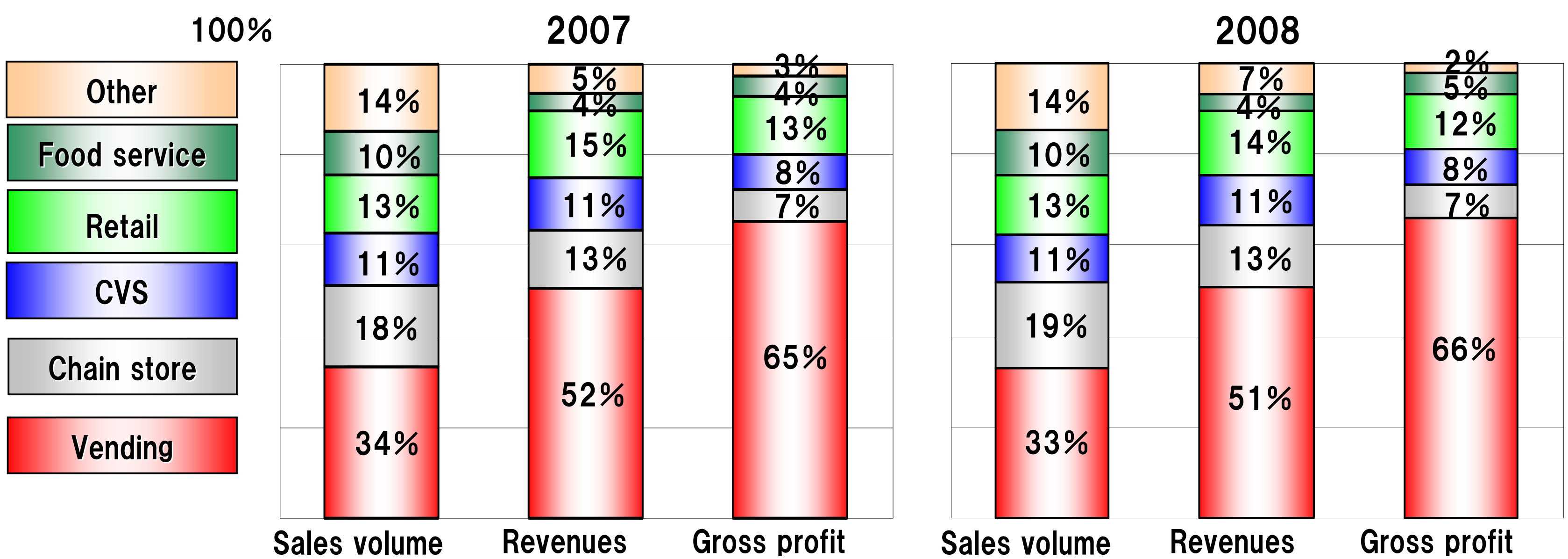


2008 1Q By brand/By channel Volume/Revenues/GP

Brand



Channel

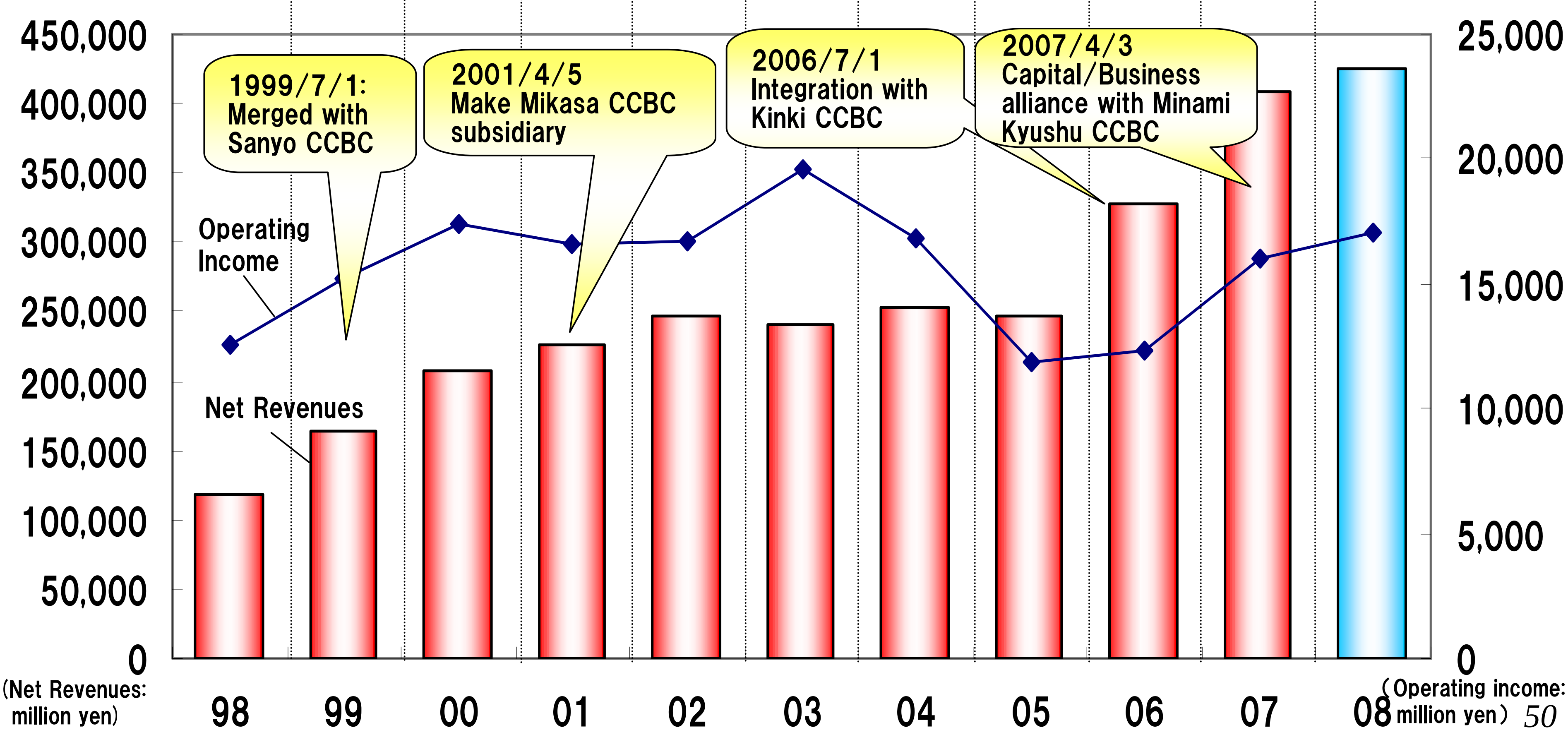


Financial Data

Performance Trend

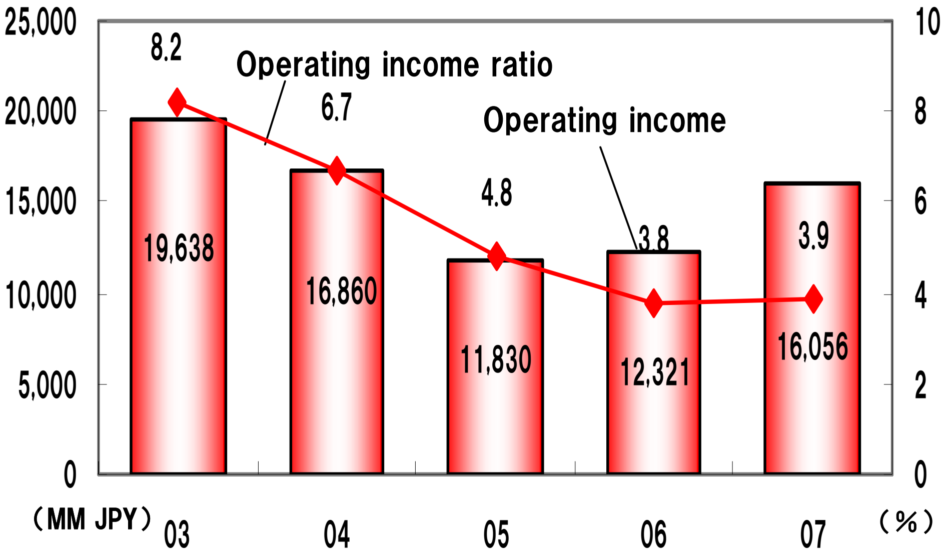
(million yen)

	98	99	00	01	02	03	04	05	06	07	08 plan
Net Revenue	117,991	164,731	207,827	226,111	247,737	240,825	253,248	245,874	327,821	409,521	425,000
Operating income	12,533	15,160	17,449	16,634	16,704	19,638	16,860	11,830	12,321	16,056	17,000
Recurring income	12,510	15,889	18,516	16,021	17,005	19,895	17,065	12,256	13,225	17,493	18,500
Net income	5,872	6,823	5,700	1,420	7,086	9,380	8,564	7,305	7,570	9,375	10,100

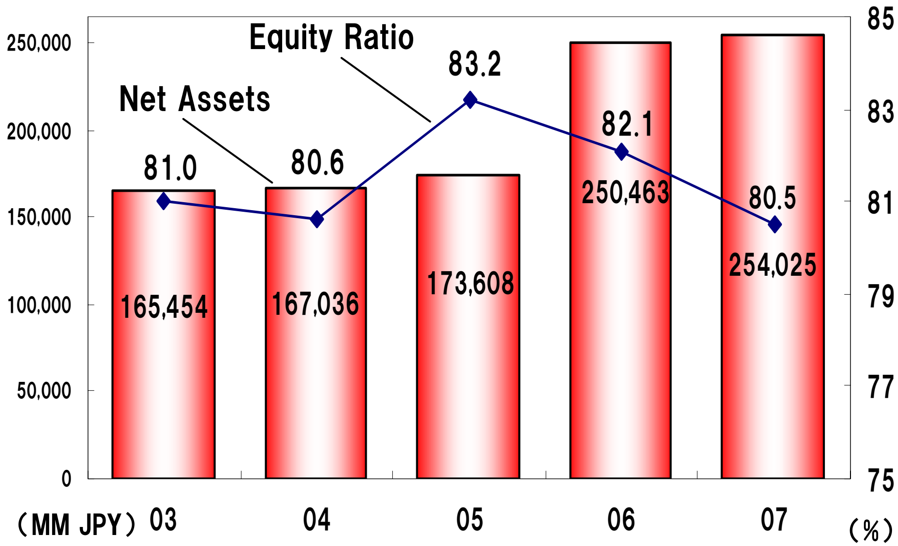


Financial Data

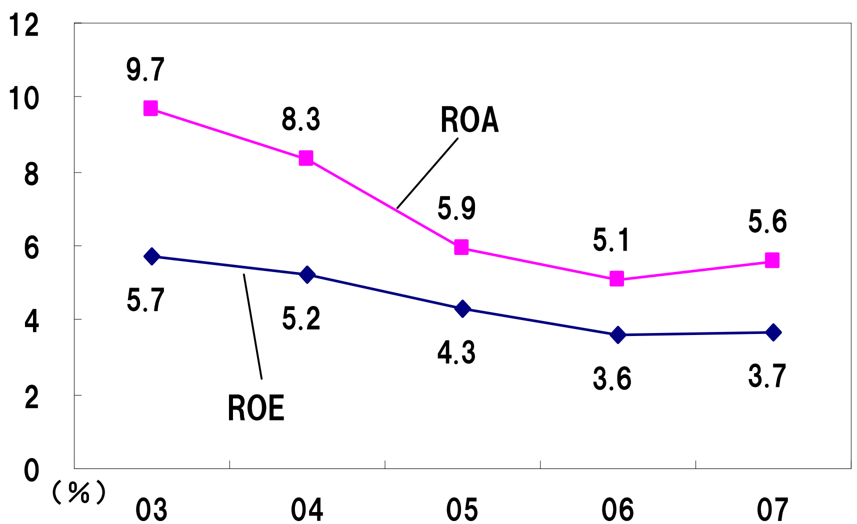
<Operating Income/Operating Income Ratio>



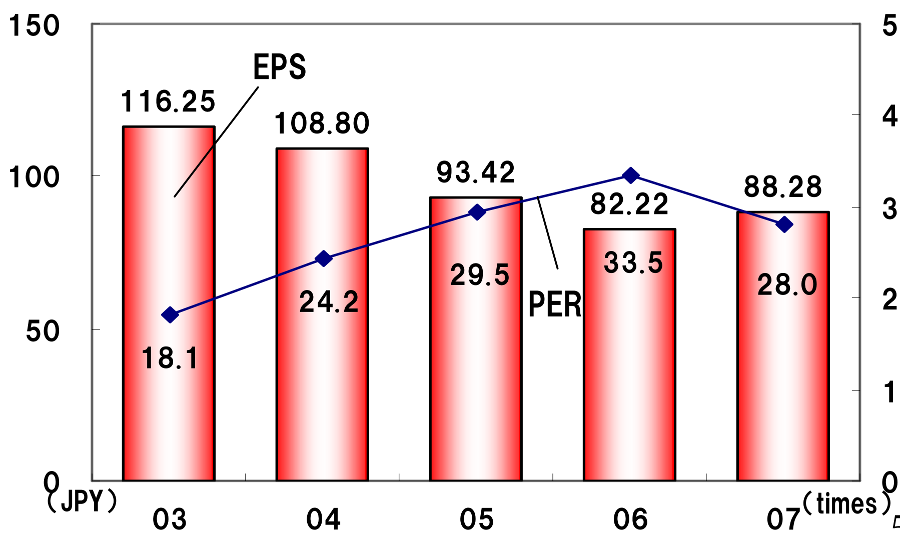
<Net Assets / Equity Ratio>



<ROA/ROE>



<EPS/PER>



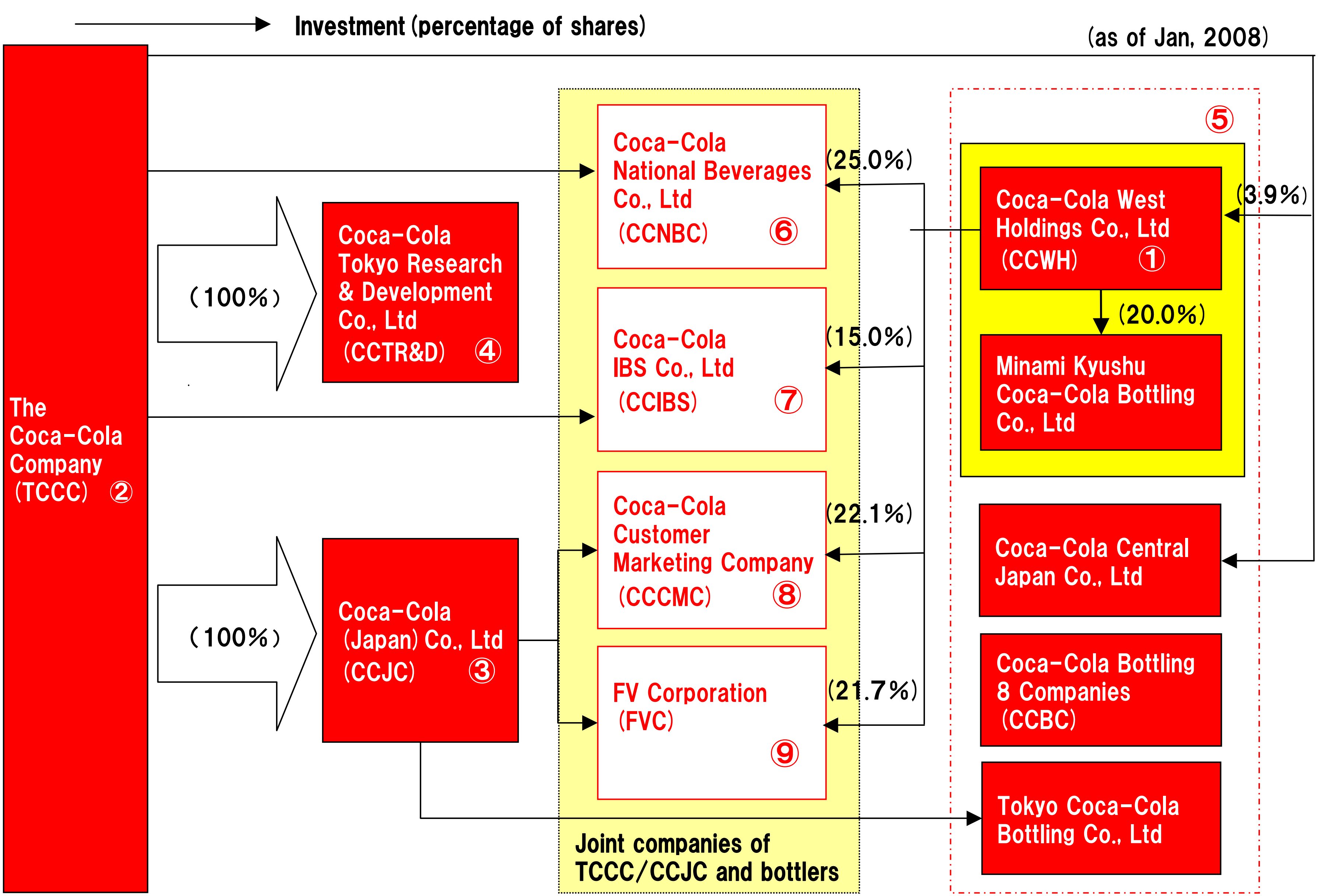
- CCWG management system
- Coca-Cola system in Japan

CCWG management system (Principal business)

Coca-Cola West Holdings (Management of group companies)

Company	Principal business
CCWJ area group	
Coca-cola West Japan	(Beverage sales)
CCWJ Sales	(Vending machine operation and freight operation, Coca-Cola products only)
NISHINIHON Beverage	(Vending machine sales and operation including non-Coca-Cola products)
KINKI area group	
KINKI Coca-Cola Bottling	(Beverage sales)
KANSAI Beverage Service	(Vending machine sales and operation including non-Coca-Cola products)
Nesco	(Vending machine operation in amusement industry)
Kadiac	(Vending machine operation in the KANSAI International Airport)
MIKASA area group	
MIKASA Coca-Cola Bottling	(Beverage sales)
MIKASA Beverage Service	(Vending machine sales and operation including non-Coca-Cola products)
Sales Equipment Service	
CCW Equipment Service	(Vending machine related business)
Production	
CCW Products	(Beverage production)
CCW DAISEN Products	(Beverage (mineral water) production)
Distribution	
CCW Logistics	(Freight transport)
Other business	
MINAMI KYUSHU Coca-Cola group	

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）

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

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（2)

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

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

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