

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

*Coca-Cola* **West**

# Second Quarter 2011 Results Presentation

July 29, 2011

Coca-Cola West Company, Limited (2579)

[ Contact ] Investor Relations

TEL +81-92-641-8590 FAX +81-92-632-4304

[ URL ] <http://www.ccwest.co.jp/english> [ E-mail ] [junko-kubo@ccwest.co.jp](mailto:junko-kubo@ccwest.co.jp)

# Contents

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- I . 2Q (Apr–Jun) 2011 Financial Results**
- II . 1H (Jan–Jun) 2011 Financial Results**
- III . 2H (Jul–Dec) 2011 Business Plan**

## **【Reference】**

1H (Jan–Jun) 2011 results

Out market share

By brand/by channel Volume/Revenues/Gross Profit

Sales volume by package, Sales volume by channel/package

Performance trend/Financial data

Coca–Cola system in Japan

# Summary

## 2Q (Apr–Jun) 2011 results

- Sales volume was 47 million cases, 2.7% higher than last year as a result of strengthening of OBPPC\* strategy in each channel.

Sales volume: -0.4% vs. plan, +2.7% vs. last year

- Operating income was 4.6 billion yen, 2.4 billion yen higher than last year, due to sales volume growth in Coca-Cola business and reduction of indirect costs group-wide.

OP income: 4.6 billion yen (+0.9 by vs. plan, +2.4 by vs. last year)

## 2H (Jul–Dec) 2011 forecast

We do not revise the initial consolidated earnings forecasts previously announced as of Feb 4, 2011.

- Sales volume      100,783 thousand cases (+0.1%)
- Revenues            215.2 billion yen (+8.6 billion yen by vs. last year)
- Operating income   11.1 billion yen (+0.4 billion yen by vs. last year)

\* OBPPC: Occasion, Brand, Package, Price, Channel

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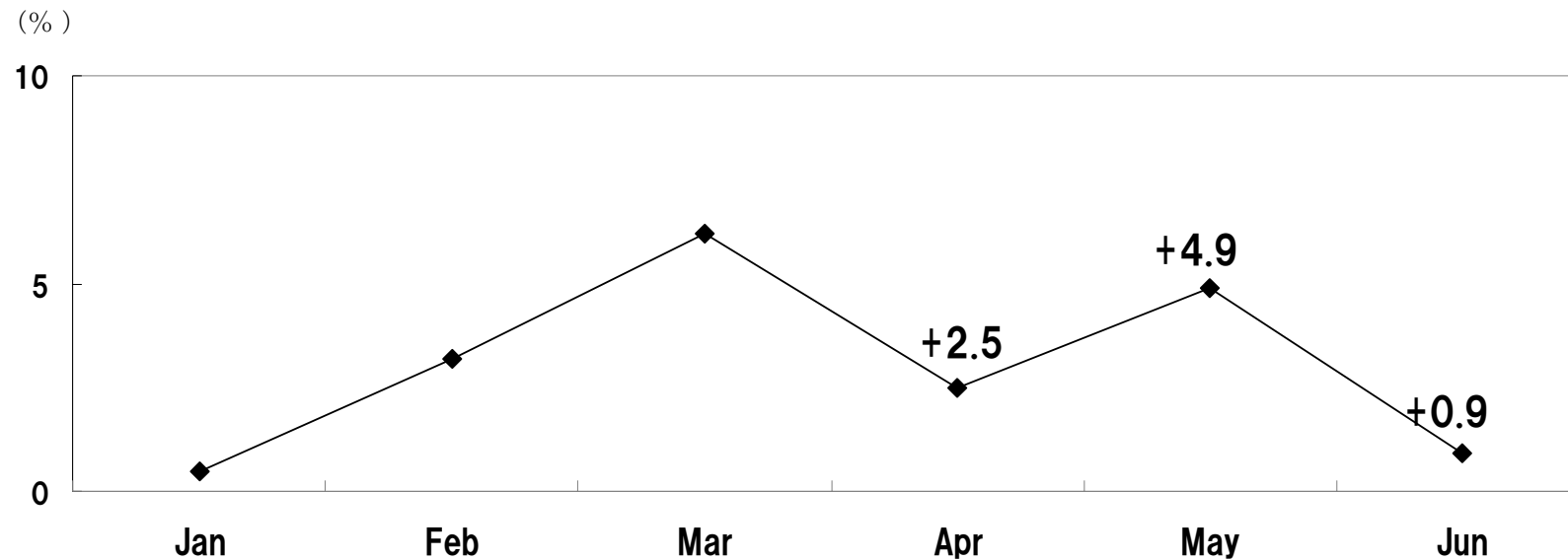
# I . 2Q (Apr–Jun) 2011 Financial Results

## 2Q (Apr-Jun) 2011 – Sales volume

■ Sales volume increased 2.7% in 2Q.

(thousand cases, %)	2Q 2011 actual	vs. plan		vs. last year	
		change	%	change	%
Sales volume	47,328	-184	-0.4	+1,232	+2.7

### Monthly Sales Volume (Yoy)



## 2Q (Apr-Jun) 2011 – Sales volume by Brand

(thousand cases, %)		2Q 2011 actual	vs. plan		vs. ly	
			change	%	change	%
C o r e  8	Coca-Cola	3,742	-28	-0.7	+166	+4.7
	Coca-Cola Zero	1,763	-11	-0.6	+85	+5.1
	Fanta	2,323	+69	+3.1	+133	+6.1
	Georgia	9,495	-226	-2.3	+59	+0.6
	Sokenbicha	3,215	-188	-5.5	+33	+1.0
	Aquarius	5,441	+298	+5.8	+542	+11.1
	I LOHAS	1,681	+138	+8.9	+345	+25.8
	Ayataka	2,012	+518	+34.7	+925	+85.2
subtotal		29,672	+570	+2.0	+2,290	+8.4
Other		17,656	-754	-4.1	-1,058	-5.7
Total		47,328	-184	-0.4	+1,232	+2.7

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

- Growth rate of sparkling slow down, but sales grew in June.
- Sales of Coca-Cola increased and Coca-Cola Zero grew as effect of campaigns such as “Coke & Meal” or “Coke Zero & Snack.” Fanta also increased.

### ■ Sokenbicha / Ayataka

- Blend tea slightly decreased, green tea increased.
- Sokenbicha increased after full renewal in Feb.
- Ayataka increased as a result of package renewal and appeal its value in TV commercial.

### ■ Georgia

- Canned coffee slightly decreased.
- Georgia increased by strengthen Black & Bito segments, and launching season limited products.

### ■ Aquarius

- Sports drinks grew.
- Aquarius increased double-digits, driven by seasonable programs such as “fluid replacement.” Market share increased.

### ■ I LOHAS

- Packaged water grew.
- I LOHAS grew double-digits. We grew share in CVS.

## 2Q (Apr-Jun) 2011 – Sales volume by Channel

(thousand cases, %)		2Q 2011 actual	vs. plan		vs. ly	
			change	%	change	%
	Supermarket ※1	12,629	-565	-4.3	+13	+0.1
	CVS	4,540	-217	-4.6	+57	+1.3
Chain store		17,169	-783	-4.4	+70	+0.4
Vending ※2		13,759	-691	-4.8	-930	-6.3
Retail		3,470	+161	+4.9	+89	+2.6
Food service		4,735	+67	+1.4	+156	+3.4
Other		8,195	+1,062	+14.9	+1,847	+29.1
Total		47,328	-184	-0.4	+1,232	+2.7

【Ref: In case of removing the impact of business model change】

Vending	13,759	-141	-1.0	+270	+2.0
Other	8,195	+512	+6.7	+647	+8.6

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

※2 Sales volume of vending decreased due to changing sales structure. In case of removing the impact (plan: 550 cases, last year actual 1,200 cases), the sales increased in the quarter.

※3 HORECA: Hotel, Restaurant, Café etc

### ■ Chain store

- Sales of small-sized PET increased as a result of programs such as an installing sales equipment in supermarket. Sales of large-sized PET decreased.
- Sales in CVS channel increased, driven by sales of mineral water. We gained market share.

### ■ Vending

- VPM has recovered as a result of successful in-market activations such as an attractive product line-up. Sales increased in case of removing the impact of business model change.

### ■ Retail / Food service

- Sales increased, ahead of our target, due to development activities in HORECA ※3 channel.

## Channel – Supermarket small PET bottle sales

■ As we installed sales equipments to effective locations, sales of small-packaged products increased, and unit price improved.

### Number of increased sales equipments in supermarket\*

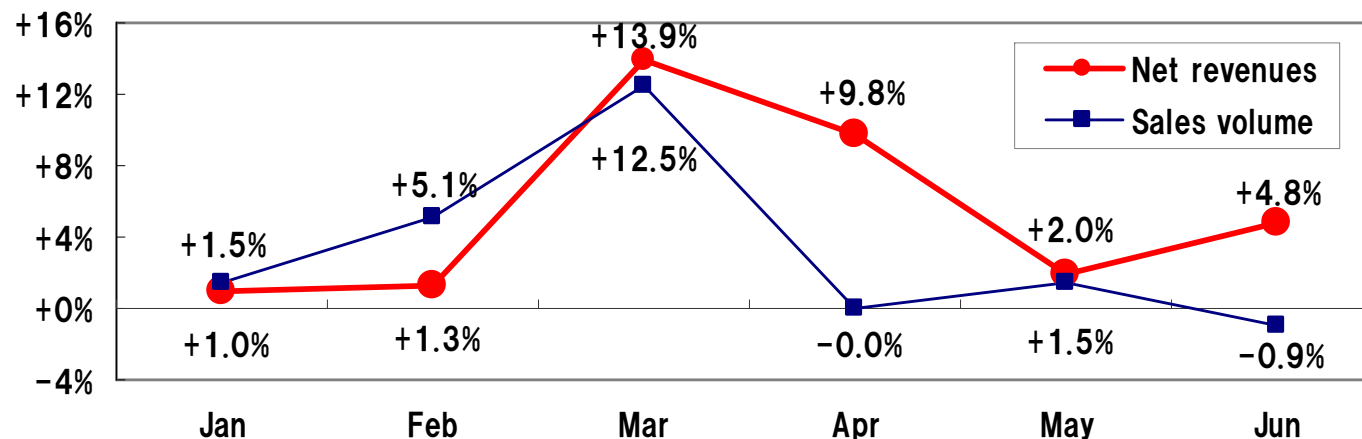


Cooler  
**4,528** units



Rack  
**8,259** units

### Sales volume and net revenues in supermarket\* (Yoy)



\* Supermarket excludes drug store, discount store and home center.



## Sales volume per vending machine

- Sales volume per machine has recovered, especially “out door” since we have started the VPM-up activation respond to each occasion.

Sales volume per vending machine

Type	Yoy (%)						
	Jan	Feb	Mar	Apr	May	Jun	Total
At-work white	-0.9	+1.0	+1.0	+0.4	+1.7	-1.5	+0.2
At-work blue	+0.5	+2.3	-0.9	-1.7	+0.7	+0.4	+0.2
Retail in-store	-0.5	+1.4	-0.2	+2.0	-0.7	-2.8	-0.2
Transportation	+1.3	+6.7	+0.1	+3.6	-1.6	-1.5	+1.2
Schools	-0.7	+3.8	+1.8	+3.8	+3.3	-2.1	+1.3
Amusement facility	-4.2	+0.0	-3.5	+2.8	-3.7	-2.4	-2.0
Pachinko	-3.7	-1.7	-2.5	+1.6	-0.3	+0.2	-1.0
Sports facility	-7.0	-2.4	-3.8	+0.4	-2.7	-4.4	-3.3
Hospital	+0.1	+1.3	+1.0	+1.2	+0.2	-2.1	+0.2
Other (in door)	-0.1	+1.4	-2.4	+0.4	-0.1	-4.2	-0.9
Out door	-1.0	+2.9	+3.4	+7.7	+2.7	-3.3	+1.9
<b>Total</b>	<b>-1.2</b>	<b>+1.7</b>	<b>+0.5</b>	<b>+3.1</b>	<b>+0.8</b>	<b>-2.0</b>	<b>+0.4</b>

## 2Q (Apr-Jun) 2011 – SCM

<p><b>Achieving consumer driven SCM</b></p>	<ul style="list-style-type: none"> <li>• Clarified the problems and designed business process for establishing consumer driven supply chain</li> <li>• Structured supply system linked to the OBPPC<sup>※1</sup> strategy</li> <li>• Increased production for demand season</li> </ul>	<p><b>SCM impact (yoy)</b></p> <p><b>+1.2 billion yen</b></p>
<p><b>Building of foundation for low-cost supply structure, environment measures</b></p>	<ul style="list-style-type: none"> <li>• Weight saving of bottles (Coca-Cola 300ml PET, Fanta 500ml PET)</li> <li>• Introduced in-line blowing of sparkling PET bottles (Tosu plant in May, Kyoto plant in June)</li> <li>• Upgraded acid aseptic lines and a bottle line (Kiyama plant in April &amp; June)</li> <li>• Started the initiatives for reducing usage of water with TCCC<sup>※2</sup></li> </ul>	
<p><b>Reform of distribution</b></p>	<ul style="list-style-type: none"> <li>• Made yard operation in LC<sup>※3</sup> more efficient by logistic assessment</li> <li>• Reorganization of freight transport centers</li> </ul>	

※1 OBPPC: Occasion, Brand, Package, Price, Channel

※2 TCCC: The Coca-Cola Company

※3 LC: Logistic Center

## 2Q (Apr-Jun) 2011 – Sale volume & P/L

(thousand cases, million yen, %)

	2Q 2011 actual	2Q 2011 plan <sup>※</sup>	vs. plan		2Q 2010 actual	vs. last year	
			change	%		change	%
Sales volume	47,328	47,512	-184	-0.4	46,096	+1,232	+2.7
Net Revenues	103,468	103,300	+168	+0.2	91,549	+11,918	+13.0
Gross profit	49,412	50,800	-1,387	-2.7	40,818	+8,593	+21.1
Operating income	4,637	3,700	+937	+25.3	2,172	+2,465	+113.5
Recurring income	4,675	3,600	+1,075	+29.9	2,363	+2,312	+97.9
Net income	2,885	2,100	+785	+37.4	1,563	+1,322	+84.6

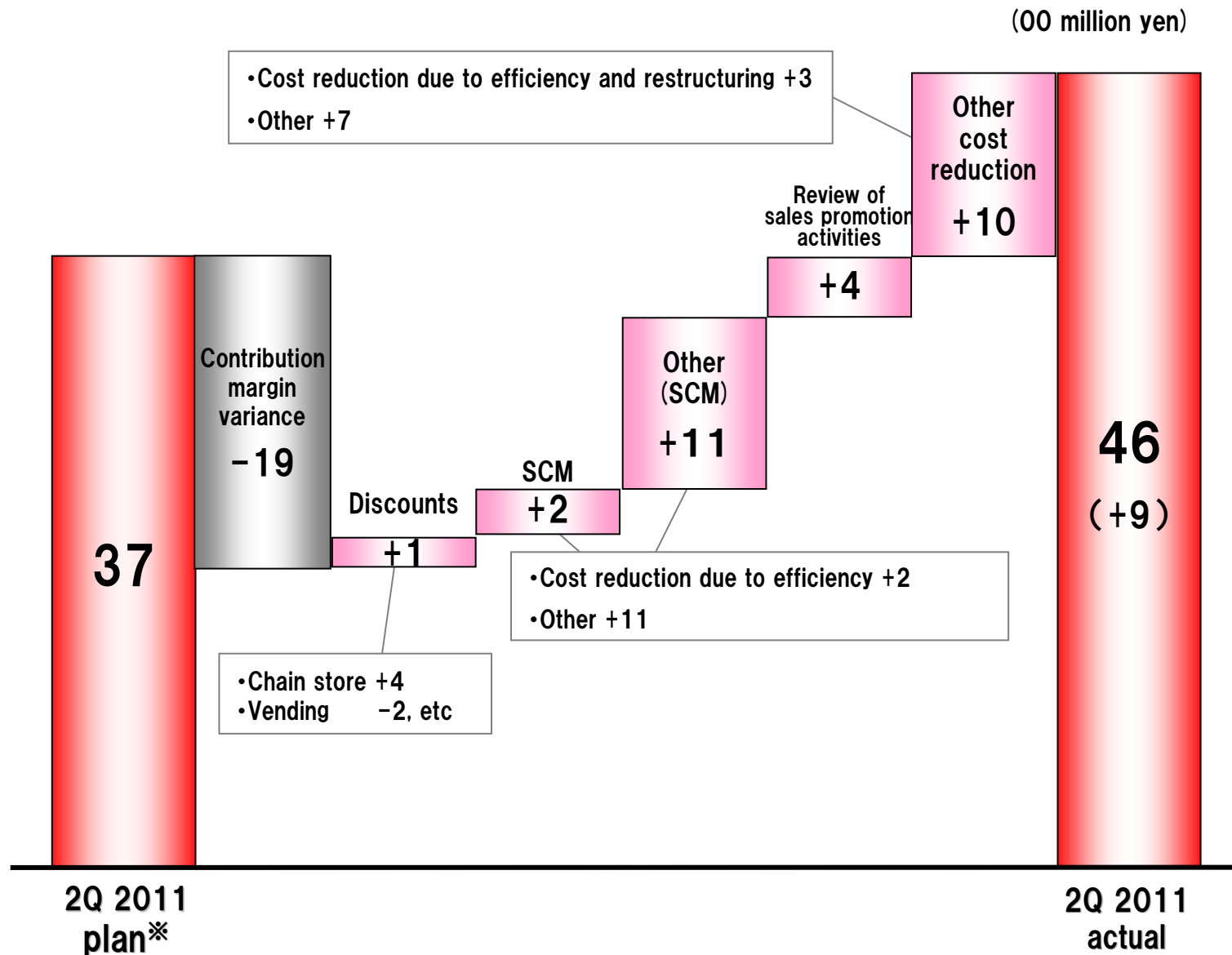
※ The plan is based on the performance forecast announced as of Feb 4, 2011.

## 2Q (Apr–Jun) 2011 – P/L change factors (vs. plan)

	2Q 2011 plan <sup>※</sup>	2Q 2011 actual	change	(00 million yen)	
				Main factors for increase/ decrease	change
Net Revenues	1,033	1,034	+1	•Impact on the soft drink business	+7.8
				•Impact on the health food business	-5.6
Gross profit	508	494	-13	•Impact on the soft drink business	-8.9
				•Impact on health food business	-5.3
Operating income	37	46	+9	Increase/decrease of SG&A	
				•Sales promotion & ad cost	+3.9
				•Sales commission	+2.9
				•Sales equipment cost	+4.5
				•Transportation expenses	+1.1
				•Maintenance cost	+1.3
				•Depreciation	+1.7
				•Impact on the health food business	+5.6
Recurring income	36	46	+10		
Net income	21	28	+7	•Extraordinary income/losses	+2.4
				•Income taxes	-5.5

※ The plan is based on the performance forecast announced as of Feb 4, 2011.

# 2Q (Apr-Jun) 2011 – Operating income change factors (vs. plan)



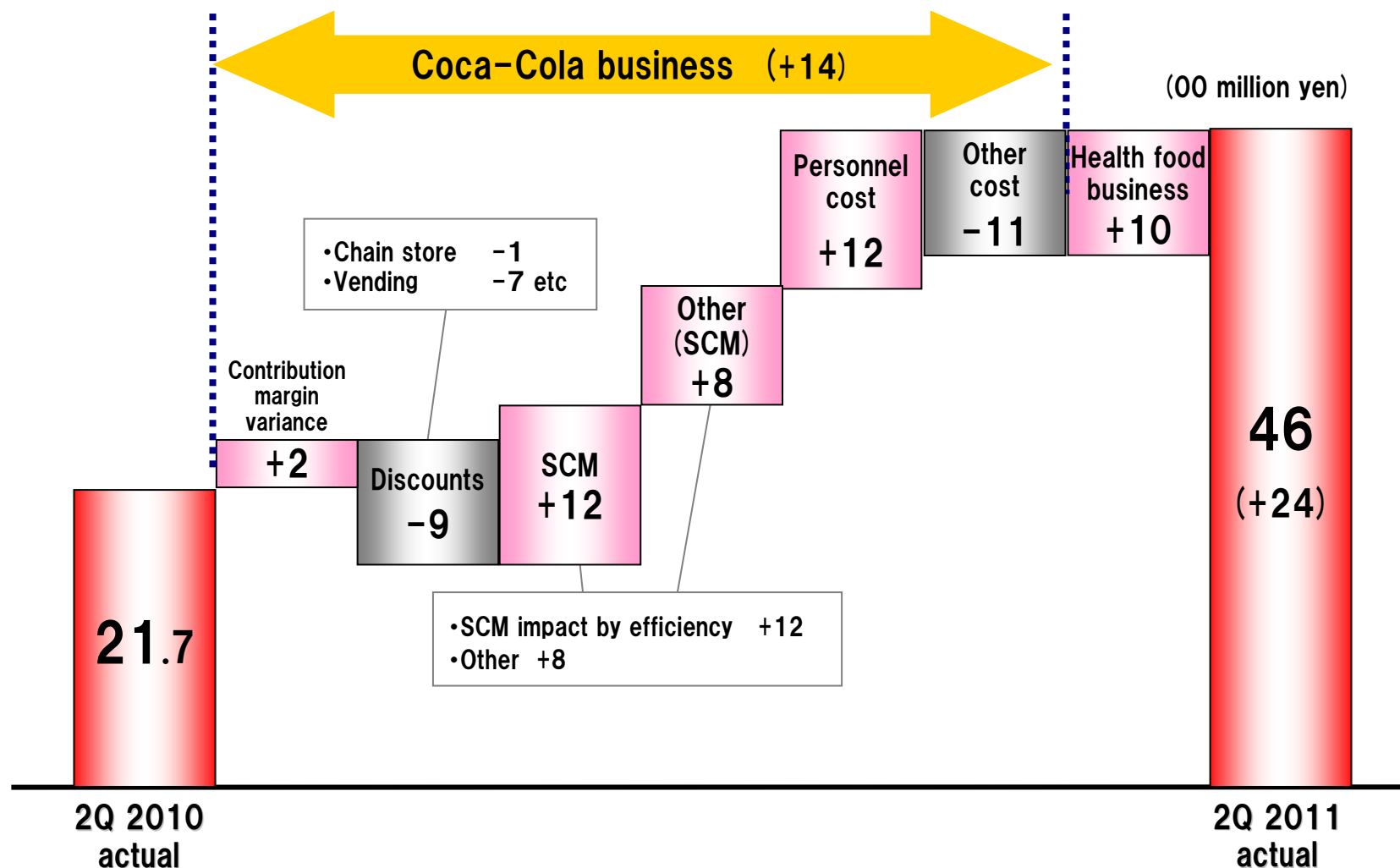
\* The plan is based on the performance forecast announced as of Feb 4, 2011.

## 2Q (Apr-Jun) 2011 – P/L change factors (vs. 1y)

	2Q 2010 actual	2Q 2011 actual	change		(00 million yen)
<b>Net revenues</b>	<b>915</b>	<b>1,034</b>	<b>+119</b>	<b>Main factors for increase/decrease</b>	<b>change</b>
				• Impact on the soft drink business	+33.0
				• Impact on the health food business	+86.6
<b>Gross profit</b>	<b>408</b>	<b>494</b>	<b>+85</b>	• Impact on the soft drink business	+15.7
				• Impact on the health food business	+70.5
<b>Operating income</b>	<b>21</b>	<b>46</b>	<b>+24</b>	<b>Increase/decrease of SG&amp;A</b>	
				• Personnel cost	+8.4
				• Sales promotion & ad cost	-12.3
				• Sales commission	-2.7
				• Sales equipment cost	+1.2
				• Depreciation	+2.2
				• Impact on the health food business	-59.8
<b>Recurring income</b>	<b>23</b>	<b>46</b>	<b>+23</b>		
<b>Net income</b>	<b>15</b>	<b>28</b>	<b>+13</b>	• Extraordinary income/losses	+2.5
				• Income taxes	-12.3

## 2Q (Apr-Jun) 2011 – Operating income change factors (vs. 1y)

Operating income increased, due to sales volume growth, reduction of indirect costs group-wide and SCM reforms in Coca-Cola business.  
 Consolidated OP income increased by 2.4 billion yen ,yoy, totaling 4.6 billion yen.



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## **II. 1H (Jan–Jun) 2011 Financial Results**



# 1H (Jan-Jun) 2011 – Sale volume & P/L

(thousand cases, million yen, %)

	1H 2011 actual	1H 2011 plan*	vs. plan		1H 2010 actual	vs. last year	
			change	%		change	%
Sales volume	85,776	86,296	-520	-0.6	83,250	+2,527	+3.0
Net Revenues	189,933	192,800	-2,866	-1.5	169,182	+20,750	+12.3
Gross profit	92,602	95,800	-3,197	-3.3	76,326	+16,276	+21.3
Operating income	6,014	4,900	+1,114	+22.7	1,280	+4,734	+369.8
Recurring income	6,016	4,600	+1,416	+30.8	1,438	+4,578	+318.3
Net income	2,363	900	+1,463	+162.6	810	+1,552	+191.5

\* The plan is based on the performance forecast announced as of Feb 4, 2011.

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## **III. 2H (Jul-Dec) 2011 Business Plan**

## 2H (Jul-Dec) 2011 Sales volume plan

### Brand

(thousand cases, %)

		2011 2H plan	vs. last year	
			change	%
C o r e  8	Coca-Cola	7,768	+180	+2.4
	Coca-Cola Zero	3,616	+282	+8.5
	Fanta	4,790	-54	-1.1
	Georgia	19,477	+397	+2.1
	Sokenbicha	7,165	+325	+4.8
	Aquarius	12,629	-713	-5.3
	Mineral water	3,586	-11	-0.3
	Ayataka	3,208	+178	+5.9
	sub-total	62,238	+584	+0.9
Other	38,545	-472	-1.2	
<b>Total</b>		<b>100,783</b>	<b>+112</b>	<b>+0.1</b>

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

※2 Sales volume plan of vending decreases due to changing sales structure. In case of removing the impact (2,640 cases), the sales plan increases.

### Channel

(thousand cases, %)

		2011 2H plan	vs. last year	
			change	%
	Supermarket※1	28,233	+49	+0.2
	CVS	10,555	-16	-0.2
	Chain Store	38,788	+33	+0.1
	Vending※2	28,787	-1,530	-5.0
	Retail	6,951	-147	-2.1
	Food service	10,366	+220	+2.2
	Other	15,892	+1,536	+10.7
<b>Total</b>		<b>100,783</b>	<b>+112</b>	<b>+0.1</b>

【Ref: In case of removing the impact of business model change】

Vending	28,787	+1,110	+4.0
Other	15,892	-1,104	-6.5

# Brand strategy

## Main activities

## Innovation

## Communication



- ▶ Launch reprinted glass bottles
- ▶ Summer global music campaign



Summer global music campaign



- ▶ Wild Health campaign
- ▶ Summer global music campaign



1.25L PET



Wild Health Campaign



- ▶ Launch new flavors
- ▶ Launch 280ml PET (Orange/Grape flavors)



New flavors

280ml PET



# Brand strategy



- ▶ Summer promotion (June–August)
- ▶ Autumn promotion

Main activities

Innovations

Communication



(image)

## Sokenbicha



- ▶ With meal campaign in summer



With meal program



- ▶ Appeal for rehydration solution
- ▶ New products



# Channel strategy – Chain Store

- ▶ Coverage up of core 8 brand
- ▶ Increase sales volume, net revenues and share with profits

Improvement of unit price

- observe price guidelines
- positive price/mix with multi sales
- diversification of package and price by occasions

Increase of sales points and improvement of package mix

- increase sales of small-sized packages and capture points of availability by installing cooler and rack

**Cooler: increase 930 units**

In front of cash register



**Rack: increase 9,419 units**

Alcohol beverage corner



Bread corner



Daily food corner



Snack corner



Pizza corner



# Channel strategy – Vending

## ▶ OBPPC strategy by each occasion

Product line-up respond to each type of locations or season (summer)

### 1. At-work white, Transportation

#### Sparkling, Aquarius



500ml @ ¥150

280ml @ ¥120

#### NST



500ml @ ¥150

425ml @ ¥130

555ml @ ¥110~140

(Launch in September)

#### I LOHAS



555ml @ ¥110~140

#### Georgia



190g @ ¥120

280ml @ ¥130

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

#### Sparkling, Aquarius



350g @ ¥120

500ml @ ¥150

#### NST



500ml @ ¥150

425ml @ ¥130

555ml @ ¥110~140

(Launch in September)

#### I LOHAS



555ml @ ¥110~140

#### Georgia



250g/190g @ ¥120

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

#### Sparkling



100円 100円 100円

350ml @ ¥100

#### NST



425ml @ ¥130

(Launch in September)

#### Georgia



100円 100円 100円 100円

170g @ ¥100

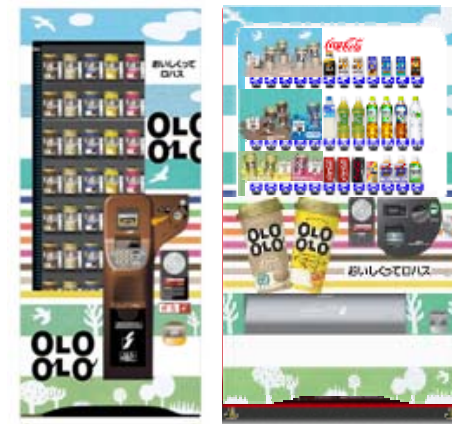
# Channel strategy – Vending

- ▶ **New locations : Taking away of other companies' machines and replace to our group companies' machines**
- ▶ **M&A : Vending operation companies**
- ▶ **Develop new locations and increase sales volume per machine**  
→ **3D-VIS Vending machine**
- ▶ **Strengthen installing chilled-cup drink vending machines**  
→ **Expand the operating area (2,400 machines into market)**



3D-VIS Vending machine

Chilled-cup drink vending machines





# Business Model Innovation

## ■ Starting Business Model Innovation Project

→ We establish a consumer-centric business model with a support of TCCC\*1.

Eight initiatives	Future direction
CSS + RTM	<ul style="list-style-type: none"> <li>• Set up service levels tailored by customer (sales/delivery/activation)</li> <li>• Optimized resource allocation &amp; initiative execution based on cost-to-serve at each segment.</li> <li>• Monitoring automatically if activities are done according to plan.</li> </ul>
Logistics process	<ul style="list-style-type: none"> <li>• Toward optimal cost-to-serve by service level,               <ul style="list-style-type: none"> <li>* Reorganization of logistics network</li> <li>* Introduction of automatic delivery system with global IT</li> <li>* Use of outsource, etc</li> </ul> </li> </ul>
DOIP model	<ul style="list-style-type: none"> <li>• Build timely &amp; accurate DOIP linked with sales activity. Build DOIP process which sales &amp; SCM mutually agree on one number.</li> <li>• Build an end-to-end optimized supply chain</li> </ul>
Network optimization	<ul style="list-style-type: none"> <li>• Through optimization of manufacturing network with links to future OBPPC*2 strategies.</li> </ul>
Manufacturing excellence	<ul style="list-style-type: none"> <li>• Strengthening production system in order to respond to demand fluctuation.</li> <li>• Upgrading production lines for new packaged products.</li> <li>• Reduction of unit water consumption for staying in business.</li> </ul>
World class IT	
Support functions optimization	
Organization design/ change management	

※1 TCCC : The Coca-Cola Company

※2 OBPPC : Occasion, Brand, Package, Price, Channel

## 2H (Jul–Dec) Plan – SCM

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- Clarify the problems and design business process for establishing consumer driven supply chain
- Establish supply structure linked to the OBPPC※<sup>1</sup> strategy
  - Respond to sales of new packages (1.25L PET, 425ml PET bottles)
  - Consider introduction of returnable and one-way bottles in HORECA※<sup>2</sup> channel
- Increase production for demand season
- Weight saving of bottles / In-line blowing (PET bottle for hot products)
- Consider specific measures for reducing usage of water
- Make an action plan for distribution process reform

※<sup>1</sup> OBPPC: Occasion, Brand, Package, Price, Channel

※<sup>2</sup> HORECA: Hotel, Restaurant, Café etc

## 2H (Jul–Dec) Plan – Forecast

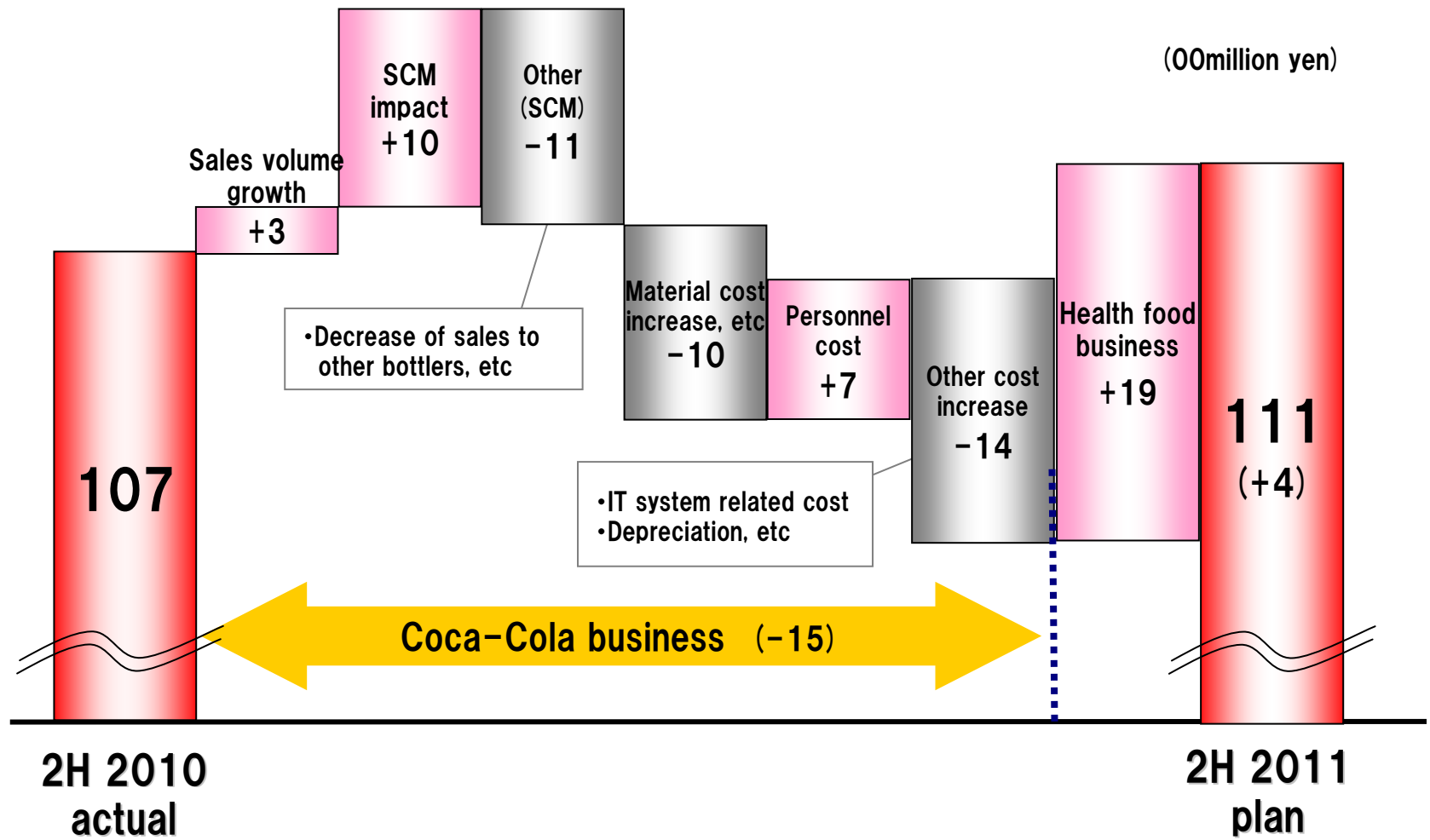
- Earnings forecast for 2H is same as the initial forecast announced as of Feb 4, 2011.

(million yen, %)

	2H 2011 plan	2H 2010 actual	vs. last year	
			change	%
Net revenues	215,200	206,581	+8,618	+4.2
Gross profit	106,100	96,129	+9,970	+10.4
Operating income	11,100	10,722	+377	+3.5
Recurring income	11,000	11,221	-221	-2.0
Net income	6,300	6,771	-471	-7.0

# 2H (Jul-Dec) Plan – Operating Income Achieving Scenario

We achieve the growth target announced as of February 4, 2011



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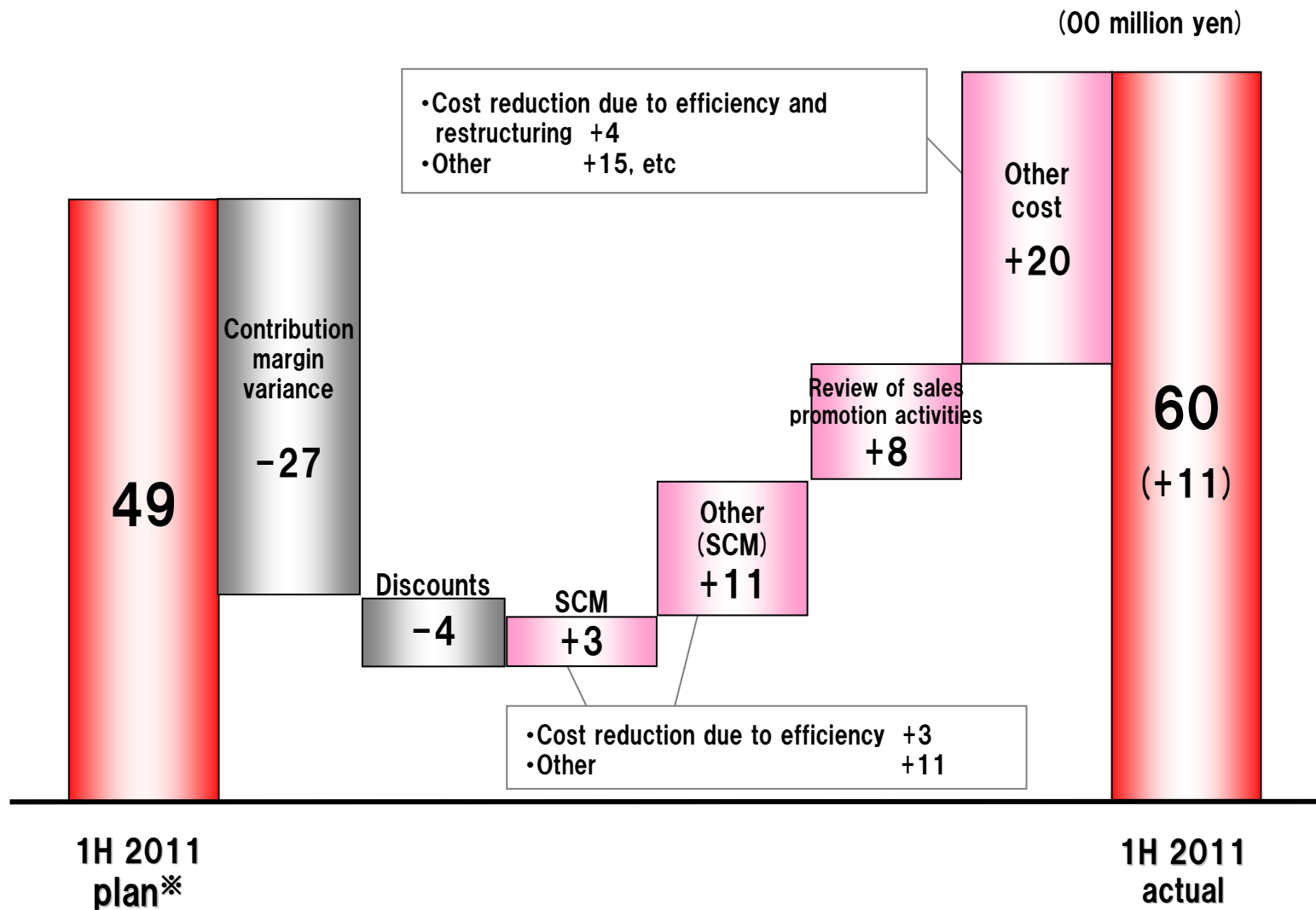
[ Reference ]

# 1H (Jan-Jun) 2011 – P/L change factors (vs. plan)

	1H 2011 plan*	1H 2011 actual	change	(00 million yen)	
				Main factors for increase/ decrease	change
<b>Net Revenues</b>	<b>1,928</b>	<b>1,899</b>	<b>-28</b>	•Impact on the soft drink business	-17.0
				•Impact on the health food business	-11.4
<b>Gross profit</b>	<b>958</b>	<b>926</b>	<b>-31</b>	•Impact on the soft drink business	-21.6
				•Impact on the health food business	-10.5
<b>Operating income</b>	<b>49</b>	<b>60</b>	<b>+11</b>	<b>Increase/decrease of SG&amp;A</b>	
				•Sales promotion & ad cost	+5.5
				•Sales commission	+4.8
				•Sales equipment cost	+7.6
				•Transportation expenses	+1.2
				•Depreciation	+2.3
				•Business consignment expenses	+1.1
				•Maintenance cost	+1.8
				•Impact on the health food business	+11.1
<b>Recurring income</b>	<b>46</b>	<b>60</b>	<b>+14</b>	•Non-operating income/losses	+3.0
<b>Net income</b>	<b>9</b>	<b>23</b>	<b>+14</b>		

※ The plan is based on the performance forecast announced as of Feb 4, 2011.

# 1H (Jan-Jun) 2011 – Operating income change factors (vs. plan)



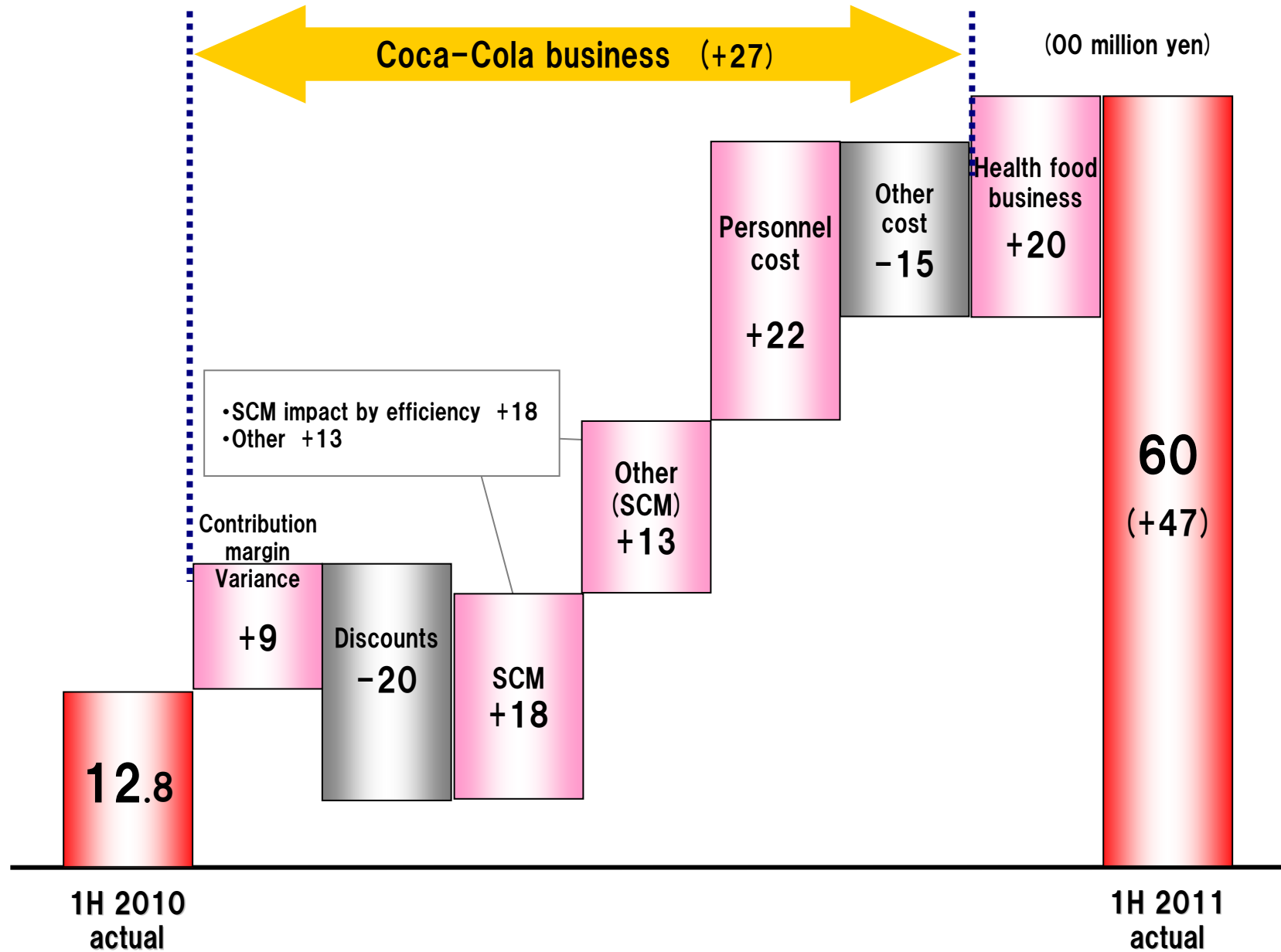
※ The plan is based on the performance forecast announced as of Feb 4, 2011.

# 1H (Jan-Jun) 2011 – P/L change factors (vs. 1y)

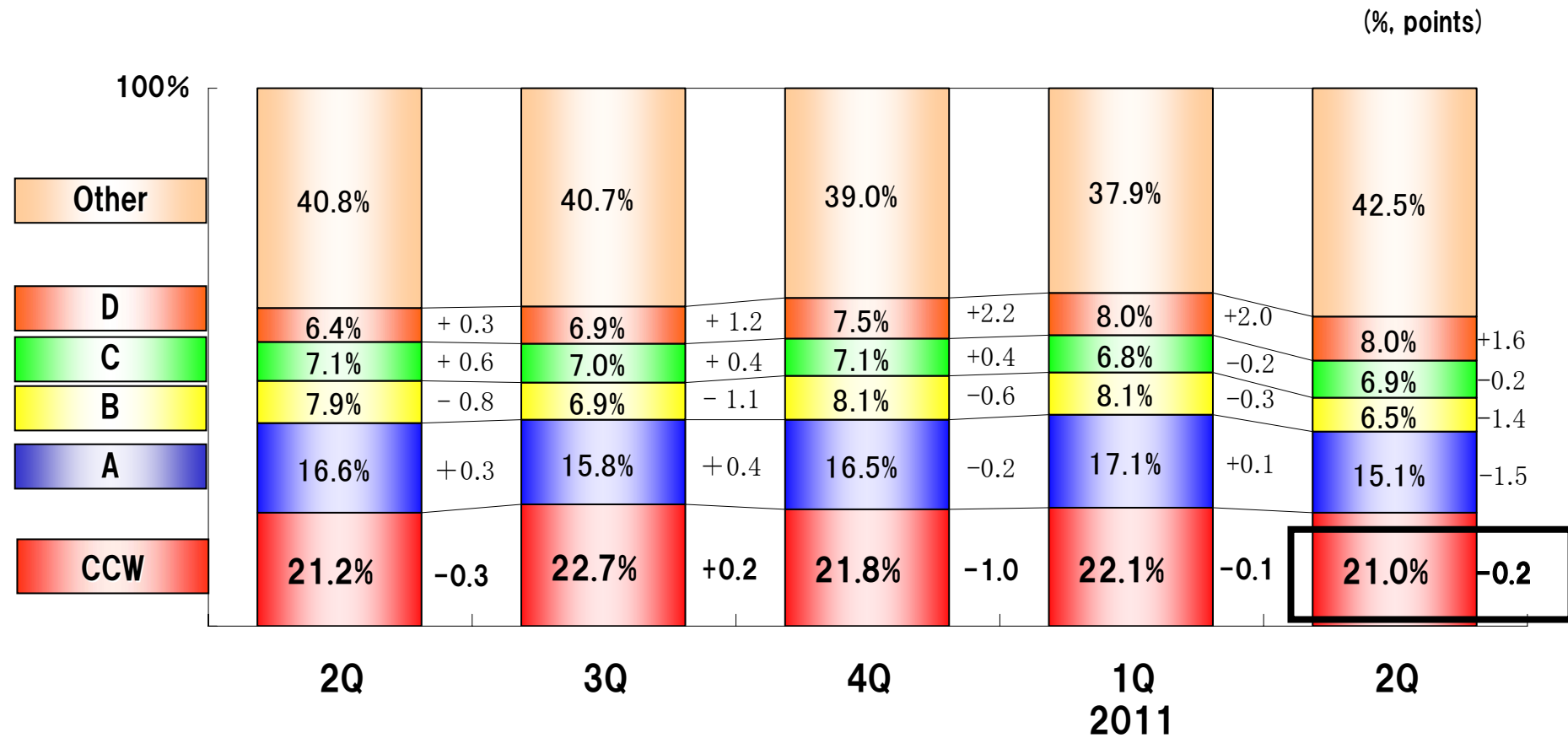
	1H 2010 actual	1H 2011 actual	change	(00 million yen)	
<b>Net revenues</b>	<b>1,691</b>	<b>1,899</b>	<b>+207</b>	<b>Main factors for increase/decrease</b>	<b>change</b>
				• Impact on the soft drink business	+38.8
				• Impact on the health food business	+169.5
<b>Gross profit</b>	<b>763</b>	<b>926</b>	<b>+162</b>	• Impact on the soft drink business	+25.5
				• Impact on the health food business	+137.7
<b>Operating income</b>	<b>12</b>	<b>60</b>	<b>+47</b>	<b>Increase/decrease of SG&amp;A</b>	
				• Personnel cost	+17.9
				• Sales promotion & ad cost	-20.8
				• Sales commission	-3.3
				• Sales equipment cost	-3.0
				• Depreciation	+4.6
				• Impact on the health food business	-117.2
<b>Recurring income</b>	<b>14</b>	<b>60</b>	<b>+45</b>		
<b>Net income</b>	<b>8</b>	<b>23</b>	<b>+15</b>	• Extraordinary income/losses	-10.3
				• Income taxes	-19.8



# 1H (Jan-Jun) 2011 – Operating income change factors (vs. 1y)



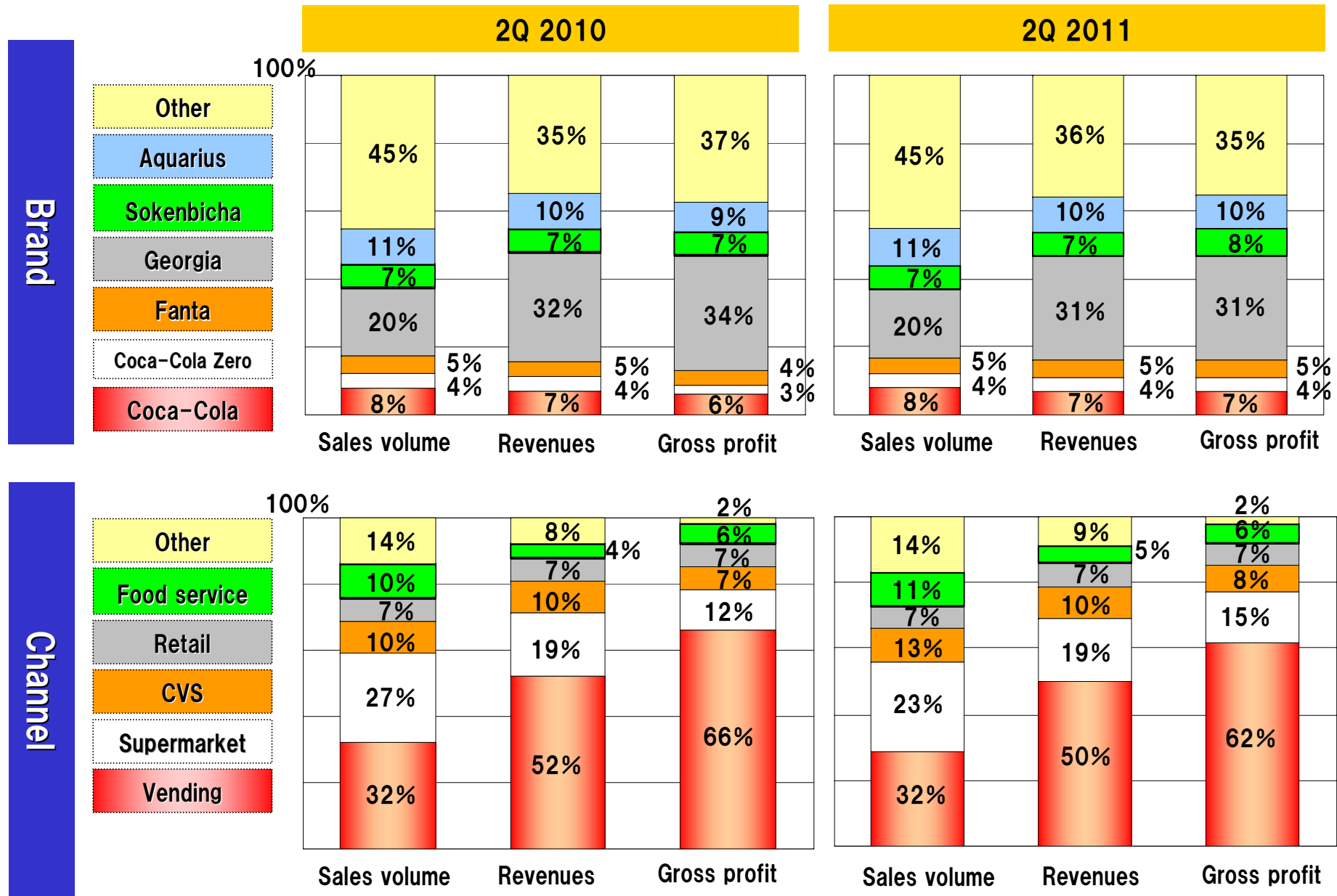
# OTC Market share (exclude VM)



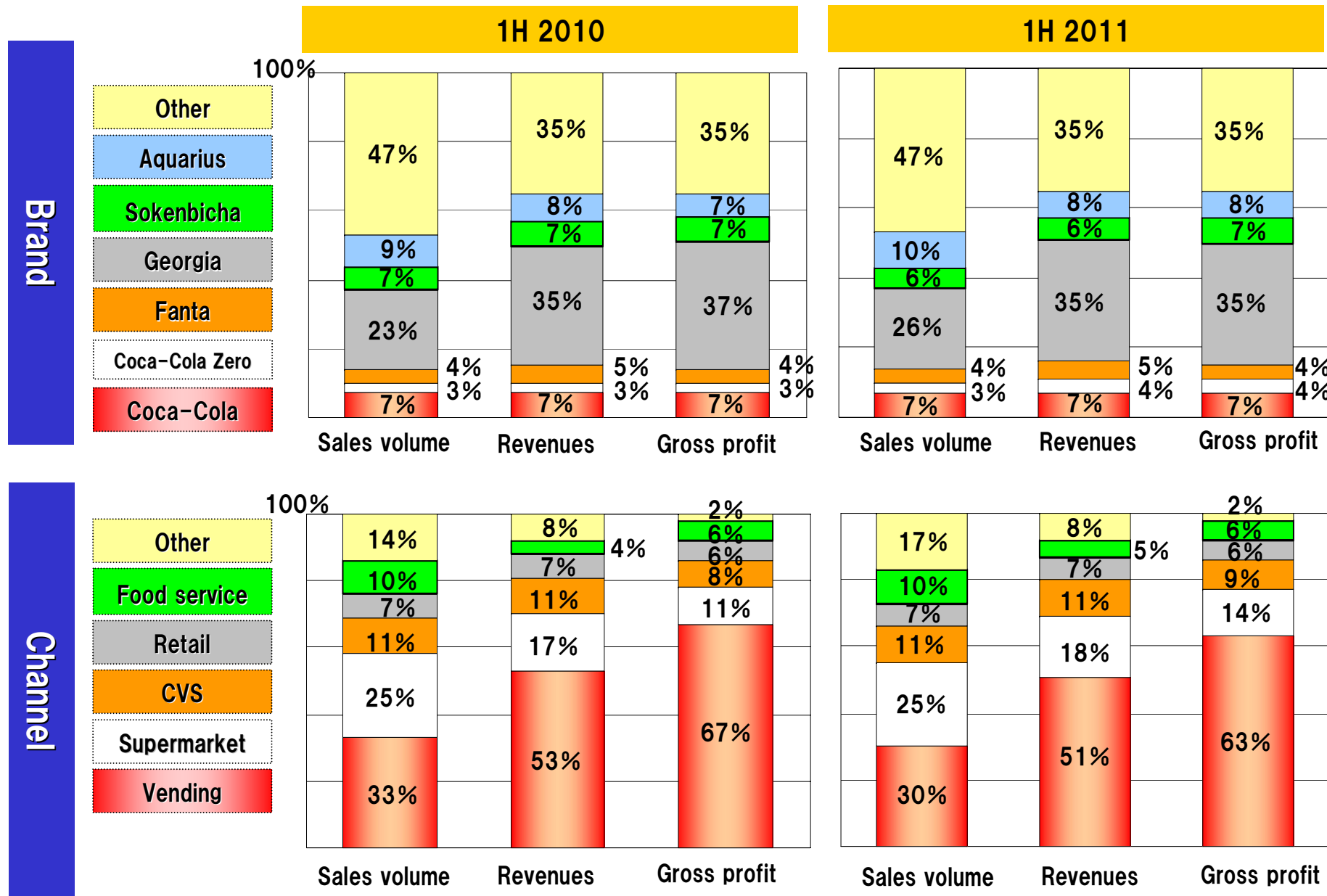
※ The numbers outside the graph are vs. last year

(Source: Intage)

# 2Q – By brand/by channel Volume/Revenues/Gross Profit



# 1H – By brand/by channel Volume/Revenues/Gross Profit



## 2Q (Apr-Jun) 2011 – Sales volume by package

(thousand case, %)

		2Q 2011 actual	vs. plan		vs. last year	
			change	%	change	%
PET	~ 1,020ml	10,019	-1,377	-12.1	+207	+2.1
	1,021ml ~	8,782	+123	+1.4	-233	-2.6
	subtotal	18,801	-1,254	-6.3	-27	-0.1
Can (include bottle can)		14,628	+200	+1.4	+463	+3.3
Other		3,317	-533	-13.8	-488	-12.8
Syrup, powder		10,582	+1,403	+15.3	+1,282	+13.8
Total		47,328	-184	-0.4	+1,232	+2.7

# 1H (Jan-Jun) 2011 – Sales volume by Brand

(thousand cases, %)

		1H 2011 actual	vs. plan		vs. last year	
			change	%	change	%
C o r e  8	Coca-Cola	6,423	-95	-1.5	+269	+4.4
	Coca-Cola Zero	3,000	-90	-2.9	+198	+7.1
	Fanta	3,746	-74	-1.9	+30	+0.8
	Georgia	19,373	-503	-2.5	+156	+0.8
	Sokenbicha	5,485	-288	-5.0	+40	+0.7
	Aquarius	8,281	+463	+5.9	+849	+11.4
	I LOHAS	3,071	+652	+27.0	+982	+47.0
	Ayataka	3,135	+550	+21.3	+1,332	+73.9
	subtotal	52,514	+616	+1.2	+3,857	+7.9
	Other	33,262	-1,135	-3.3	-1,330	-3.8
	<b>Total</b>	<b>85,776</b>	<b>-520</b>	<b>-0.6</b>	<b>+2,527</b>	<b>+3.0</b>

# 1H (Jan-Jun) 2011 – Sales volume by Channel

(thousand cases, %)

		1H 2011 actual	vs. plan		vs. last year	
			change	%	change	%
	Supermarket ※1	21,445	-396	-1.8	+603	+2.9
	CVS	9,362	+44	+0.5	+464	+5.2
Chain store		30,807	-353	-1.1	+1,066	+3.6
Vending ※2		25,925	-876	-3.3	-1,575	-5.7
Retail		6,015	+169	+2.9	+135	+2.3
Food service		8,788	+96	+1.1	+244	+2.9
Other		14,242	+444	+3.2	+2,657	+22.9
Total		85,776	-520	-0.6	+2,527	+3.0

**【 Ref: In case of removing the impact of business model change 】**

Vending	25,925	+744	+3.0	+125	+0.5
Other	14,242	-1,176	-7.6	+957	+7.2

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

※2 Sales volume of vending decreased due to changing sales structure.

In case of removing the impact (plan: 1,620 cases, last year actual 1,700 cases), the sales increased and achieved the target.

# 1H (Jan-Jun) 2011 – Sales volume by package

(thousand case, %)

		1H 2011 actual	vs. plan		vs. last year	
			change	%	change	%
PET	~ 1,020ml	18,580	-1,206	-6.1	+1,119	+6.4
	1,021ml ~	14,960	+437	+3.0	+148	+1.0
	subtotal	33,541	-770	-2.2	+1,267	+3.9
Can (include bottle can)		26,997	-93	-0.3	+383	+1.4
Other		5,722	-1,289	-18.4	-962	-14.4
Syrup, powder		19,517	+1,632	+9.1	+1,839	+10.4
Total		85,776	-520	-0.6	+2,527	+3.0



## 2Q (Arl-Jun) 2011 – Sales volume by channel/package

(thousand cases, %)

■ Chain store	2Q 2011 actual	vs. plan		vs. last year	
		change	%	change	%
Large PET ( 1,021ml~ )	7,972	-10	-0.1	-219	-2.7
Small PET ( ~1,020ml )	4,830	-761	-13.6	-1	-0.0
Can	3,864	-153	-3.8	+187	+5.1
Other	504	+142	+39.4	+103	+25.6
<b>Total</b>	<b>17,169</b>	<b>-783</b>	<b>-4.4</b>	<b>+70</b>	<b>+0.4</b>

(thousand cases, %)

■ Vending	2Q 2011 actual	vs. plan		vs. last year	
		change	%	change	%
Large PET ( 1,021ml~ )	85	+41	+92.7	-35	-29.3
Small PET ( ~1,020ml )	3,795	-666	-14.9	+142	+3.9
Can	8,684	+444	+5.4	-161	-1.8
Other	605	-484	-44.5	+254	+72.4
Syrup, powder	590	-26	-4.2	-1,130	-65.7
<b>Total</b>	<b>13,759</b>	<b>-691</b>	<b>-4.8</b>	<b>-930</b>	<b>-6.3</b>

(thousand cases, %)

■ Retail / Food service	2Q 2011 actual	vs. plan		vs. last year	
		change	%	change	%
Large PET ( 1,021ml~ )	723	+91	+14.5	+21	+3.0
Small PET ( ~1,020ml )	1,250	+24	+2.0	+27	+2.2
Can	957	+14	+1.5	+17	+1.8
Other	571	-144	-20.2	-101	-15.1
Syrup, powder	4,703	+242	+5.4	+281	+6.4
<b>Total</b>	<b>8,205</b>	<b>+228</b>	<b>+2.9</b>	<b>+245</b>	<b>+3.1</b>

# 1H (Jan-Jun) 2011 – Sales volume by channel/package

(thousand cases, %)

■ Chain store	1H 2011 actual	vs. plan		vs. last year	
		change	%	change	%
Large PET ( 1,021ml~ )	13,704	+233	+1.7	+117	+0.9
Small PET ( ~1,020ml )	9,242	-701	-7.1	+458	+5.2
Can	7,112	-141	-1.9	+290	+4.3
Other	749	+257	+52.1	+201	+36.7
<b>Total</b>	<b>30,807</b>	<b>-353</b>	<b>-1.1</b>	<b>+1,066</b>	<b>+3.6</b>

(thousand cases, %)

■ Vending	1H 2011 actual	vs. plan		vs. last year	
		change	%	change	%
Large PET ( 1,021ml~ )	108	+59	+122.5	-29	-21.4
Small PET ( ~1,020ml )	6,888	-598	-8.0	+507	+8.0
Can	16,399	+120	+0.7	-531	-3.1
Other	1,061	-554	-34.3	+485	+84.2
Syrup, powder	1,469	+96	+7.0	-2,007	-57.7
<b>Total</b>	<b>25,925</b>	<b>-876</b>	<b>-3.3</b>	<b>-1,575</b>	<b>-5.7</b>

(thousand cases, %)

■ Retail / Food service	1H 2011 actual	vs. plan		vs. last year	
		change	%	change	%
Large PET ( 1,021ml~ )	1,145	+141	+14.1	+60	+5.6
Small PET ( ~1,020ml )	2,236	+97	+4.5	+117	+5.5
Can	1,694	-54	-3.1	-81	-4.6
Other	997	-296	-22.9	-196	-16.4
Syrup, powder	8,730	+377	+4.5	+479	+5.8
<b>Total</b>	<b>14,802</b>	<b>+265</b>	<b>+1.8</b>	<b>+379</b>	<b>+2.6</b>

## 2H (Jul-Dec) 2011 Plan – Sales volume by package

(thousand case, %)

		2H 2011 plan	vs. plan	
			change	%
PET	~ 1,020ml	25,560	+1,502	+6.2
	1,021ml ~	19,696	-614	-3.0
	subtotal	45,256	+888	+2.0
Can		27,650	-670	-2.4
Other		8,828	+873	+11.0
Syrup, powder		19,050	-979	-4.9
Total		100,783	+112	+0.1

## 2H (Jul-Dec) 2011 Plan – Sales volume by channel/package

(thousand cases, %)

■Chain store	2H 2011 plan	vs. last year	
		change	%
Large PET ( 1,021ml~ )	18,318	-598	-3.2
Small PET ( ~1,020ml )	12,747	+1,031	+8.8
Can	7,027	-206	-2.9
Other	696	-193	-21.7
<b>Total</b>	<b>38,788</b>	<b>+33</b>	<b>+0.1</b>

(thousand cases, %)

■Vending	2H 2011 plan	vs. last year	
		change	%
Large PET ( 1,021ml~ )	40	-43	-51.6
Small PET ( ~1,020ml )	9,786	+599	+6.5
Can	16,266	-1,233	-7.0
Other	2,215	+1,304	+143.2
Syrup, powder	480	-2,158	-81.8
<b>Total</b>	<b>28,787</b>	<b>-1,530</b>	<b>-5.0</b>

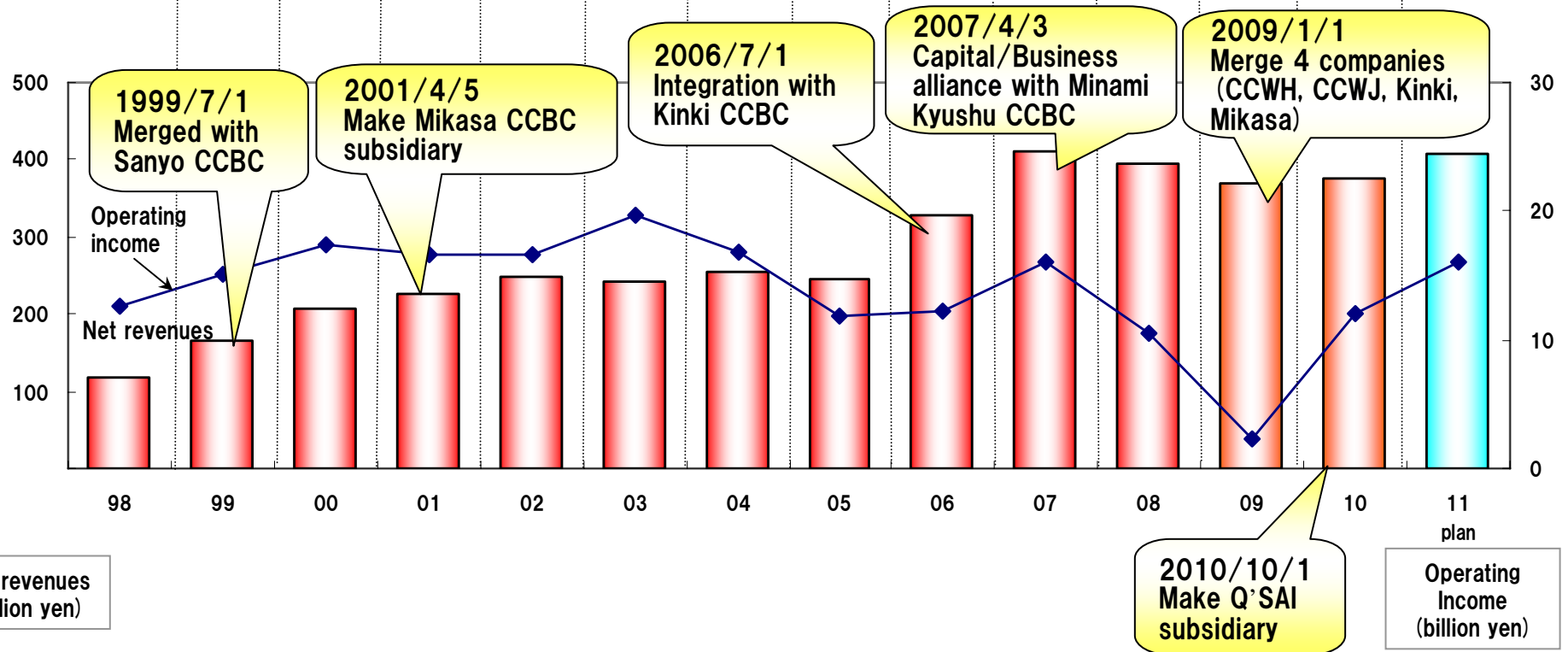
(thousand cases, %)

■Retail / Food service	2H 2011 plan	vs. last year	
		change	%
Large PET ( 1,021ml~ )	1,338	+31	+2.4
Small PET ( ~1,020ml )	2,835	-49	-1.7
Can	1,982	+170	+9.4
Other	1,474	+74	+5.3
Syrup, powder	9,687	-153	-1.6
<b>Total</b>	<b>17,316</b>	<b>+73</b>	<b>+0.4</b>

# Performance trend

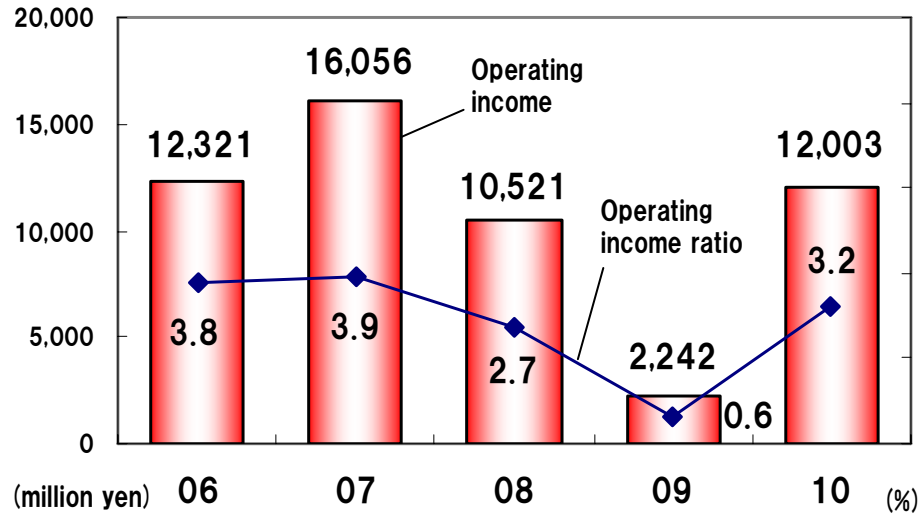
(million yen)

	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

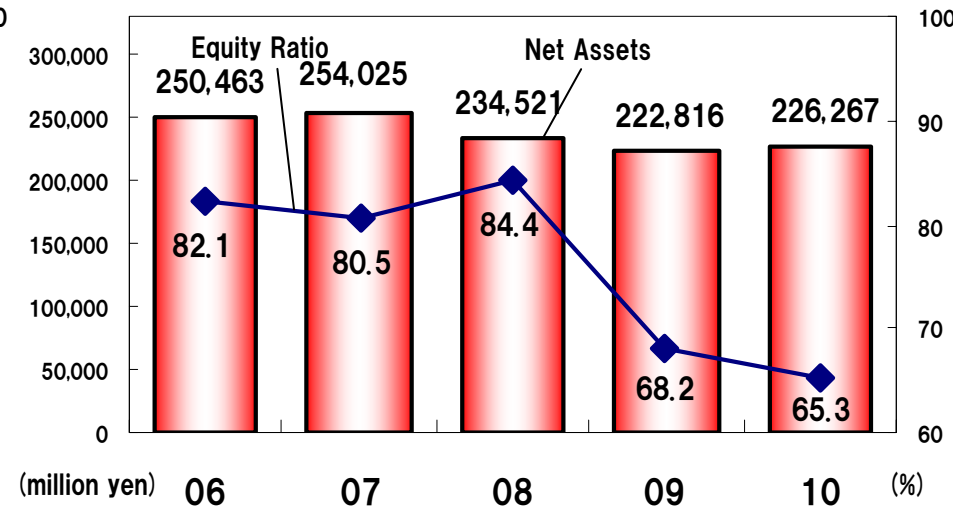


# Financial Data

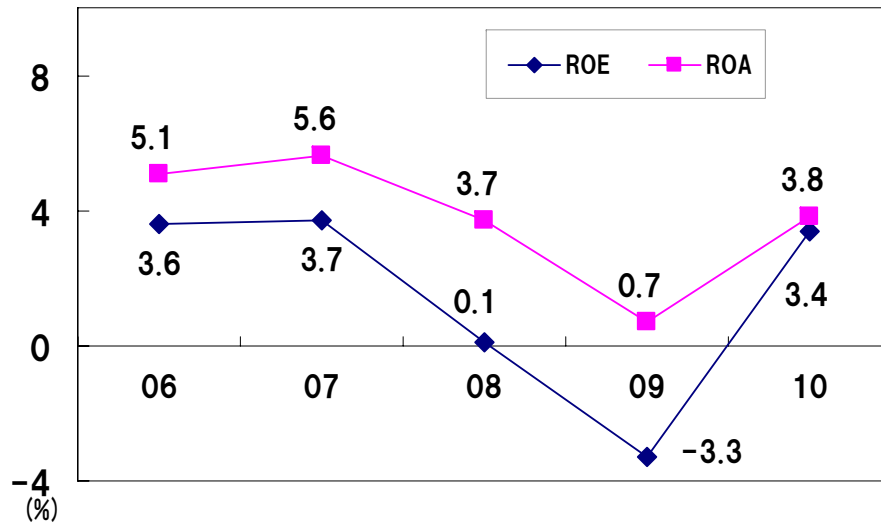
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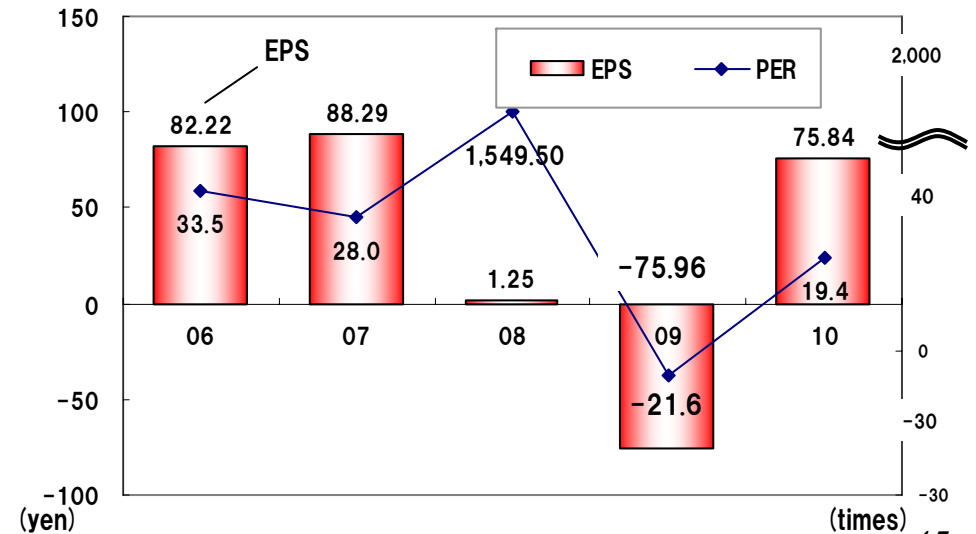
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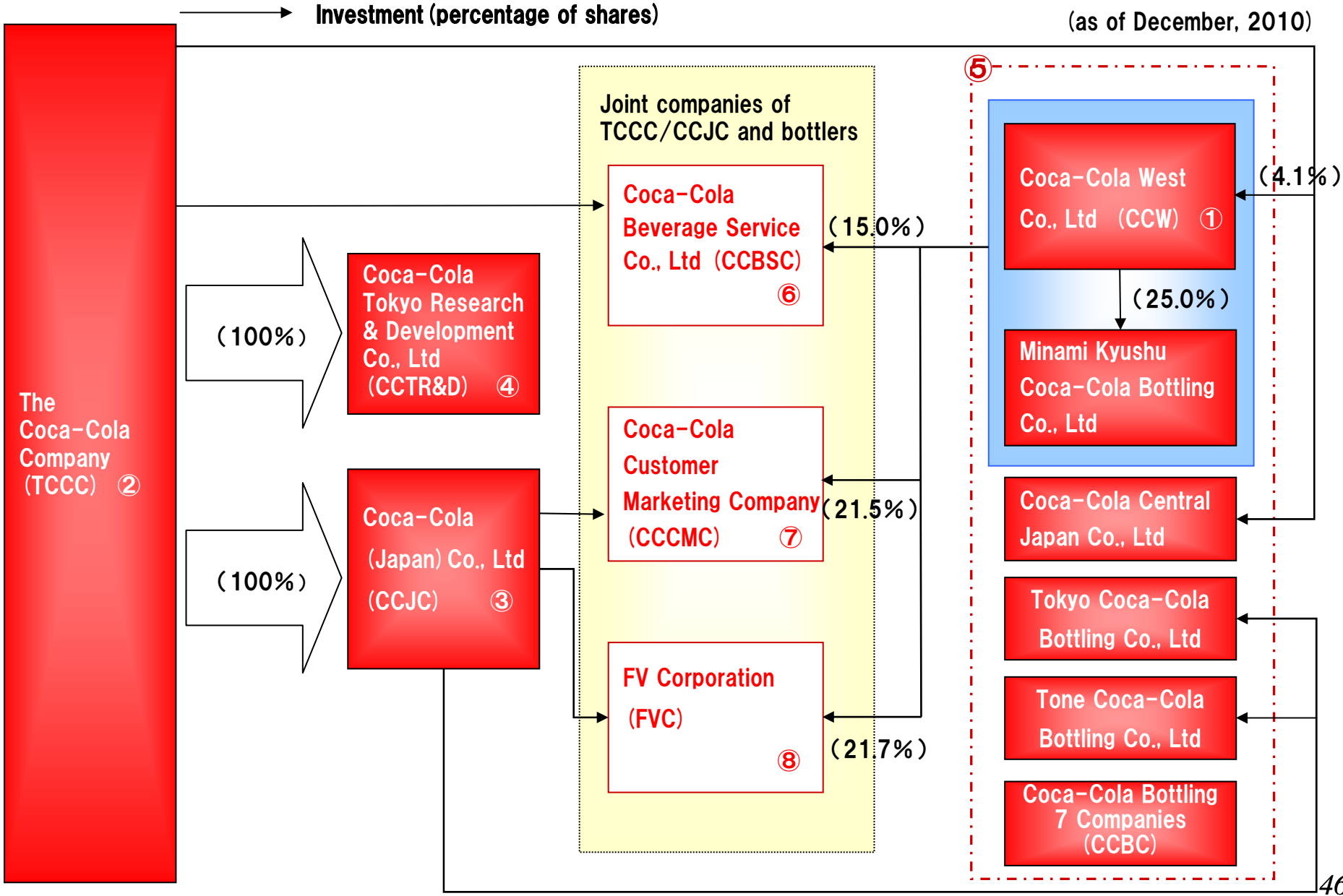
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# Coca-Cola System in Japan



# 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

Term	Explanation
<b>Channel (Business unit)</b>	
Vending	Retail sale business to distribute products through vending machines to consumers
Chain store	Wholesale business for supermarket chain
Convenience Store (CVS)	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 restaurants, movie theaters, sports areas and theme parks
<b>Vending</b>	
Regular vending machine	A vending machine offered free of charge to a customer who supervises its operation and uses it to sell products purchased from us
Full service vending machine	A vending machine installed and managed directly by us
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	Volume Per Machine
VPPM	Volume and Profit Per Machine
<b>Chain store</b>	
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
<b>Other</b>	
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	Occasion, Brand, Package, Price, Channel
PicOS	Picture Of Success
HORECA	Hotel, Restaurant, Café, etc

## 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