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*Coca-Cola* **West**

# Results briefing for the 3<sup>rd</sup> quarter of Fiscal Year ending December 2012

October 30, 2012

Coca-Cola West Company, Limited (2579)

[Contact] President's Office (IR team)

TEL 092-641-8774 FAX 092-632-4304

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

- I. Overview of Account Settlement for the 3<sup>rd</sup> Quarter (Jan-Sep)
- II. Business Plan for the 4<sup>th</sup> Quarter/full-year
- III. Sales Strategy

【 Reference 】

Account Settlement for the 3<sup>rd</sup> quarter (Jul-Sep)  
Trend of OTC market share  
Mix by brand/ by channel  
Sales status on Vending machines by sub-channel  
Sales volume / Sales plan  
Performance trend / Managerial KPI trend  
Coca-Cola System in Japan / Affiliated companies

# Today's summary

## 3Q (Jan-Sep) Results overview

- Sales Volume : -0.9% vs. Target, -0.4% vs. PY
- Revenue : -2.3 billion JPY vs. Target, -9.5 billion JPY vs. PY
- Operating income : +0.1 billion JPY vs. Target, -2.7 billion JPY vs. PY

## 4Q (Oct-Dec) Plan

- Sales Volume : 44,000 K cases (-0.5% vs. PY)
- Revenue : 94.0 billion JPY (+0.1 billion JPY vs. PY)
- Operating income : 4.4 billion JPY (+1.1 billion JPY vs. PY)

## Full-year Plan

- Sales Volume : 188,398 K cases (+0.3% vs. PY)
- Revenue : 392.8 billion JPY (-6.9 billion JPY vs. PY)
- Operating income : 14.7 billion JPY (-1.7 billion JPY)

Target values announced on August 2, 2012

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# I. Overview of Account Settlement for the 3<sup>rd</sup> Quarter (Jan-Sep)

# 3Q Results (Jan-Sep) - Volume

■ In 3Q(July to Sep), a quarter with the highest demand, sales volume was behind target/PY due to bad weather.

Although accumulated sales volume of Jan-Sep exceeded market growth, it did not reach the level of target/PY.

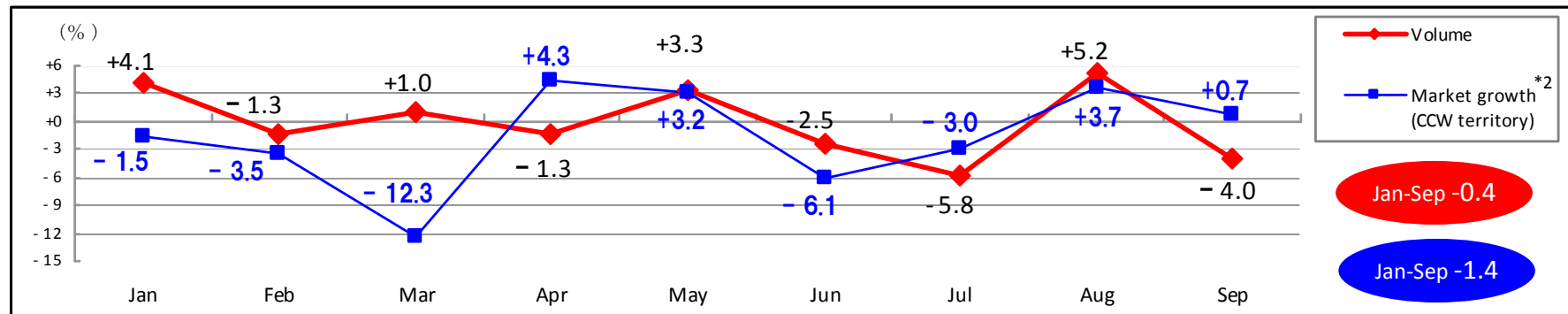
■ On the other hand, accumulated market share of Jan-Sep expanded in terms of both volume/value.

(K cases, %)	2012 3Q Actual	vs. Target* <sup>1</sup>		vs. PY		(points)	Volume	Value
		Diff.	%	Diff.	%			
Sales volume	143,045	-1,353	-0.9	-517	-0.4	Market Share	+0.8	+0.3

(Source: Intage)

\*1 Target values announced on August 2, 2012

## Monthly volume trend (vs. PY)



\*2 Volume by vending and food service channel are excluded

(Source: Intage)

## 3Q Results (Jan-Sep) - Volume by Channel

- In Chain Store and Food Service, sales volume was above PY although being behind target.
- On the other hand, sales volume was behind target/PY in vending, profitable channel.
  - VPM\*<sup>1</sup> was negative against PY mainly on Outdoor VMs due to bad weather.
  - Revenue per case improved due to location optimization (downsizing) of underperforming VMs.

(K cases, %)		2012 3Q Actual	vs. Target <sup>*2</sup>		vs. PY	
			Diff.	%	Diff.	%
	Supermarket <sup>*3</sup>	40,816	-580	-1.4	+1,339	+3.4
	Convenience Store	16,129	+13	+0.1	+886	+5.8
Chain Store Total		56,945	-567	-1.0	+2,225	+4.1
Vending		39,717	-734	-1.8	-1,698	-4.1
Retail		9,644	+61	+0.6	-372	-3.7
Food Service		14,813	-39	-0.3	+415	+2.9
Other		21,925	-74	-0.3	-1,086	-4.7
Total		143,045	-1,353	-0.9	-517	-0.4

\*1 VPM (Volume Per Machine): # of bottles sold per machine

\*2 Target values announced on August 2, 2012

\*3 Supermarket includes Drugstore/Discount/Home center

## 3Q Results (Jan-Sep) - Volume by Package

- Both small and large PET were behind target; small PET was significantly behind.
- Volume of profitable small PET increased significantly vs. PY while volume of CAN reduced. Volume of Large PET increased and it deteriorated package mix.

(K cases, %)		2012 3Q Actual	vs. Target*		vs PY	
			Diff.	%	Diff.	%
PET	SS (less than 1,000ml)	35,255	-749	-2.1	+3,336	+10.5
	MS (less than 1,500ml)	1,036	-0	-0.0	+141	+15.7
	LS (1,500 or more)	29,333	-111	-0.4	+1,154	+4.1
	Subtotal	65,624	-861	-1.3	+4,630	+7.6
	CAN (incl. bottle CAN)	38,637	-498	-1.3	-3,125	-7.5
	Other	9,374	-282	-2.9	-315	-3.3
	Syrup/Powder	29,411	+288	+1.0	-1,707	-5.5
	Total	143,045	-1,353	-0.9	-517	-0.4

\* Target values announced on August 2, 2012

## 3Q Results (Jan-Sep) - Volume by Brand

- Sales volume of sparkling soft drinks was behind target/PY.
- Total volume of non sugar tea was above target/PY.
- I-Lohas progressed almost as planned; increased from last year by double digits

(K cases, %)		2012 3Q Actual	vs. Target*		vs. PY	
			Diff.	%	Diff.	%
Core 8	Coca-Cola	9,933	-76	-0.8	-898	-8.3
	Coca-Cola Zero	4,454	-231	-4.9	-587	-11.6
	Fanta	5,709	-256	-4.3	-905	-13.7
	Georgia	28,339	-18	-0.1	-37	-0.1
	Sokenbicha	8,267	-403	-4.6	-1,513	-15.5
	Aquarius	16,228	-31	-0.2	-1,142	-6.6
	Ayataka	7,598	+120	+1.6	+1,574	+26.1
	I-Lohas	6,626	-164	-2.4	+1,291	+24.2
	Subtotal	87,154	-1,058	-1.2	-2,218	-2.5
Other		26,480	-582	-2.2	+3,409	+14.8
RTD Total		113,634	-1,641	-1.4	+1,190	+1.1
Syrup/Powder		29,411	+288	+1.0	-1,707	-5.5
Total		143,045	-1,353	-0.9	-517	-0.4

\* Target values announced on August 2, 2012



## 3Q Results (Jan-Sep)

(K cases, MM JPY, %)

	2012 3Q Actual	Target*	vs. Target*		2011 3Q Actual	vs. PY	
			Diff.	%		Diff.	%
Volume	143,045	144,398	-1,353	-0.9	143,562	-517	-0.4
Revenue	296,400	298,800	-2,399	-0.8	305,903	-9,502	-3.1
Gross Profit on sales	146,312	147,300	-987	-0.7	148,710	-2,398	-1.6
Operating income	10,457	10,300	+157	+1.5	13,232	-2,775	-21.0
Ordinary profit	10,460	10,400	+60	+0.6	13,106	-2,645	-20.2
Current net income	4,507	5,000	-492	-9.8	6,067	-1,559	-25.7

\* Target values announced on August 2, 2012

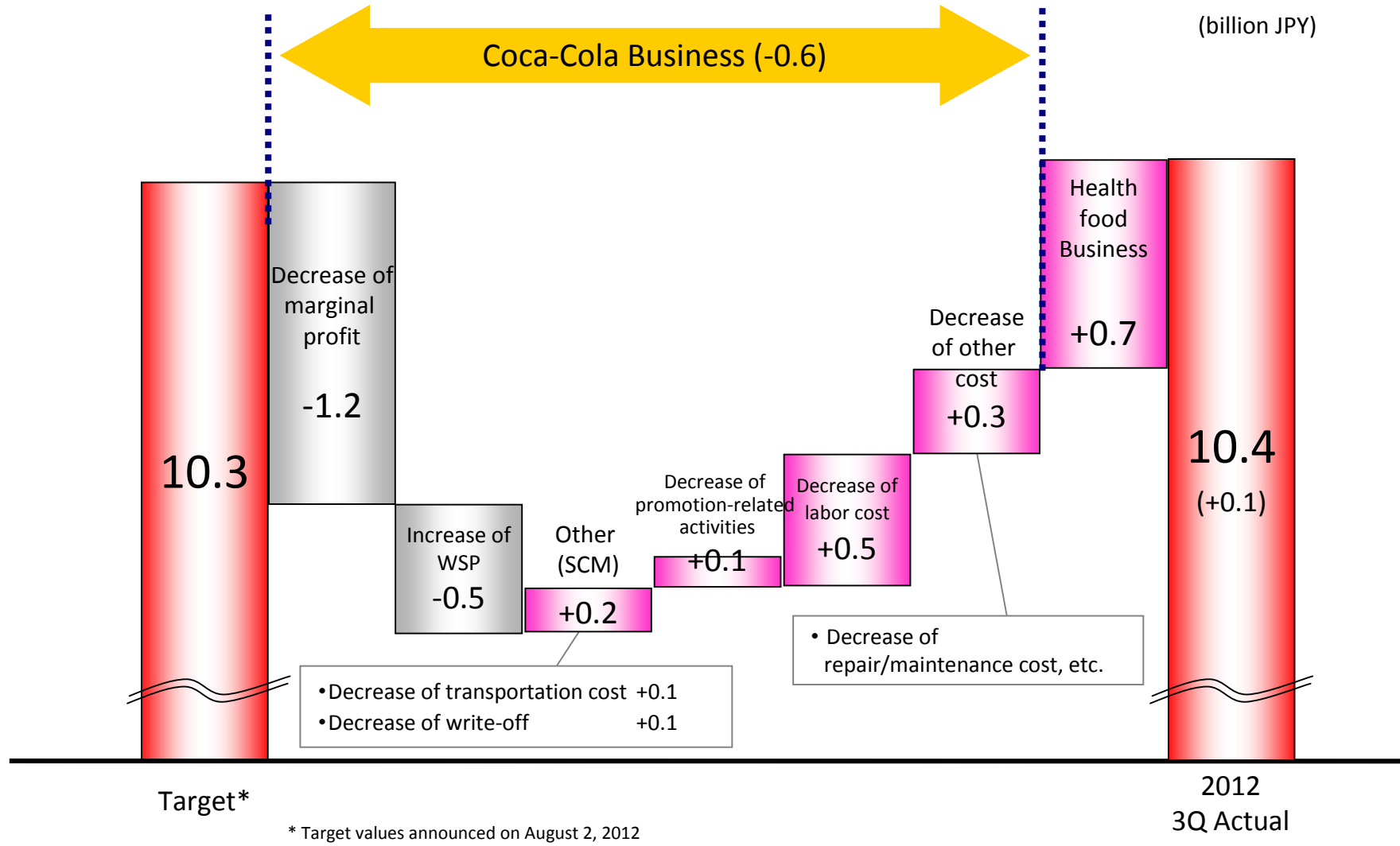
## 3Q Results (Jan-Sep) - Causes of Gap (comparison with Target\*)

	Target*	2012 3Q Actual	Gap	(billion JPY)	
Revenue	298.8	296.4	-2.3	Key causes	Gap
Gross profit on sales	147.3	146.3	-0.9	•Coca-Cola business	-3.25
Operating income	10.3	10.4	+0.1	•Health food business	+0.85
				•Coca-Cola business	-1.81
				•Health food business	+0.82
				Increase/decrease of SG & A	
				•Decrease of labor cost	+0.49
				•Decrease of sales commission	+0.19
Ordinary profit	10.4	10.4	+0.0	•Decrease of transportation cost	+0.12
				•Decrease of outsourcing cost	+0.11
Current net profit	5.0	4.5	-0.4	•Health food business	-0.11
				Increase/decrease of special loss	
				•Increase of special loss	-0.82
				•Decrease of corporate tax, etc.	+0.21

\* Target values announced on August 2, 2012

# 3Q Results (Jan-Sep) - Factors of increased operating income (comparison with Target\*)

Consolidated operating income progresses as planned.

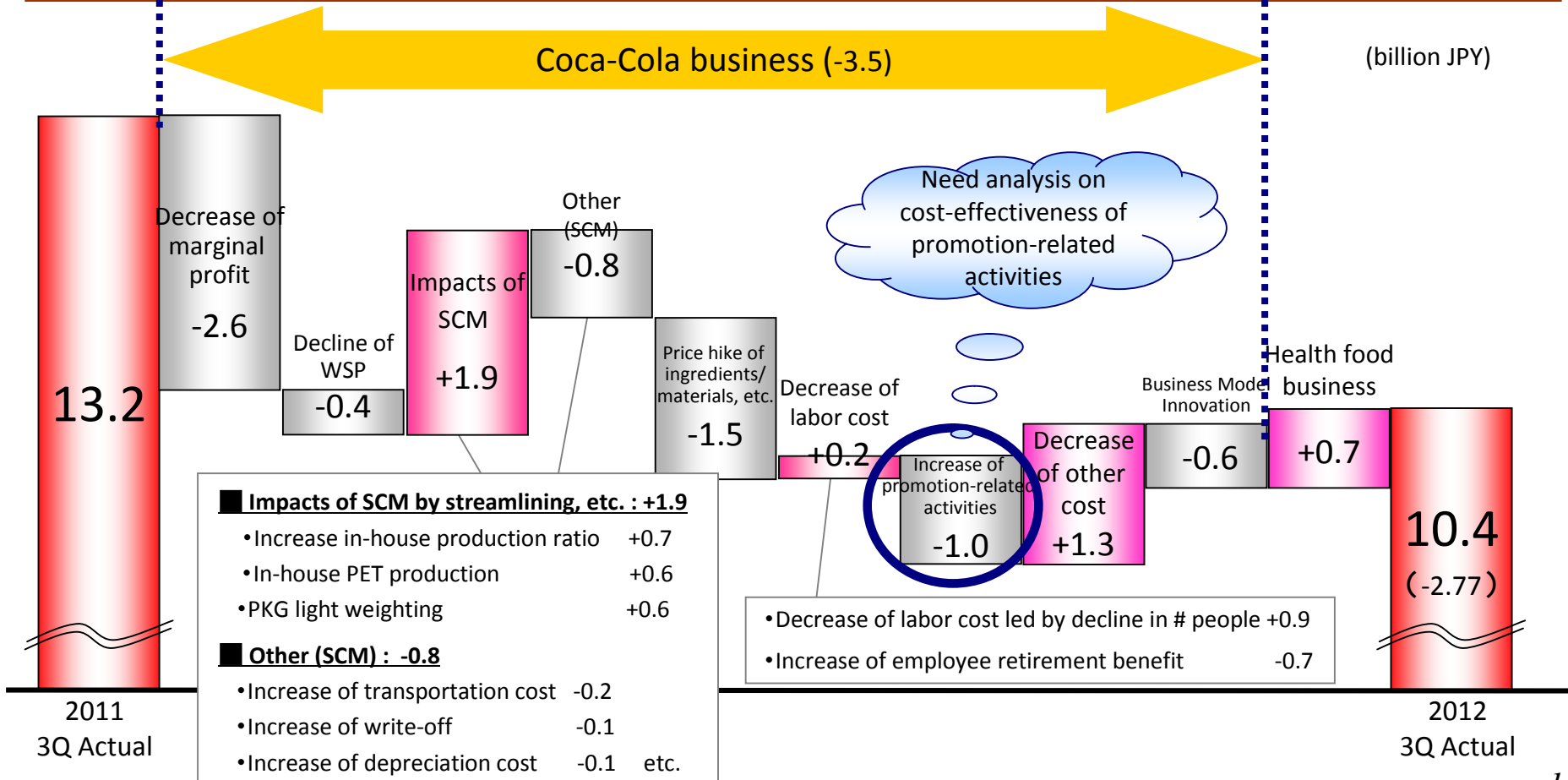


## 3Q Results (Jan-Sep) - Causes of Gap (comparison with Last year)

	2011 3Q Actual	2012 3Q Actual	Gap		(billion JPY)
Revenue	305.9	296.4	-9.5	Key causes	Gap
Gross Profit on sales	148.7	146.3	-2.3	•Coca-Cola business	-9.98
Operating income	13.2	10.4	-2.7	•Health food business	+1.68
				•Coca-Cola business	-3.54
				•Health food business	+1.56
				Increase/decrease of SG & A	
				•Decrease of labor cost	+1.06
				•Increase of promotion/advertisement cost	-1.40
				•Decrease of sales commission	+0.15
				•Increase of transportation cost	-0.55
				•Increase of outsourcing cost	-0.32
				•Decrease of supplies cost	+0.20
•Decrease of depreciation cost	+0.55				
•Health food business	-0.81				
Ordinary profit	13.1	10.4	-2.6		
Current net income	6.0	4.5	-1.5	•Increase/decrease of special loss (decrease of asset retirement obligation, etc.)	+0.36
				•Corporate tax, etc.	+0.70

### 3Q Results (Jan-Sep) - Causes of decreased operating income (comparison with Last year)

In Coca-Cola business, operating income of 3Q (Jul-Sep), a quarter with the highest demand, resulted in almost the same as last year. However, influenced by decline of marginal profit and increase of promotion cost in 1H, 3Q (Jan-Sep) accumulated operating income reduced by 3.5B JPY vs. PY. On the other hand, operating income of health food business improved by 0.7B JPY vs. PY.



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## II. Business Plan for the 4<sup>th</sup> Quarter/full-year

## Performance target for 4Q (Oct-Dec) / full year (Jan-Dec)

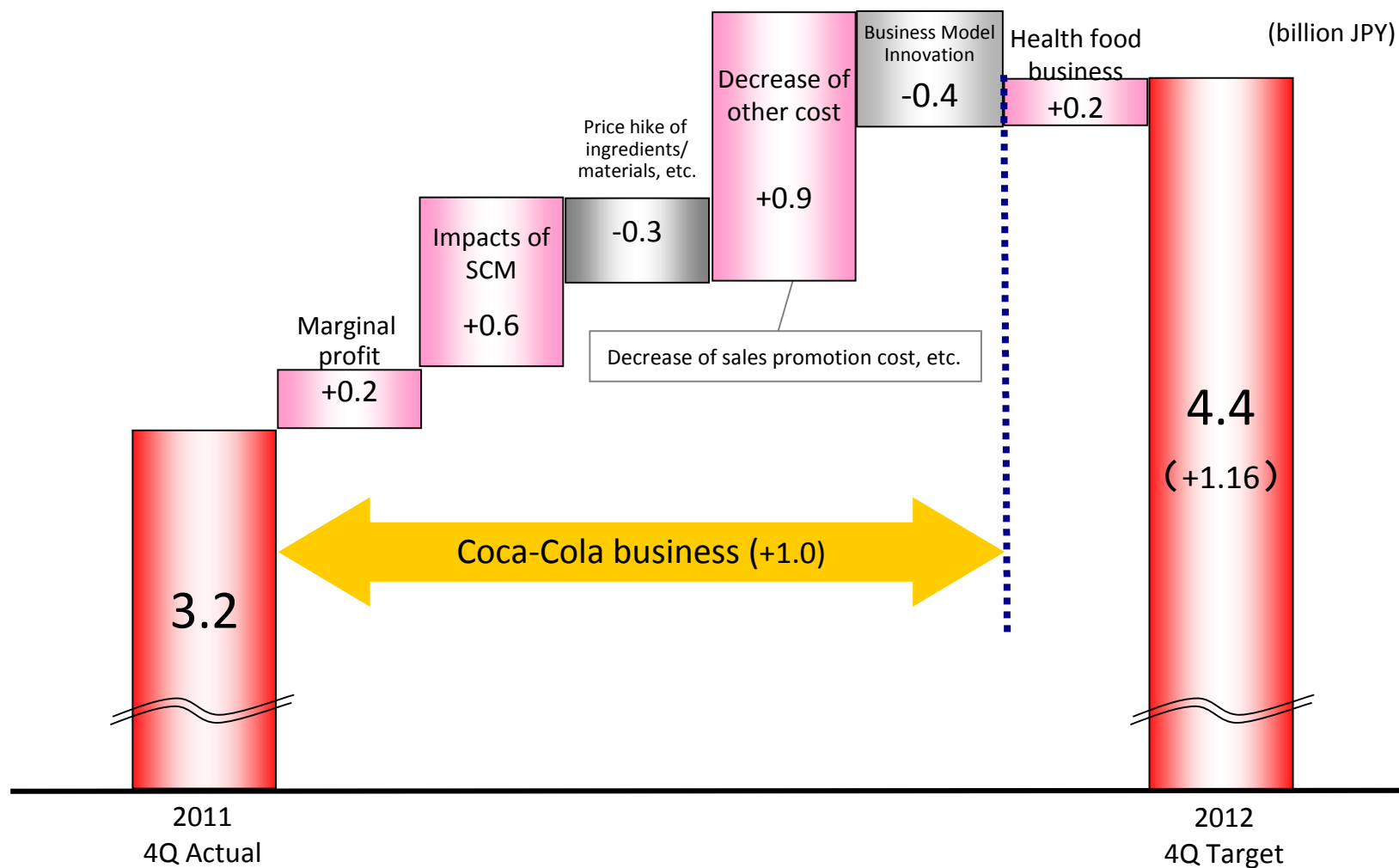
- We will aim to increase volume and profit vs. PY in 4Q performance target. We will definitely achieve full year performance target (14.7B JPY of consolidated operating income)

(K cases, MM JPY, %)

	4Q			Full year 2012		
	Target	vs. PY		Target	vs. PY	
		Diff.	%		Diff.	%
Volume	44,000	-211	-0.5	188,398	+625	+0.3
Revenue	94,000	+186	+0.2	392,800	-6,917	-1.7
Gross profit on sales	47,400	+865	+1.9	194,700	-544	-0.3
Operating income	4,400	+1,162	+35.9	14,700	-1,769	-10.7
Ordinary profit	4,400	+1,462	+49.8	14,800	-1,244	-7.8
Current net profit	2,400	+1,469	+158.0	7,400	+402	+5.8

## 4Q plan (Oct-Dec) – Plan to achieve operating income target (comparison with Last year)

In 4Q, we will secure profit by ensuring sales strategy and cost reduction, and will aim to achieve 14.7B JPY of full year consolidated operating income.





# Overview

First half  
challenge

## Profit decline

- Marginal profit decline (Channel mix and package mix deterioration)
- increased promotion cost

Second half  
direction

## Increase sales volume with expansion of revenue and profit

- Started to review allocation of resources in the market while taking into account outcome of verification and analyses into price elasticity and cross-price elasticity

## The situations of 3Q (Jul-Sep)

### ■ Marginal profit

- Marginal profit declined due to decreased sales volume and the influence of deteriorated channel / package mix.

### ■ Promotion Cost

- Create “Performance mgmt team” in Commercial Div. and build a system to support and improve performance mgmt.
- Promotion cost was slightly lower than target. (At almost the same level with last year)

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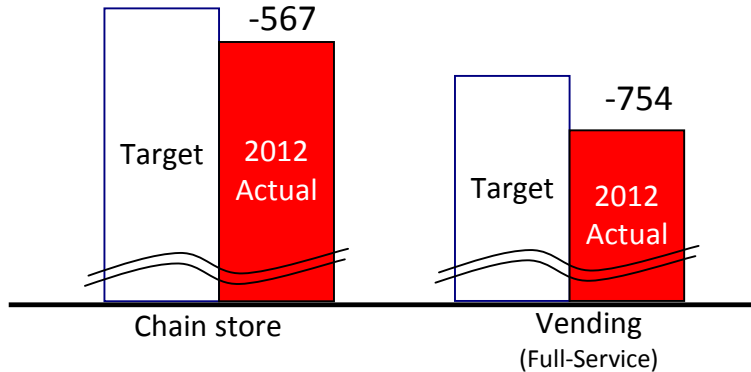
## III. Sales Strategy

# 3Q Review (Jul-Sep)

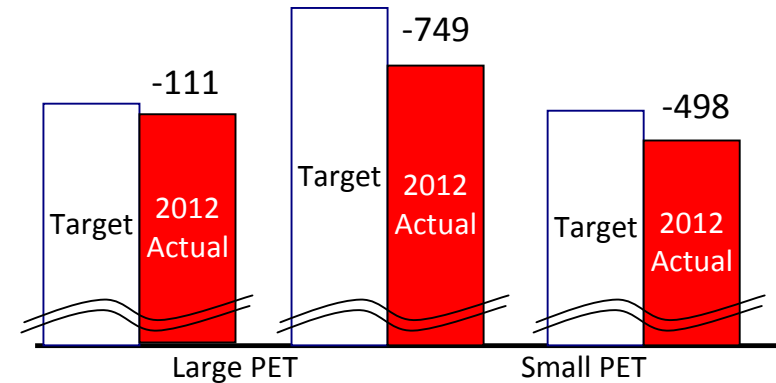
- Sales by main channel/package was behind target but almost as same as PY
- However, marginal profit was behind target/PY due to deterioration of channel/package mix

(000 cases, %)

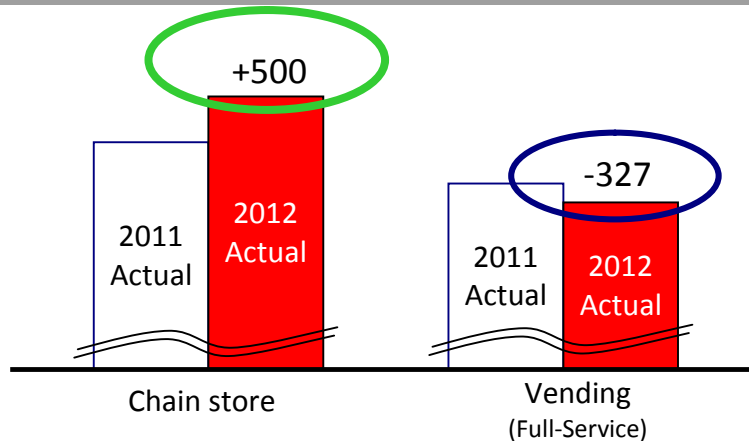
### Sales by channel vs. Target



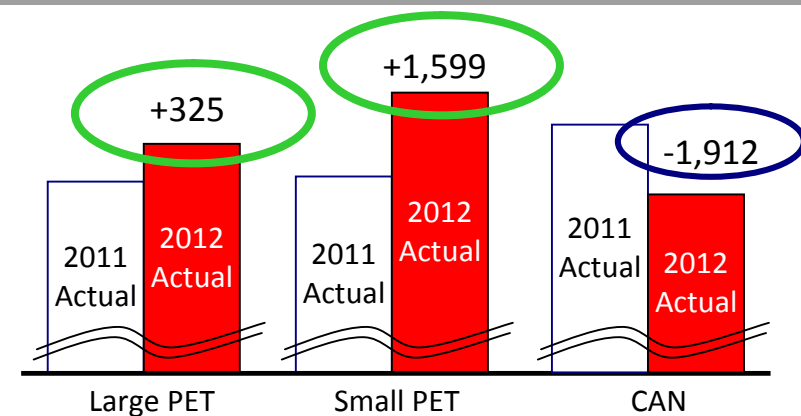
### Sales by package vs. Target



### Sales by channel vs. PY

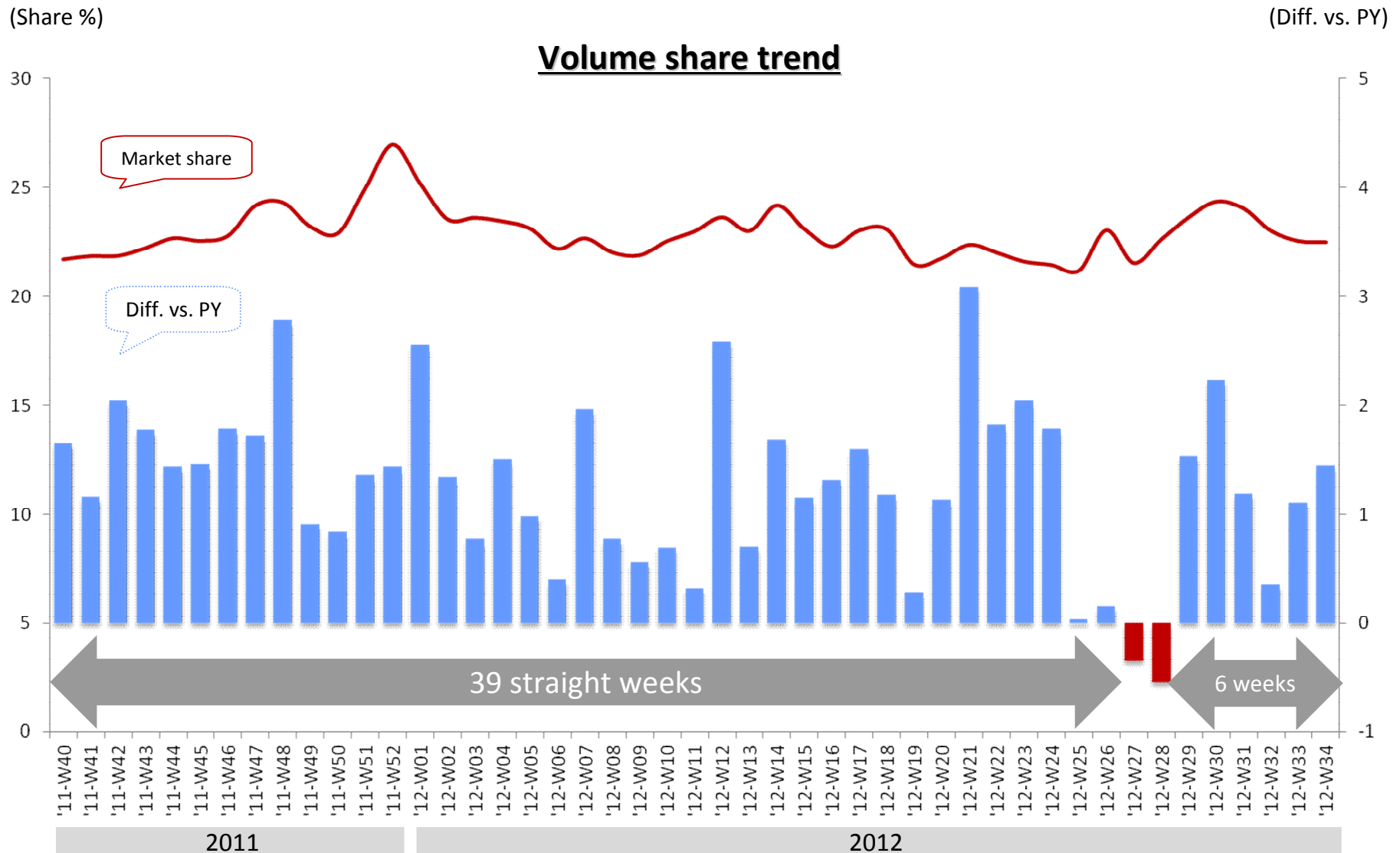


### Sales by package vs. PY



# 3Q Review - Market share trend

■ We have achieved continuous growth of our market share



(Source) Intage Weekly : OTC Total / CCW area

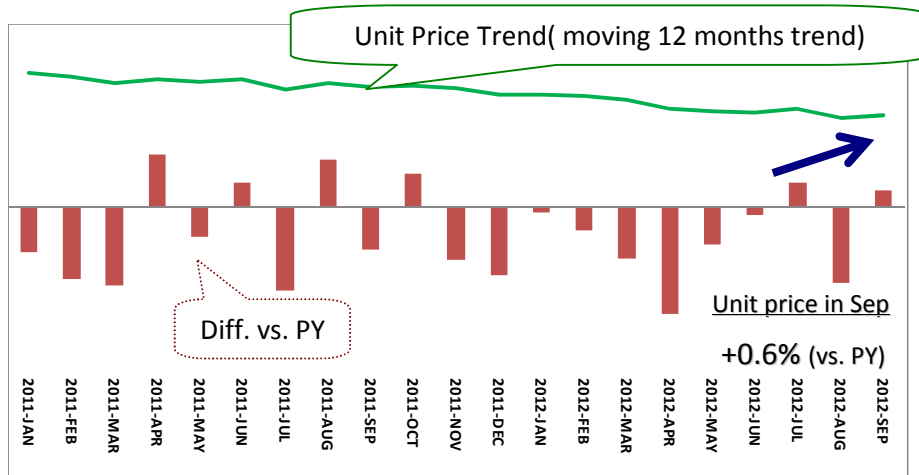
# 3Q Review - Revenue per case trend

Revenue per case continuously improved in Vending and Retail Food

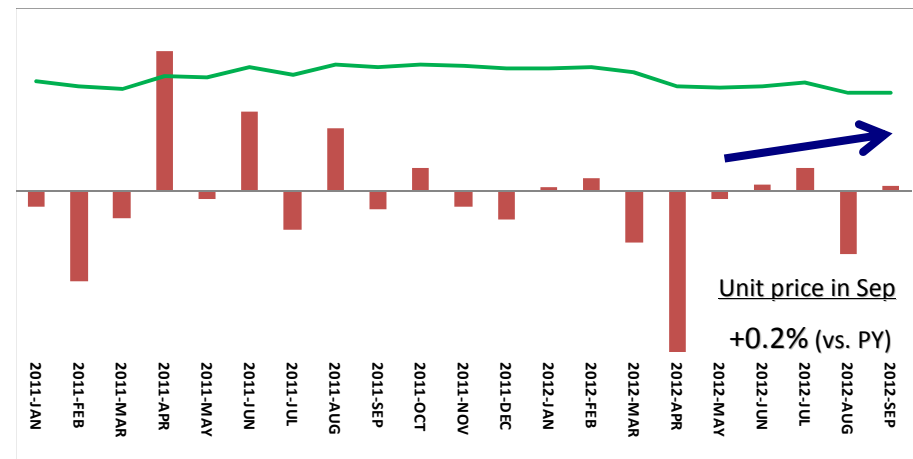
## Unit Price Trend (Moving 12 months trend) & Diff.

(Source) CCW DWH

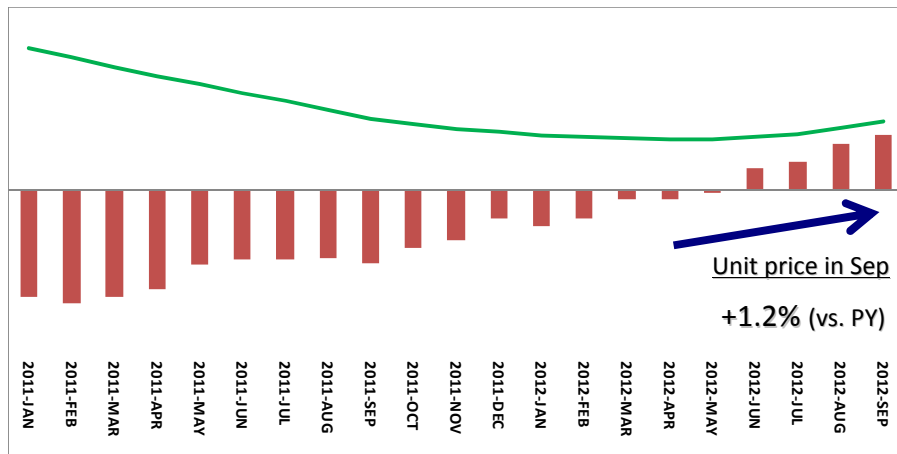
### All Channel



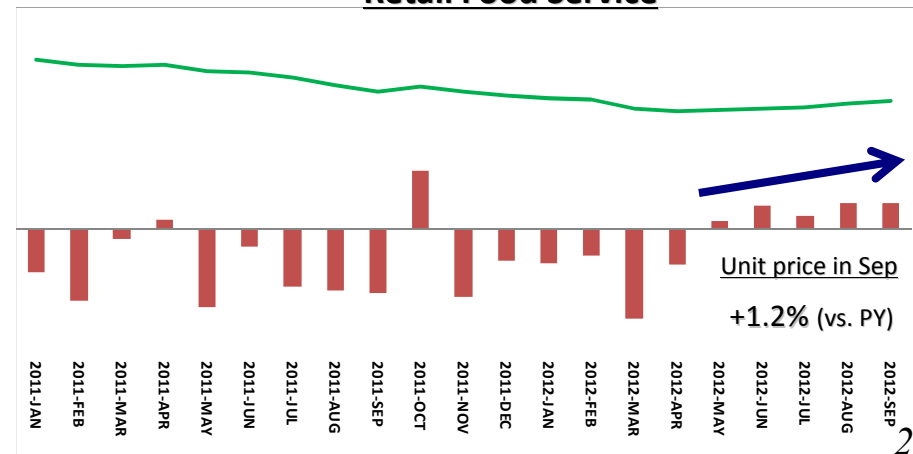
### Chain Store



### VM (Full-Service)



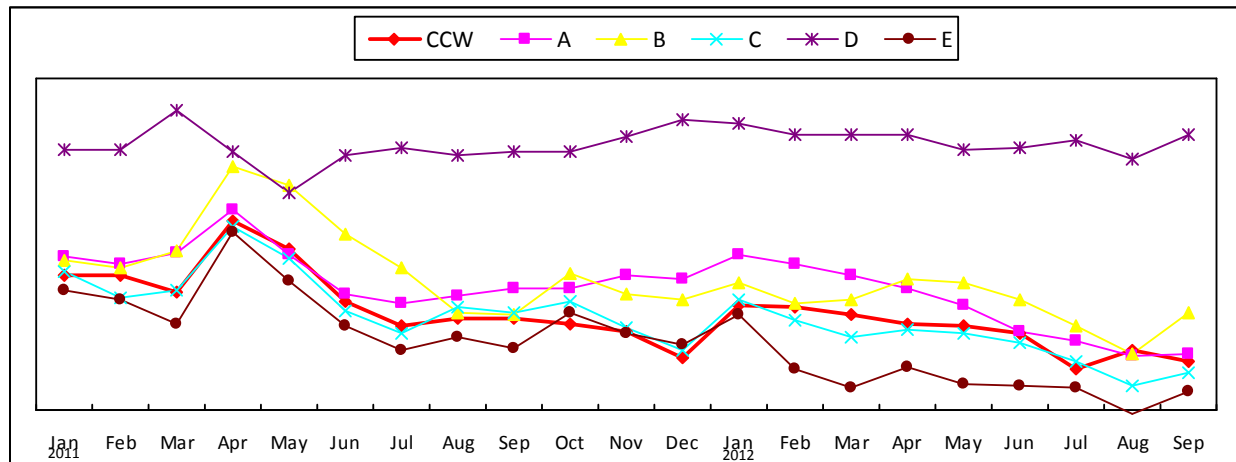
### Retail Food Service



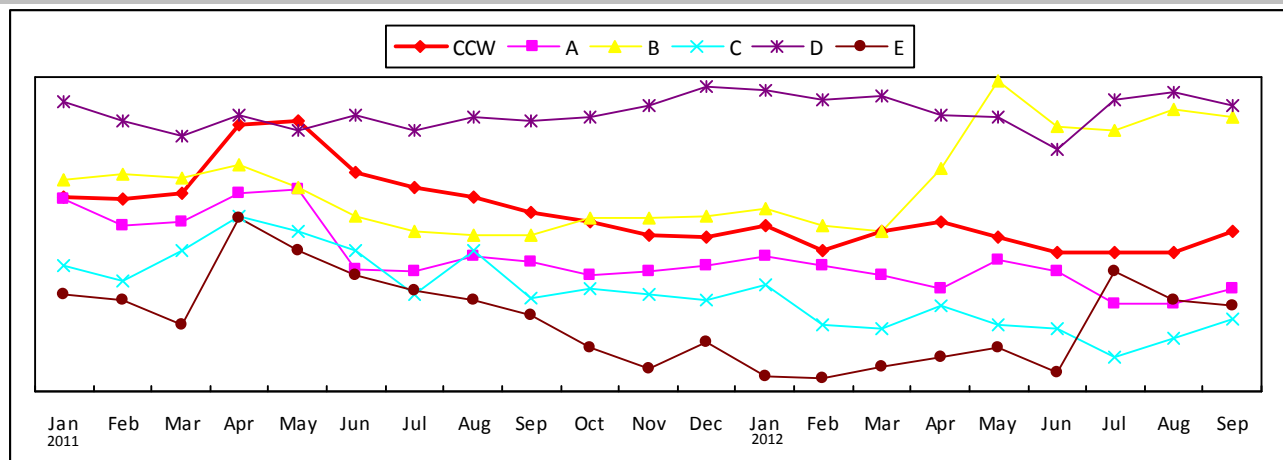
# 3Q Review - Shop price trend (supermarket)

- Large PET keeps being sold at low level at supermarket
- On the other hand, shop price of small PET is relatively high vs. competitors

### Shop price trend of Large PET (JPY/Bottle)

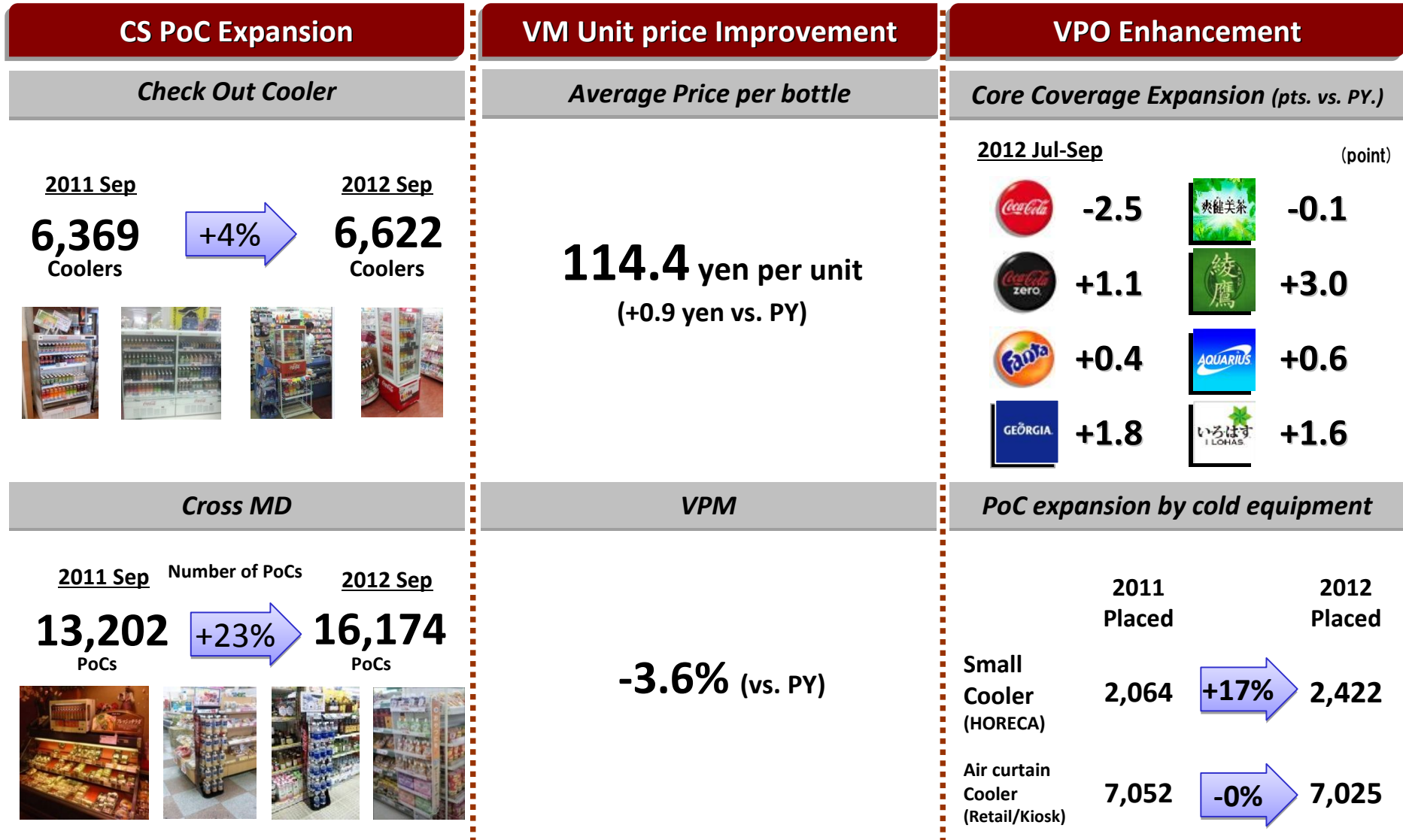


### Shop price trend of Small PET (JPY/Bottle)



# 3Q Review - Sales activity by channel

- Channel execution to drive 'sell out' has been almost successful
- However, we need to tackle VPM improvement in Vending



# 4Q (Oct-Dec) Volume/ Market share plan

## Sales plan by channel

('000 cases, %)

	4Q Target	vs. PY	
		Diff.	%
Supermarket ※	10,657	+35	+0.3
Convenience store	4,941	-127	-2.5
Chain store total	15,598	-92	-0.6
Vending	13,020	+230	+1.8
Retail	3,022	-128	-4.1
Foodservice	5,011	+107	+2.2
Other	7,350	-329	-4.3
<b>Total</b>	<b>44,000</b>	<b>-211</b>	<b>-0.5</b>

※Drug store/Discount/Home center are included in Supermarket

## Sales plan by package

('000 cases, %)

	4Q Target	vs. PY	
		Diff.	%
PET SS (less than 1,000ml)	10,725	+1,121	+11.7
MS (less than 1,500ml)	453	+211	+86.9
LS (1,500 or more)	7,055	-317	-4.3
Subtotal	18,232	+1,014	+5.9
CAN (incl. bottle CAN)	13,027	-1,192	-8.4
Other	3,122	+68	+2.2
Syrup/Powder	9,618	-101	-1.0
<b>Total</b>	<b>44,000</b>	<b>-211</b>	<b>-0.5</b>

## Market share

(points)	vs. PY	
	Volume share	Value share
4Q Target	+0.1	+0.5



# 4Q Sales strategy - Package Strategy

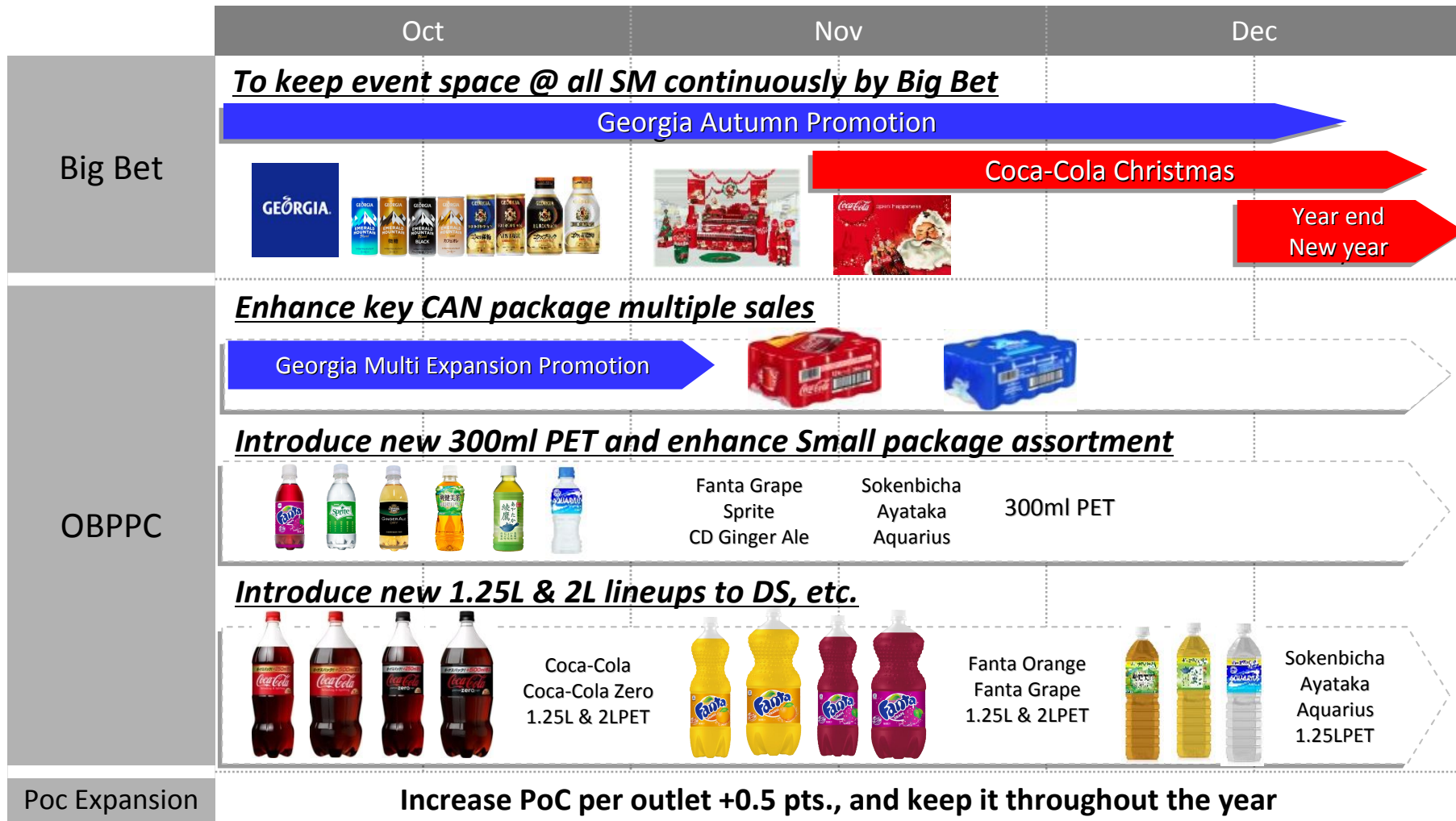
- Prevent from shop price deterioration, extending lineups of Mini PET and Midi PET and making price line clear



 New (2012 Oct ~)

# 4Q Sales strategy - Chain store

- Secure sales volume focusing on Big Bet
- Improve revenue per case by introducing new packages



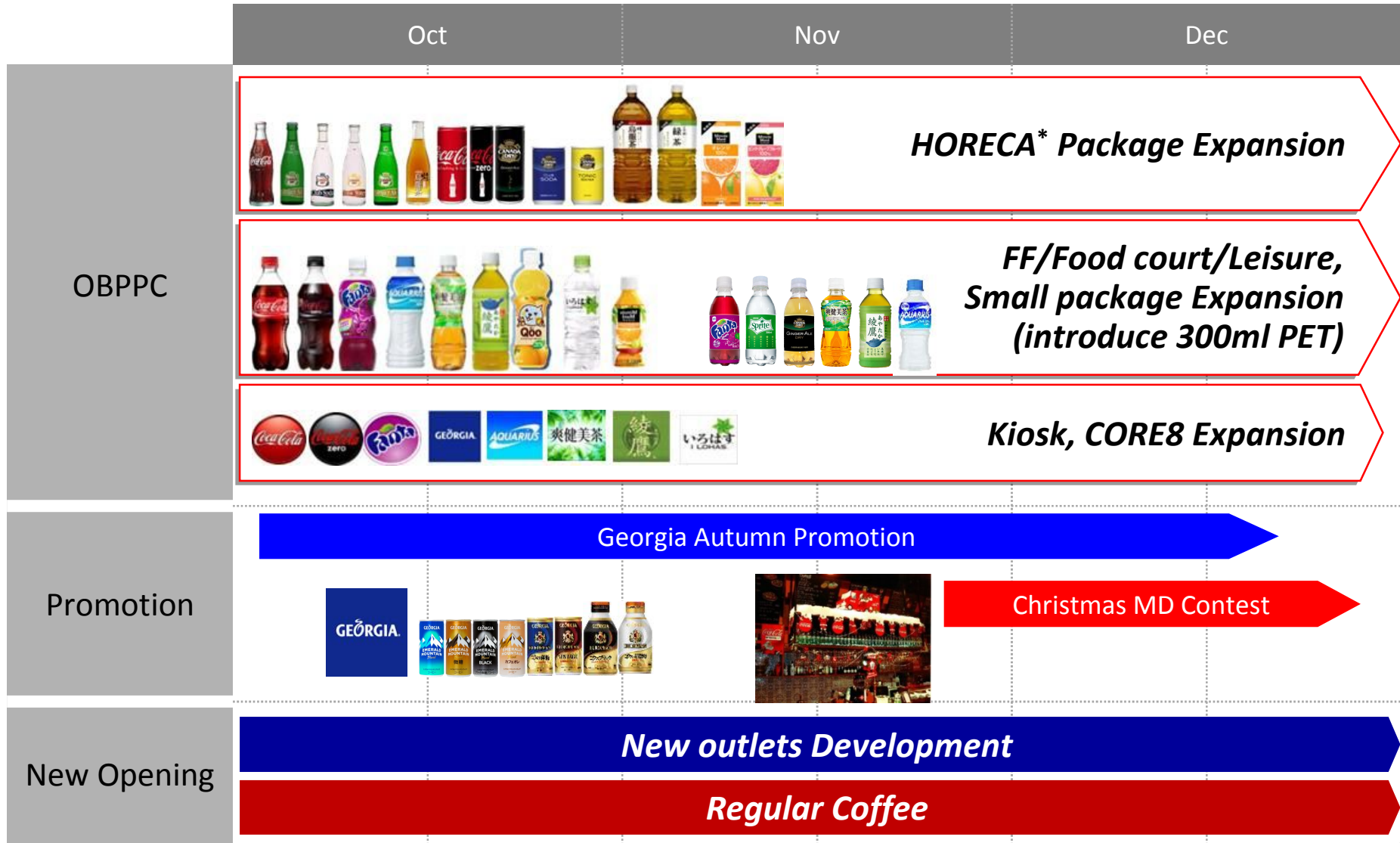
# 4Q Sales strategy - Vending

- Enhance sales volume optimizing assortments (Georgia / HOT, etc.) and implementing National/ Local promotions
- Increase the number of VMs enhancing placement and withdrawal preventing activities



# 4Q Sales strategy - Retail/Foodservice

■ Achieve volume & revenue growth continuously by RTD SKU expansion at existence outlets and new outlet openings



\* HORECA : Sub-channels such as Hotel, Restaurant, and Café

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[ Reference ]

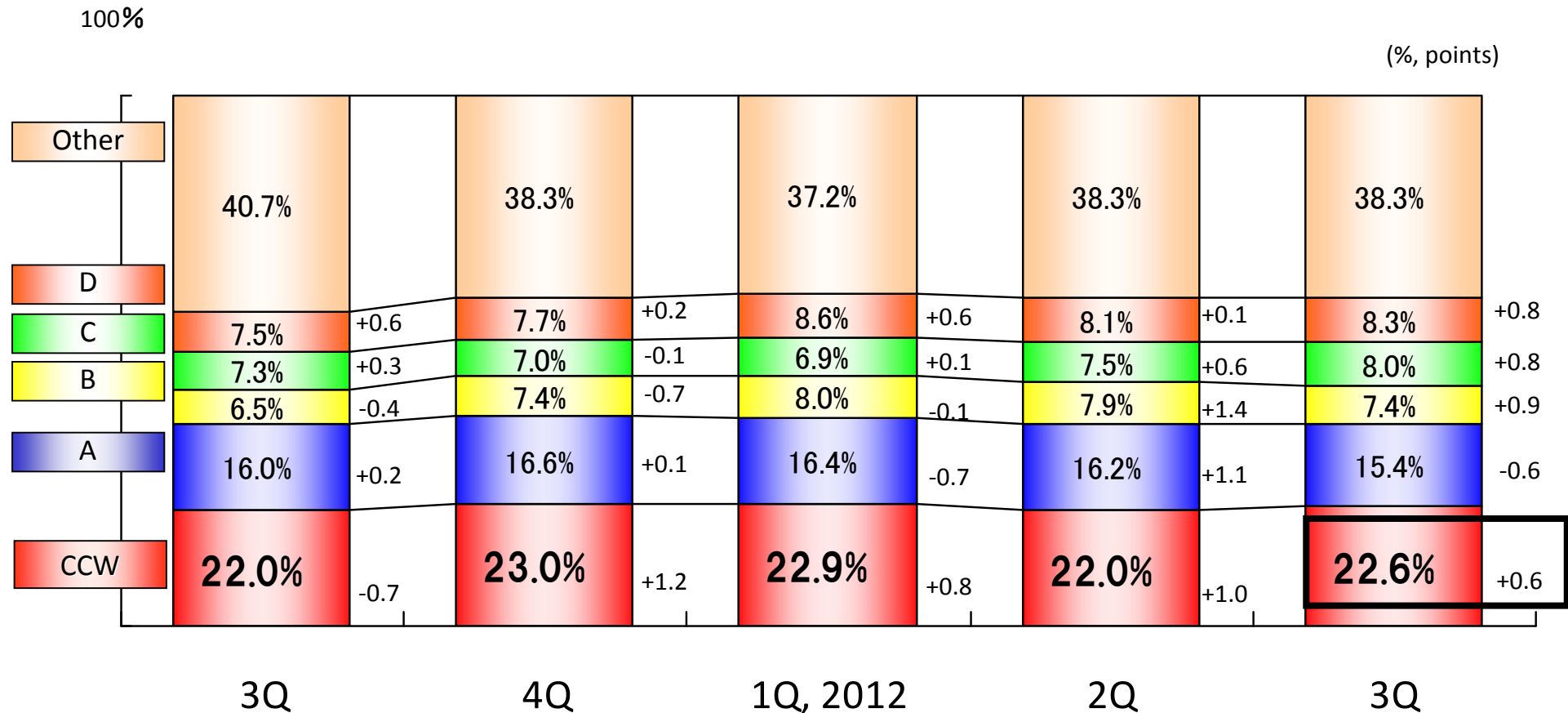
## 3Q Results (Jul-Sep)

(K cases, MM JPY, %)

	2012 3Q Actual	Target*	vs. Target		2011 3Q Actual	vs. PY	
			Diff.	%		Diff.	%
Volume	56,921	58,274	-1,353	-2.3	57,785	-864	-1.5
Revenue	112,099	115,400	-3,300	-2.9	115,969	-3,869	-3.3
Gross Profit on sales	55,591	57,200	-1,608	-2.8	56,107	-516	-0.9
Operating income	7,299	7,500	-200	-2.7	7,217	+82	+1.1
Ordinary profit	7,374	7,800	-425	-5.5	7,090	+284	+4.0
Current net income	3,504	4,300	-795	-18.5	3,703	-199	-5.4

\* Target: Values announced on August 2, 2012

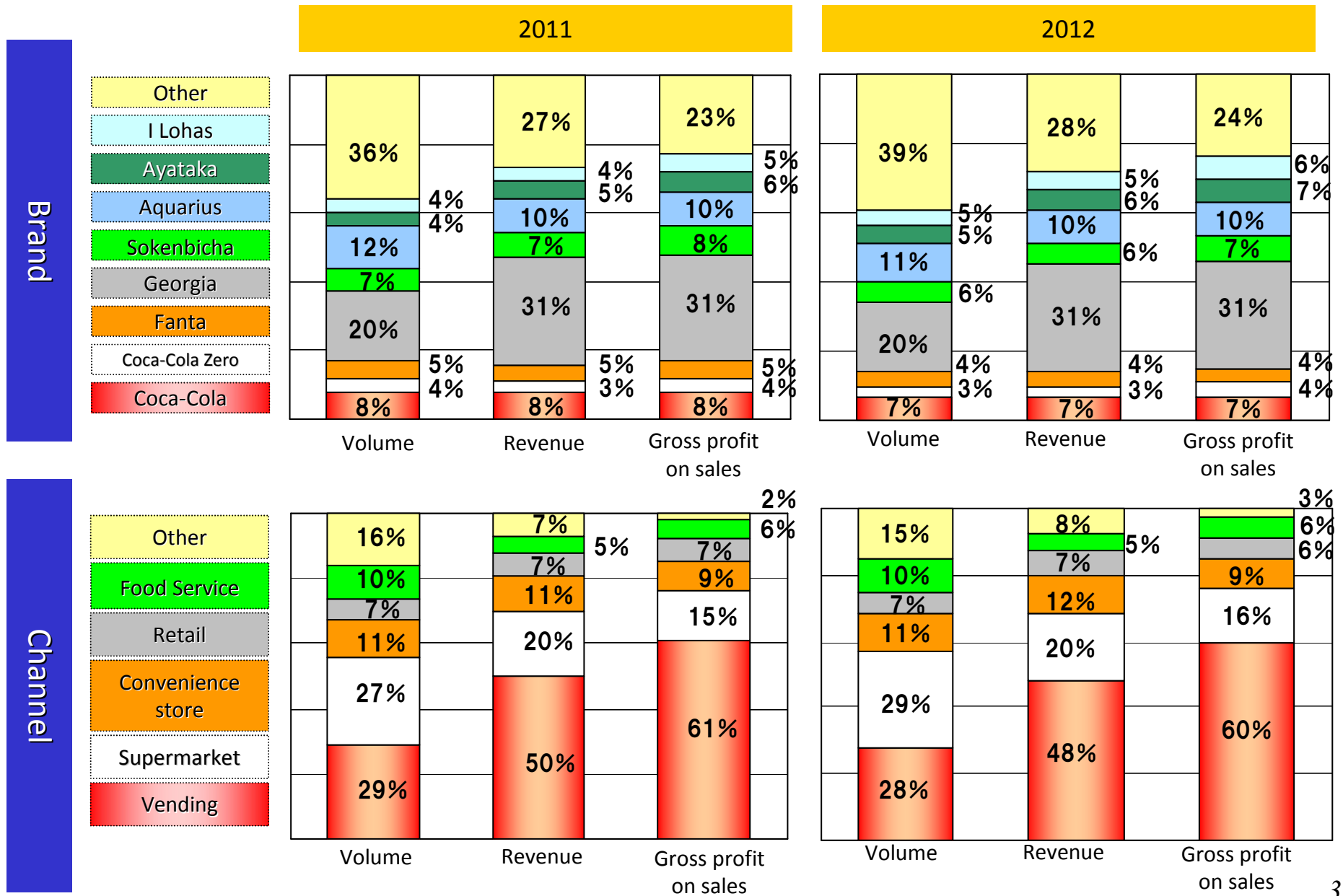
# OTC Market share trend (except vending machines)



•Values put outside of the graph show YTY gap

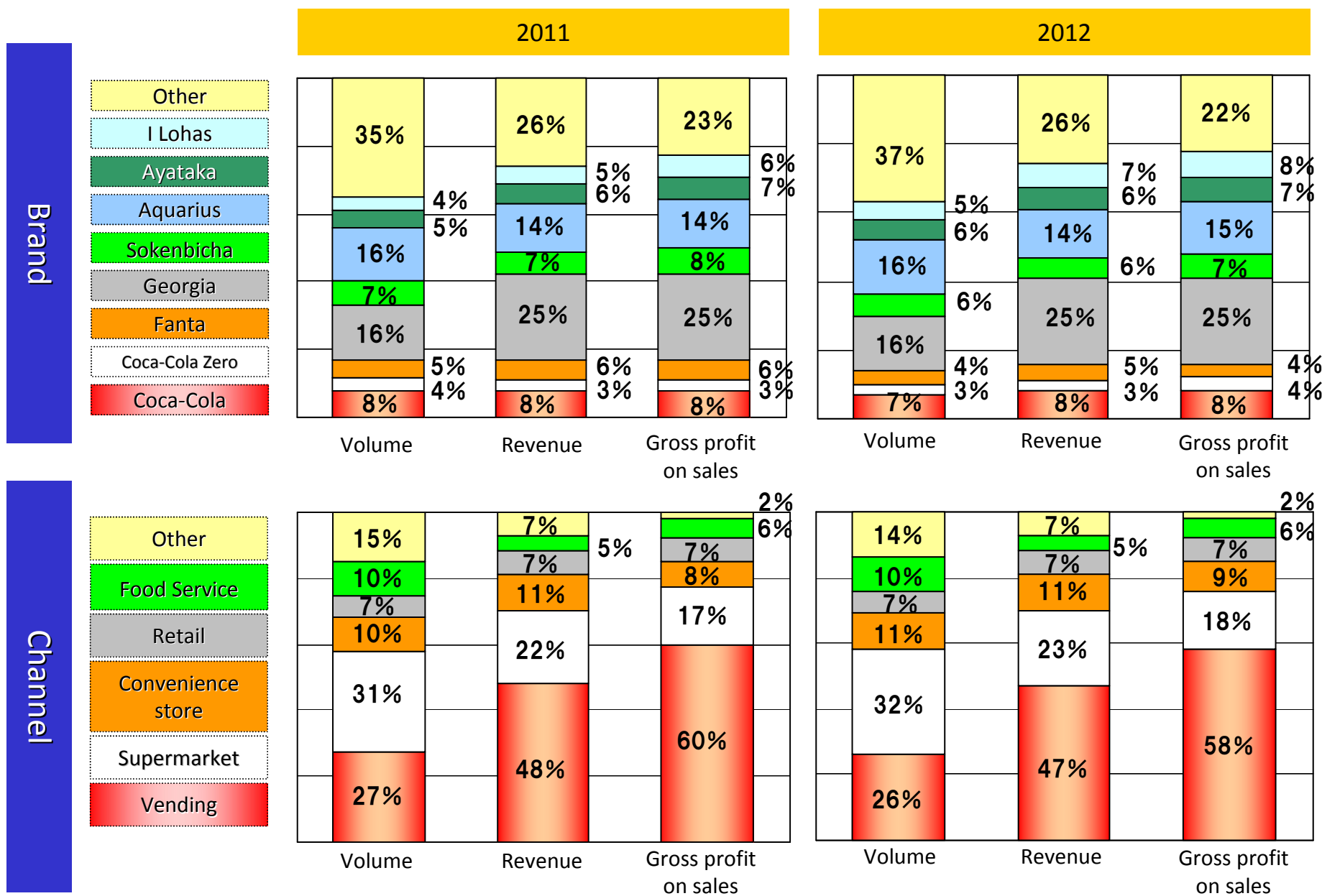
(Source: Intage)

# 3Q (Jan-Sep) - Mix by brand/by channel





# 3Q (Jul-Sep) - Mix by brand/by channel



## Sales status of VMs by sub-channel

### VPM\* of CAN VMs (full-service) vs. PY

Sub-channel	vs. PY (%)									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
At-work white	-1.2	+0.4	-4.0	-3.8	+4.1	-3.8	-4.8	-2.1	-8.1	-2.8
At-work blue	-0.3	+0.9	+1.5	+0.3	+6.5	-3.6	-0.9	-0.9	-7.1	-0.7
Mass retailer	-2.0	-6.3	-6.3	-5.5	-3.4	-4.1	-7.1	-0.3	-6.7	-4.5
Transport	-1.3	-1.5	-1.7	+0.9	+0.5	-2.2	-2.5	+0.3	-3.3	-1.2
School	-0.2	-4.9	-6.2	+0.1	+11.0	-3.6	-0.5	+3.9	+0.7	+0.3
Amusement	+1.9	-6.3	-2.5	-2.7	-6.5	-2.5	-5.3	-3.7	-5.5	-3.8
Pachinko	+0.5	-0.7	+0.3	-2.5	-5.8	-1.9	-3.8	-1.9	-4.5	-2.3
Sports facility	+5.0	-6.4	-0.3	-2.5	-4.0	-1.1	-5.4	-0.5	-4.2	-2.3
Hospital	-0.4	-0.4	-3.0	-4.2	+1.0	-1.7	-5.2	-0.5	-6.4	-2.4
Accommodation	-1.2	-2.7	-2.0	-1.6	-2.4	-1.4	-4.9	-1.3	-7.1	-2.8
Other (indoor)	-5.1	-3.4	-6.0	-9.0	-1.3	-4.4	-9.8	-1.1	-10.1	-5.6
Outdoor	+0.5	-4.7	-6.3	-9.6	-2.1	-5.2	-12.6	-4.2	-11.1	-6.4
Total	-0.2	-2.7	-3.7	-4.7	-0.4	-3.7	-6.7	-2.0	-7.5	-3.6

\*VPM : Volume Per Machine

## 3Q Results (Jul-Sep) - Volume by Channel

(K cases, %)

		2012 3Q Actual	vs. Target* <sup>1</sup>		vs PY	
			Diff.	%	Diff.	%
	Supermarket* <sup>2</sup>	18,436	-580	-3.0	+404	+2.2
	Convenience store	5,977	+13	+0.2	+96	+1.6
Cain Store total		24,413	-567	-2.3	+500	+2.1
Vending		14,883	-734	-4.7	-607	-3.9
Retail		3,929	+61	+1.6	-74	-1.8
Food Service		5,683	-39	-0.7	+72	+1.3
Other		8,014	-74	-0.9	-755	-8.6
Total		56,921	-1,353	-2.3	-864	-1.5

\*1 Target values announced on August 2, 2012

\*2 Supermarket includes Drugstore/Discount/Home center

## 3Q Results (Jul-Sep) - Volume by Package

(K cases, %)

		2012 3Q Actual	vs. Target*		vs PY	
			Diff.	%	Diff.	%
PET	SS (less than 1,000ml)	15,394	-749	-4.6	+1,599	+11.6
	MS (less than 1,500ml)	523	-0	-0.0	+83	+18.9
	LS (1,500 or more)	13,544	-111	-0.8	+325	+2.5
	Subtotal	29,461	-861	-2.8	+2,008	+7.3
CAN (incl. bottle CAN)		12,853	-498	-3.7	-1,912	-12.9
Other		3,744	-282	-7.0	-224	-5.6
Syrup/Powder		10,863	+288	+2.7	-737	-6.4
Total		56,921	-1,353	-2.3	-864	-1.5

\* Target values announced on August 2, 2012

## 3Q Results (Jul-Sep) - Volume by Brand

(K cases, %)

	2012 3Q Actual	vs. Target*		vs PY		
		Diff.	%	Diff.	%	
C o r e 8	Coca-Cola	3,968	-76	-1.9	-440	-10.0
	Coca-Cola Zero	1,789	-231	-11.4	-252	-12.3
	Fanta	2,423	-256	-9.5	-444	-15.5
	Georgia	8,842	-18	-0.2	-160	-1.8
	Sokenbicha	3,655	-403	-9.9	-641	-14.9
	Aquarius	9,026	-31	-0.3	-63	-0.7
	Ayataka	3,208	+120	+3.9	+318	+11.0
	I Lohas	3,003	-164	-5.2	+739	+32.6
	Subtotal	35,914	-1,058	-2.9	-944	-2.6
Other	10,144	-582	-5.4	+816	+8.8	
RTD Total	46,058	-1,641	-3.4	-128	-0.3	
Syrup/Powder	10,863	+288	+2.7	-737	-6.4	
Total	56,921	-1,353	-2.3	-864	-1.5	

\* Target values announced on August 2, 2012

## 3Q Results (Jan-Sep) - Volume by channel/by package

(K cases, %)

Chain store	2012 3Q Actual	vs. Target*		vs PY	
		Diff.	%	Diff.	%
SS PET (less than 1,000ml)	17,279	-495	-2.8	+1,850	+12.0
MS PET (less than 1,500ml)	928	-9	-1.0	+155	+20.0
LS PET (1,500 or more)	27,134	-161	-0.6	+1,156	+4.5
CAN	9,613	+27	+0.3	-1,376	-12.5
Other	1,990	+72	+3.7	+438	+28.2
<b>Total</b>	<b>56,945</b>	<b>-567</b>	<b>-1.0</b>	<b>+2,225</b>	<b>+4.1</b>

(K cases, %)

Vending	2012 3Q Actual	vs. Target*		vs PY	
		Diff.	%	Diff.	%
SS PET (less than 1,000ml)	13,560	-388	-2.8	+1,179	+9.5
MS PET (less than 1,500ml)	3	+1	+18.9	-1	-26.6
LS PET (1,500 or more)	155	+16	+11.6	-24	-13.4
CAN	22,923	-468	-2.0	-2,184	-8.7
Other	2,520	+140	+5.9	+493	+24.3
Syrup/Powder	556	-34	-5.8	-1,161	-67.6
<b>Total</b>	<b>39,717</b>	<b>-734</b>	<b>-1.8</b>	<b>-1,698</b>	<b>-4.1</b>

(K cases, %)

Retail & Food service	2012 3Q Actual	vs. Target*		vs PY	
		Diff.	%	Diff.	%
SS PET (less than 1,000ml)	4,062	+181	+4.7	+285	+7.5
MS PET (less than 1,500ml)	105	+9	+9.1	-13	-11.2
LS PET (1,500 or more)	2,039	+32	+1.6	+23	+1.1
CAN	2,229	-102	-4.4	-337	-13.1
Other	1,513	-143	-8.6	-172	-10.2
Syrup/Powder	14,509	+44	+0.3	+257	+1.8
<b>Total</b>	<b>24,457</b>	<b>+21</b>	<b>+0.1</b>	<b>+43</b>	<b>+0.2</b>

\* Target values announced on August 2, 2012

## 3Q Results (Jul-Sep) - Volume by channel/by package

(K cases, %)

Chain store	2012 3Q Actual	vs. Target*		vs PY	
		Diff.	%	Diff.	%
SS PET (less than 1,000ml)	7,305	-495	-6.3	+736	+11.2
MS PET (less than 1,500ml)	468	-9	-2.0	+78	+19.9
LS PET (1,500 or more)	12,577	-161	-1.3	+302	+2.5
CAN	3,176	+27	+0.9	-700	-18.1
Other	887	+72	+8.8	+84	+10.5
Total	24,413	-567	-2.3	+500	+2.1

(K cases, %)

Vending	2012 3Q Actual	vs. Target*		vs PY	
		Diff.	%	Diff.	%
SS PET (less than 1,000ml)	6,186	-388	-5.9	+691	+12.6
MS PET (less than 1,500ml)	2	+1	+40.2	-0	-8.9
LS PET (1,500 or more)	51	+16	+46.2	-20	-28.2
CAN	7,647	-468	-5.8	-1,061	-12.2
Other	851	+140	+19.6	-115	-11.9
Syrup/Powder	146	-34	-19.1	-102	-41.3
Total	14,883	-734	-4.7	-607	-3.9

(K cases, %)

Retail & Food service	2012 3Q Actual	vs. Target*		vs PY	
		Diff.	%	Diff.	%
SS PET (less than 1,000ml)	1,783	+181	+11.3	+172	+10.7
MS PET (less than 1,500ml)	53	+9	+19.6	+6	+12.0
LS PET (1,500 or more)	914	+32	+3.6	+43	+5.0
CAN	771	-102	-11.7	-102	-11.7
Other	550	-143	-20.6	-137	-20.0
Syrup/Powder	5,540	+44	+0.8	+17	+0.3
Total	9,611	+21	+0.2	-1	-0.0

\* Target values announced on August 2, 2012

## Target for 4Q (Oct-Dec) - Volume plan by brand

(K cases, %)

		4Q Target	vs. PY	
			Diff.	%
C o r e g	Coca-Cola	2,880	-251	- 8.0
	Coca-Cola Zero	1,374	-95	- 6.4
	Fanta	1,834	+24	+1.3
	Georgia	10,290	-509	- 4.7
	Sokenbicha	2,537	-30	- 1.2
	Aquarius	2,725	+96	+3.6
	Ayataka	2,224	-50	- 2.2
	I Lohas	1,826	+272	+17.5
	Subtotal	25,689	-544	- 2.1
	Other	8,693	+434	+5.3
RTD Total		34,382	-110	- 0.3
Syrup/Powder		9,618	-101	- 1.0
Total		44,000	-211	- 0.5



## Target for 4Q (Oct-Dec) - Volume plan by channel/by package

(K cases, %)

Chain store	4Q Target	vs. PY	
		Gap	%
SS PET (less than 1,000ml)	5,243	+630	+13.7
MS PET (less than 1,500ml)	416	+201	+93.7
LS PET (1,500 or more)	6,530	-296	-4.3
CAN	3,072	-489	-13.7
Other	337	-138	-29.1
<b>Total</b>	<b>15,598</b>	<b>-92</b>	<b>-0.6</b>

(K cases, %)

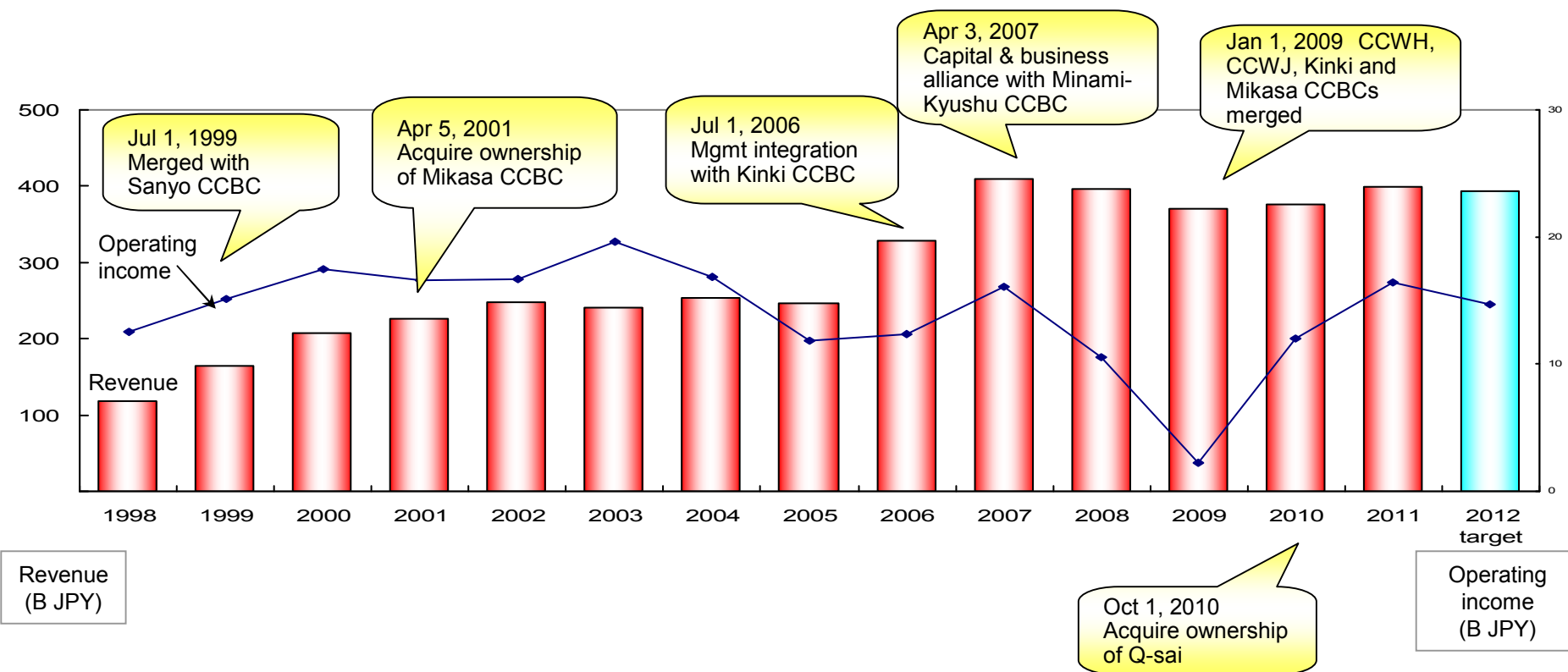
Vending	4Q Target	vs. PY	
		Gap	%
SS PET (less than 1,000ml)	4,173	+636	+18.0
LS PET (1,500 or more)	24	-18	-43.8
CAN	7,995	-152	-1.9
Other	670	-157	-19.0
Syrup/Powder	158	-78	-33.0
<b>Total</b>	<b>13,020</b>	<b>+230</b>	<b>+1.8</b>

(K cases, %)

Retail & Food service	4Q Target	vs. PY	
		Gap	%
SS PET (less than 1,000ml)	1,189	+36	+3.1
MS PET (less than 1,500ml)	36	+9	+34.3
LS PET (1,500 or more)	501	+9	+1.8
CAN	874	+22	+2.6
Other	618	-47	-7.0
Syrup/Powder	4,814	-50	-1.0
<b>Total</b>	<b>8,032</b>	<b>-21</b>	<b>-0.3</b>

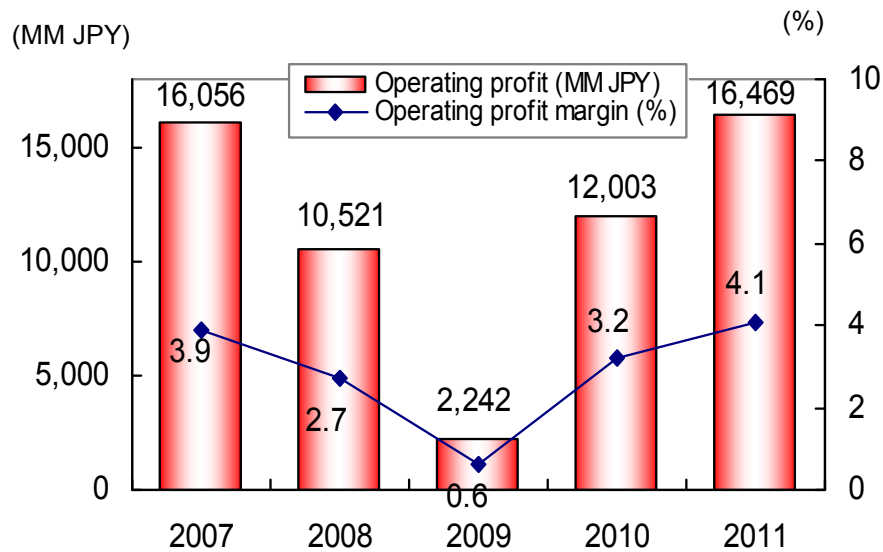
# Performance trend

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 Target
Revenue	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	399,717	392,800
Operating profit	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	16,469	14,700
Ordinary profit	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	16,044	14,800
Net profit for the year	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	6,997	7,400

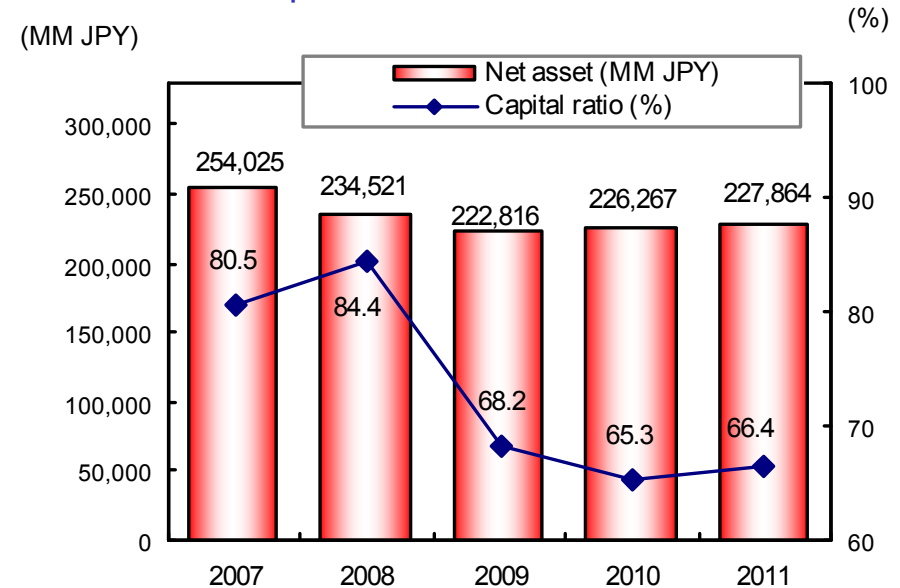


# Changes of Management metrics

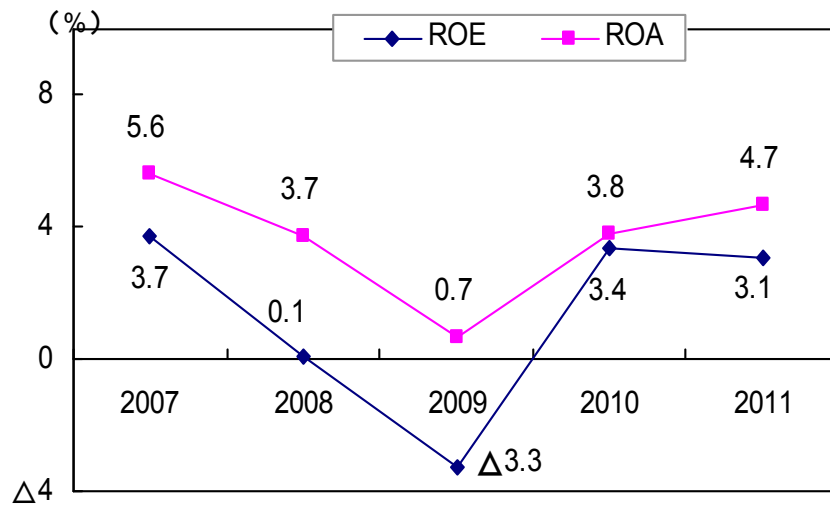
<Operating profit/operating profit ratio>



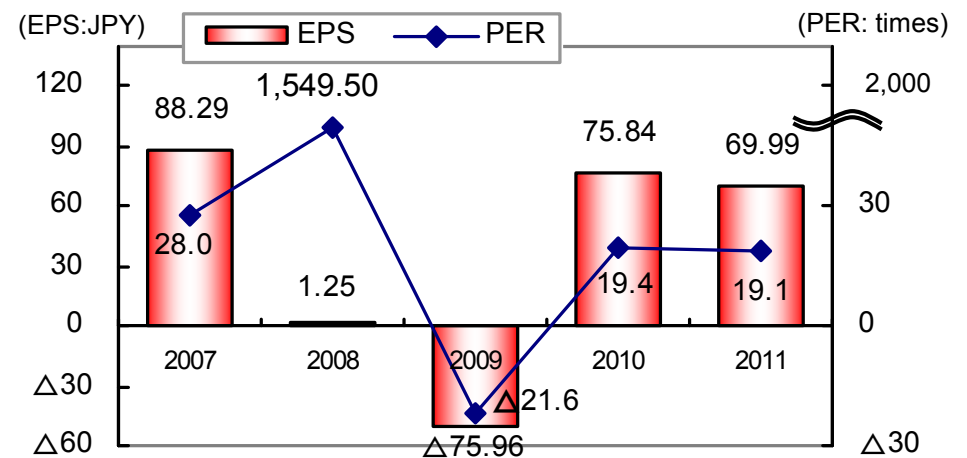
<Net asset/capital ratio>



<ROA/ROE>

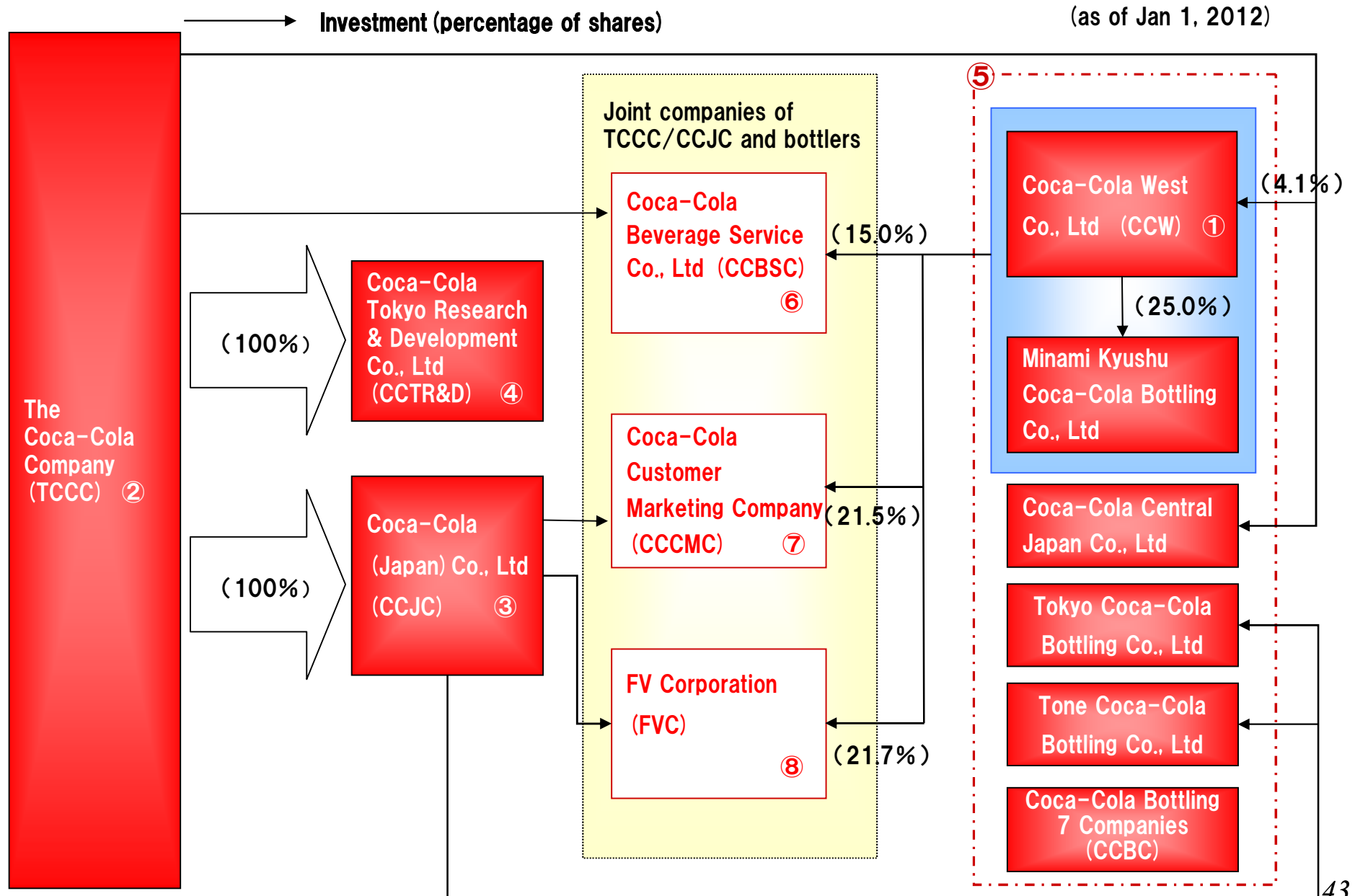


<EPS/PER>



EPS= net profit for the year/average # of shares in the term  
 PER = term-end stock price/EPS

# 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**