



# Third Quarter 2010 Results

November 1, 2010

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# Contents

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**I . 3Q (Jul–Sep, Jan–Sep) Results**

**II . Full year, 4Q (Oct–Dec) Plan**

**III . Progress of Management Issues**

**IV . Topic**

**【Reference】**

OTC market share

Performance trend/Financial data

Coca–Cola System in Japan

# Summary

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## 3Q results

- Sales volume increased, driven by successful in-market activations and hot weather.  
【3Q】 Sales volume: +2.4% vs. plan, +5.3% vs. last year
- Revenues and operating income increased in the quarter, ahead of the target, due to sales volume growth and cost-reduction.  
【3Q】 OP income: +7.9 billion yen (+1.2 by vs. plan, +5.0 by vs. ly)

## Full year/4Q Plan

- We revise the forecast of 4Q and full year consolidated financial results.  
【Forecast of consolidated financial results 2010】
- Revenues : 376.9 billion yen (+7.2 billion yen vs. last year)
- Operating income : 10.8 billion yen (+8.5 billion yen vs. last year)

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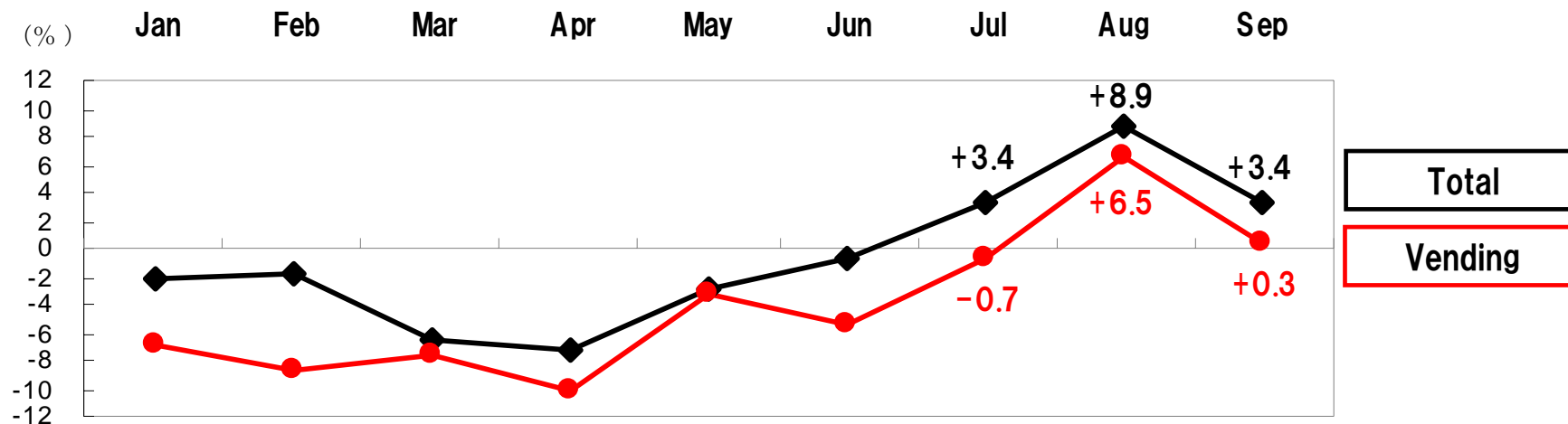
# I . 3Q (Jul-Sep, Jan-Sep) Results

# 3Q (Jul-Sep) Results – Sales volume

(thousand cases, %)	3Q 2010 actual	vs. plan		vs. last year*	
		change	%	change	%
Sales volume	56,279	+1,309	+2.4	+2,825	+5.3

※ Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

## Monthly Sales Volume (Yoy)



■ Weather (compare to last year)

	July			August			September		
	Osaka	Hiroshima	Fukuoka	Osaka	Hiroshima	Fukuoka	Osaka	Hiroshima	Fukuoka
Average Temperature (°C)	+0.6	+1.4	+0.9	+2.5	+2.8	+2.7	+2.2	+2.0	+1.9

## 3Q (Jul-Sep) Results – Sales volume by Brand

(thousand cases, %)		3Q 2010 actual	vs. plan		vs. ly*	
			change	%	change	%
B I G 6	Coca-Cola	4,545	+342	+8.1	+544	+13.6
	Coca-Cola Zero	2,046	+97	+5.0	+282	+16.0
	Fanta	3,187	+122	+4.0	+94	+3.1
	Georgia	8,568	-1,608	-15.8	-1,271	-12.9
	Sokenbicha	4,238	-114	-2.6	-215	-4.8
	Aquarius	10,289	+2,744	+36.4	+2,891	+39.1
	subtotal	32,873	+1,583	+5.1	+2,325	+7.6
+	Mineral water	4,139	+613	+17.4	+533	+14.8
	Ayataka	1,740	+257	+17.3	+739	+73.8
Other		17,527	-1,143	-6.1	-772	-4.2
Total		56,279	+1,309	+2.4	+2,825	+5.3

\*Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

### ■ Coca-Cola / Coca-Cola Zero / Fanta

- Total sparkling beverage volume increased.
- Sales of Coca-Cola and Coca-Cola Zero grew as a result of strong programs such as FIFA World Cup™ activation and the summer promotion. Fanta also increased.

### ■ Sokenbicha / Ayataka

- NST market increased.
- Sokenbicha decrease, especially in CVS.
- Ayataka increased as a result of putting it into vending machine and shelves at supermarket in a proactive way.

### ■ Georgia

- Coffee market was flat.
- Georgia declined in result of shifting to sparkling and sports beverage due to very hot weather.

### ■ Aquarius

- Sports market grew, impacted by hot weather.
- Aquarius increased, driven by “Prevent heat stroke” campaign.

### ■ I LOHAS

- Mineral water market grew.
- I LOHAS grew, driven by a new flavor (orange) launch and hot weather.

## 3Q (Jul-Sep) Results – Sales volume by Channel

(thousand cases, %)		3Q 2010 actual	vs. plan		vs. ly <sup>※1</sup>	
			change	%	change	%
	Supermarket <sup>※2</sup>	18,169	+1,391	+8.3	+1,653	+10.0
	CVS	5,899	+524	+9.8	+567	+10.6
	Chain store	24,068	+1,915	+8.6	+2,220	+10.2
	Vending	16,972	-121	-0.7	+351	+2.1
	Retail	4,021	+403	+11.1	-93	-2.3
	Food service	5,393	-88	-1.6	+296	+5.8
	Other	5,825	-800	-12.1	+51	+0.9
	<b>Total</b>	<b>56,279</b>	<b>+1,309</b>	<b>+2.4</b>	<b>+2,825</b>	<b>+5.3</b>

※1 Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

※2 Supermarket includes drug store, discount store and home center.

### ■ Chain store

- Sales increased as a result of programs such as a summer promotion, and an installing sales equipment activation in supermarket.
- Sales in CVS channel increased. We gained market share, driven by I LOHAS and Aquarius.

### ■ Vending

- Sales increased as a result of successful in-market activation such as an attractive product line-up.

### ■ Retail / Food service

- Sales in food channel increased as a result of launching packaged products.
- Sales in retail channel achieved the target.

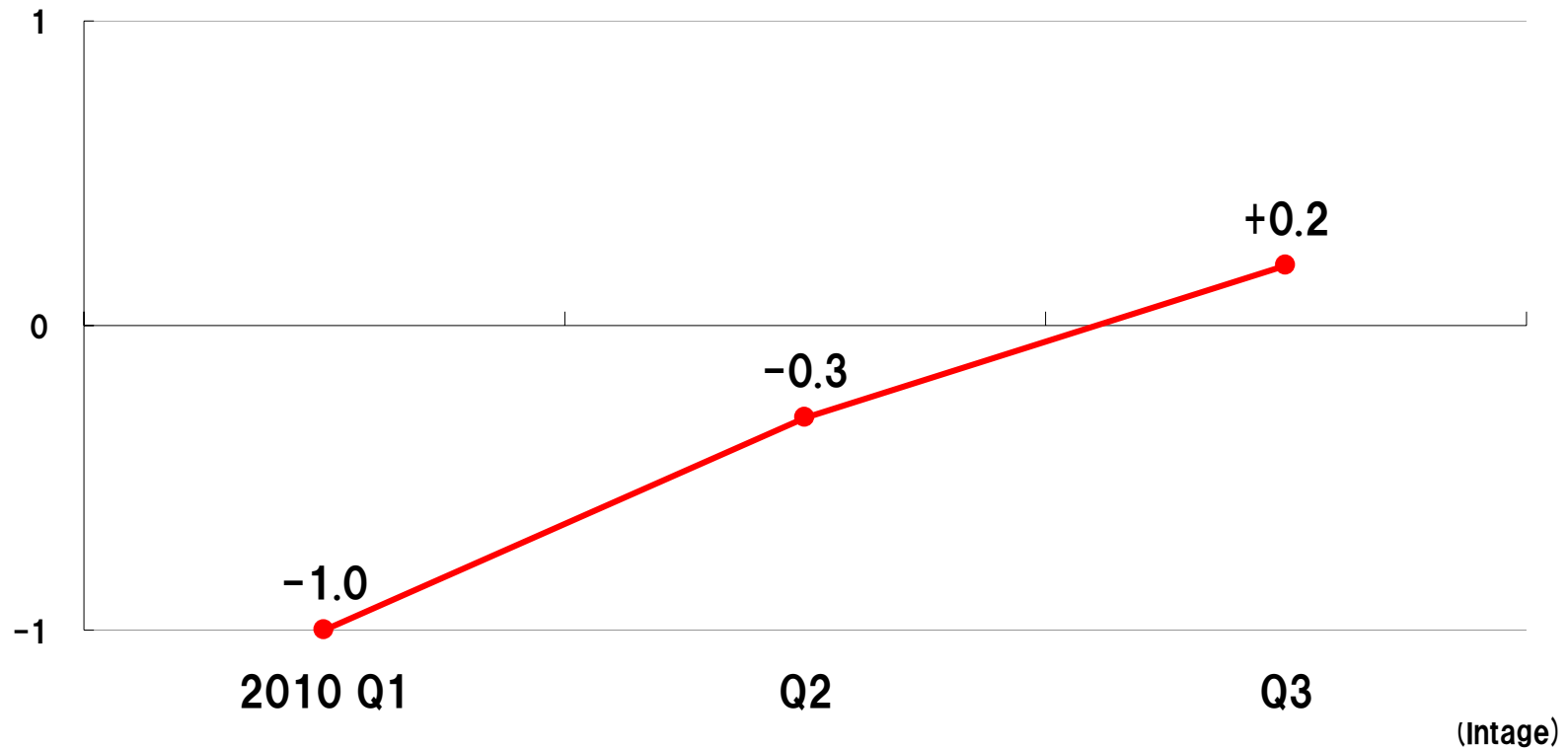
# Channel strategy – Supermarket market share

■ Market share in the quarter increased as the result of strengthening market executions.

## Supermarket market share (Yoy)

(Points)

※ Supermarket includes drug store, discount store and home center.





# Channel strategy – Supermarket small PET bottle sales

■ We installed sales equipments more than our plan, and small PET bottle sales increased. That contributed to improve our profitability of supermarket channel.

## Number of Installed sales equipments



Cold storage chamber

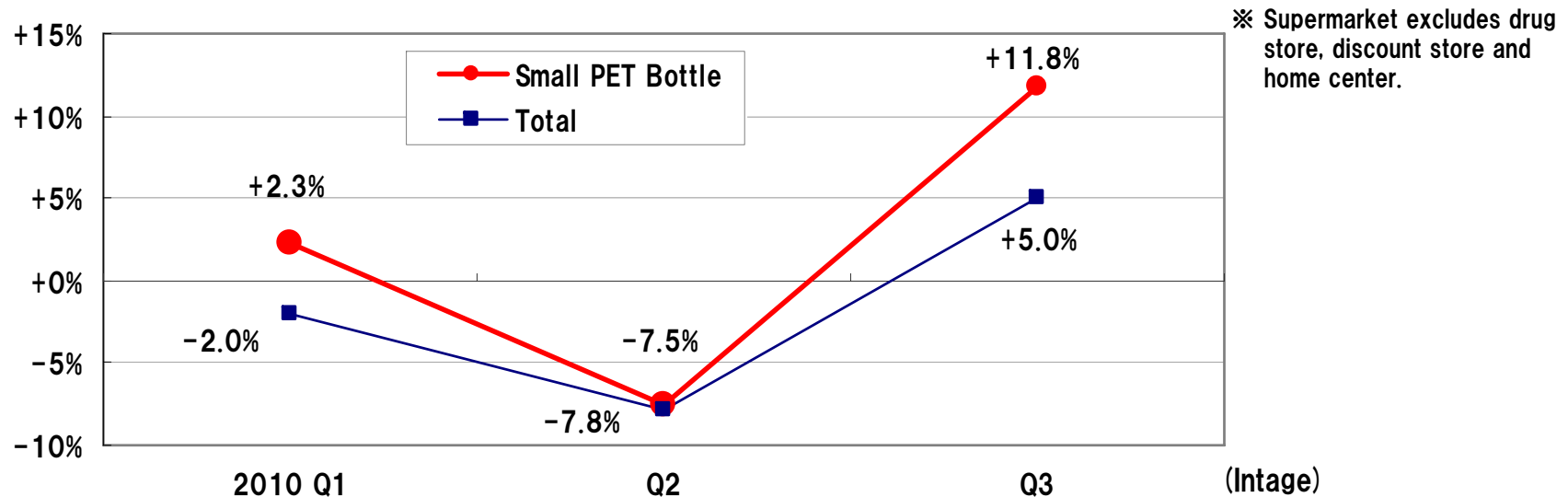
**2,124** units



Rack

**6,391** units

## Small PET Bottle Sales in supermarket\* (Yoy)

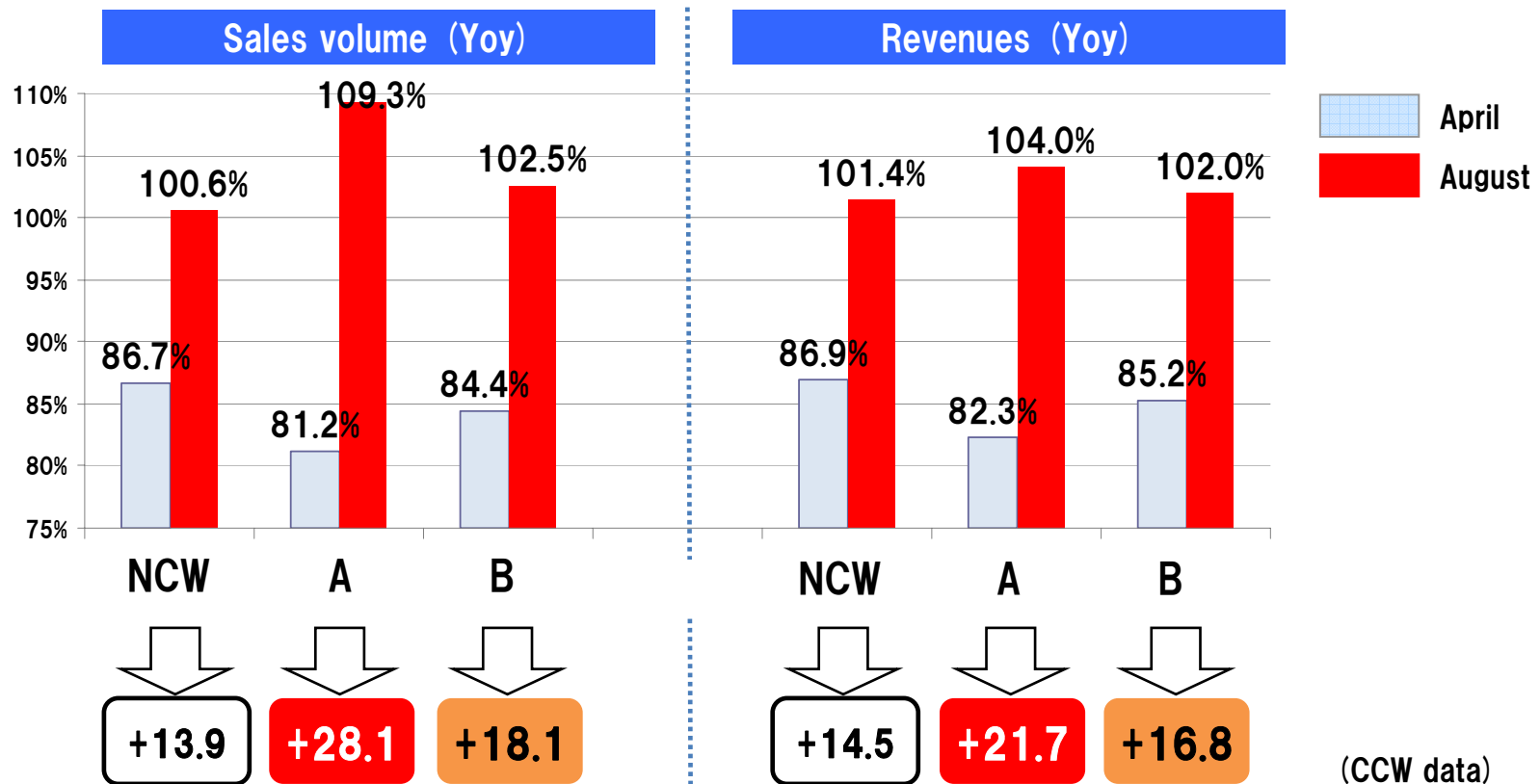


# Channel strategy – Volume Per Machine

■ Out-door vending machine VPM-up activation has started since May. Volume per out-door vending machines have been improved, and that contributed an increase of our revenues and profits.

## Effect of the activation

NCW: Not Complied With    A: Low-price vending machines    B: Regular-price vending machines



## 3Q (Jul-Sep) Results – Sale volume & P/L

(thousand cases, million yen, %)

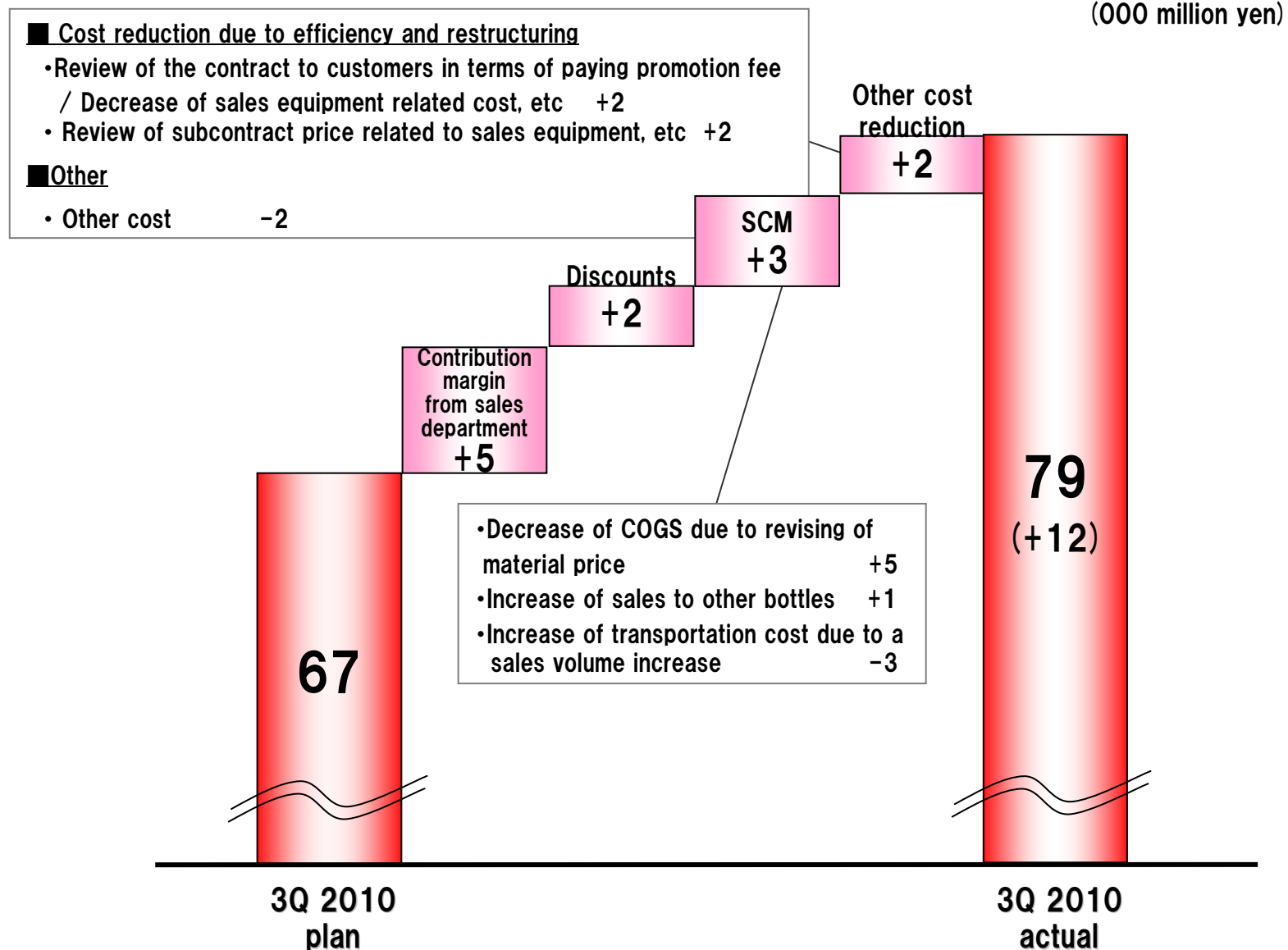
	3Q 2010 actual	3Q 2010 Plan	vs. plan		3Q 2009 <sup>※</sup> actual	vs. last year	
			change	%		change	%
Sales volume	56,279	54,970	+1,309	+2.4	53,454	+2,825	+5.3
Revenues	112,096	108,400	+3,696	+3.4	107,033	+5,062	+4.7
Gross profit	50,718	49,800	+918	+1.8	46,227	+4,491	+9.7
Operating income	7,981	6,700	+1,281	+19.1	2,916	+5,065	+173.7
Recurring income	8,551	6,800	+1,751	+25.8	2,681	+5,869	+218.9
Net income	5,392	4,000	+1,392	+34.8	-4,204	+9,596	—

※ Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

## 3Q (Jul-Sep) Results – P/L change factors (vs. plan)

	3Q 2010 plan	3Q 2010 actual	change	(000 million yen)	
				Main factors for increase/ decrease	change
<b>Revenues</b>	<b>1,084</b>	<b>1,120</b>	<b>+36</b>	•Increase of sales volume	+18.6
				•Sales to other bottlers	+18.1
<b>Gross profit</b>	<b>498</b>	<b>507</b>	<b>+9</b>	•Increase of sales volume	+7.6
				•Sales to other bottlers	+1.4
<b>Operating income</b>	<b>67</b>	<b>79</b>	<b>+12</b>	Increase/decrease of SG&A	
				•Personnel cost	-5.2
				•Transportation cost	-3.9
				•Sales promotion & ad cost	+4.3
				•Sales equipment cost	+2.5
				•Business consignment expenses	+2.1
<b>Recurring income</b>	<b>68</b>	<b>85</b>	<b>+17</b>	•Non-operating income/losses	+4.5
<b>Net income</b>	<b>40</b>	<b>53</b>	<b>+13</b>	•Income taxes	-3.5

# 3Q (Jul-Sep) Results – Operating income change factors (vs. plan)

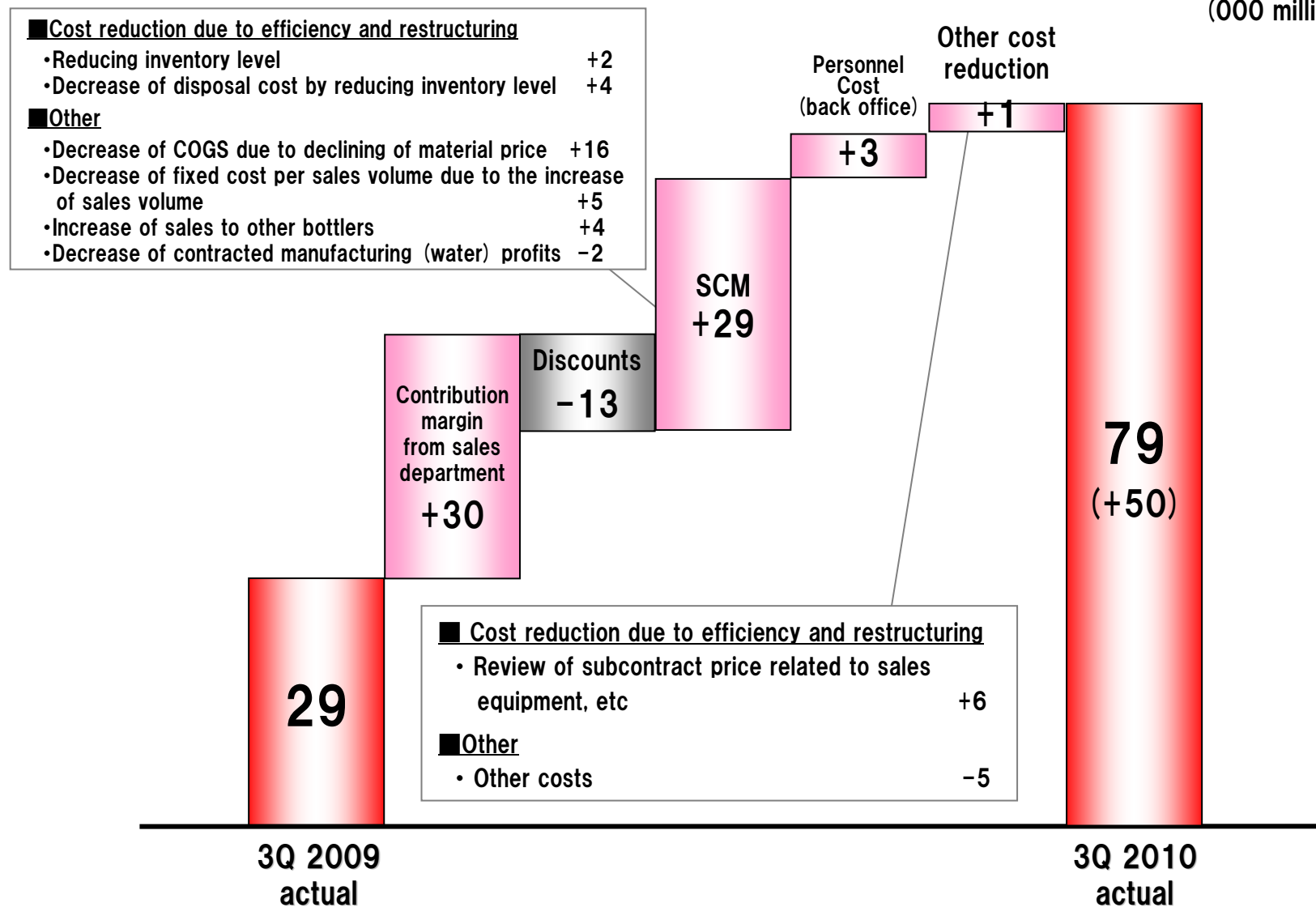


## 3Q (Jul-Sep) Results – P/L change factors (vs. 1y)

	3Q 2009 actual	3Q 2010 actual	change	(000 million yen)	
				Main factors for increase/decrease	change
Revenues	1,070	1,120	+50	• Increase of sales volume	+28.7
				• Sales to other bottlers	+10.1
				• Impact on a new consolidated company	+11.7
Gross profit	462	507	+44	• Increase of sales volume	+35.3
				• Sales to other bottlers	+4.0
				• Impact on a new consolidated company	+5.5
Operating income	29	79	+50	Increase/decrease of SG&A	
				• Personnel cost	+1.5
				• Transportation cost	-1.5
				• Sales promotion & ad cost	+4.5
				• Sales commission	-6.2
				• Depreciation	+4.5
				• Sales equipment cost	+1.7
Recurring income	26	85	+58	• Non-operating income/losses	+8.0
Net income	-42	53	+95	• Extraordinary income/losses	+67.4
				• Income taxes	-30.1

# 3Q (Jul-Sep) Results – Operating income change factors (vs. 1y)

(000 million yen)



## 3Q (Jan-Sep) Results – Sales volume &P/L

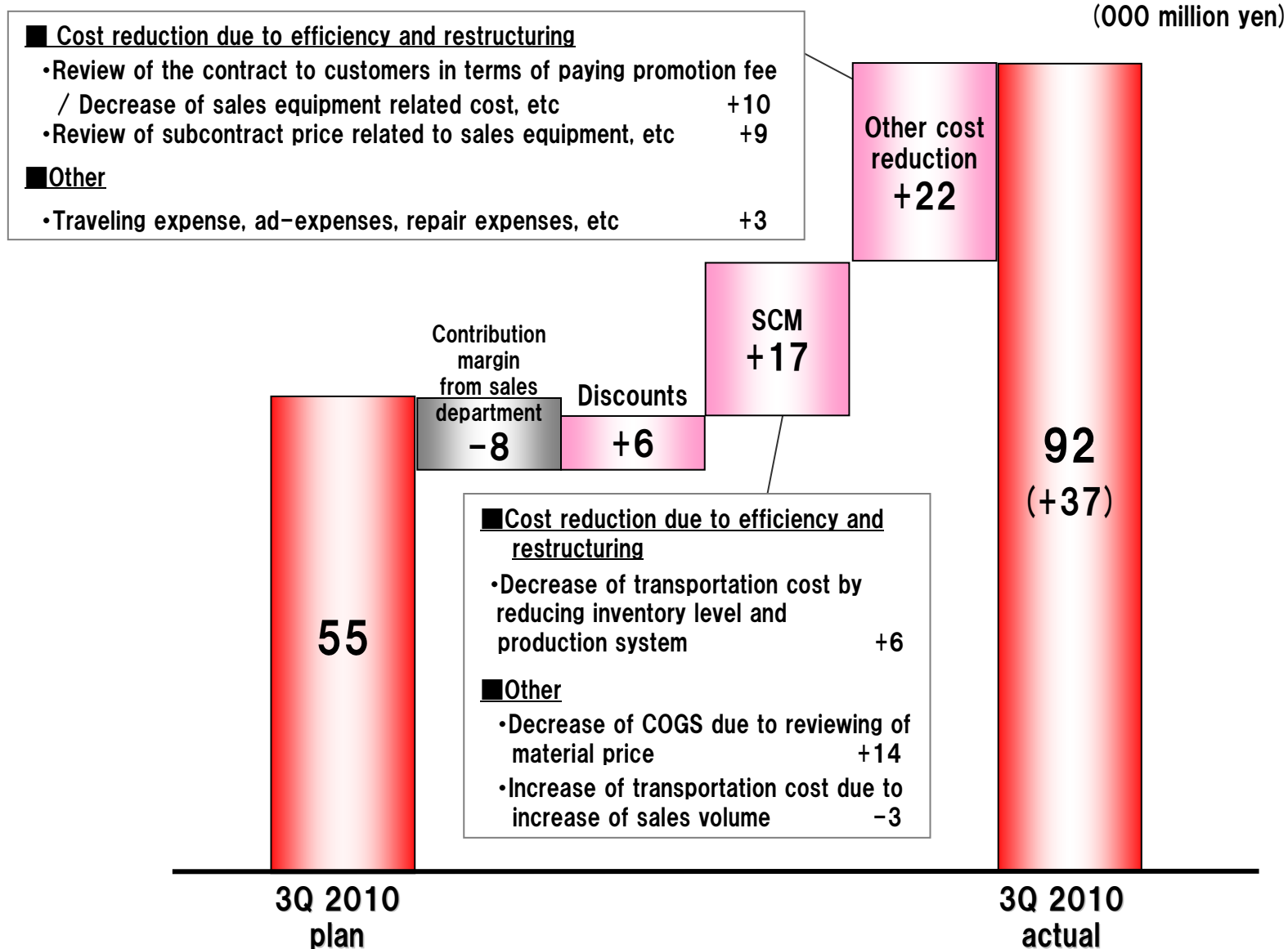
(thousand cases, million yen, %)

	3Q 2010 actual	3Q 2010 plan	vs. plan		3Q 2009*	vs. last year	
			change	%		change	%
Sales volume	138,005	139,700	-1,695	-1.2	138,251	-247	-0.2
Revenues	281,279	281,200	+79	+0.0	284,221	-2,942	-1.0
Gross profit	127,045	127,400	-354	-0.3	125,192	+1,852	+1.5
Operating income	9,262	5,500	+3,762	+68.4	1,569	+7,692	+490.1
Recurring income	9,989	5,200	+4,789	+92.1	1,567	+8,422	+537.4
Net income	6,202	3,000	+3,202	+106.8	-5,912	+12,115	—

※ Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

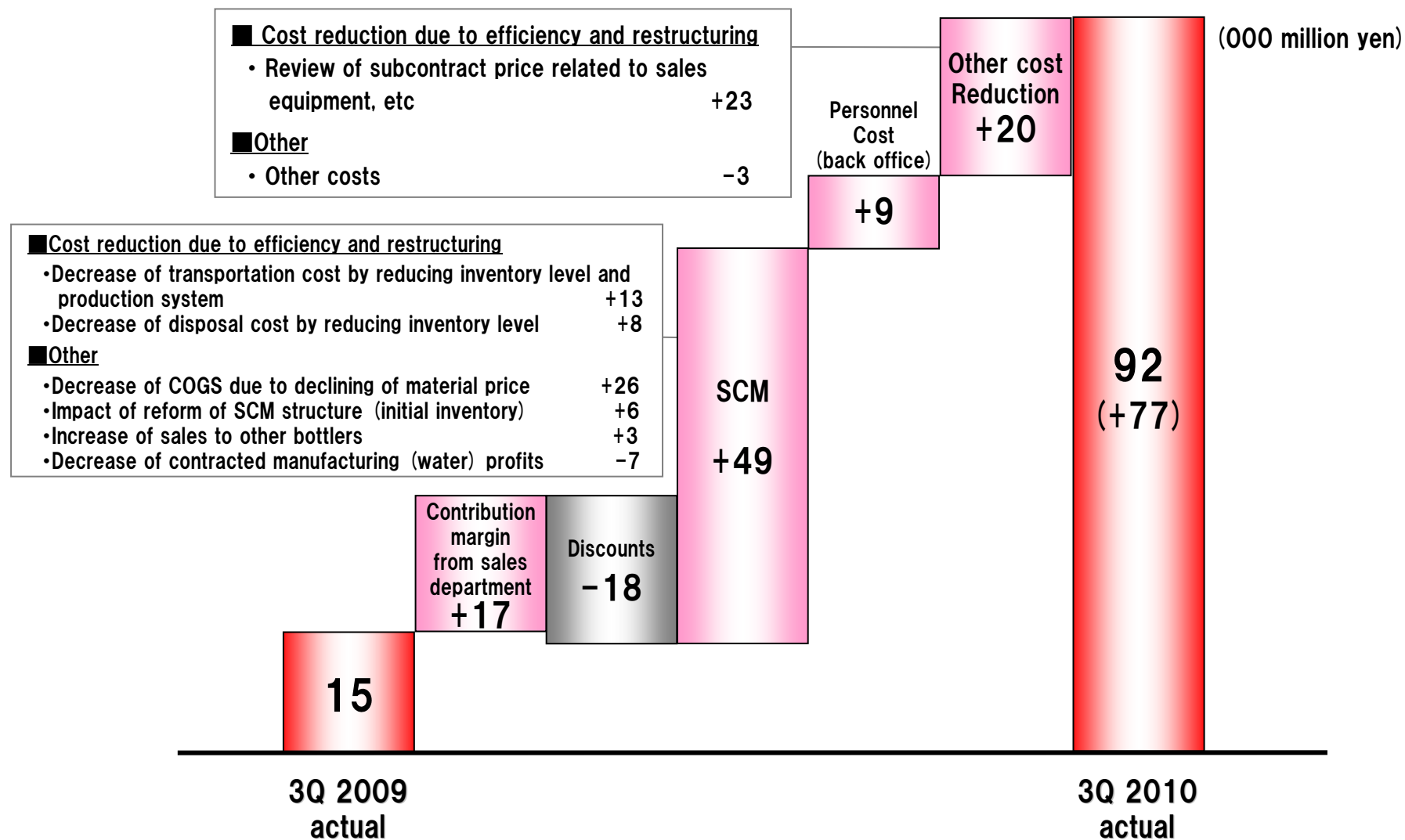


# 3Q (Jan-Sep) Results – Operating income change factors (vs. plan)



# 3Q (Jan-Sep) Results – Operating income change factors (vs. 1y)

Operating income increased 7.7 billion yen, reflecting the structural reforms.



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## **II. Full Year, 4Q (Oct–Dec) Plan**

## Full year plan – sales volume plan / performance forecast

We revise the earning projections which released on Feb 3.

(thousand cases, million yen, %)

	2010 plan	2009 actual*		vs. last year	
			change	%	
Sales volume	182,500	179,711	+2,789	+1.6	
Revenues	376,900	369,698	+7,201	+1.9	
Gross profit	174,300	163,457	+10,842	+6.6	
Operating income	10,800	2,242	+8,557	+381.5	
Recurring income	11,500	2,085	+9,414	+451.5	
Net profit	6,800	-7,594	+14,394	-	

\* Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

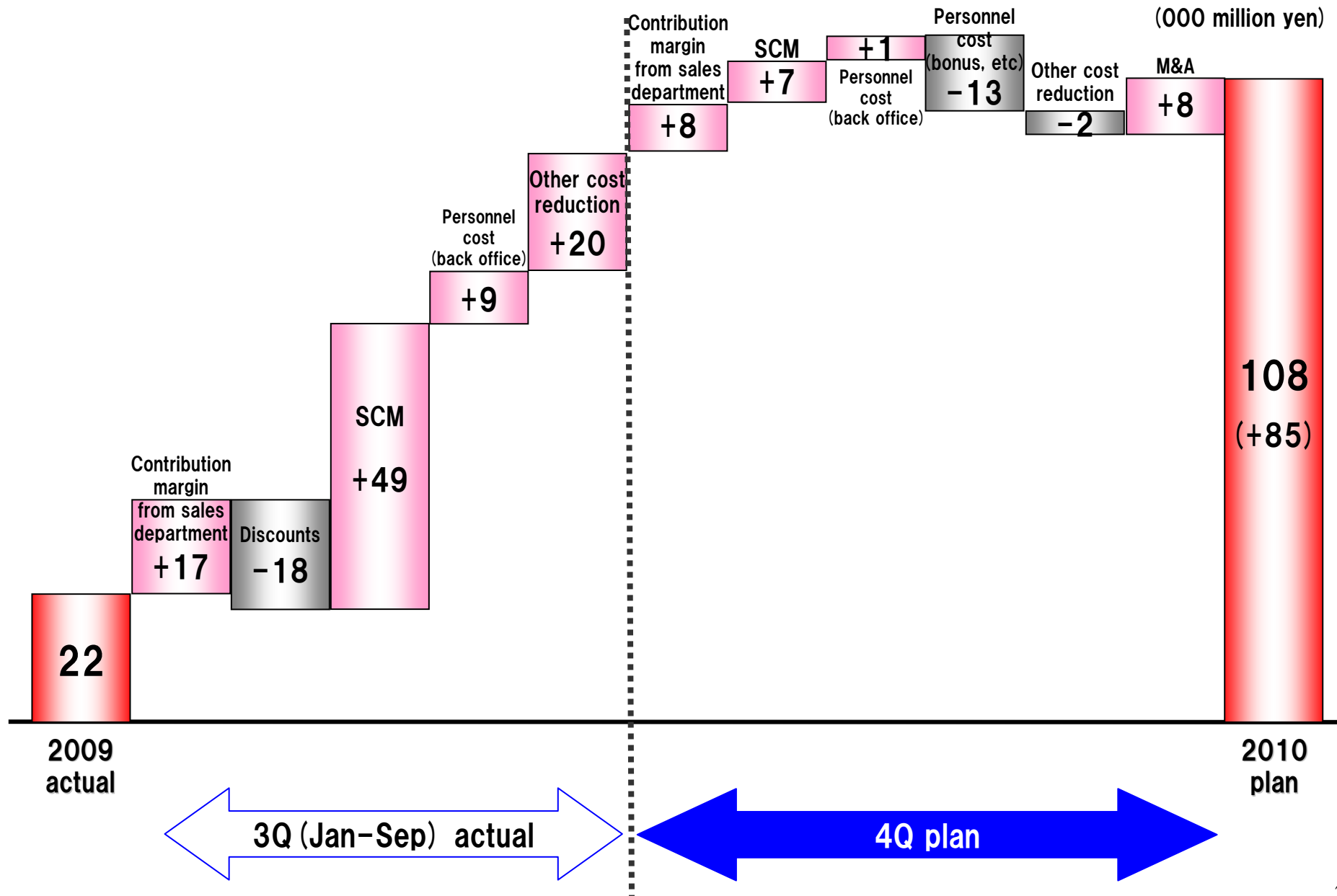
## 4Q (Oct-Dec) Plan – Sales volume plan / performance forecast

(thousand cases, million yen, %)

	4Q 2010 plan	4Q 2009 actual*	vs. last year	
			change	%
Sales volume	42,800	41,460	+1,340	+3.2
Revenues	95,600	85,476	+10,123	+11.8
Gross profit	47,200	38,264	+8,935	+23.4
Operating income	1,500	673	+826	+122.8
Recurring income	1,500	518	+981	+189.6
Net profit	600	-1,681	+2,281	-

\* Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

# Full year Plan – Operating income change factors (vs. 1y)



# 4Q (Oct-Dec) Plan – Sales volume

## Brand

(thousand cases, %)

		4Q 2010 plan	vs. last year	
			change	%
B I G 6	Coca-Cola	2,849	+21	+0.8
	Coca-Cola Zero	1,200	+128	+12.0
	Fanta	1,798	+65	+3.7
	Georgia	11,128	+360	+3.3
	Sokenbicha	2,970	+116	+4.1
	Aquarius	3,011	-32	-1.0
	subtotal	22,955	+658	+3.0
+	Mineral water	2,354	-116	-4.7
	Ayataka	1,302	+492	+60.8
Other		16,189	+306	+1.9
Total		42,800	+1,340	+3.2










## Channel

(thousand cases, %)

		4Q 2010 plan	vs. last year	
			change	%
	Supermarket ※	9,916	+310	+3.2
	CVS	4,907	+229	+4.9
Chain store		14,823	+539	+3.8
Vending		14,617	+496	+3.5
Retail		2,991	-106	-3.4
Food service		4,444	+127	+2.9
Other		5,925	+284	+5.0
Total		42,800	+1,340	+3.2

※ Supermarket includes drug store, discount store and home center

# 4Q Plan – Brand strategy (BIG 6)

	Main activities	Innovation	Communication
<p>Coca-Cola</p> 	<p>▶ Coke &amp; Meals Christmas</p>	<p>Designed package</p> <p>350ml PET Bottles</p> 	<p>Christmas promotion</p>  <p>From November 1</p>
<p>Coca-Cola Zero</p> 	<p>▶ Coke &amp; Meals Christmas</p>	 <p>2L PET Bottles</p>	<p>Christmas ornament</p> 
<p>Fanta</p> 	<p>▶ Launch new flavors</p> <p>“Super Fruits Mix”</p> <p>“World LA Hard Rock Apple”</p>	<p>Supper Fruits Mix</p> <p>World LA Hard Rock Apple</p> 	<p>Strawberry flavored 350ml PET Bottles</p> 



# 4Q Plan – Brand strategy (BIG 6)

	Main activities	Innovation	Communication
<p><b>Aquarius</b></p> 	<ul style="list-style-type: none"> <li>▶ “Rehydration solution” and “Avoid getting a cold” campaign</li> </ul>	<p>Sparkling Zero</p> 	 <p>Autumn is the season for sports</p>  <p>Avoid getting a cold</p>
<p><b>Sokenbicha</b></p> 	<ul style="list-style-type: none"> <li>▶ With meal program</li> <li>▶ Launch Hot PET Bottle</li> </ul>	<p>HOT PET Bottle</p> 	<p>With meal program</p> 

# 4Q Plan – Brand strategy (BIG 6) – Georgia

Georgia



- ▶ Autumn promotion
- ▶ Launch Bito (low sugar) canned coffee

Main activities

Innovation

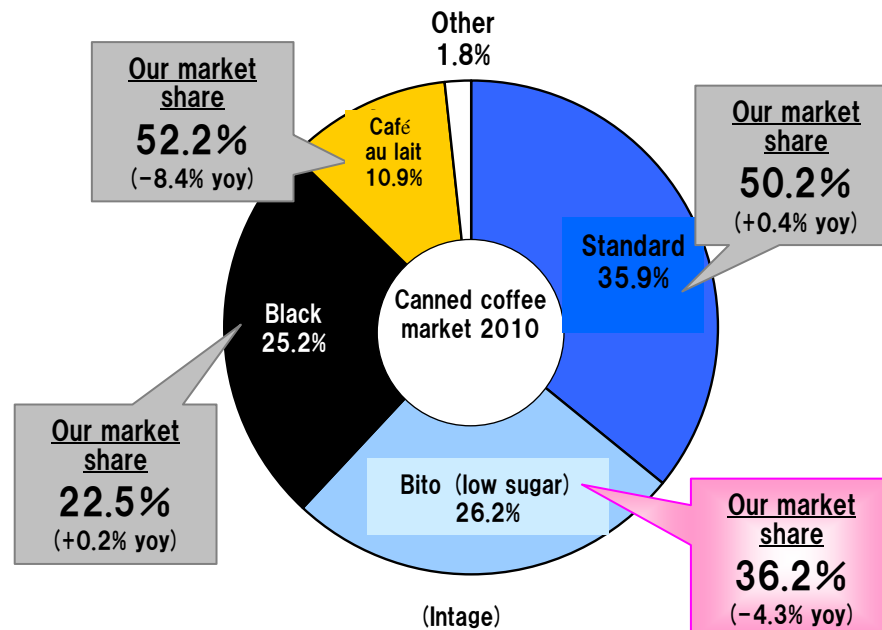
Communication

Emerald Mountain Blend  
European Kokuno Bito (low sugar)    Bito (low sugar)    Platinum Bito (low sugar)



Autumn promotion

## Canned coffee sales composition ratio and our market share



Strengthening of Bito (low sugar) segment

# 4Q Plan – Brand strategy (BIG 6) – Georgia

**European Kokuno  
Bito**



**Emerald Mountain  
Blend Bito**



**Platinum Bito**



<b>Release</b>	<b>August 23</b>	<b>November 15</b>	<b>December 20</b>
<b>Target</b>	<b>Consumers seek a feeling of relaxation</b>	<b>Consumers want to freshen up</b>	<b>Consumers drink a cup of regular coffee</b>
<b>Product profile</b>	<ul style="list-style-type: none"> <li>• Rich coffee</li> </ul>	<ul style="list-style-type: none"> <li>• Smooth coffee</li> </ul>	<ul style="list-style-type: none"> <li>• Innovation with CCJC</li> <li>• High quality coffee</li> </ul>

# 4Q Plan – Channel strategy (Chain store: increase sales volume)

## ▶ Increase market share and sales with profits

- Strengthening of large-sized PET bottles with sales promotions
- Increase of sales with expanding line-up of large-sized PET bottles

### Promotion

### Line-up

Sparkling

#### Christmas promotion



#### Tie up with KFC



Strengthening of Ayataka (green tea) and Aquarius vitamin guard

NST

#### Bundled sale



#### With meal



Sports

#### Avoid getting a cold



# 4Q Plan – Channel strategy (Chain store: improve profitability)

- ▶ Get various opportunities to increase small-sized PET packages
  - Keep acquired point of purchases, and get additional POPs

## Attractive activations

## Install sales equipment

Cold & Hot play

<Market execution>

October



November



December



<Additional POP>

Install Hot PET bottle warmers



Dry play

<Market execution>



<Additional POP>



# 4Q Plan – Channel strategy (Vending: Improve VMP)

▶ Increase sales volume with an attractive product line-up (all vending machines)

• Start shifting the line-up toward winter season (increase SKU of HOT products)

## A: Out-door vending machine at regular price

Autumn



Winter



Package

① Increase SKU of 500ml PET ¥150  
Georgia (HOT) ¥120

① Increase SKU of 500ml PET ¥150  
Georgia 190g (regular) can ¥120  
Increase SKU of HOT PET ¥120-130

Price

② Ayataka 500ml PET ¥130  
I LOHAS 520ml PET ¥120

② Ayataka 500ml PET ¥130  
I LOHAS 520ml PET ¥120

# 4Q Plan – Channel strategy (Vending: Improve VMP)

## B: Out-door vending machine at low-price

Autumn



Winter



Package

- ① Increase SKU of 500ml PET      ¥150
- Georgia (HOT)                      ¥120

- ① Increase SKU of 500ml PET      ¥150
- Georgia 190g (regular) can      ¥120
- Increase SKU of HOT PET      ¥120

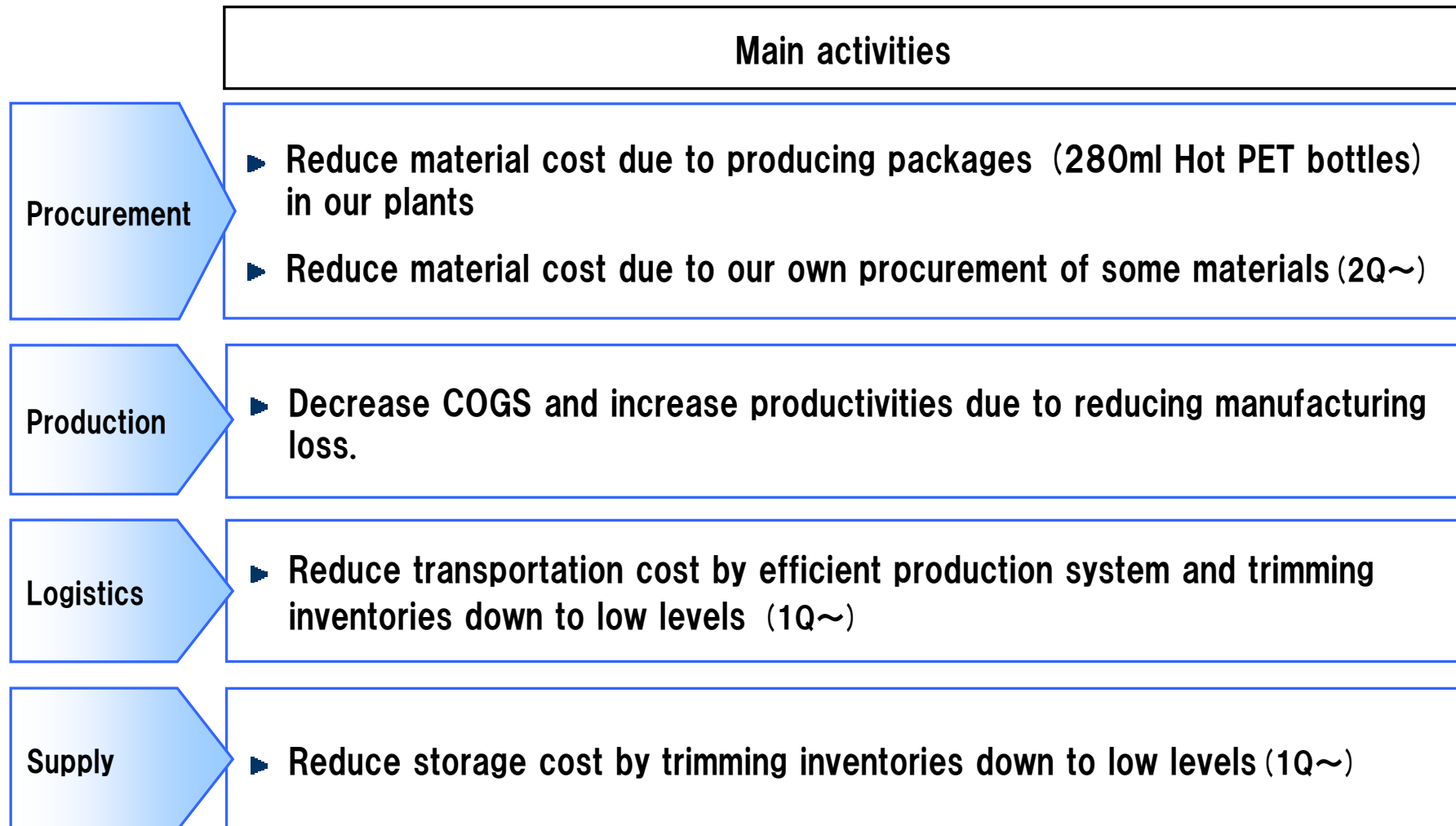
Price

- ② Ayataka 500ml PET              ¥130
- I LOHAS 520ml PET              ¥110~120
- Georgia 170g can                  ¥100

- ② Ayataka 500ml PET              ¥130
- I LOHAS 520ml PET              ¥110~120
- Georgia 170g can                  ¥100

## 4Q Plan – SCM (Cost reduction / efficiency)

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## **III. Progress of Management Issues**

# Progress of the management issues – Reform of sales

## Achievement

### ▶ Evolution of Trade Marketing

- VPM is improved in vending channel. Profitability is improved, as a result of BPPC\* execution in chain store channel.
- Launch CCW original products innovated with CCJC “OLO-OLO”, “Georgia Platinum Bito”

### ▶ Evolution of sales department structure

- Operational efficiency is improved by reorganization of three sales function companies.
- We change chain store department structure in order to execute more productively.
- We change distribution system more efficiently in a part of chain store channel.

### ▶ Sales related costs change to variable costs

- We review subcontract price of sales equipments. We reduce sales equipment related cost.

- Increased sales and profits
- Created infrastructure for maximizing sales and profits

## Issue

### ▶ Evolution of Trade Marketing

- Stable sales growth of “BIG 6” and “+2” brand.
  - Innovation tailored consumer needs
  - Innovation of “Georgia” and “Sokenbicha”
- Maximizing in-market activation
  - Visualization of in-market activation

### ▶ Evolution of sales department structure

- Establish sales structure based on urban and rural areas.

### <Goal>

- Maximizing sales and profits

※ Brand, Package, Price, Channel

# Progress of the management issues – Reform of SCM

## Achievement

### ▶Procurement

→Reduce material cost due to our own procurement, weight saving of PET bottle, and thinning of label.

### ▶Production

→Decrease COGS and transportation cost as a result of installing an aseptic filling line, starting production of 1.0L and 280ml PET bottle of I LOHAS in our plant.

### ▶Logistics

→Reduce disposal cost by consolidation of distribution centers in Kansai area.

### ▶Supply

→Reduce disposal cost as a result of having a supply–demand meeting constantly between sales and SCM department.

•Reduce large amount of cost

## Issue

### ▶Procurement

→Procure materials at lower cost by offsetting the exchange risk.

### ▶Supply

→Adjust product supply–demand in each channel with sales department.

### <Goal>

- Establish best SCM structure based on consumer standpoint.
  - SCM department covers its role with sales department from “Procurement” to “Consumer”

## Progress of the management issues

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**Achieve the targets**



**Implementation of three reform**

**1. Reform of Sales**

**2. Reform of SCM**

**3. Change of our activities  
based on consumer needs**



Exceed the 3Q (Jan-Sep) targets

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## IV. Topic

## Acquisition of Q'SAI

### We bought 100% of Q'SAI (Health food company)

Date of acquisition : October 1, 2010

Acquired share/amounts : 302,755 share/35,922 million yen

#### Profile of Q'SAI

Company name	Q'SAI Company, Limited
Head office	Fukuoka, Japan
Representatives	Takashi Fujino, President
Business activities	Production and sale of health foods and health related products
Employees	Consolidated 411 (temporary workers 280) *

\* as of October, 2009








Head office

# Acquisition of Q'SAI

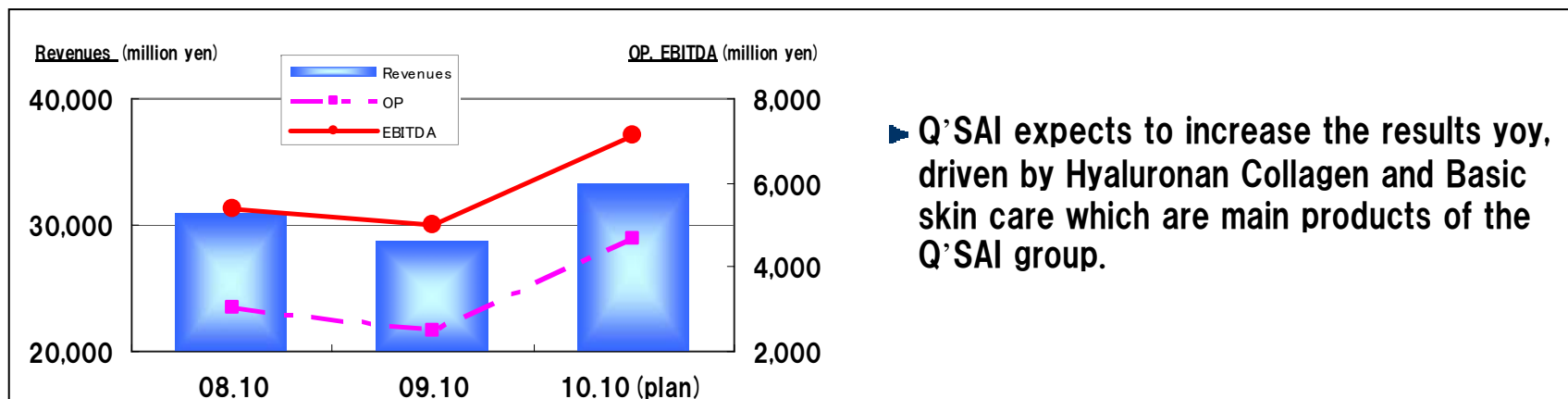
## Main products of Q'SAI group

▶Q'SAI has high quality of products in each health food, cosmetics and specified health food.

	Health food		Cosmetics	Specified health food	
Products	 Kale Powder	 Hyaluronan Collagen	 Basic Skin Care	 Touchi Extract tablet type	 Peptide Ace
Sales ratio	<b>19%</b>	<b>36%</b>	<b>14%</b>	<b>21%</b>	

## Financial results of Q'SAI (consolidated)

▶Q'SAI expect to increase revenues and profits yoy at the fiscal year of 2010.



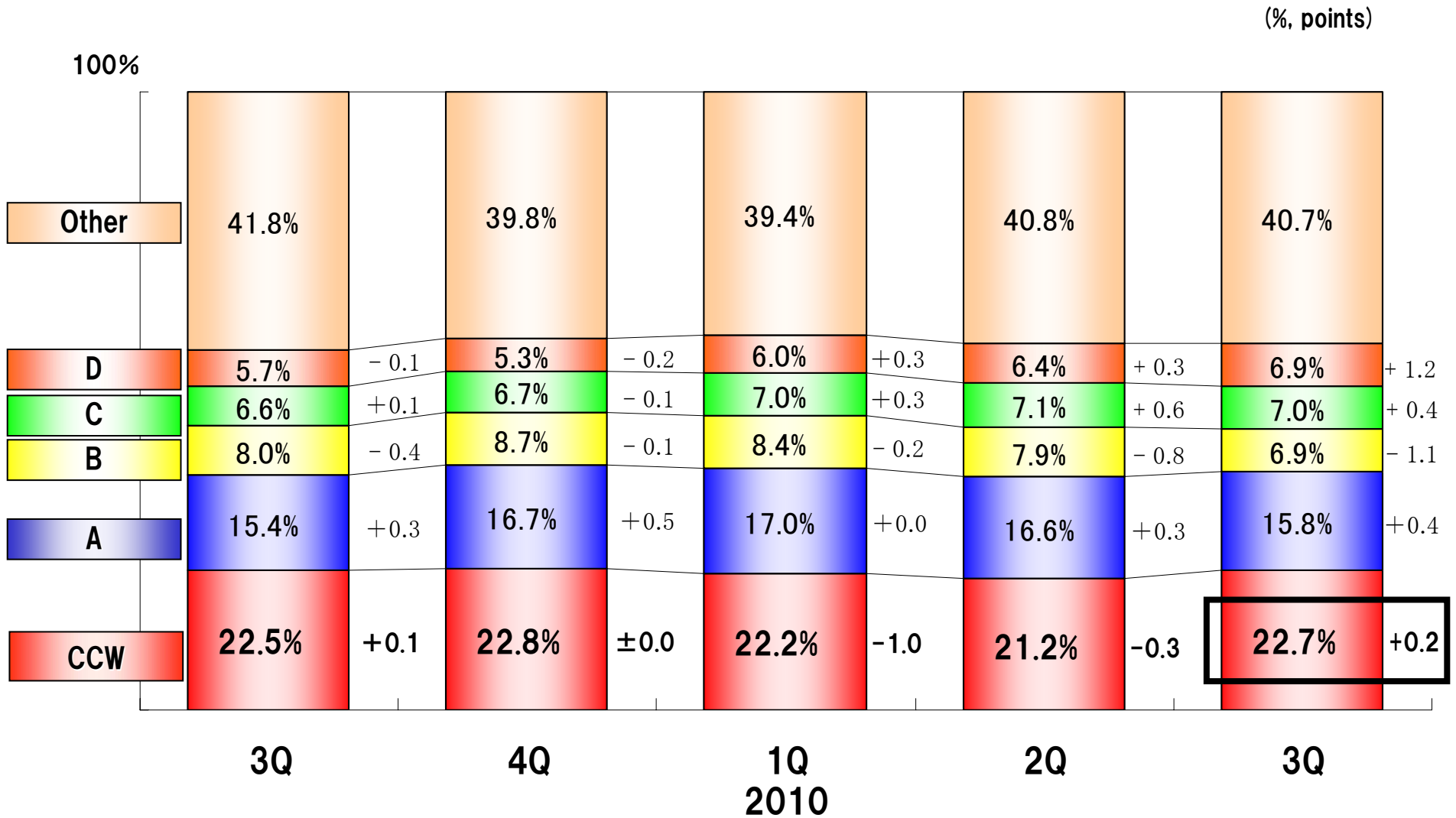
▶ Q'SAI expects to increase the results yoy, driven by Hyaluronan Collagen and Basic skin care which are main products of the Q'SAI group.

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[ Reference ]



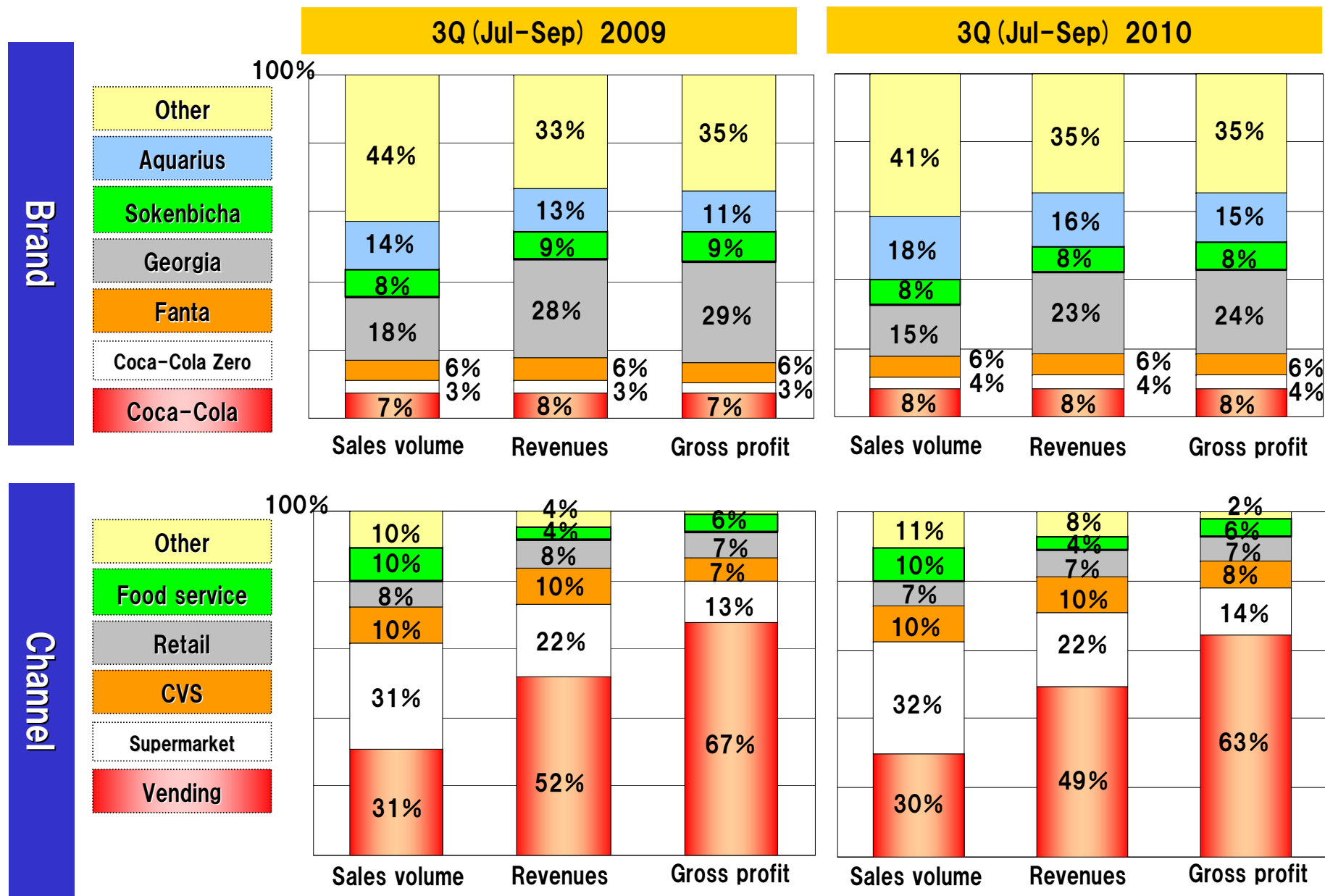
# OTC Market share (exclude VM)



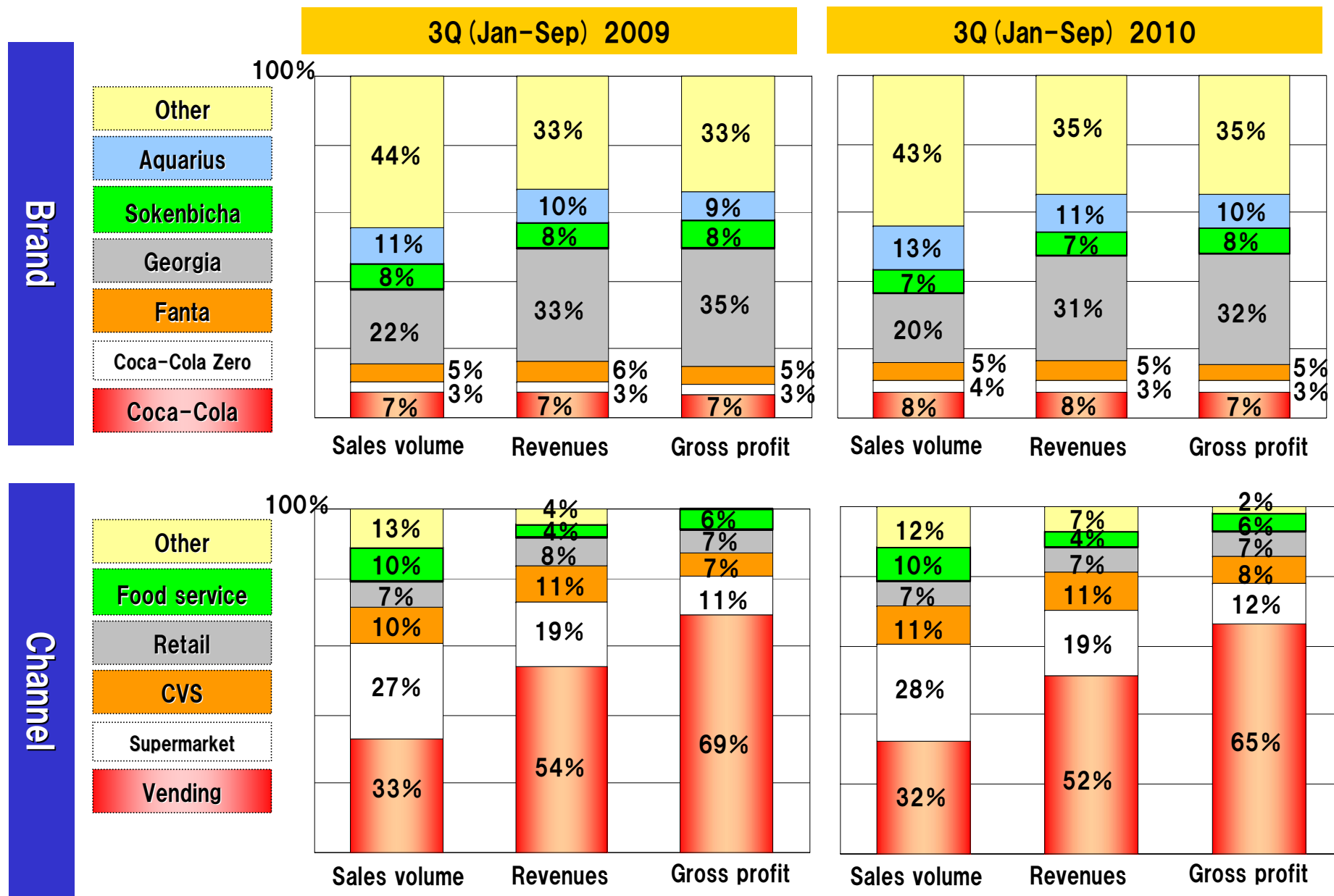
※ The numbers outside the graph are vs. last year

(Source: Intage)

# 3Q (Jul-Sep) – By brand/by channel Volume/Revenues/GP



# 3Q (Jan-Sep) – By brand/by channel Volume/Revenues/GP



## 3Q (Jan–Sep) – Sales volume by brand

(thousand case, %)

		3Q 2010 actual	vs. plan		vs. ly <sup>※</sup>	
			change	%	change	%
BIG 6	Coca-Cola	10,699	+543	+5.3	+663	+6.6
	Coca-Cola Zero	4,848	+319	+7.0	+515	+11.9
	Fanta	6,903	-480	-6.5	-418	-5.7
	Georgia	27,785	-2,327	-7.7	-2,279	-7.6
	Sokenbicha	9,683	-757	-7.3	-833	-7.9
	Aquarius	17,716	+2,561	+16.9	+2,737	+18.3
	subtotal	77,634	-142	-0.2	+385	+0.5
+ 2	Mineral water	9,342	+1,070	+12.9	+1,330	+16.6
	Ayataka	3,543	-100	-2.7	+2,054	+137.9
Other		47,486	-2,524	-5.0	-4,016	-7.8
Total		138,005	-1,695	-1.2	-247	-0.2

※ Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

## 3Q (Jan-Sep) – Sales volume by channel

(thousand case, %)

	3Q 2010 actual	vs. plan		vs. ly <sup>*1</sup>	
		change	%	change	%
Supermarket <sup>*2</sup>	39,025	+491	+1.3	+1,009	+2.7
CVS	14,780	+327	+2.3	+618	+4.4
Chain store	53,804	+817	+1.5	+1,627	+3.1
Vending	44,480	-555	-1.2	-1,724	-3.7
Retail	9,912	+383	+4.0	-456	-4.4
Food service	13,923	+17	+0.1	+350	+2.6
Other	15,886	-2,357	-12.9	-45	-0.3
<b>Total</b>	<b>138,005</b>	<b>-1,695</b>	<b>-1.2</b>	<b>-247</b>	<b>-0.2</b>

\*1 Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

\*2 Supermarket includes drug store, discount store and home center.

## 3Q (Jul-Sep) – Sales volume by package

(thousand case, %)

		3Q 2010				
		actual	vs. plan		vs. last year*	
			change	%	change	%
Bottle		613	+50	+8.8	+28	+4.8
PET	~ 1,000ml	14,833	+1,990	+15.5	+2,293	+18.3
	1,001ml ~	13,201	+1,251	+10.5	+1,508	+12.9
	subtotal	28,034	+3,241	+13.1	+3,801	+15.7
Can (include bottle can)		14,611	-1,778	-10.8	-1,457	-9.1
Other		2,125	+281	+15.3	+356	+20.2
Syrup, powder		10,897	-485	-4.3	+98	+0.9
Total		56,279	+1,309	+2.4	+2,825	+5.3

\* Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

## 3Q (Jan-Sep) – Sales volume by package

(thousand case, %)

		3Q 2010				
		actual	vs. plan		vs. last year*	
			change	%	change	%
Bottle		1,554	+64	+4.3	+42	+2.8
PET	~ 1,000ml	32,294	+945	+3.0	+2,055	+6.8
	1,001ml ~	28,013	+923	+3.4	+1,221	+4.6
	subtotal	60,307	+1,868	+3.2	+3,276	+5.7
Can (include bottle can)		41,225	-2,924	-6.6	-3,498	-7.8
Other		5,778	+979	+20.4	+1,140	+24.6
Syrup, powder		29,140	-1,683	-5.5	-1,206	-4.0
Total		138,005	-1,695	-1.2	-247	-0.2

\* Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

## 3Q (Jul-Sep) – Sales volume by channel/package

(thousand cases, %)

■Chain store	3Q 2010 actual	vs. plan		vs. last year*	
		change	%	change	%
Large PET (1.5~2.0L)	12,319	+1,136	+10.2	+1,499	+13.9
Small PET (~1.0L)	7,248	+923	+14.6	+1,046	+16.9
Can	3,916	-349	-8.2	-418	-9.6
Other	585	+205	+53.9	+93	+18.8
Total	24,068	+1,915	+8.6	+2,220	+10.2

(thousand cases, %)

■Vending	3Q 2010 actual	vs. plan		vs. last year*	
		change	%	change	%
Large PET (1.5~2.0L)	60	+2	+3.4	-3	-5.5
Small PET (~1.0L)	5,707	+860	+17.7	+1,144	+25.1
Can	9,025	-1,317	-12.7	-843	-8.5
Other	470	+289	+159.3	+96	+25.6
Syrup, powder	1,710	+44	+2.7	-42	-2.4
Total	16,972	-121	-0.7	+351	+2.1

(thousand cases, %)

■Retail / Food service	3Q 2010 actual	vs. plan		vs. last year*	
		change	%	change	%
Large PET (1.5~2.0L)	819	+116	+16.4	+12	+1.5
Small PET (~1.0L)	1,728	+240	+16.1	+99	+6.1
Can	902	-67	-6.9	-175	-16.2
Other	615	+41	+7.1	-14	-2.2
Syrup, powder	5,350	-13	-0.2	+281	+5.5
Total	9,415	+316	+3.5	+204	+2.2

※ Changing quantity equivalent in some products, we adjust sales volume as far as 2009.



## 3Q (Jan-Sep) – Sales volume by channel/package

(thousand cases, %)

■Chain store	3Q 2010 actual	vs. plan		vs. last year*	
		change	%	change	%
Large PET (1.5~2.0L)	25,903	+728	+2.9	+1,382	+5.6
Small PET (~1.0L)	16,031	+200	+1.3	+1,027	+6.8
Can	10,737	-403	-3.6	-804	-7.0
Other	1,133	+293	+34.8	+22	+2.0
<b>Total</b>	<b>53,804</b>	<b>+817</b>	<b>+1.5</b>	<b>+1,627</b>	<b>+3.1</b>

(thousand cases, %)

■Vending	3Q 2010 actual	vs. plan		vs. last year*	
		change	%	change	%
Large PET (1.5~2.0L)	197	+67	+51.2	-46	-18.9
Small PET (~1.0L)	12,090	+549	+4.8	+857	+7.6
Can	25,961	-2,040	-7.3	-2,090	-7.5
Other	1,047	+713	+213.8	-134	-11.4
Syrup, powder	5,186	+156	+3.1	-311	-5.6
<b>Total</b>	<b>44,480</b>	<b>-555</b>	<b>-1.2</b>	<b>-1,724</b>	<b>-3.7</b>

(thousand cases, %)

■Retail / Food service	3Q 2010 actual	vs. plan		vs. last year*	
		change	%	change	%
Large PET (1.5~2.0L)	1,907	+128	+7.2	-144	-5.7
Small PET (~1.0L)	3,847	+274	+7.7	+37	+1.0
Can	2,673	-225	-7.8	-324	-10.8
Other	1,561	+47	+3.1	-32	-2.0
Syrup, powder	13,847	+176	+1.3	+329	+2.4
<b>Total</b>	<b>23,834</b>	<b>+399</b>	<b>+1.7</b>	<b>-105</b>	<b>-0.4</b>

※ Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

# Sales volume per vending machine

## ■ Sales conditions by location type (VPM vs. last year)

Type	Yoy (%)									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	3Q
Office	-8.8	-8.9	-5.6	-11.4	-6.9	-5.7	-2.8	+4.0	+1.5	+0.9
Factory	-7.3	-2.6	+1.9	-4.8	-2.6	-2.2	+1.3	+6.4	+2.4	+3.3
Large scale retail store	-8.8	-10.6	-11.5	-12.5	-5.1	-9.8	-0.3	+5.4	-0.3	+1.7
Traffic	-7.1	-8.8	-8.2	-12.7	-2.3	-5.2	+3.5	+6.9	+0.8	+3.9
Schools	-6.7	-5.1	-4.7	-16.1	-0.9	-9.5	-5.0	+6.7	+6.4	+2.1
Amusement facility	-7.5	-11.8	-11.7	-14.5	+0.0	-11.6	-0.1	+6.3	-6.3	+0.4
Pachinko	-4.1	-6.9	-4.3	-3.9	-5.7	-8.3	-2.5	-1.2	-2.1	-1.9
Sports facility	-8.1	-12.2	-10.1	-13.5	-3.2	-11.8	+1.1	+2.8	-3.2	+0.3
Hospital	-8.4	-7.9	-5.5	-10.8	-4.3	-5.2	-2.1	+4.9	+1.0	+1.3
Other (in-door)	-9.3	-9.3	-5.7	-11.2	-4.2	-5.6	-2.8	+3.0	-3.6	-1.0
Out-door	-14.2	-18.4	-15.4	-16.9	-7.3	-7.2	-0.6	+5.2	-0.1	+1.6
<b>Total</b>	<b>-9.6</b>	<b>-11.5</b>	<b>-9.2</b>	<b>-12.2</b>	<b>-5.3</b>	<b>-7.0</b>	<b>-0.8</b>	<b>+4.5</b>	<b>+0.0</b>	<b>+1.3</b>

## 4Q plan (Oct-Dec) – Sales volume by package

(thousand case, %)

		4Q 2010		
		Plan	vs. last year	
			change	%
Bottle		544	+32	+6.2
PET	~ 1,000ml	9,323	+549	+6.3
	1,001ml ~	7,085	+174	+2.5
	subtotal	16,408	+723	+4.6
Can (include bottle can)		14,392	+332	+2.4
Other		1,427	+124	+9.5
Syrup, powder		10,029	+129	+1.3
Total		42,800	+1,340	+3.2

## 4Q plan (Oct-Dec) – Sales volume by channel/package

(thousand cases, %)

■Chain store	4Q 2010 plan	vs. last year	
		change	%
Large PET ( 1.5~2.0L )	6,505	+159	+2.5
Small PET ( ~1.0L )	4,759	+457	+10.6
Can	3,362	-21	-0.6
Other	197	-56	-22.3
<b>Total</b>	<b>14,823</b>	<b>+539</b>	<b>+3.8</b>

(thousand cases, %)

■Vending	4Q 2010 plan	vs. last year	
		change	%
Large PET ( 1.5~2.0L )	38	-41	-51.8
Small PET ( ~1.0L )	3,420	+211	+6.6
Can	9,399	+560	+6.3
Other	63	-199	-76.1
Syrup, powder	1,696	-35	-2.0
<b>Total</b>	<b>14,617</b>	<b>+496</b>	<b>+3.5</b>

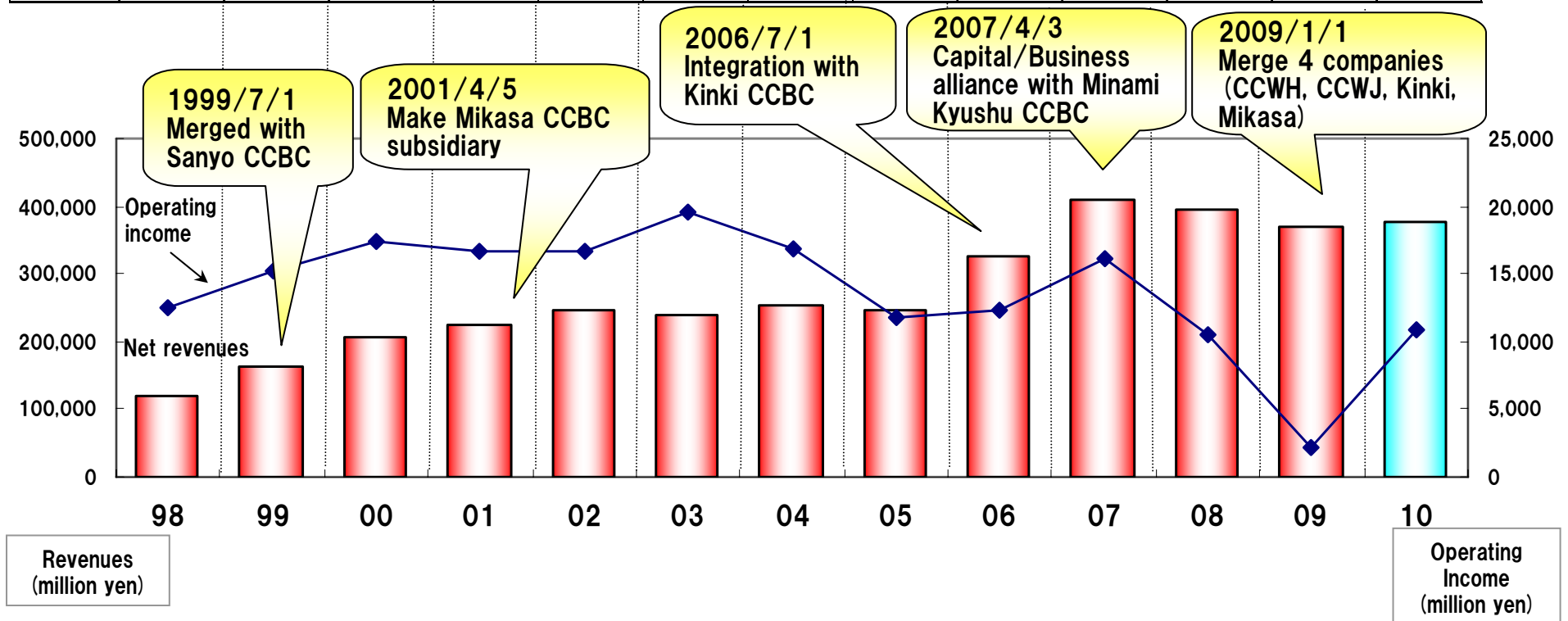
(thousand cases, %)

■Retail / Food service	4Q 2010 plan	vs. last year	
		change	%
Large PET ( 1.5~2.0L )	543	+59	+12.3
Small PET ( ~1.0L )	1,048	-96	-8.4
Can	983	+4	+0.4
Other	506	+3	+0.6
Syrup, powder	4,355	+50	+1.2
<b>Total</b>	<b>7,435</b>	<b>+21</b>	<b>+0.3</b>

# Performance trend

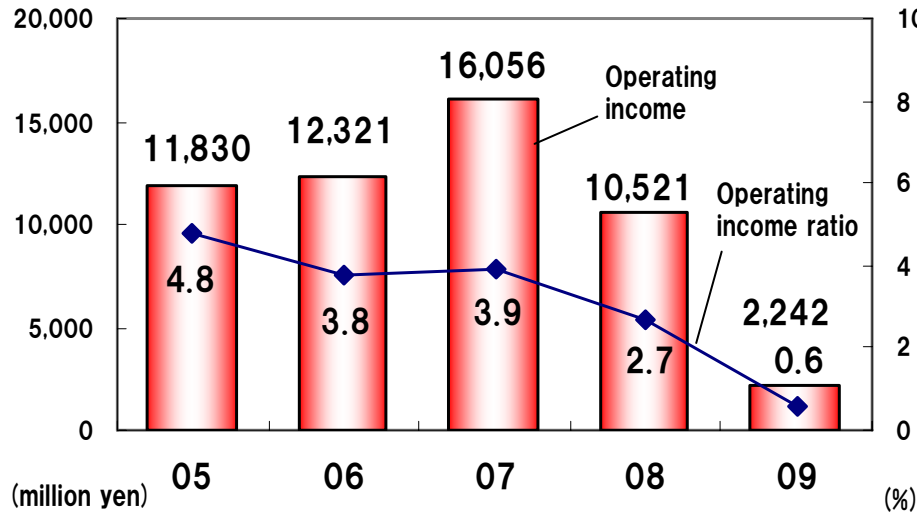
(million yen)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 plan
Revenues	117,991	164,731	207,827	226,111	247,737	240,825	253,248	245,874	327,821	409,521	395,556	369,698	376,900
Operating income	12,533	15,160	17,449	16,634	16,704	19,638	16,860	11,830	12,321	16,056	10,521	2,242	10,800
Recurring income	12,510	15,889	18,516	16,021	17,005	19,895	17,065	12,256	13,225	17,493	11,048	2,085	11,500
Net income	5,872	6,823	5,700	1,420	7,086	9,380	8,564	7,305	7,570	9,375	129	-7,594	6,800

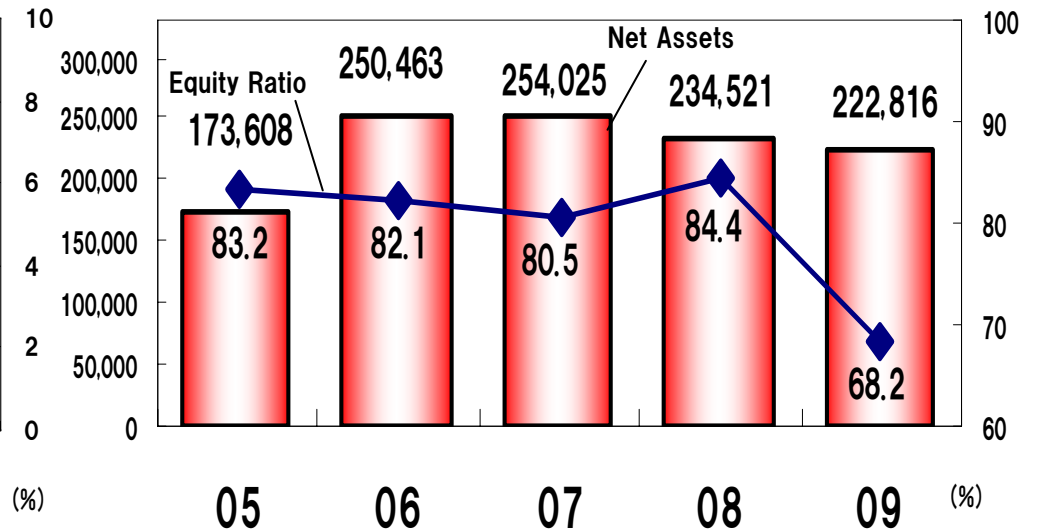


# Financial Data

<Operating Income/Operating Income Ratio>



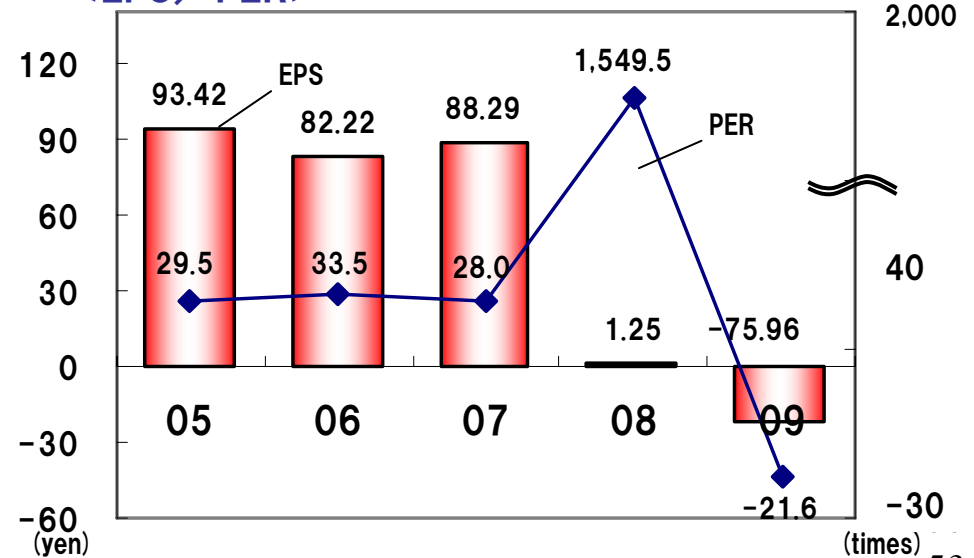
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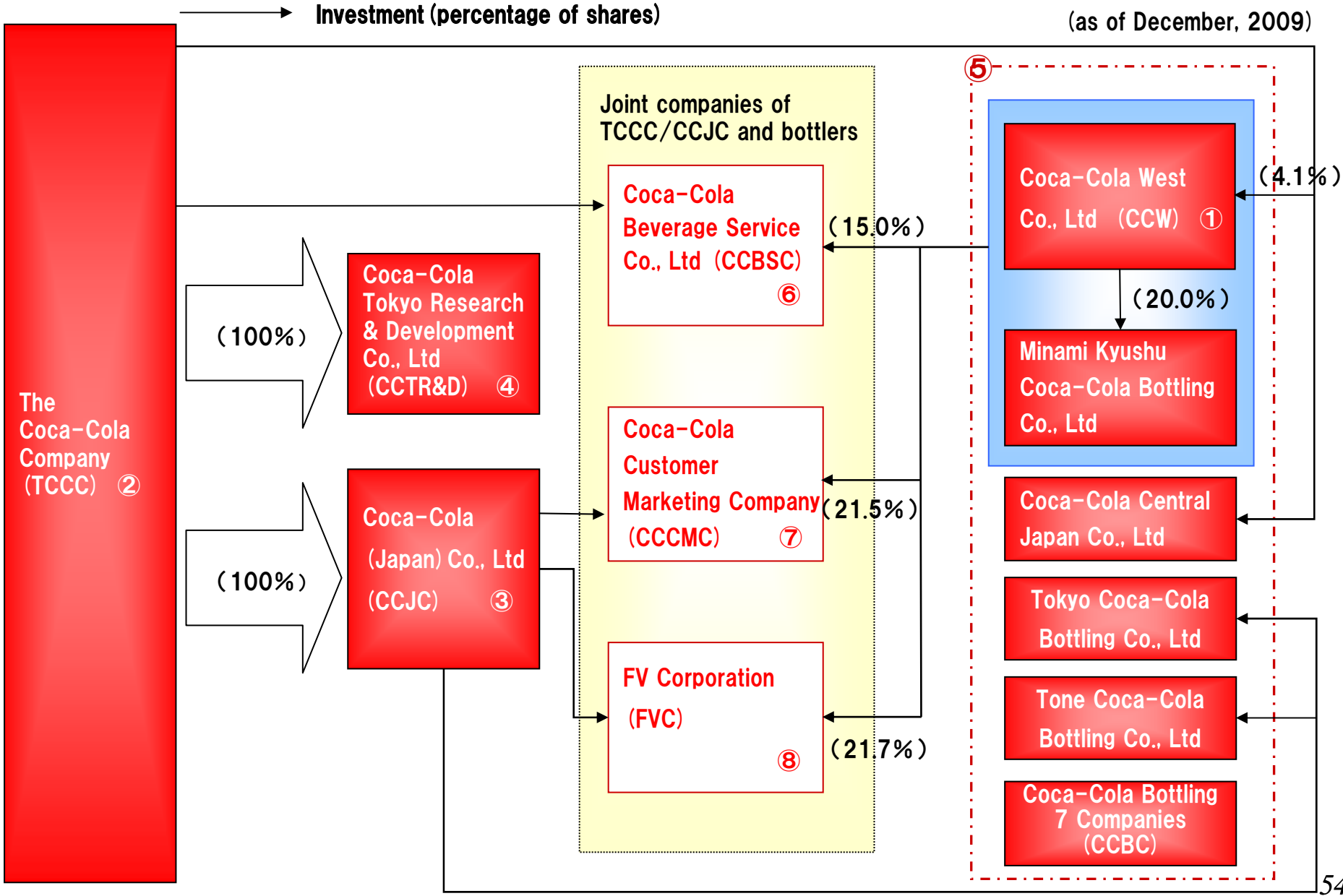
<ROA/ROE>



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# Coca-Cola System in Japan



# Coca-Cola Related Companies and Their Roles

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## 1. Coca-Cola West Co., Ltd. (CCW)

In 2006, CCWJ and Kinki CCBC merged the management of both companies by establishing a joint holding company CCWH. In 2009, CCWH, CCWJ, Kinki CCBC and Mikasa CCBC merged and the trade name changed to Coca-Cola West Co., Ltd.

## 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 Business Service Co., Ltd. (CCBSC)

Established through joint investment by TCCC 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. The company has procured raw materials since Jan 2009.

## 7. 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.

## 8. FV Corporation Co., Ltd. (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

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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

## 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

### 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

### VPPM

Sales Volume and Profit Per Vending Machine

## 3. Chain Store

### National chain:

National chain supermarket that CCCMC 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

## 4. Other

### Trade marketing

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.

## 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**