

-Creating a happy tomorrow for everyone-  
みんなの あしたに ハッピーを

*Coca-Cola* **West**

# Financial Results Presentation For The Year Ended December 31, 2010

February 7, 2011

Coca-Cola West Company, Limited (2579)

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# Summary

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## 2010 Full year results

- Sales volume increased, driven by successful in-market activations and favorable weather in summer.

Sales volume: -1.3% vs. plan<sup>※1</sup>, +0.3% vs. last year

- Revenues and operating income increased, ahead of our targets, due to sales volume growth, operational efficiency and structural reform.

OP income: +12.0 billion yen (+1.2 by vs. plan<sup>※2</sup>, +9.7 by vs. last year)

## 2011 Annual business plan

We establish the management basis for the future growth, and achieve the first year target of three year mid-term management plan.

- Sales volume 186,061 thousand cases (+1.1%)
- Revenues 408.0 billion yen (+32.2 billion yen)
- Operating income 16.0 billion yen (+4.0 billion yen)

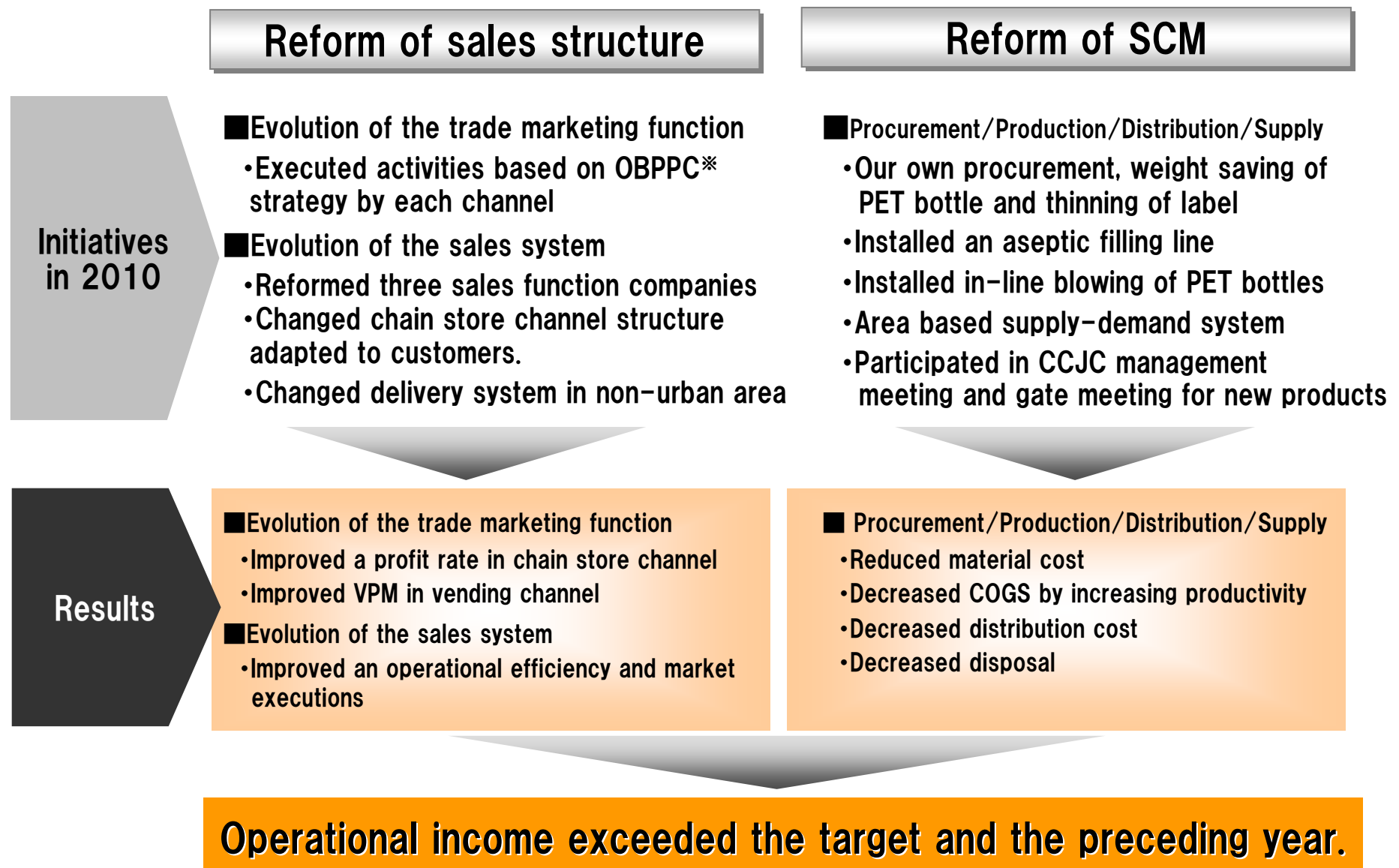
※1 The sales volume plan is based on the performance forecast announced as of Feb 5, 2010.

※2 The OP income plan is based on the performance forecast announced as of Oct 29, 2010.

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# I . 2010 Financial Results

# Results of the management issues in 2010



\*OBPPC : Based on the customers' motivation for making a store visit (Occasion), to develop and execute products with the optimum Brand, Package and Price according to different Channels, which include supermarket, discount store, etc.

# 2010 Full year – Sales volume

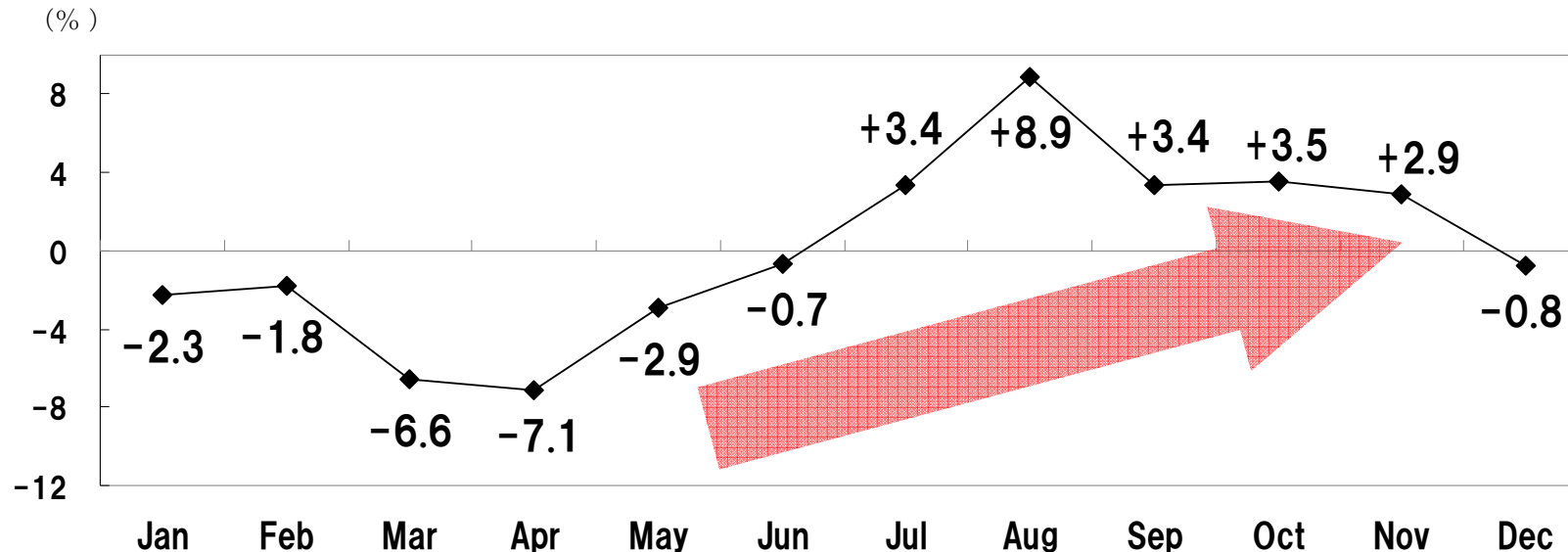
■ Sales volume increased 0.3% in the year.

(thousand cases, %)	2010 actual	vs. plan <sup>※1</sup>		vs. last year <sup>※2</sup>	
		change	%	change	%
Sales volume	180,176	-2,324	-1.3	+465	+0.3

※1 The plan is based on the performance forecast announced as of Feb 5, 2010.

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

## Monthly Sales Volume (Yoy)



# 2010 Full year – Sales volume by Brand

(thousand cases, %)		2010 actual	vs. plan		vs. ly*	
			change	%	change	%
B I G 6	Coca-Cola	13,742	+737	+5.7	+879	+6.8
	Coca-Cola Zero	6,135	+407	+7.1	+731	+13.5
	Fanta	8,560	-621	-6.8	-494	-5.5
	Georgia	38,297	-2,943	-7.1	-2,535	-6.2
	Sokenbicha	12,285	-1,125	-8.4	-1,085	-8.1
	Aquarius	20,774	+2,608	+14.4	+2,753	+15.3
	subtotal	99,793	-937	-0.9	+248	+0.2
+	Mineral water	12,167	+1,541	+14.5	+1,685	+16.1
	Ayataka	4,833	-113	-2.3	+2,533	+110.2
Other		63,383	-2,815	-4.3	-4,001	-5.9
Total		180,176	-2,324	-1.3	+465	+0.3

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

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

- Total sparkling beverages increased.
- Sales of Coca-Cola increased and Coca-Cola Zero grew double-digits as a result of strong programs such as FIFA World Cup™ activation. Fanta decreased.

## ■ Sokenbicha / Ayataka

- NST beverages decreased.
- Sokenbicha decreased, but has recovered.
- Ayataka increased as a result of putting it into vending machines and shelves at supermarket in a proactive way.

## ■ Georgia

- Canned coffee beverages slightly increased.
- Georgia has recovered by launching three types of Bito coffee.

## ■ Aquarius

- Sports drinks grew. Aquarius increased double-digits, driven by seasonable programs such as “Prevent heat stroke.”

## ■ I LOHAS

- Packaged water grew. I LOHAS grew double-digits, driven by a new flavor (orange) launch and hot weather. We grew share in CVS.

# 2010 Full year – Sales volume by Channel

(thousand cases, %)		2010 actual	vs. plan		vs. ly <sup>※1</sup>	
			change	%	change	%
	Supermarket <sup>※2</sup>	49,040	+590	+1.2	+1,418	+3.0
	CVS	19,451	+91	+0.5	+612	+3.2
	Chain store	68,491	+681	+1.0	+2,030	+3.1
	Vending	57,825	-1,827	-3.1	-2,499	-4.1
	Retail	12,988	+468	+3.7	-476	-3.5
	Food service	18,675	+325	+1.8	+785	+4.4
	Other	22,196	-1,972	-8.2	+624	+2.9
	<b>Total</b>	<b>180,176</b>	<b>-2,324</b>	<b>-1.3</b>	<b>+465</b>	<b>+0.3</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, ahead of our target, as a result of programs such as an installing sales equipment in supermarket.
- Sales in CVS channel increased, ahead of our target. We gained market share, driven by I LOHAS and Aquarius.

## ■ Vending

- Sales decreased, but has recovered as a result of successful in-market activation such as an attractive product line-up.

## ■ Retail / Food service

- Sales in food channel increased, ahead of our target, driven by the increase in revenues of restaurants.
- Sales in retail channel achieved the target.



## Channel – Supermarket small PET bottle sales

■ We installed sales equipments more than our plan, and sales of small-packaged products increased. This contributed to improve our profitability of supermarket channel.

### Number of Installed sales equipments

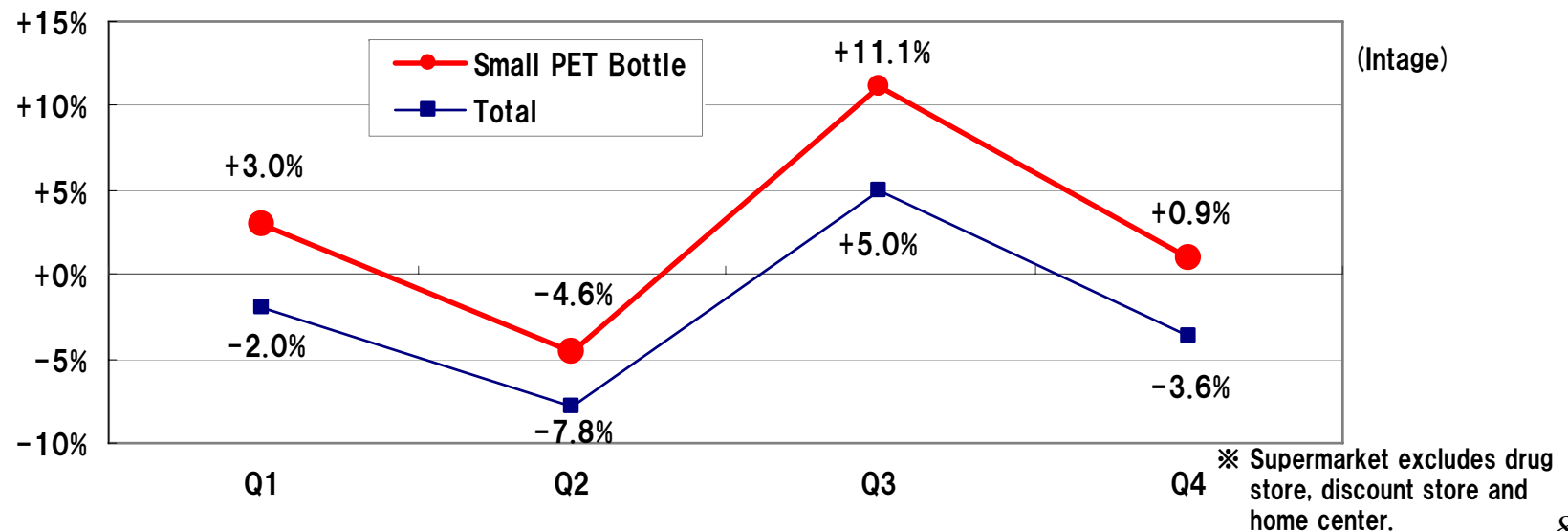


Cooler  
2,300 units



Rack  
8,560 units

### Small PET bottle (less than 501ml) sales in supermarket\* (Yoy)



# Sales volume per vending machine

- Sales volume per out door vending machine has recovered since we started the out door vending machine VPM-up activation.

Sales volume per vending machine

Type	YOY (%)												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
At-work white	-8.8	-8.9	-5.6	-11.4	-6.9	-5.7	-2.8	+4.0	+1.5	-6.3	+1.8	-0.5	-3.7
At-work blue	-7.3	-2.6	+1.9	-4.8	-2.6	-2.2	+1.3	+6.4	+2.4	-5.2	+2.5	+0.6	-0.2
Retail in-store	-8.8	-10.6	-11.5	-12.5	-5.1	-9.8	-0.3	+5.4	-0.3	-4.4	+2.2	-2.6	-4.5
Transportation	-7.1	-8.8	-8.2	-12.7	-2.3	-5.2	+3.5	+6.9	+0.8	-2.4	+2.1	+0.9	-1.7
Schools	-6.7	-5.1	-4.7	-16.1	-0.9	-9.5	-5.0	+6.7	+6.4	-3.2	+2.2	+0.2	-2.6
Amusement facility	-7.5	-11.8	-11.7	-14.5	+0.0	-11.6	-0.1	+6.3	-6.3	-2.1	+0.4	-1.3	-4.5
Pachinko	-4.1	-6.9	-4.3	-3.9	-5.7	-8.3	-2.5	-1.2	-2.1	-2.7	-4.5	-3.3	-3.9
Sports facility	-8.1	-12.2	-10.1	-13.5	-3.2	-11.8	+1.1	+2.8	-3.2	-5.3	+0.5	-1.8	-4.8
Hospital	-8.4	-7.9	-5.5	-10.8	-4.3	-5.2	-2.1	+4.9	+1.0	-4.1	+0.7	-1.7	-3.3
Other (in door)	-9.3	-9.3	-5.7	-11.2	-4.2	-5.6	-2.8	+3.0	-3.6	-6.8	+0.3	-3.1	-4.3
Out door	-14.2	-18.4	-15.4	-16.9	-7.3	-7.2	-0.6	+5.2	-0.1	-4.9	+4.2	-1.2	-5.9
<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>-4.6</b>	<b>+1.9</b>	<b>-1.2</b>	<b>-4.1</b>

## 2010 Full year – Sale volume & P/L

(thousand cases, million yen, %)

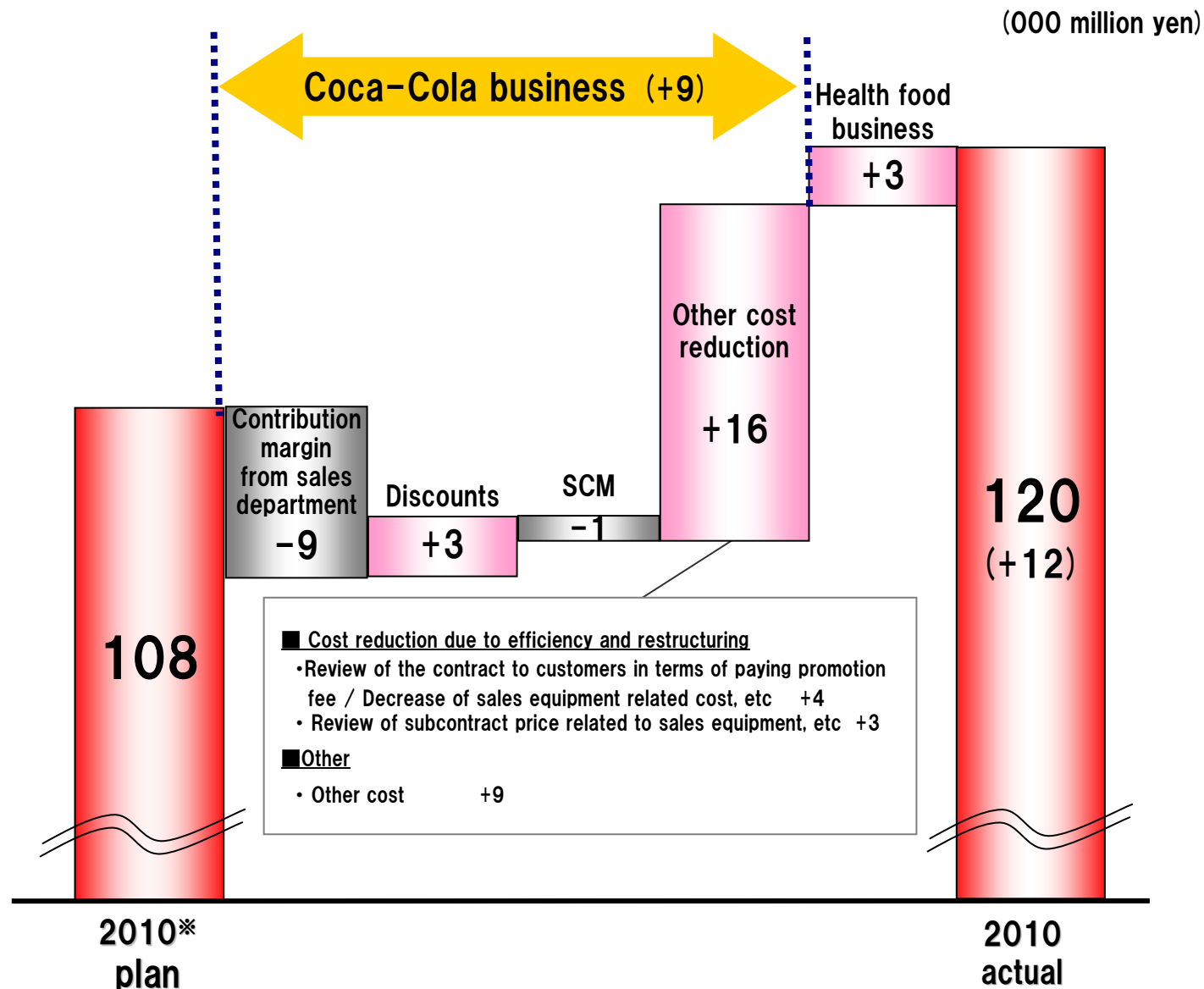
	2010 actual	2010* <sup>1</sup> plan	vs. plan		2009* <sup>2</sup> actual	vs. last year	
			change	%		change	%
Sales volume	180,176	182,500	-2,324	-1.3	179,711	+465	+0.3
Revenues	375,764	376,900	-1,135	-0.3	369,698	+6,065	+1.6
Gross profit	172,456	174,300	-1,843	-1.1	163,457	+8,998	+5.5
Operating income	12,003	10,800	+1,203	+11.1	2,242	+9,760	+435.2
Recurring income	12,659	11,500	+1,159	+10.1	2,085	+10,574	+507.1
Net income	7,582	6,800	+782	+11.5	-7,594	+15,176	—

※1 The sales volume plan is based on the performance forecast announced as of Feb 5, 2010.

Other plan is based on the performance forecast announced as of Oct 29, 2010.

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

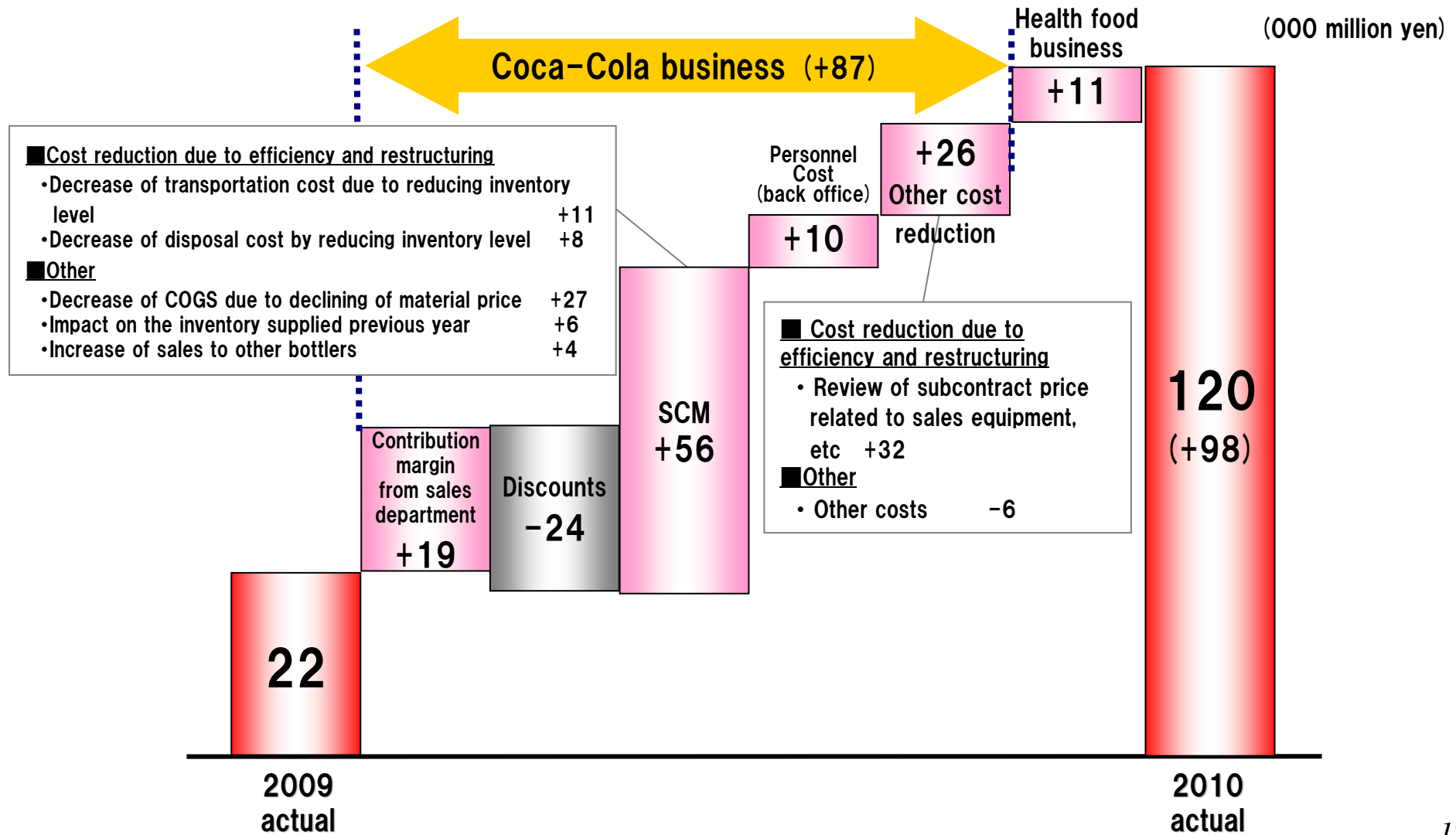
# 2010 Full year – Operating income change factors (vs. plan)



※ The plan is based on the performance forecast announced as of Oct 29, 2010.

# 2010 Full year – Operating income change factors (vs. 1y)

Operating income increased, driven by a strong focus on sales structure and SCM reforms.



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## **II. 2011 Annual Business Plan**

## 2011 Management Policy

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- **We formulated “long-term management concept 2020.”**
- **2011 is the first year of the long-term management concept.**
- **We look ahead to the future growth, and establish a stable management basis.**

## 2011 Management Policy

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**We evolve strategies, “Reform of Sales structure” & “Reform of SCM”, and achieve targets (profit/sales volume/market share) .**



**We establish the stable management basis as well as achieving the managerial goal of this year.**



# 2011 Earning projections

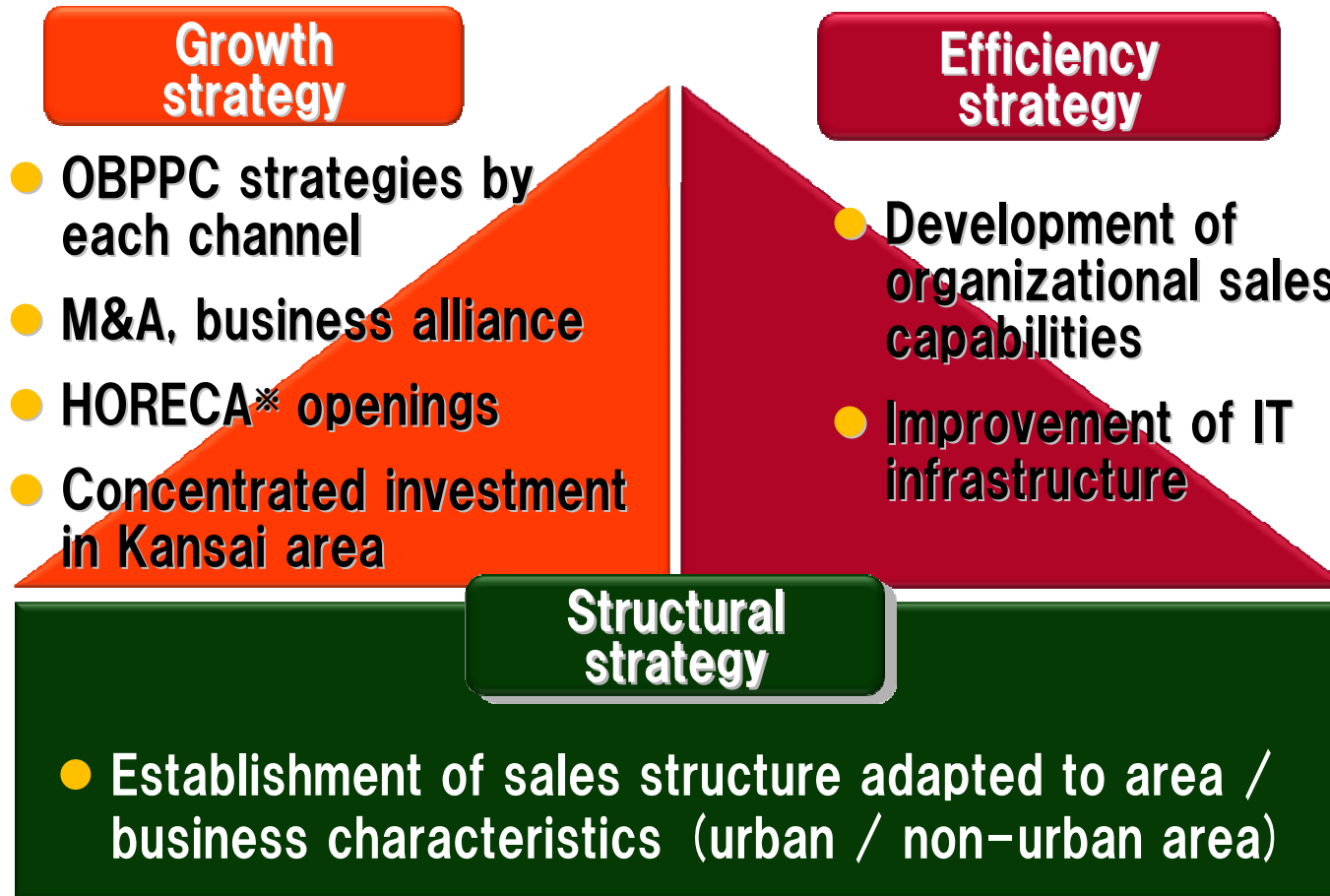
(thousand cases, million yen, %)

	2011 Plan								
	1H	vs. last year		2H	vs. last year		Total	vs. last year	
		change	%		change	%		change	%
Sales volume*	86,296	+2,994	+3.6	99,765	-903	-0.9	186,061	+2,091	+1.1
Net Revenues	192,800	+23,617	+14.0	215,200	+8,618	+4.2	408,000	+32,235	+8.6
Operating income	4,900	+3,619	+282.7	11,100	+378	+3.5	16,000	+3,996	+33.3
Recurring Income	4,600	+3,161	+219.8	11,000	-221	-2.0	15,600	+2,940	+23.2
Net profit	900	+89	+11.0	6,300	-471	-7.0	7,200	-382	-5.0

\* Changing sales structure, we adjust sales volume as far as 2010.

# Reform of Sales structure

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※ HORECA : Hotel, Restaurant, Cafe

## 2011 Channel strategy – Chain store

### ▶ OBPPC strategy by each occasion

- Making a difference of product line-ups by occasions (supermarket/discount store)
  - Diversification of package and price of large-sized PET bottles
  - Multi sales of small-sized packages

### ▶ Increase sales of small-sized packages and capture points of availability by installing cooler and rack

Cooler: install 6,800 units (+4,500 units yoy)



Rack: install 15,000 units (+6,440 units yoy)



### ▶ Coverage up and availability up of core 8 brand

- Execution of seasonable promotions
- Full-scale entry into a new category

# 2011 Channel strategy – Vending

▶ OBPPC strategy by each occasion

- Develop and execute portfolio guideline defined by type (at-work white & blue/transportation/retail in-store/school/out door/at low-price side by side location)

	Type	Characteristics	Package × Price
1	<ul style="list-style-type: none"> <li>• At-work white</li> <li>• Transportation</li> </ul>	High value-added needs	<ul style="list-style-type: none"> <li>• On-the-go packages</li> <li>• Cans of Georgia</li> </ul>
2	<ul style="list-style-type: none"> <li>• At-work blue</li> <li>• Retail in-store</li> <li>• School</li> <li>• Out door</li> </ul>	High elasticity of price	<ul style="list-style-type: none"> <li>• Up-sizing*</li> </ul>
3	<ul style="list-style-type: none"> <li>• At low-price side by side location</li> </ul>	Low-price	<ul style="list-style-type: none"> <li>• Cans of 350ml @100yen</li> <li>• Cans of Georgia 170g @100yen</li> </ul>

\*Up-sizing : Merchandising method that gives the consumer a sense of savings by increasing the volume of product per container.

# Growth strategy

## 2011 Channel strategy – Vending

### ▶ Product line-up by each type of locations

#### 1. At-work white, Transportation

##### Sparkling



500ml  
@ ¥150

280ml  
@ ¥120

##### Georgia



280ml  
@ ¥130

410ml  
@ ¥150

##### NST



500ml @ ¥130 / @ ¥150

##### I LOHAS, ILOHAS Orange



520ml @ ¥110 ~ 130

#### 2. At-work blue, School, Out door, Retail in-store

##### Coca-Cola, Aquarius



500ml @ ¥120

##### Georgia



+30%ml @ ¥120

##### NST



500ml @ ¥130 / @ ¥150

##### I LOHAS



520ml @ ¥110 ~ 120

#### 3. At low-price side by side location

##### Sparkling



350ml @ ¥100

##### Georgia



170ml @ ¥100

##### NST



500ml @ ¥130 / @ ¥150

##### I LOHAS



520ml @ ¥110 ~ 120

## 2011 Channel strategy – Vending

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- ▶ Vending operators : M&A and business alliance
  
- ▶ Put innovated vending machines into market
  - Develop new locations and increase sales volume per machine
    - Include new technologies such as solar panels, LED illumination and electronic money function
    - 3D-Vending machine
    - Vending machine adapted for various types of package



3D-Vending machine



VM adapted for various types of package

# 2011 Channel strategy – Retail / Food service

## ▶ OBPPC strategy by each occasion

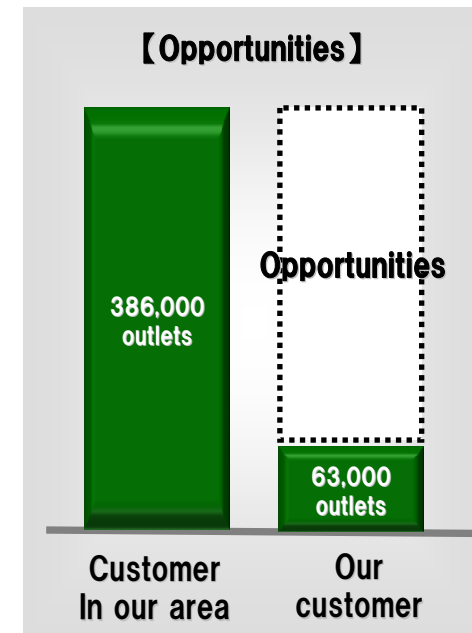
- Execute marketing activities to each occasion

## ▶ HORECA openings

- Organized “HORECA project” in Fukuoka and Osaka
  - Every dealer survey
  - Establish an efficient Route-to-market model for HORECA
- HORECA cooler (3,300 units)
- New products for HORECA market



HORECA cooler



## ▶ Coverage up and availability up of core 8 brand

- Execution of seasonable promotions
- Full-scale entry into a new category

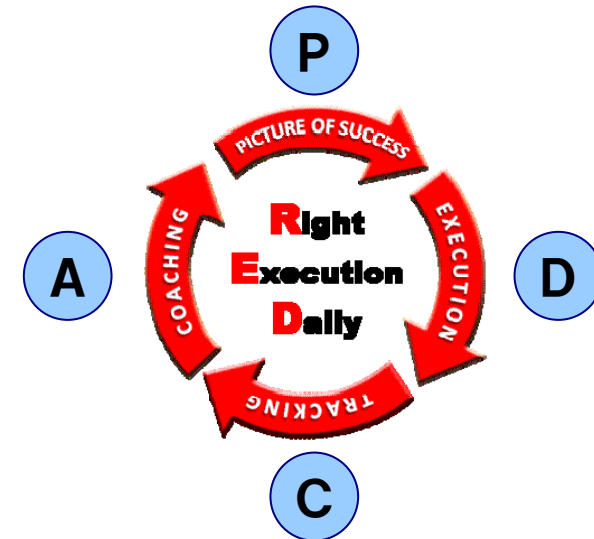
# Develop organizational sales capability/Implement IT infrastructure

### ▶ Develop organizational sales capability

- Increase market execution capability thru introduction of RED\*<sup>1</sup> in all channels linked with commission and incentives.

※1 RED ( Right Execution Daily) : Mechanism to check whether the right execution is being carried out in the market on a daily basis. Confirm and report how well PicOS\*<sup>2</sup> is being implemented in the actual market.

※2 PicOS : To represent the ideal image of the sales floor in the form of a visual guide. The ideal sales floor.



### ▶ Implement IT infrastructure

- Proactive investment to sales support system for increasing operating efficiency and productivity of sales force.

→ Introduce SFA\*<sup>3</sup> terminal

→ Develop system to centralize sales-related data









※3 SFA (Sales Force Automation) : System that enables the accumulation and sharing of development potential, customer information, etc.



SFA terminal



# 2011 Brand strategy

	Main activities	Innovation	Communication
<p><b>Coca-Cola</b></p>  <ul style="list-style-type: none"> <li>▶ 「Happiness machine」 campaign</li> <li>▶ 「Coke &amp; Meals」 campaign</li> </ul>		 <p>250ml can (3/14)</p>	<p>Coke &amp; Meals Campaign</p> 
<p><b>Coca-Cola Zero</b></p>  <ul style="list-style-type: none"> <li>▶ 「Coke Zero &amp; Snacks」</li> <li>▶ 「Coke &amp; Meals」 campaign</li> </ul>		 <p>2L PET (3/28)</p>	<p>Coke Zero &amp; Snacks Campaign</p> 
<p><b>Fanta</b></p>  <ul style="list-style-type: none"> <li>▶ Renew core flavors, and launch new flavor</li> <li>▶ Lightweight PET bottle</li> </ul>		<p>Muscat Honey lemon Grape Orange</p> 	

# 2011 Brand strategy

	Main activities	Innovation	Communication
<p>Georgia</p> 	<ul style="list-style-type: none"> <li>▶ Strengthen Bito segment and bottle-can</li> <li>▶ Nationwide promotion (March)</li> <li>▶ New campaign</li> <li>▶ New program</li> </ul>	<p>Emerald Mountain line-up</p>  <p>Caramel</p>  <p>Café Aulait</p> 	
<p>Aquarius</p> 	<ul style="list-style-type: none"> <li>▶ Blue                             <ul style="list-style-type: none"> <li>→Appeal for rehydration solution</li> </ul> </li> <li>▶ Vitamin guard                             <ul style="list-style-type: none"> <li>→Renewal</li> <li>→New campaign</li> </ul> </li> </ul>	<p>Vitamin guard</p> 	
<p>Sokenbicha</p> 	<ul style="list-style-type: none"> <li>▶ Renewal                             <ul style="list-style-type: none"> <li>→new formula &amp; new design</li> </ul> </li> <li>▶ New campaign</li> <li>▶ With meal program</li> </ul>	 <p>New campaign</p>  <p>With meal program</p> 	

# 2011 Brand strategy

Main activities

Innovation

Communication

Ayataka



- ▶ New design
- ▶ Sampling (store, street)



I LOHAS



- ▶ New design
- ▶ Appeal for environmentally- friendly PET bottle



# 2011 Sales volume plan

(thousand cases, %)	2011 Plan								
	1H	vs. last year		2H	vs. last year		Total	vs. last year	
		change	%		change	%		change	%
Sales volume	86,296	+2,993	+3.6	99,765	-903	-0.9	186,061	+2,091	+1.1

## Brand

		(thousand cases, %)		
		2011 plan	vs. last year	
			change	%
C o r e 8	Coca-Cola	14,121	+379	+2.8
	Coca-Cola Zero	6,663	+527	+8.6
	Fanta	8,561	+0	+0.0
	Georgia	39,289	+992	+2.6
	Soukenbicha	12,827	+542	+4.4
	Aquarius	20,228	-547	-2.6
	Mineral water	11,955	-212	-1.7
	Ayataka	6,637	+578	+9.5
	sub-total	120,279	+2,261	+1.9
Other	65,782	-170	-0.3	
<b>Total</b>	<b>186,061</b>	<b>+2,091</b>	<b>+1.1</b>	

## Channel

		(thousand cases, %)		
		2011 plan	vs. last year <sup>※2</sup>	
			change	%
	Supermarket <sup>※1</sup>	49,400	+360	+0.7
	CVS	19,870	+419	+2.2
	Chain Store	69,270	+779	+1.1
	Vending	56,804	-1,021	-1.8
	Retail	12,610	-378	-2.9
	Food service	18,905	+230	+1.2
	Other	28,472	+2,482	+9.5
	<b>Total</b>	<b>186,061</b>	<b>+2,091</b>	<b>+1.1</b>

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

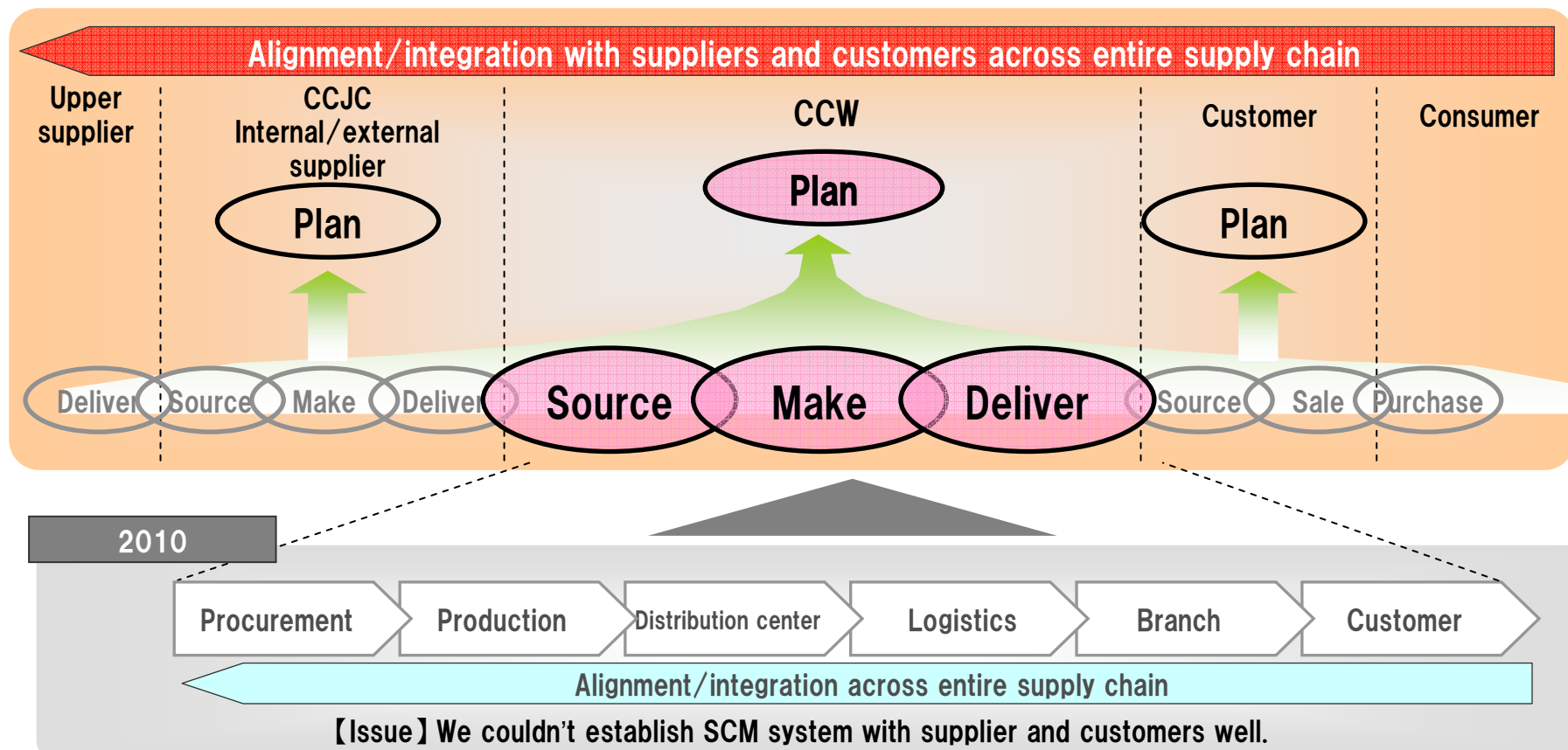
※2 Changing sales structure, we adjust sales volume as far as 2010.

# Reform of SCM

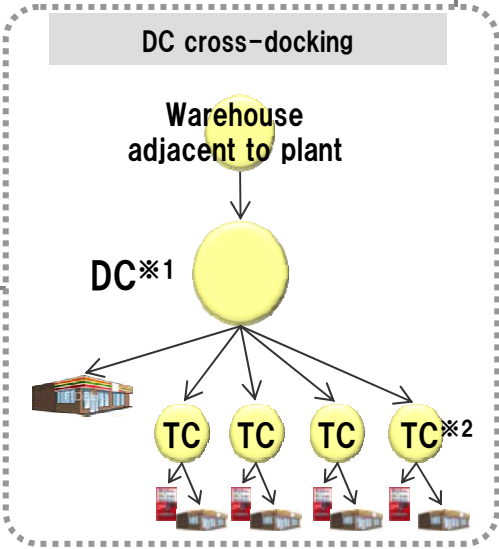
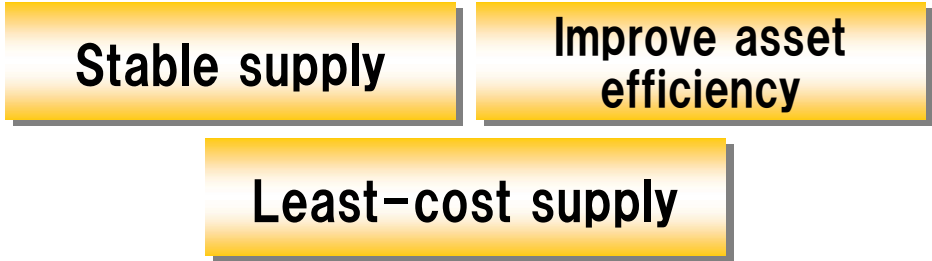
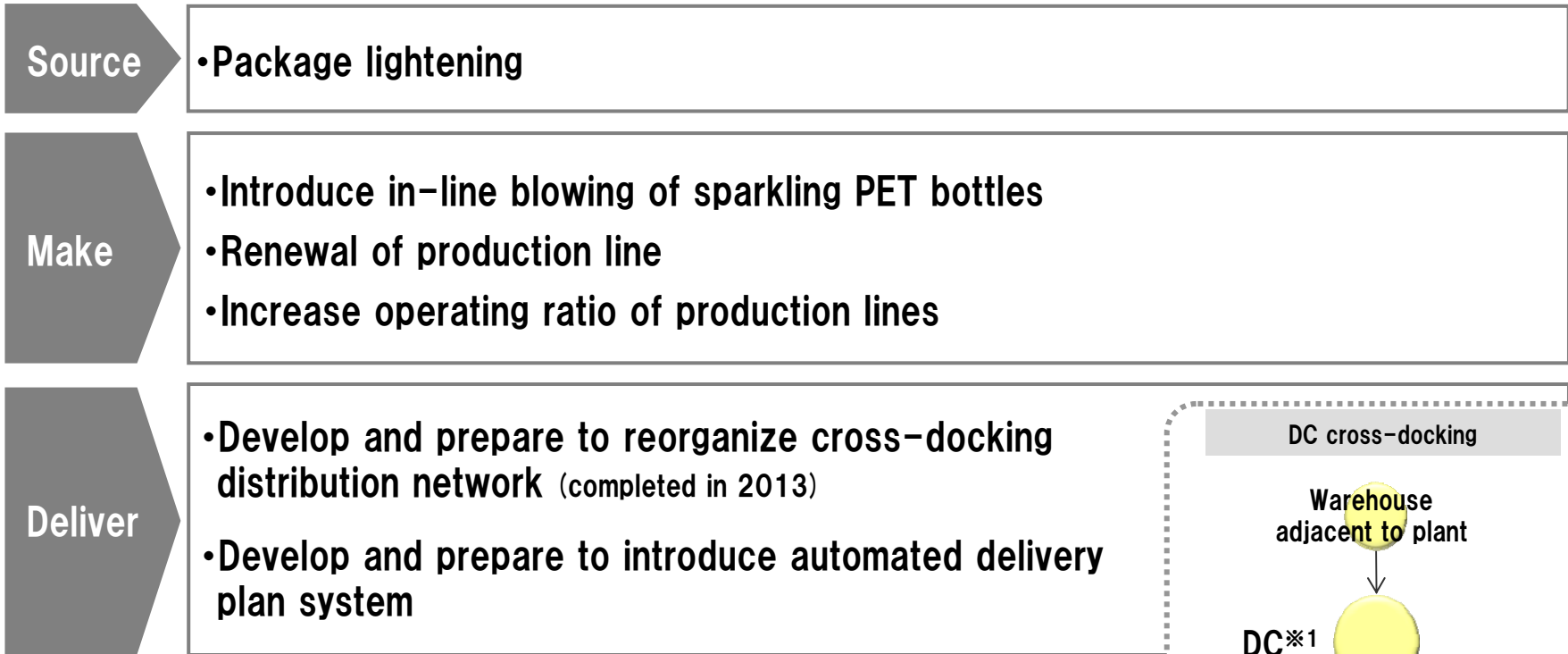
## ■ Establish demand-driven supply chain model

- Realize “Stable supply”, “Improve asset efficiency”, “Least-cost supply” by alignment/integration with supplier and customers across entire supply chain.

- Establish “Business Process Innovation Division” to achieve these, with aiming to optimize business processes across functions.



# 2011 SCM plan



※1 DC: Distribution Center  
 ※2 TC: Through Center (sales warehouse)

## 2011 Investment plan

### ■ Proactive investments for sustainable growth

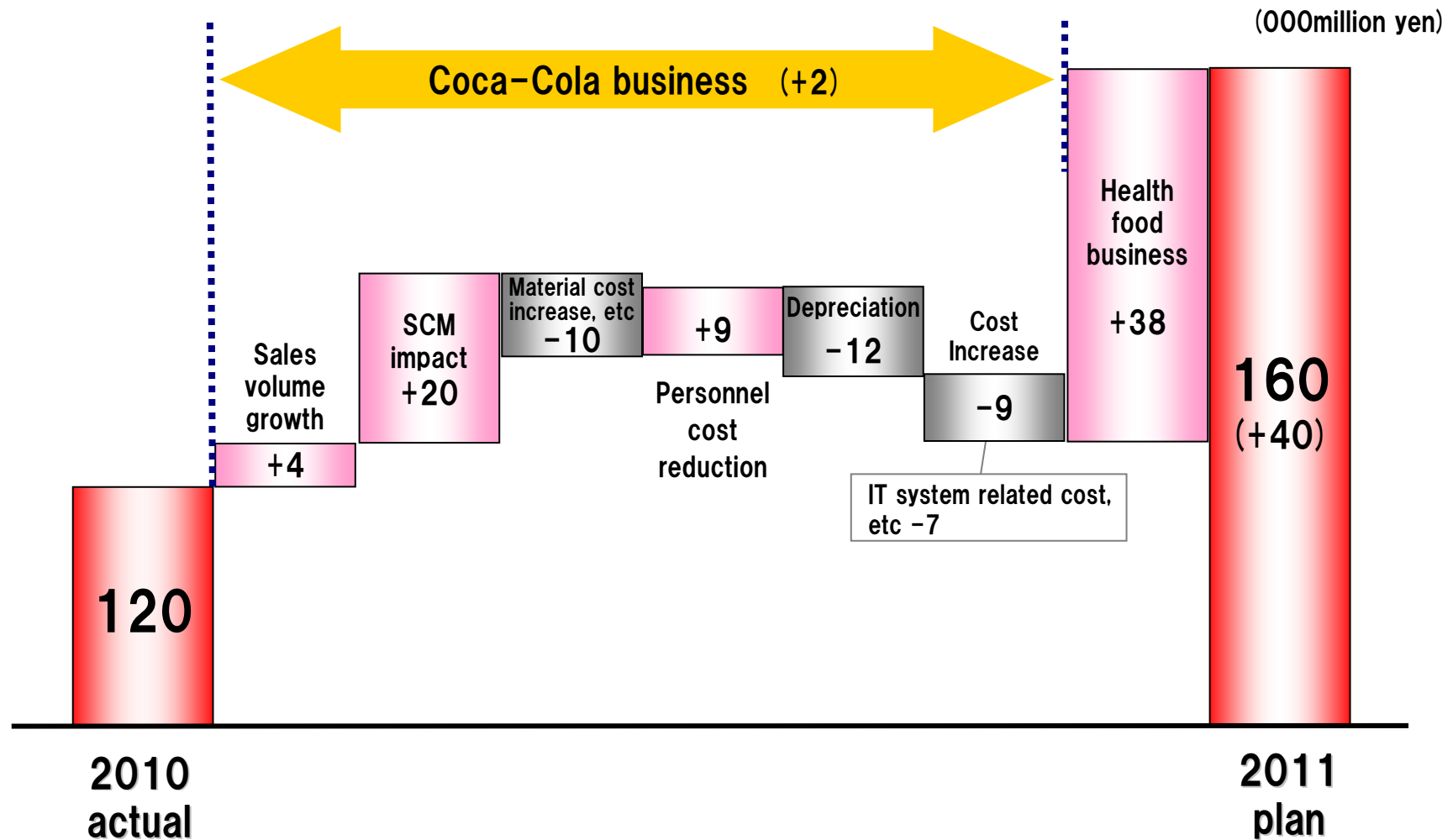
- Sales : Cooler, vending machine, etc
- SCM : Production line, etc

(million yen)

	2010 actual	2011	
		plan	change
Land	16	875	+858
Buildings	1,632	3,902	+2,269
Machinery & Equipment	4,704	9,755	+5,050
Sales equipment	7,604	10,887	+3,282
Other	2,567	4,911	+2,343
<b>Total</b>	<b>16,524</b>	<b>30,330</b>	<b>+13,805</b>

# 2011 Operating Income Achieving Scenario

Ensure the growth target in Coca-Cola business





## Health food business – 2011 Earning Projections

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■ Net revenues and operating income of Q'SAI (consolidated) for the fiscal year ended December 31, 2011 will increase the results of 2010.

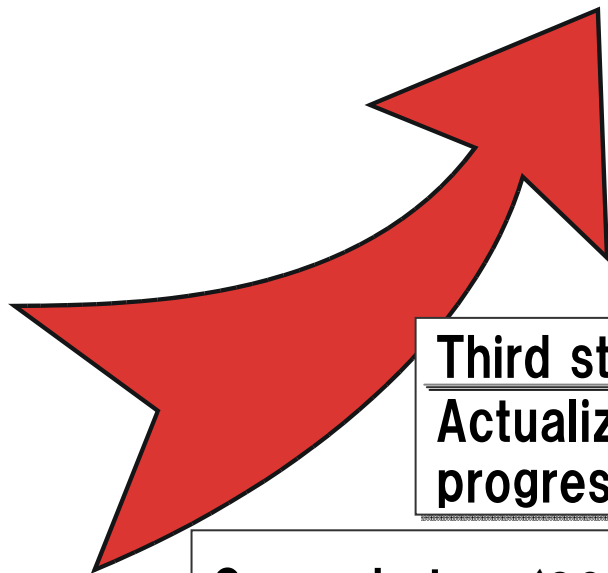
■ Q'SAI changed the fiscal term from October to December.  
(Contribution of Q'SAI to CCW was three months last year.)

→ Contribution of Q'SAI to CCW in 2011

Net revenues 36.9bn yen (+28.6bn yen yoy)

Operating income 5.0bn yen (+3.8bn yen yoy)

# Step toward 2020



**Long-term Management Concept 2020**

Growth target (2020)

- ▶ Revenues: 510 billion yen
- ▶ Operating income: 35 billion yen

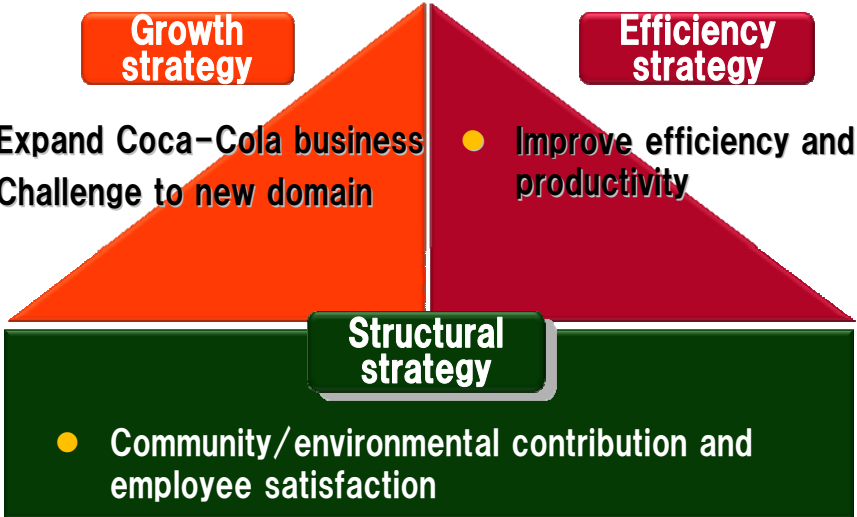
**Third step (2017~2020)**  
**Actualize dreams & progress to the next level**

**Second step (2014~2016)**  
**Realize growth**

**First step (2011~2013)**  
**Grow with breakthrough**

Growth target (2013)

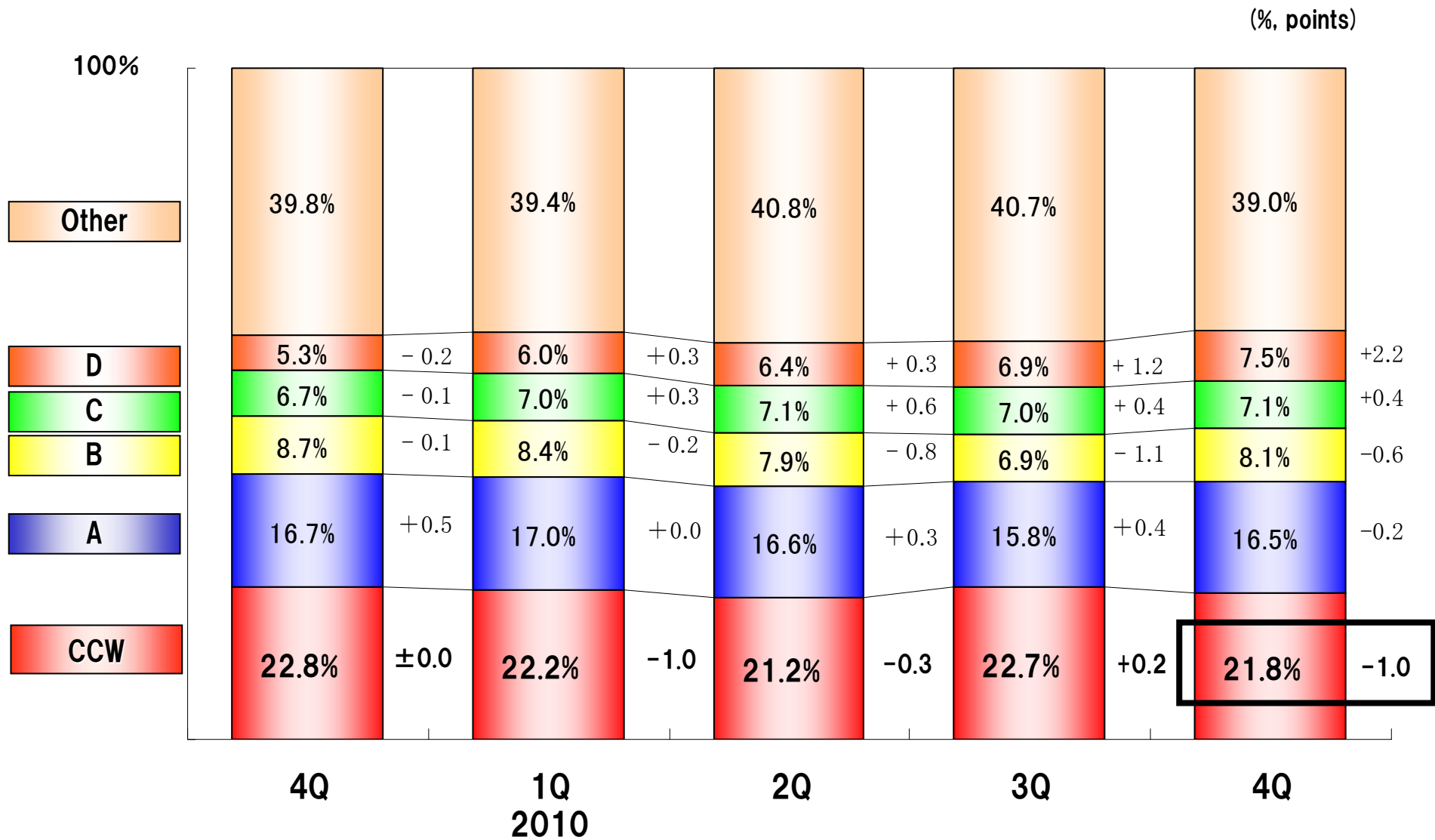
- ▶ Revenues: 430 billion yen
- ▶ Operating income: 24 billion yen



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[ Reference ]

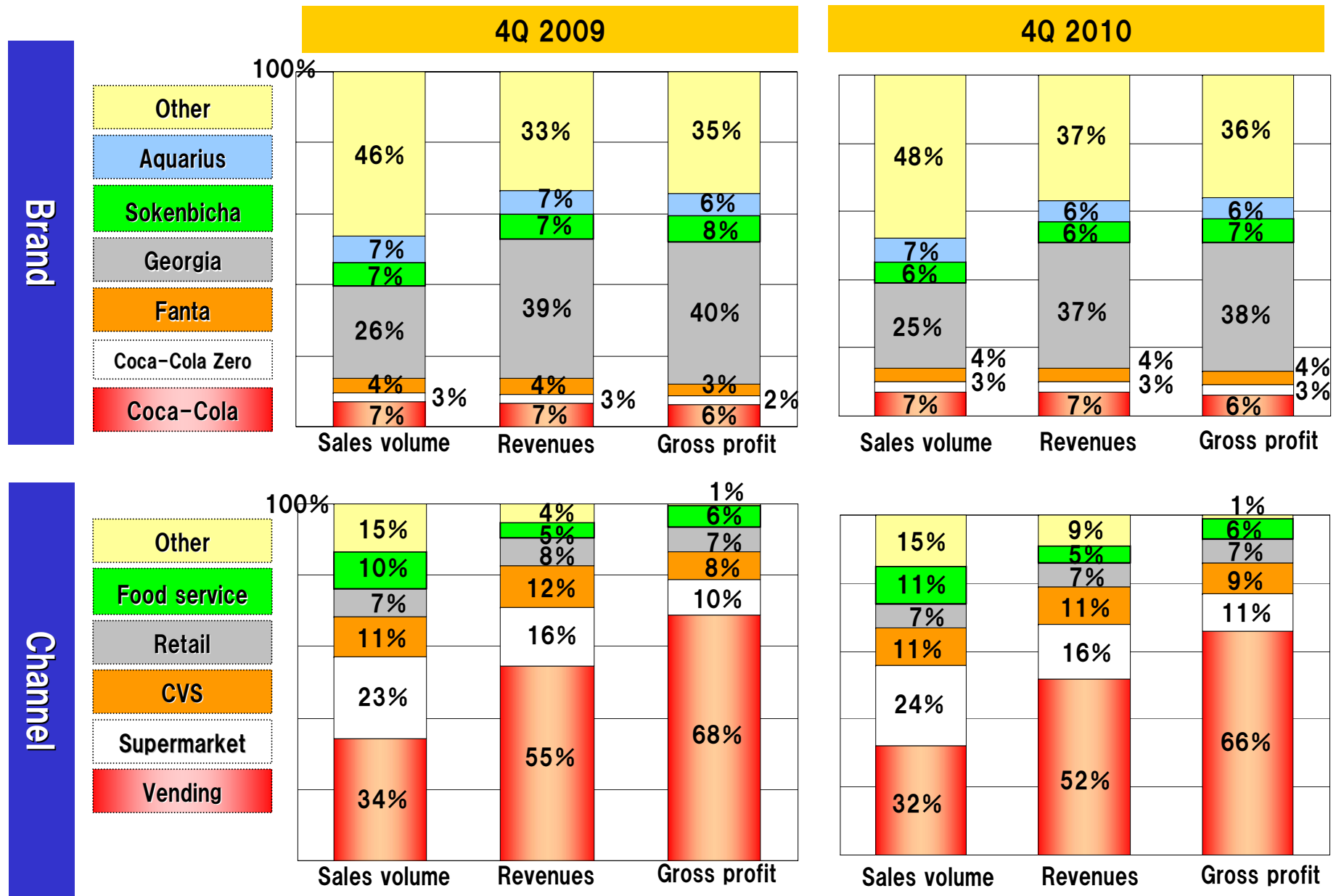
# OTC Market share (exclude VM)



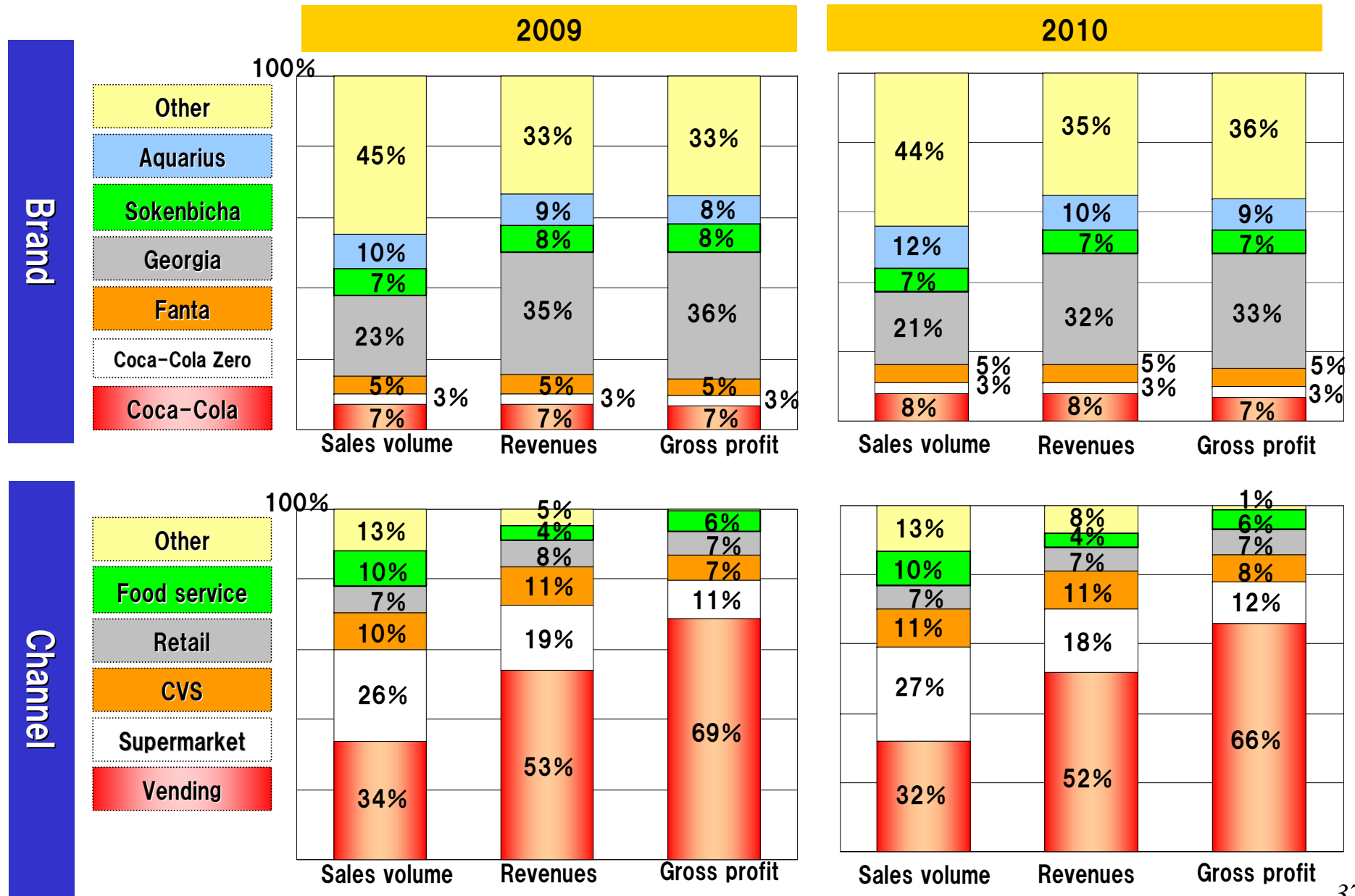
※ The numbers outside the graph are vs. last year

(Source: Intage)

# 4Q – By brand/by channel Volume/Revenues/Gross Profit



# Full year – By brand/by channel Volume/Revenues/Gross Profit



## 4Q – Sales volume by brand

(thousand case, %)

		4Q 2010 actual	vs. plan		vs. ly <sup>*</sup>	
			change	%	change	%
B I G 6	Coca-Cola	3,043	+195	+6.8	+216	+7.6
	Coca-Cola Zero	1,287	+88	+7.3	+216	+20.2
	Fanta	1,658	-141	-7.8	-76	-4.4
	Georgia	10,512	-616	-5.5	-256	-2.4
	Sokenbicha	2,601	-368	-12.4	-252	-8.8
	Aquarius	3,051	+40	+1.3	+8	+0.3
	subtotal	22,152	-803	-3.5	-145	-0.6
+	Mineral water	2,825	+471	+20.0	+355	+14.4
	Ayataka	1,289	-13	-1.0	+479	+59.2
Other		15,905	-284	-1.8	+22	+0.1
Total		42,171	-629	-1.5	+712	+1.7

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

## 4Q – Sales volume by channel

(thousand case, %)

		4Q 2010 actual	vs. plan		vs. ly <sup>※1</sup>	
			change	%	change	%
	Supermarket <sup>※2</sup>	10,015	+99	+1.0	+409	+4.3
	CVS	4,672	-235	-4.8	-6	-0.1
Chain store		14,687	-136	-0.9	+403	+2.8
Vending		13,345	-1,271	-8.7	-775	-5.5
Retail		3,077	+86	+2.9	-20	-0.6
Food service		4,752	+308	+6.9	+435	+10.1
Other		6,310	+385	+6.5	+669	+11.9
Total		42,171	-629	-1.5	+712	+1.7

※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.



## 4Q – Sales volume by package

(thousand case, %)

		4Q 2010 actual	vs. plan		vs. last year*	
			change	%	change	%
Bottle		553	+9	+1.7	+41	+8.1
PET	~ 1,000ml	9,225	-98	-1.1	+451	+5.1
	1,001ml ~	7,110	+25	+0.4	+199	+2.9
	subtotal	16,335	-73	-0.4	+650	+4.1
Can (include bottle can)		13,709	-683	-4.7	-351	-2.5
Other		1,847	+420	+29.4	+103	+5.9
Syrup, powder		9,728	-301	-3.0	+268	+2.8
Total		42,171	-629	-1.5	+712	+1.7

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

## Full year – Sales volume by package

(thousand case, %)

		2010 actual	vs. plan		vs. last year*	
			change	%	change	%
Bottle		2,107	+74	+3.6	+83	+4.1
PET	~ 1,000ml	41,519	+846	+2.1	+2,506	+6.4
	1,001ml ~	35,123	+949	+2.8	+1,420	+4.2
subtotal		76,642	+1,795	+2.4	+3,926	+5.4
Can (include bottle can)		54,934	-3,608	-6.2	-3,849	-6.5
Other		8,785	+2,559	+41.1	+1,016	+13.1
Syrup, powder		37,708	-3,144	-7.7	-711	-1.8
Total		180,176	-2,324	-1.3	+465	+0.3

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

## 4Q – Sales volume by channel/package

(thousand cases, %)

■ Chain store	4Q 2010 actual	vs. plan		vs. last year <sup>※</sup>	
		change	%	change	%
Large PET ( 1.5~2.0L )	6,597	+92	+1.4	+251	+4.0
Small PET ( ~1.0L )	4,467	-292	-6.1	+166	+3.9
Can	3,318	-44	-1.3	-65	-1.9
Other	305	+108	+54.7	+51	+20.3
<b>Total</b>	<b>14,687</b>	<b>-136</b>	<b>-0.9</b>	<b>+403</b>	<b>+2.8</b>

(thousand cases, %)

■ Vending	4Q 2010 actual	vs. plan		vs. last year <sup>※</sup>	
		change	%	change	%
Large PET ( 1.5~2.0L )	23	-15	-40.2	-57	-71.2
Small PET ( ~1.0L )	3,480	+60	+1.8	+271	+8.5
Can	8,473	-926	-9.9	-366	-4.1
Other	440	+378	+604.5	+179	+68.3
Syrup, powder	928	-768	-45.3	-803	-46.4
<b>Total</b>	<b>13,345</b>	<b>-1,271</b>	<b>-8.7</b>	<b>-775</b>	<b>-5.5</b>

(thousand cases, %)

■ Retail / Food service	4Q 2010 actual	vs. plan		vs. last year <sup>※</sup>	
		change	%	change	%
Large PET ( 1.5~2.0L )	488	-55	-10.1	+4	+0.9
Small PET ( ~1.0L )	1,156	+108	+10.3	+13	+1.1
Can	910	-73	-7.4	-69	-7.0
Other	654	+147	+29.1	+27	+4.3
Syrup, powder	4,622	+267	+6.1	+440	+10.5
<b>Total</b>	<b>7,829</b>	<b>+394</b>	<b>+5.3</b>	<b>+415</b>	<b>+5.6</b>

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

## Full year – Sales volume by channel/package

(thousand cases, %)

■ Chain store	2010 actual	vs. plan		vs. last year*	
		change	%	change	%
Large PET (1.5~2.0L)	32,500	+820	+2.6	+1,634	+5.3
Small PET (~1.0L)	20,499	-91	-0.4	+1,193	+6.2
Can	14,055	-448	-3.1	-869	-5.8
Other	1,437	+400	+38.6	+73	+5.4
<b>Total</b>	<b>68,491</b>	<b>+681</b>	<b>+1.0</b>	<b>+2,030</b>	<b>+3.1</b>

(thousand cases, %)

■ Vending	2010 actual	vs. plan		vs. last year*	
		change	%	change	%
Large PET (1.5~2.0L)	220	+51	+30.4	-103	-31.8
Small PET (~1.0L)	15,570	+609	+4.1	+1,129	+7.8
Can	34,434	-2,966	-7.9	-2,456	-6.7
Other	1,487	+1,091	+275.5	+45	+3.1
Syrup, powder	6,114	-612	-9.1	-1,113	-15.4
<b>Total</b>	<b>57,825</b>	<b>-1,827</b>	<b>-3.1</b>	<b>-2,499</b>	<b>-4.1</b>

(thousand cases, %)

■ Retail / Food service	2010 actual	vs. plan		vs. last year*	
		change	%	change	%
Large PET (1.5~2.0L)	2,394	+73	+3.2	-110	-4.4
Small PET (~1.0L)	5,003	+382	+8.3	+49	+1.0
Can	3,583	-299	-7.7	-393	-9.9
Other	2,593	+572	+28.3	+10	+0.4
Syrup, powder	18,091	+65	+0.4	+754	+4.3
<b>Total</b>	<b>31,663</b>	<b>+793</b>	<b>+2.6</b>	<b>+310</b>	<b>+1.0</b>

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

## 4Q – Sale volume & P/L

(thousand cases, million yen, %)

	4Q 2010 actual	4Q 2010 Plan <sup>※1</sup>	vs. plan		4Q 2009 actual <sup>※2</sup>	vs. last year	
			change	%		change	%
Sales volume	42,171	42,800	-629	-1.5	41,460	+712	+1.7
Net Revenues	94,484	95,600	-1,115	-1.2	85,476	+9,008	+10.5
Gross profit	45,410	47,200	-1,789	-3.8	38,264	+7,146	+18.7
Operating income	2,741	1,500	+1,241	+82.7	673	+2,067	+307.1
Recurring income	2,670	1,500	+1,170	+78.0	518	+2,152	+415.5
Net income	1,379	600	+779	+129.9	-1,681	+3,061	—

※1 The sales volume plan is based on the performance forecast announced as of Feb 5, 2010.

Other plan is based on the performance forecast announced as of Oct 29, 2010.

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

## 2010 Full year – P/L change factors (vs. plan)

	2010 plan*	2010 actual	change	(000 million yen)	
				Main factors for increase/ decrease	change
Net Revenues	3,769	3,757	-11	•Decrease of sales volume	-13.2
				•Impact on health food business	+2.2
Gross profit	1,743	1,724	-18	•Decrease of sales volume	-15.1
				•Impact on health food business	+1.7
Operating income	108	120	+12	Increase/decrease of SG&A	
				•Sales promotion & ad cost	+10.1
				•Sales commission	+2.3
				•Depreciation	+1.2
				•Sales equipment cost	+3.2
				•Business consignment expenses	+3.7
				•Impact on health food business	+1.5
Recurring income	115	126	+11		
Net income	68	75	+7	•Income taxes	-4.0

\* The plan is based on the performance forecast announced as of Oct 29, 2010.

## 2010 Full year – P/L change factors (vs. 1y)

	2009 actual	2010 actual	change	(000 million yen)	
				Main factors for increase/decrease	change
<b>Net revenues</b>	<b>3,696</b>	<b>3,757</b>	<b>+60</b>	• Impact on sales volume	-62.4
				• Sales to other bottlers	+1.6
				• Impact on a new consolidated company	+37.9
				• Impact on health food business	+83.8
<b>Gross profit</b>	<b>1,634</b>	<b>1,724</b>	<b>+89</b>	• Sales to other bottlers	+3.6
				• Impact on a new consolidated company	+18.1
				• Impact on health food business	+68.4
<b>Operating income</b>	<b>22</b>	<b>120</b>	<b>+97</b>	Increase/decrease of SG&A	
				• Personnel cost	+11.0
				• Transportation cost	+9.1
				• Sales promotion & ad cost	+14.6
				• Sales commission	-6.5
				• Depreciation	+17.4
				• Sales equipment cost	+7.3
				• Business consignment expenses	+4.2
				• Maintenance cost	+2.8
				• Impact on health food business	-57.2
<b>Recurring income</b>	<b>20</b>	<b>126</b>	<b>+105</b>	• Non-operating income/losses	+8.1
<b>Net income</b>	<b>-75</b>	<b>75</b>	<b>+151</b>	• Extraordinary income/losses	+128.5
				• Income taxes	-82.3

## 2011 Sales volume plan by package

(thousand case, %)

		2011 plan	vs. last year <sup>※</sup>	
			change	%
Bottle		2,008	-99	-4.7
PET	~ 1,000ml	45,243	+3,724	+9.0
	1,001ml ~	33,752	-1,371	-3.9
	subtotal	78,995	+2,353	+3.1
Can (include bottle can)		54,694	-240	-0.4
Other		13,309	+659	+5.2
Syrup, powder		37,055	-582	-1.5
Total		186,061	+2,091	+1.1

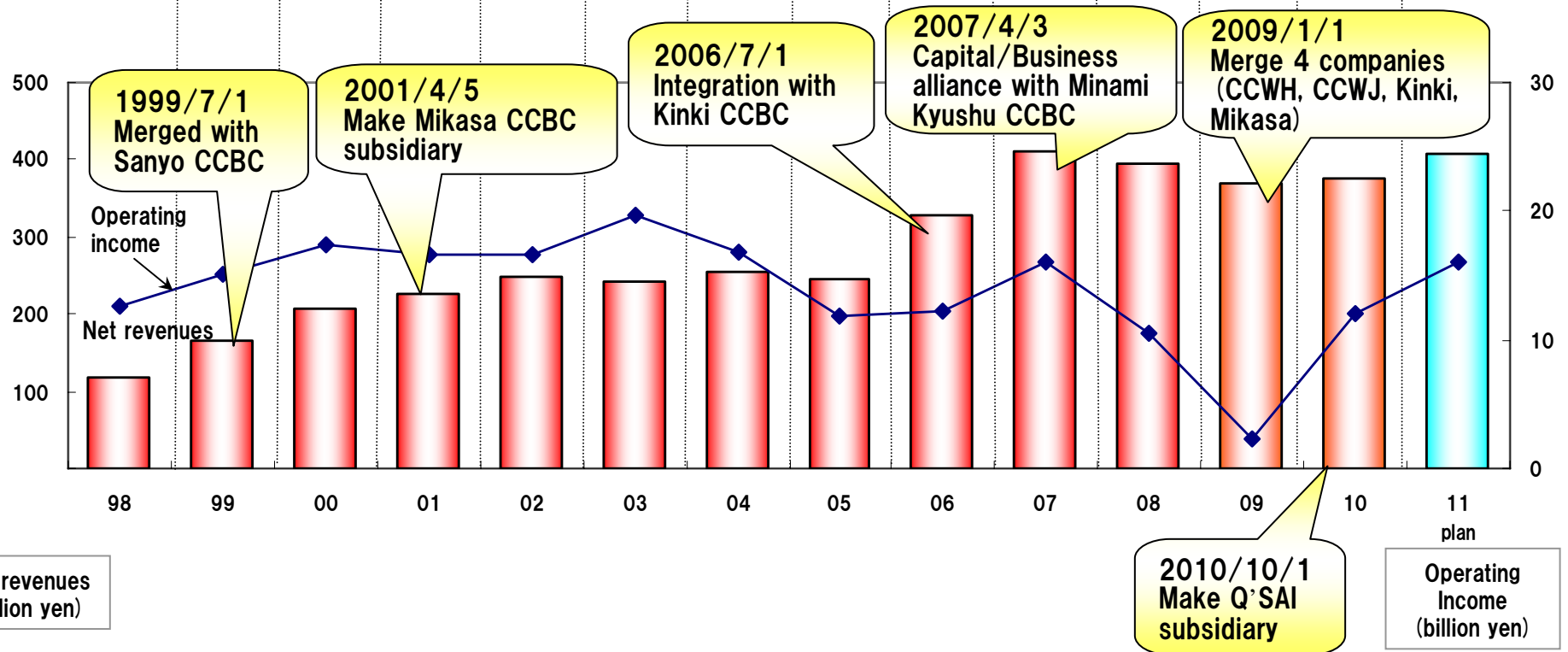
※ Changing sales structure, we adjust sales volume as far as 2010.



# Performance trend

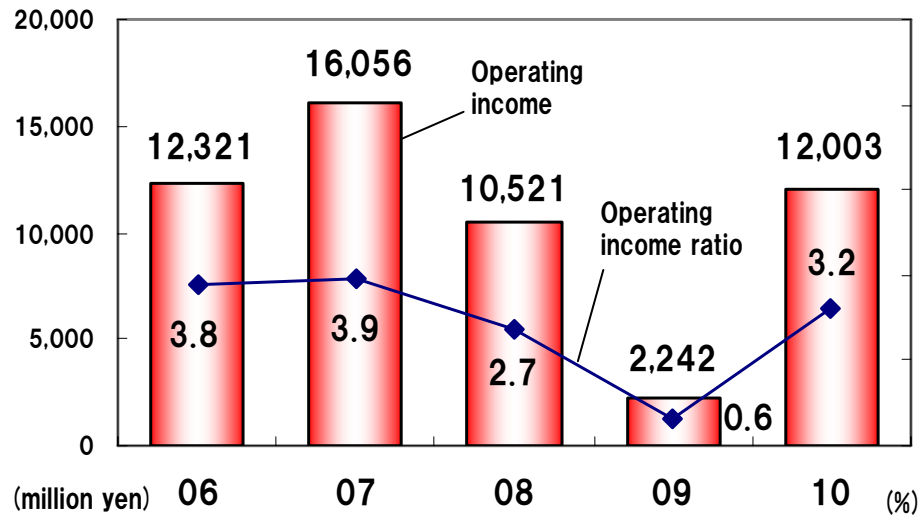
(million yen)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 plan
Net 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	375,764	408,000
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	12,003	16,000
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	12,659	15,600
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	7,582	7,200

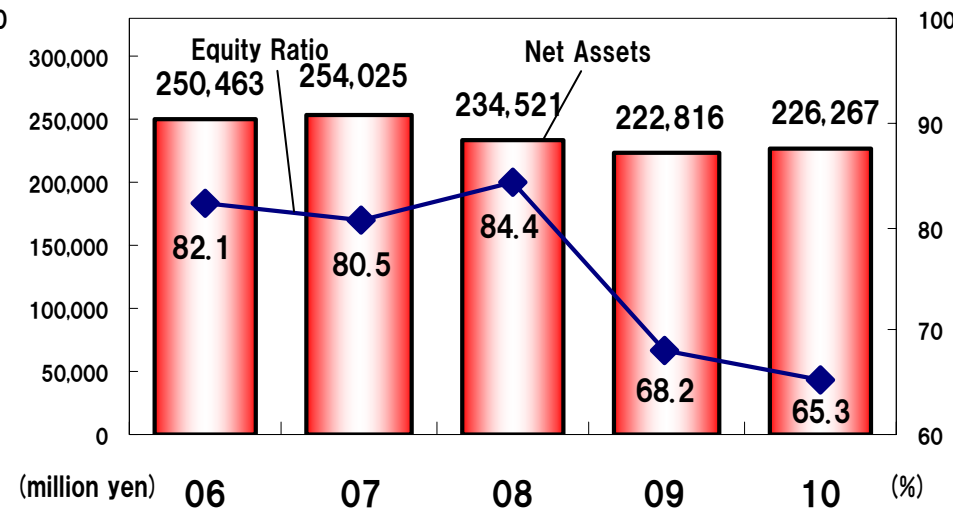


# Financial Data

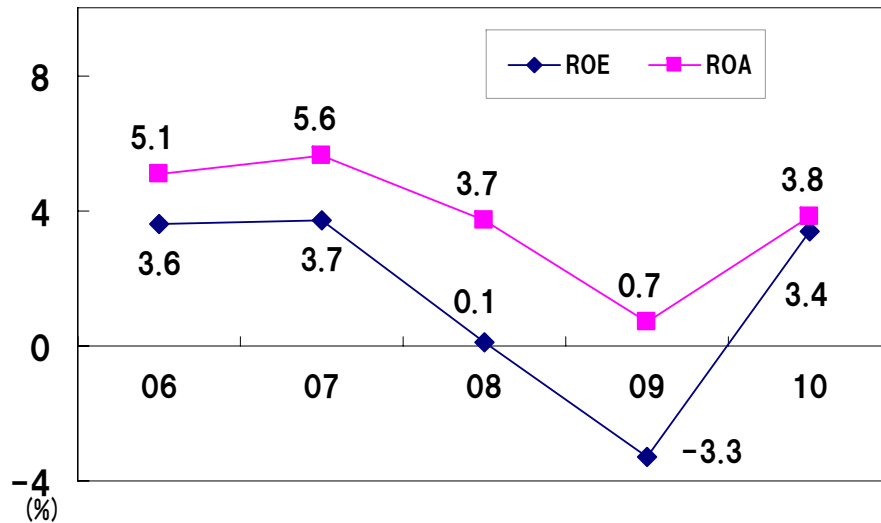
<Operating Income/Operating Income Ratio>



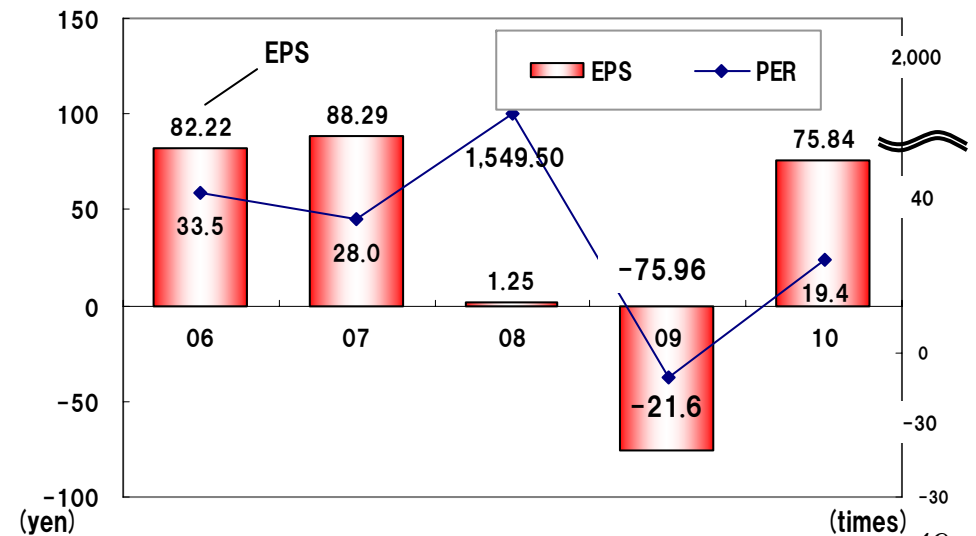
<Net Assets / Equity Ratio>



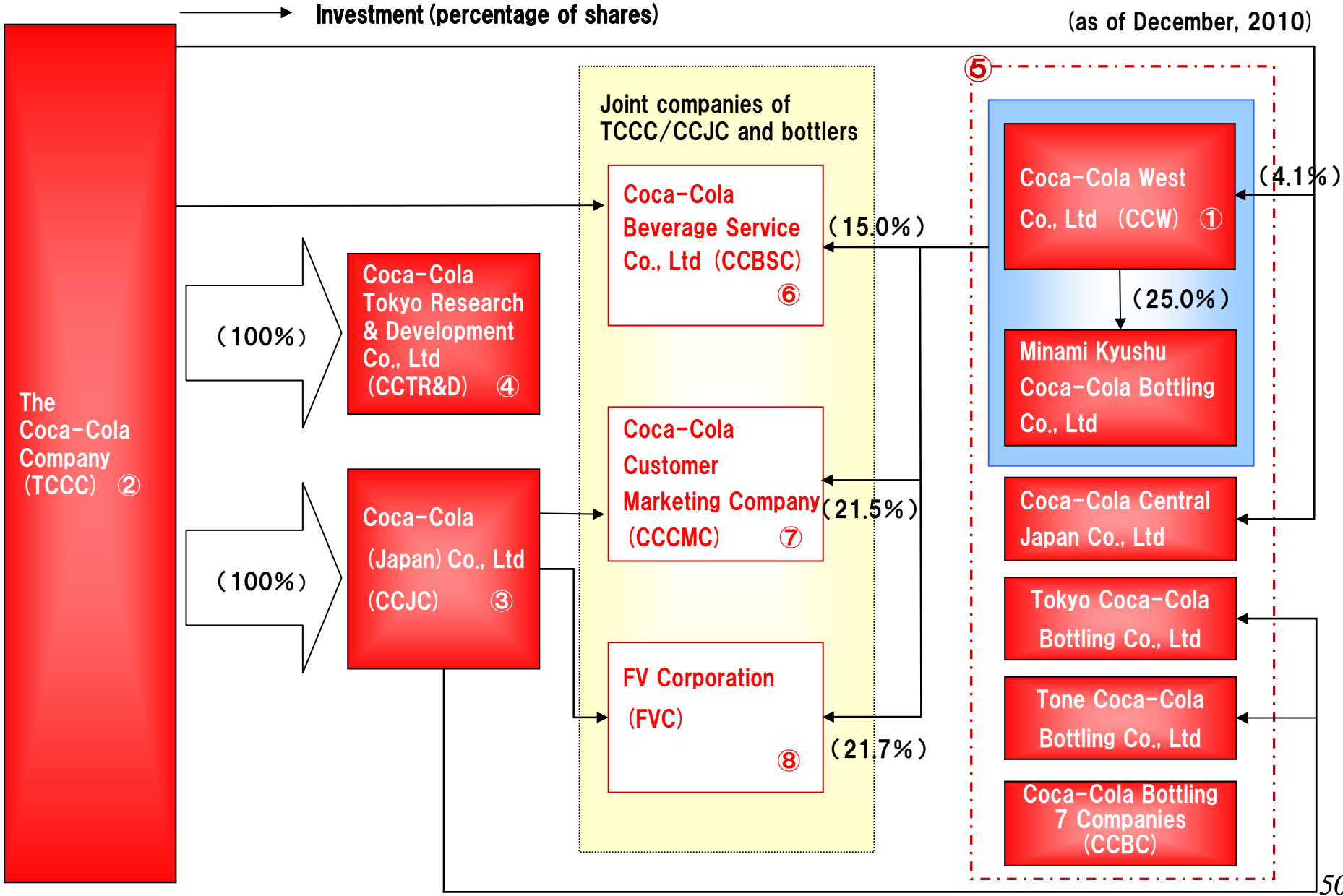
<ROA/ROE>



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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, in June 1999. 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 procures raw materials.

## 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

### **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

### **Up-sizing**

Merchandising method that gives the consumer a sense of savings by increasing the volume of product per container.

### **VPM**

Sales Volume Per Vending Machine

### **VPO**

Sales Volume Per Outlet

## 3. Chain Store

### **National chain:**

National chain supermarket that CCCMC are responsible for negotiating

### **PicOS:**

To represent the ideal image of the sales floor in the form of a visual guide. The ideal sales floor.

## 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.

### **OBPPC**

Based on the customers' motivation for making a store visit (occasion), to develop and execute products with the optimum Brand, Package and Price according to different Channels, which include supermarket, discount store, etc.

### **Cross-docking**

Sales distribution point that has no inventory (warehouse)

## 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**