

-Creating a happy tomorrow for everyone-
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Coca-Cola **West**

Results briefing for the Fiscal Year ended December 2012

February 8, 2013

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Agenda

I . Overview of account settlement for the Fiscal Year ended December 2012

II . 2013 Business Plan

III . 2013 Sales Strategy

[Reference]

Increase/decrease of full-year financial settlement (Jan-Dec)

Financial closing for 4Q (Oct-Dec)

Trend of OTC market share

Mix by brand/by channel

Sales update on vending machines by channel

Sales volume actual / plan

Performance trend / managerial KPI trend

Coca-Cola System in Japan / Affiliated companies

Today's summary

2012 results overview

- Performance in 2012 was behind plan and lower than previous year.
- Sales volume: 186,814K c/s (*-0.8% vs. TGT, -0.5% vs. PY)
- Revenue: 386.6B JPY (*-6.1B JPY vs. TGT, -13.0B JPY vs. PY)
- Operating profit: 13.4B JPY (*-1.2B JPY vs. TGT, -3.0B JPY vs. PY)

※ Target...Numerical figures based on the performance forecast published on Aug 2, 2012

2013 Business Plan

- We plan to increase sales volume and profit in 2013.
- Sales volume: 189,481K c/s (+1.4% vs. PY)
- Revenue: 393.7B JPY (+7.0B JPY vs. PY)
- Operating profit: 15.5B JPY (+2.0B JPY vs. PY)

I . Overview of account settlement for the Fiscal Year ended December 2012

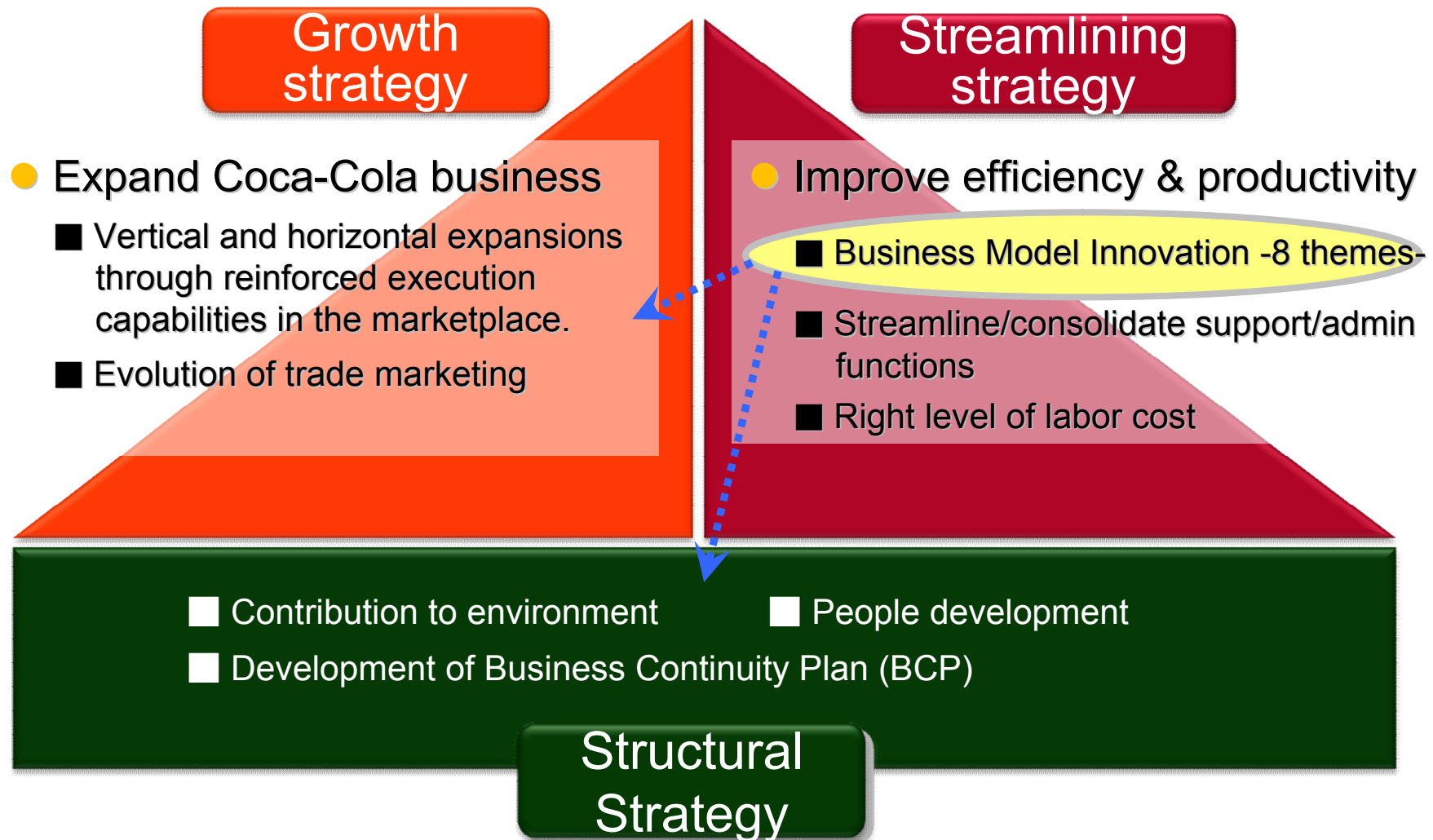
2012 Management principle

Ensure to execute consumer-oriented strategies steadily in the marketplace to achieve sustainable growth in profit & volume/share

Carry out “8 Business Model Transformation” to establish mid-/long-term management foundation

2012 Basic strategy

- Enhance customer-centric market execution capabilities and establish competitive edge. In addition, work on business model innovations to maximize efficiency and impacts and bolster the business foundation.



Results and issues on initiatives in 2012 Basic Strategy

	Growth strategy	Streamlining strategy
Results	<ul style="list-style-type: none"> •Market share expansion →Both volume and value grew vs. PY •Differentiated packages by channel in Chain store →Mini PET (300ml), 1.25L & 2LPET rolled out •Limited placement of low-price VM in Vending •Rationalized price of glass bottle products in Retail & Food •Partner sakaya operating model (HORECA※1) area expansion →Kita-Kyushu & Kurume areas 	<ul style="list-style-type: none"> •Bolstered Business model innovation structure →Project broke up to execute in each function. •Launched "Service model optimization※3" in Osaka →Reinforced sales capabilities and improved productivity of sales activities (Increased number of outlet calls per day and in-store activity time) •Lowered cost of production →Lighter PET bottle, higher in-house production rate, enabled in-house production of PET bottle
Issues	<ul style="list-style-type: none"> •Declined revenue per case & marginal profit →Switched to the trade terms aligned with activities •Dropped sales volume due to decreased number of operating VM & VPM ※2 →[# of VM] Withdrawal more than placement →[VPM] Consumer shift to low price channel •Declined sales volume & share of core products such as Coca-Cola, Coca-Cola Zero and Sokenbicha, etc. 	<ul style="list-style-type: none"> •Impacts did not emerge as scheduled due to delayed progress of Logistic process innovation (note). →Issues arose in pilot test caused the delay of expansions to other areas. <p>(note) Impacts: ①from stable operation of DC※4 and streamlining of regular delivery ② from stable operation of new full-service model</p>

•While market share expanded, revenue & profit did not grow.
•Issues of initiatives in Business model innovation became clear as they moved to execution phase.

※1 Hotel, Restaurant, Cafe

※2 Sales volume per vending machine

※3 Define service levels and costs that should be offered by customer segment, standardize sales activities based on the policy to optimize service to customers and to build organizational structure to enable executions.

※4 Distribution Center

Results for the FY 2012 ended Dec (Jan-Dec) -Sales volume

- While exceeded the market, sales volume underperformed TGT / PY.
- On the other hand, market share expanded both in sales volume & value vs. PY.

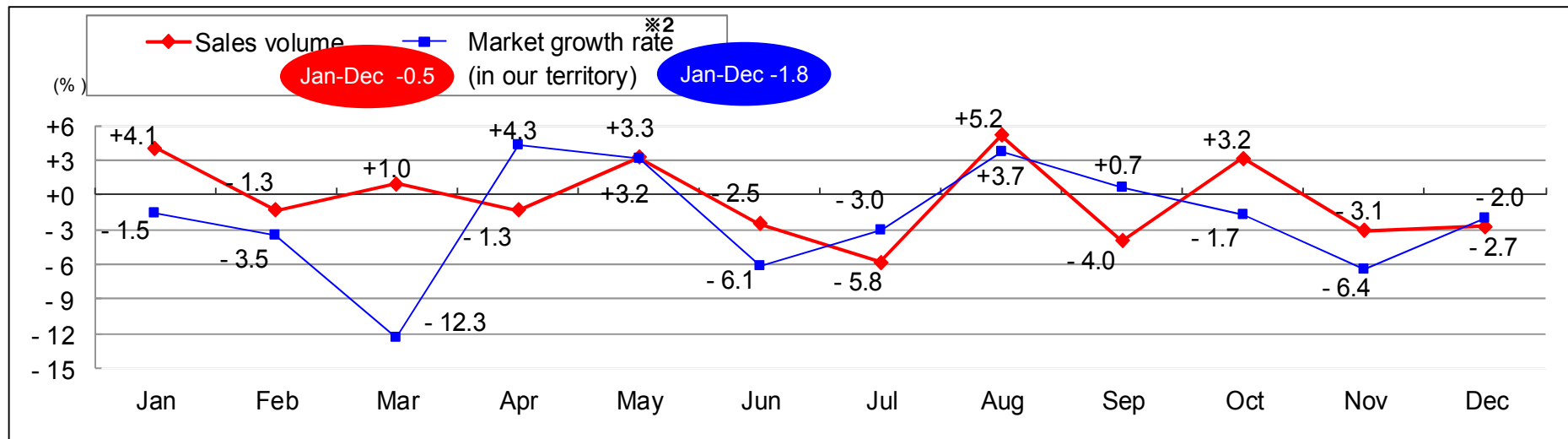
(K c/s, %)	2012 actual	vs. TGT ^{※1}		vs. PY	
		±	%	±	%
Sales volume	186,814	-1,584	-0.8	-959	-0.5

(Unit: Point)	vs. PY	
	Volume	Value
Market share	+0.4	+0.1

※1 Target...Numerical figures based on the performance forecast published on Aug 2, 2012

(Source: Intage)

Monthly volume trend (vs. PY)



※2 Excluding Vending and Food Service channels

(Source: Intage)

Results for the FY 2012 ended Dec (Jan-Dec) –Sales volume by channel

- While sales volume for Chain Store underperformed the plan, it exceeded PY.
- On the other hand, faced with tough situations profit-driver Vending underperformed both the plan and PY in terms of sales volume.
 - Declined number of VM in operation (increased number of withdrawal more than the number of placement)
 - VPM^{※1}dropped primarily with outdoor locations.

		2012 actual (Unit: K c/s, %)	vs. TGT ^{※2}		vs PY	
			±	%	±	%
	Supermarket ^{※3}	51,290	-763	-1.5	+1,191	+2.4
	Convenience store	21,080	+22	+0.1	+768	+3.8
Chain store total		72,369	-740	-1.0	+1,959	+2.8
Vending		51,796	-1,675	-3.1	-2,409	- 4.4
Retail		12,556	-49	-0.4	-609	- 4.6
Food service		19,828	-35	-0.2	+526	+2.7
Other		30,264	+916	+3.1	-426	- 1.4
Total		186,814	-1,584	-0.8	-959	- 0.5

※1 Sales volume per unit of vending machine

※2 Target...Numerical figures based on the performance forecast published on Aug 2, 2012

※3 Drug store/Discounter/Home center are included in supermarket

Results for the FY 2012 ended Dec (Jan-Dec) –Sales volume by package

- Even while below the plan, the highly profitable small PET remarkably grew vs. PY.
→Especially expanded in Chain Store exceeding the growth of Large PET.
- However, high-yielding Canisters was behind TGT and PY.
→It fell significantly below the plan in highly-profitable vending in particular.
- Package mix still mired in tough situations.

(Unit: K c/s, %)		2012 actual	vs. TGT [※]		vs PY	
			±	%	±	%
PET	SS (< 1,000ml)	45,403	-1,327	-2.8	+3,879	+9.3
	MS (< 1,500ml)	1,318	-171	-11.5	+180	+15.8
	LS (≥ 1,500ml)	36,497	-1	-0.0	+947	+2.7
	Subtotal	83,218	-1,500	-1.8	+5,006	+6.4
	CAN (incl. bottle CAN)	51,765	-396	-0.8	-4,215	-7.5
	Other	12,292	-486	-3.8	-452	-3.5
	Syrup, powder	39,539	+797	+2.1	-1,298	-3.2
	Total	186,814	-1,584	-0.8	-959	-0.5

※ Target...Numerical figures based on the performance forecast published on Aug 2, 2012

Results for the FY 2012 ended Dec (Jan-Dec) –Sales volume by brand

- Coca-Cola and Coca-Cola Zero were significantly below PY partly due to impacts affected by other companies' market launch of sparkling products.
- While Sokenbicha was negative vs. PY, other tea products such as Ayataka and Taiyonomatecha led sales volume to exceed PY in Non-sugar tea total.
- Ayataka and I-Lohas showed quantum leap with 2-digits increase vs. PY.

		2012 actual	vs. TGT ^{※2}		vs PY	
			±	%	±	%
Core 8	Coca-Cola	12,882	-7	-0.1	-1,080	-7.7
	Coca-Cola Zero	5,945	-114	-1.9	-564	-8.7
	Fanta	7,304	-495	-6.3	-1,120	-13.3
	Georgia	38,984	+337	+0.9	-192	-0.5
	Sokenbicha	10,446	-761	-6.8	-1,902	-15.4
	Aquarius	18,769	-215	-1.1	-1,230	-6.1
	Ayataka	10,192	+491	+5.1	+1,895	+22.8
	I-Lohas	8,295	-320	-3.7	+1,406	+20.4
	Subtotal	112,817	-1,084	-1.0	-2,788	-2.4
Other	34,458	-1,298	-3.6	+3,127	+10.0	
RTD ^{※1} Total		147,275	-2,382	-1.6	+339	+0.2
Syrup, powder		39,539	+797	+2.1	-1,298	-3.2
Total		186,814	-1,584	-0.8	-959	-0.5

※1 Packaged products

※2 Target...Numerical figures based on the performance forecast published on Aug 2, 2012

Account settlement for the FY ended Dec 2012 (Jan-Dec)

(Unit: MM JPY, %)

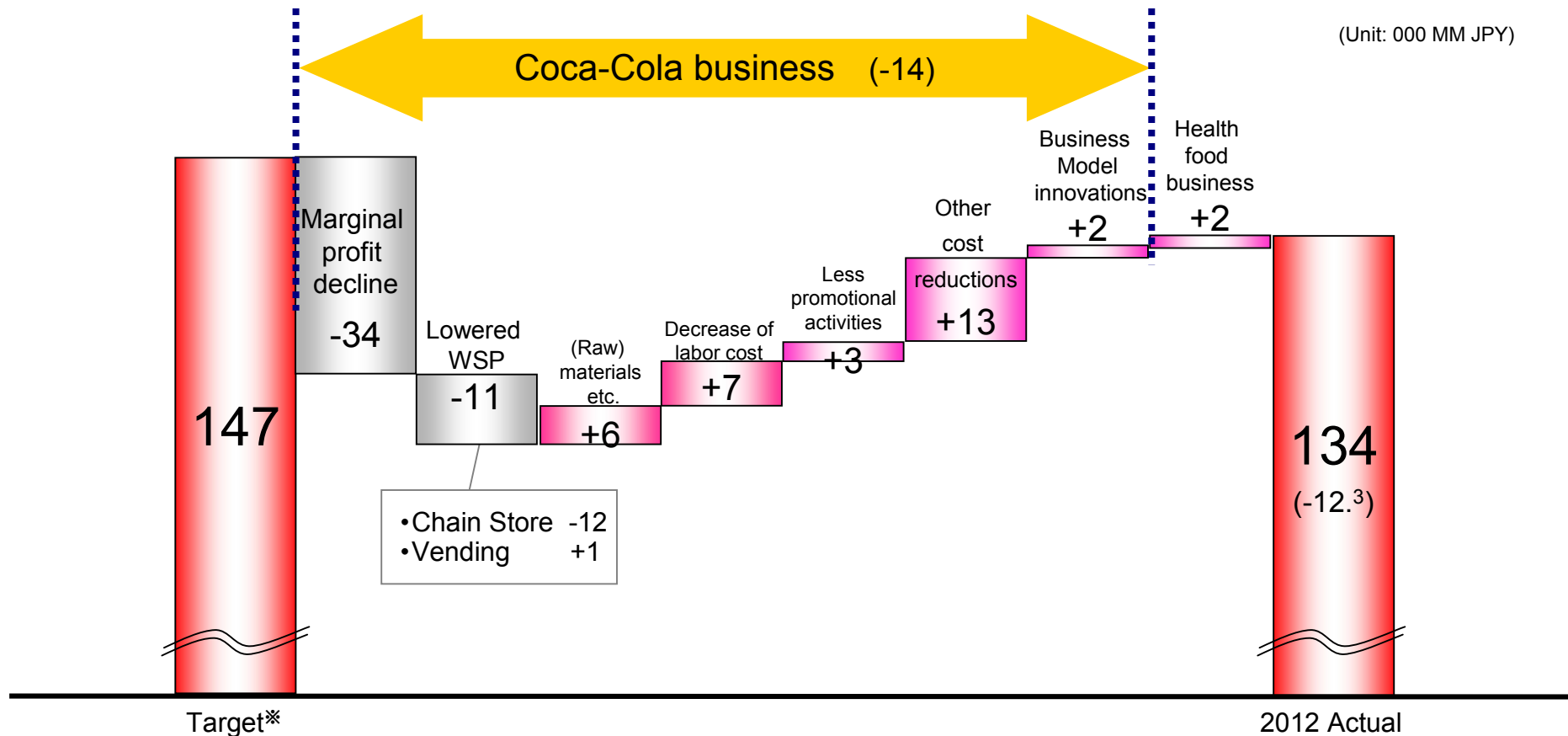
	2012 Actual	Target*	vs. Target		2011 Actual	vs. PY	
			±	%		±	%
Revenue	386,637	392,800	-6,162	-1.6	399,717	-13,079	-3.3
Gross profit on sales	190,795	194,700	-3,904	-2.0	195,244	-4,449	-2.3
Operating profit	13,463	14,700	-1,236	-8.4	16,469	-3,005	-18.3
Ordinary profit	13,845	14,800	-954	-6.4	16,044	-2,198	-13.7
Net profit for the year	6,031	7,400	-1,368	-18.5	6,997	-965	-13.8

* Target...Numerical figures based on the performance forecast published on Aug 2, 2012

Account settlement for the FY ended Dec 2012 (Jan-Dec)

- Factors for decreased operating margin (comparison with the Target*)

Even with progresses made in cost reduction initiatives in Coca-Cola business more than plan, not only marginal profits declined due to decreased sales volume or worsened channel/package mix, Operating profit dropped by 1.4 billion JPY vs. TGT owing to lowered trading WSP. On the other hand, health-food business gained profit increase in Operating profit by 0.2 billion JPY vs. TGT.

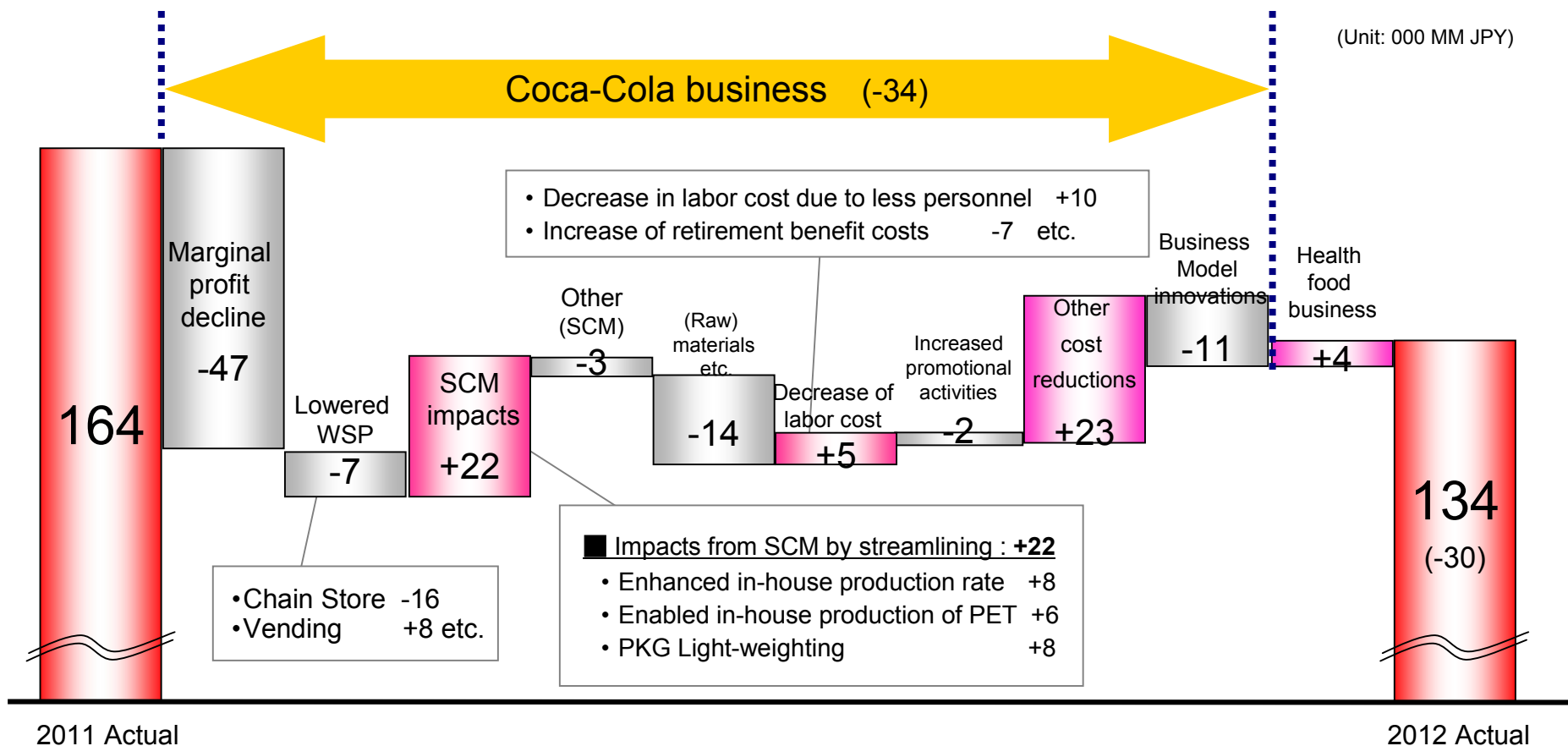


* Target...Numerical figures based on the performance forecast published on Aug 2, 2012

Account settlement for the FY ended Dec 2012 (Jan-Dec)

- Factors for decreased operating margin (comparison with PY)

Despite cost reductions made primarily on SCM in Coca-Cola business, marginal profit decline caused mainly by drop of sales volume resulted Operating profit vs. PY to fell short by 3.4 billion JPY. On the other hand, health food business gained increase in Operating profit by 0.4 billion JPY vs. PY.



Summary of the Fiscal Year ended December 2012

- In 2012, the second year of the 3-year Business Plan, we were unable to overcome tough market environment, finishing with Revenue and Operating Profit below target and PY.
- Reduced Operating Profit is mainly attributed to weaker per-case revenue and commercial function's marginal profit decline, driven by sluggish sales in highly-profitable vending channel and packages.
- On the other hand, Business Model Innovation initiatives have solidly shifted to the execution phase even when a time lag occurs in emergence of benefits owing to some delays in progress.
We have worked to address issues to fully reap benefits from 2013.

II. 2013 Business Plan

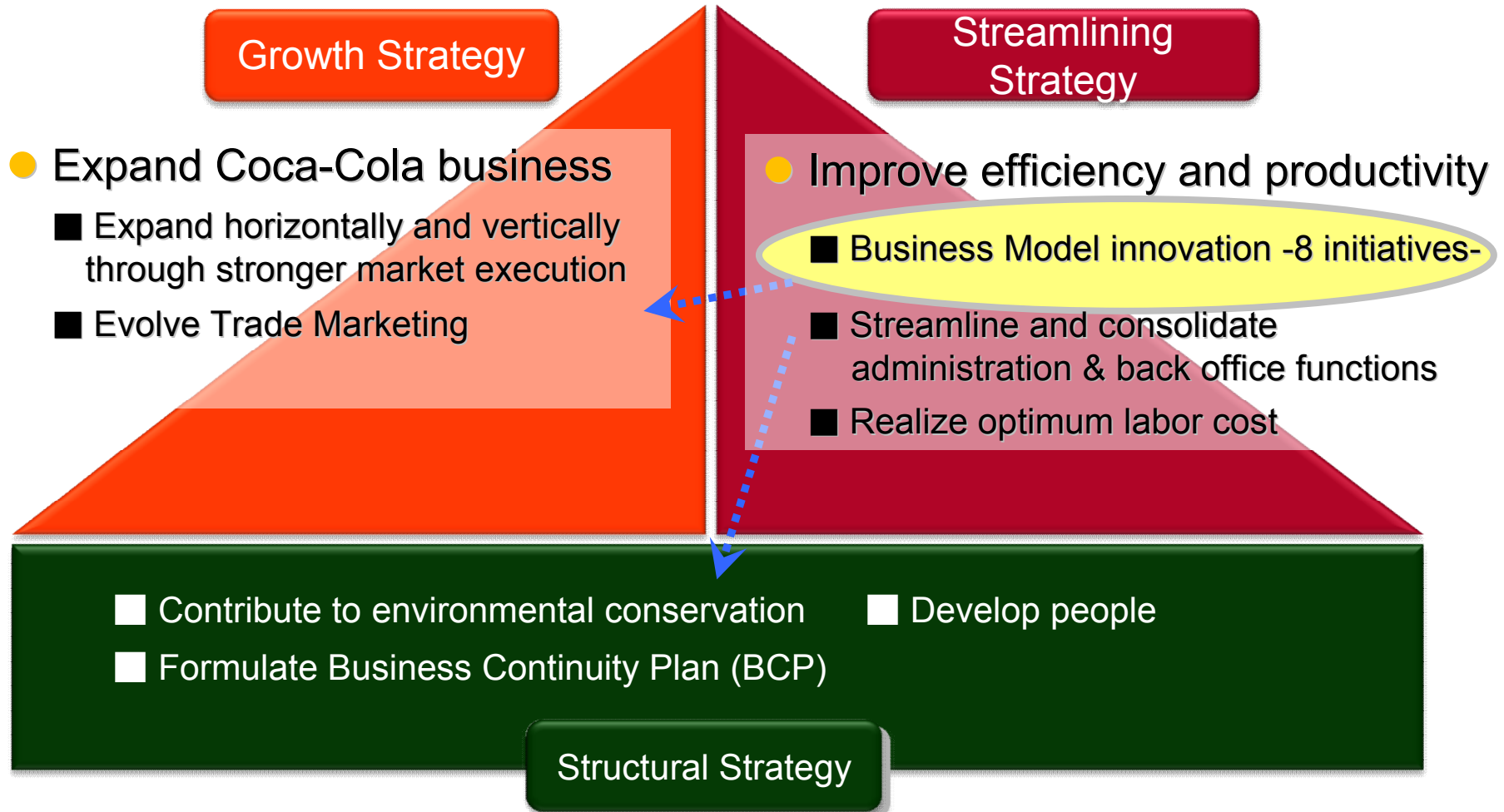
Committed to hitting chain store channel revenue target, vending channel's VPM^{※1} target and net vending machine placement target^{※2}

Successfully complete full rollout of Logistics Process Transformation and Service Model Optimization to establish solid business foundation

※1 Sales volume per vending machine

※2 Excludes strategic withdrawals

2013 Basic Strategy



Business Plan for the Fiscal Year Ending December 2013 (Jan-Dec)

- Consolidated business performance plan expects growth in both revenue and profit vs. last year. (Unit: MM JPY, %)

	2013 plan								
	H1 plan	vs. PY		H2 plan	vs. PY		Full year plan	vs. PY	
		±	%		±	%		±	%
Revenue	183,900	-400	-0.2	209,800	+7,463	+3.7	393,700	+7,062	+1.8
Gross profit on sales	93,000	+2,279	+2.5	105,900	+5,825	+5.8	198,900	+8,104	+4.2
Operating profit	4,300	+1,142	+36.2	11,200	+893	+8.7	15,500	+2,036	+15.1
Ordinary profit	3,900	+813	+26.4	10,800	+40	+0.4	14,700	+854	+6.2
Net profit for the year	1,700	+696	+69.4	6,100	+1,072	+21.3	7,800	+1,768	+29.3

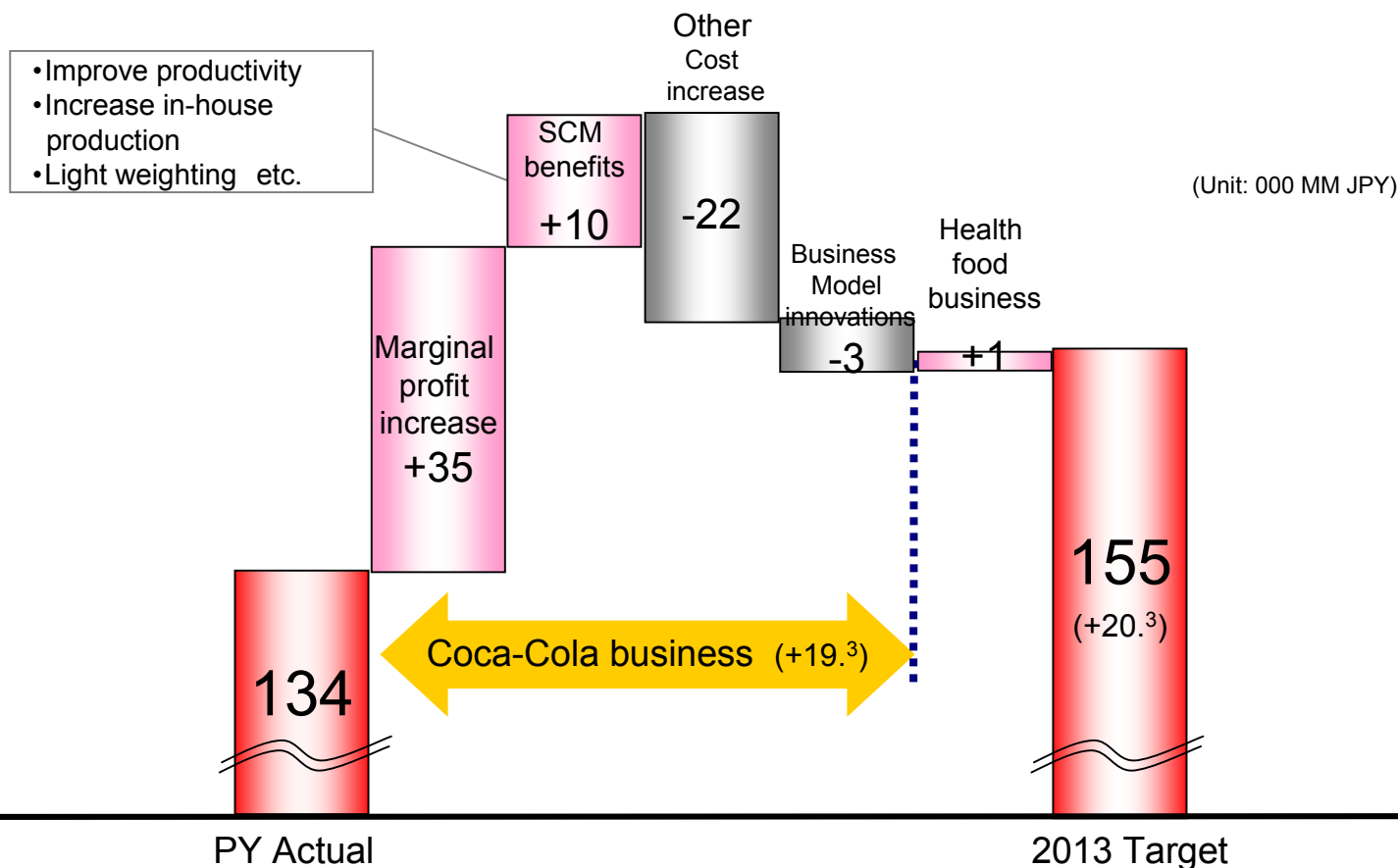
[Reference] Coca-Cola Business Sales Volume

(Unit: K c/s, %)

	H1 plan	vs. Plan		H2 plan	vs. PY		Full year plan	vs. PY	
		±	%		±	%		±	%
	Volume	86,882	+758	+0.9	102,599	+1,908	+1.9	189,481	2,667

2013 Full Year Business Plan (Jan –Dec) – Operating Profit Scenario for delivering the target (vs. the previous year)

Strive to raise marginal profits in commercial function for Coca-Cola business through making all-out efforts to expand sales volume in the most critical task of Vending and to enhance per-case revenue in Chain Store. In the meantime, steadily execute and complete Business Model Innovation initiatives as planned for 2013 to ensure delivery of benefits in 2014 onwards.



Business model innovations — Service model optimization

Expand the initiatives to all areas and maximize “quantity” and “quality” of sales activities.

2012 Results and issues

- Rollout in Osaka area
 - Develop service policies by customer segment
 - Standardize activity process of sales reps to enhance "quantity".
 - Leverage IT to formulate call plans to improve call frequency.
 - Reduce in-branch works.
 - Launch Contact center in Osaka area

2013 Activity plans

- Rollout to all areas to deliver benefits
 - Implement in rolling to maximize the impacts.
 - Further segmentation
 - Review of activity KPIs
 - Organizational re-design/route planning etc.
 - Newly rollout in Kyushu & Chugoku regions (Cover entire territory)

[Deployment timeline]

2012	2013						
	January	February	March	April	May	June	July
Launch in Osaka area	Expand to Kansai region			Launch in Kyushu	Launch in Chugoku	Deliver benefits in entire regions	

Business model innovations – Logistic Process Innovations

Enable efficient logistic structure through ensured delivery of benefits in Osaka & Nagasaki areas and rolling out to all regions.

2012 Results and issues

■ Pilot launch in Osaka & Nagasaki areas

[DC*/ Streamline regular delivery]

- Issues arose and addressed in Osaka area.
→Nagasaki area operated as planned.

[New full-service model]

- Issues broke out in Nagasaki area and the test halted before peak season. Operations resumed from Nov. and validations done.
(the model revisited, trainings reinforced, etc.)

2013 Activity plans

■ Early resolution of issues & rollout to all regions

[DC/ Streamline regular delivery]

- Enable inventory compression & efficient haulage by rolling out to other areas early on.

[New full-service model]

- Optimize call frequency according to customers.
- Streamline activity processes.
(reduce product filling time, streamline product lineup change)
- Cut back number of fleet by reviewing route structure.
(improve route operation rate)

[Deployment timeline]

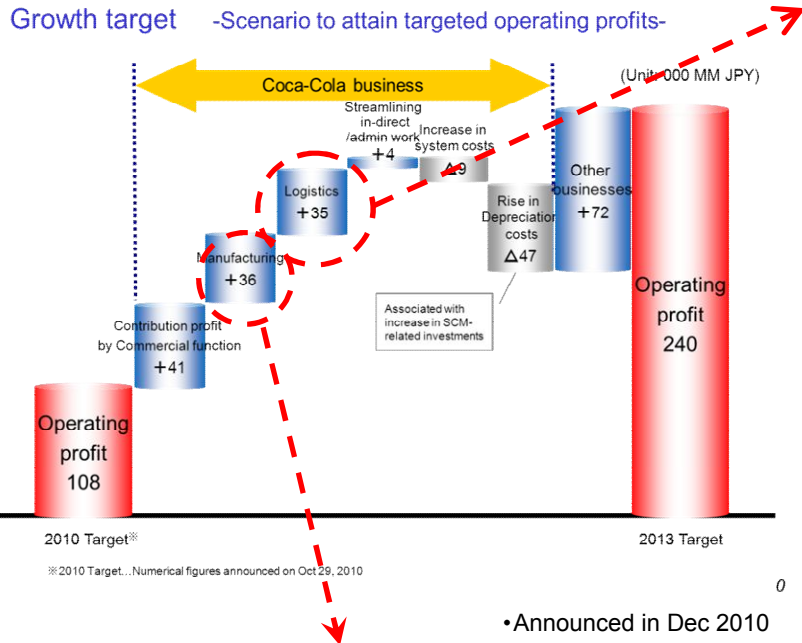
	2012	2013											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
DC/ Streamline regular delivery	Launch in Osaka & Nagasaki				Launch in Kyushu				Launch in Kansai & Chugoku	Deliver benefits in entire regions			
New full-service model	Pilot launch in Nagasaki	Test Complete	Fix benefit Delivery plan	Rollout to Osaka & Nagasaki				Roll out to all regions					

* Distribution Center

Cost reduction impacts in 3-year Business Plan

- After formulation of 3-year BP, logistic transformation initiative has been reformed to a framework of "Business model innovation "and built to more upgraded value chain scheme.
- We expect to see delivery of impacts from Logistic Process Innovation 1 year later than the initial forecast, but with greater impacts anticipated by rolling out to Minami Kyushu area.
- Manufacturing have made progress in cost reductions steadily, already delivering impacts more than target in the 3-year BP.(5.5 billion JPY by the end of 2012 vs. 2010)

[Scenario to attain Operating Profit of 3-year BP]



[Impacts] Logistics: 3.5 billion JPY (2011-2013)

- Restructuring of logistic centers (consolidation of inventory to DC*)
 - Streamlining of sales delivery through automatic delivery planning (enable VM online)
- ※ Distribution Center

[Cost reduction impacts until 2014(CCW only)] (Unit: 000 MM JPY)

Logistic process innovation initiatives	Impacts
Logistic process innovations related	24
Service model optimization	10
Total	34

(vs. 2010)

[Impacts] Manufacturing: 3.6 billion JPY

Making Minami Kyushu Coca-Cola a wholly owned subsidiary

■ We are to acquire all outstanding shares of Minami Kyushu as of April 1, 2013.

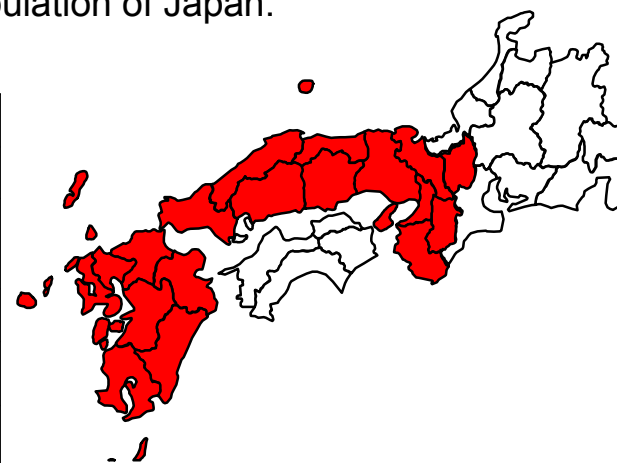
- Number of shares acquired: 1,311K shares* (CCW owns 637K shares or 25% as of end Dec 2012)
- Acquisition method : share exchange (CCW is to allot 9,175K of its own shares for the exchange.)

*Number of shares acquired: 1,311K shares , calculated on the assumption that Minami Kyushu is to acquire and cancel 600K of its own shares in Mar 2013.

■ New Coca-Cola West Group will become a bottler serving 18 prefectures.

- Population in our territory accounts for 33% of the entire population of Japan.

Minami Kyushu Coca-Cola Overview (as of end Dec 2012)	
Company name	Minami Kyushu Coca-Cola Bottling Company
HQ address	3-5-1 Minami Takae, Minami-ku, Kumamoto
Name & title of representative	Representative director & president Hideharu Takemori
# of employees	Consolidated 2,043
Service area	Kumamoto, Kagoshima, Miyazaki and Oita prefectures
Revenue	[Revenue] 75,141 MM JPY
Operating profit	[Operating Profit]1,837MM JPY <small>(excluding Hakushu Health sold off in Dec 2012)</small>



■ We will accelerate collaboration in various fields to realize synergy at early.

- CCW's Business Model Innovation initiatives to be rolled out to Minami Kyushu
(Service model optimization, logistic process transformation and Demand, Operations & Inventory Planning)
- CCW and Minami Kyushu to streamline operations wherever possible

III. 2013 Sales Strategy

FY ending Dec 2013 (Jan-Dec) Target volume & market share

Sales plan by brand

(Unit: K c/s, %)

		2013 target	vs PY	
			±	%
Core 8	Coca-Cola	12,895	+13	+0.1
	Coca-Cola zero	5,951	+6	+0.1
	Fanta	7,444	+140	+1.9
	Georgia	39,062	+78	+0.2
	Sokenbicha	10,633	+187	+1.8
	Aquarius	19,808	+1,039	+5.5
	Ayataka	10,256	+64	+0.6
	I-Lohas	9,476	+1,181	+14.2
	Subtotal	115,525	+2,708	+2.4
Other	35,809	+1,352	+3.9	
RTD※1 Total	151,335	+4,060	+2.8	
Syrup, powder	38,146	-1,393	-3.5	
Total	189,481	+2,667	+1.4	

※1 Packaged products

Sales plan by channel

(Unit: K c/s, %)

		2013 target	vs PY	
			±	%
	Supermarket ※2	53,464	+2,175	+4.2
	Convenience store	21,689	+610	+2.9
	Chain store total	75,154	+2,784	+3.8
	Vending	52,893	+1,097	+2.1
	Retail	12,489	-67	-0.5
	Food service	20,290	+463	+2.3
	Other	28,655	-1,609	-5.3
	Total	189,481	+2,667	+1.4

※2 Drug store/Discounter/Home center are included in supermarket

Market share plan

(Unit: points)

	Vs PY	
	Sales volume	Value
2013 target	+0.5	+0.6

Brand Strategy

Key activities

New products/renewal, communications



- ▶ "Coke at home" Campaign
→ Embed at-home consumptions
- ▶ New Campaign focusing on music and Coca-Cola

"Coke at home" Campaign



- ▶ Launch new campaigns
→ Communications starring EXILE
→ Nation-wide sampling events



Re-staging campaigns



- ▶ Launch seasonal/retro series



Seasonal limited products



Retrospective series



- ▶ Strengthen Big-bet
→ Reinforce exposure of Emerald mountain blend & European series
- ▶ Strengthen Slim-PET, Bottle-can & Multi-pack
- ▶ Various VM campaigns
→ "Dream cap" campaign
→ Summer campaign
→ "Happy Can" campaign



Multi-pack

Slim-PET

Bottle-can

"Dream cap" Campaign

Brand Strategy

Key activities

New products/renewal, communications



- ▶ Aquarius (blue) renewal
 - Strengthen new appeal at POA ("Hydration X energy supply" double charge)
- ▶ Continued reinforcement of Aquarius zero



Aquarius zero



Packages & graphics are as of now.



- ▶ Launch large-scale new campaigns at 20-year sales anniversary
 - Leverage premiums together with the campaigns to reinforce in-store activities.
 - Nation-wide sampling



Packages & graphics are as of now.



- ▶ New campaigns
 - Sampling together with campaigns
 - Capture POA leveraging momentum of the brand



- ▶ Reinforce coverage of I-Lohas Mikan/Ringo
- ▶ Launch new packages
 - I-Lohas Mikan (1,020ml, 1,555ml)

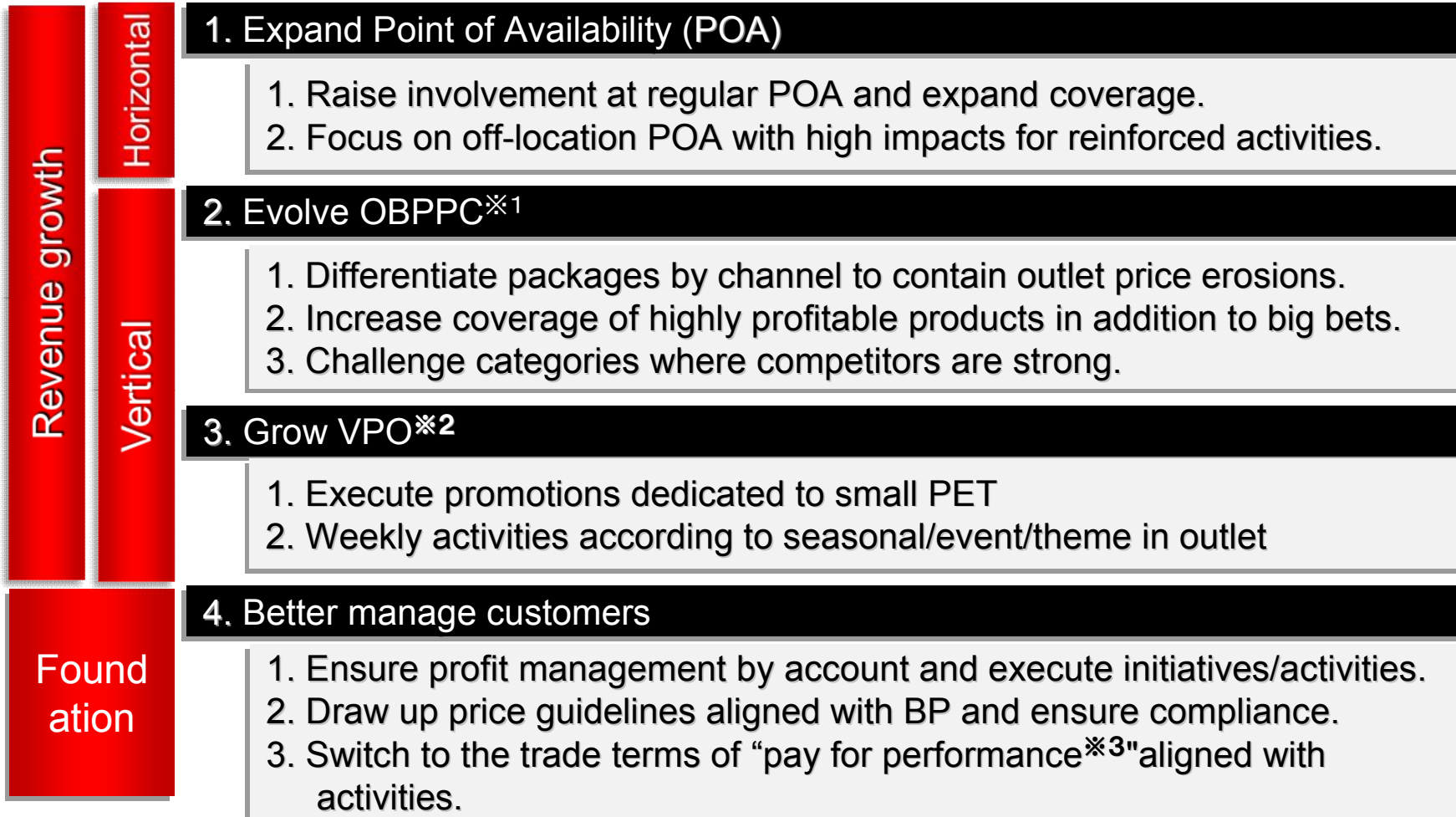


1,020ml

1,555ml

Channel Strategy - Chain Store

- Raise revenue through ensured expansion of sales volume and initiatives for per-case revenue increase.



※1 Occasion, Brand, Package, Price, Channel

※2 Sales volume per customer outlet

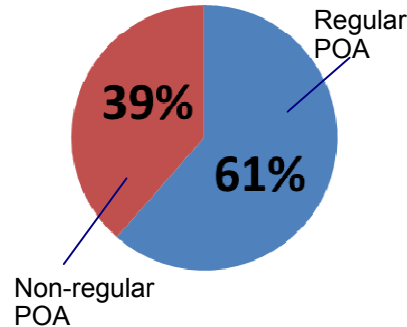
※3 Payment of promotional costs aligned with activities

Channel Strategy – Chain Store

[POA expansion]

■ In regular POA, capture main shelves and expand number of SKU and volume.

• Regular POA make up around 60% of total revenue, indicating as the most critical POA.



• By reinforcing to capture main shelves in top 50 chains which make up of around 70% of total revenue across channels, drive expanding sales volume.

Number of handling SKU
(average of 2012 top 50 chains)



■ Capture new non-regular POA through placing promotion, POP* according to the locations.

Event space/End-cap Target **+1,000** locations

Other POA Target **+3,400** locations

Georgia national promotion

"Coke at home" promotion



Aquarius "For Winter dehydration"



- | | |
|-----------|--|
| Check-out | <ul style="list-style-type: none"> • Link with promo deployed at regular POA • MD activities of big bets. • Place side/rail POP surrounding products. |
| Deli | <ul style="list-style-type: none"> • Leverage meal combo/ Catalina coupons • Leverage POP to attract to regular products |
| Liquor | <ul style="list-style-type: none"> • Accelerate purchase via simple recipe proposition POP. |
| Bread | <ul style="list-style-type: none"> • Leverage cross MD POP. |
| Snack | <ul style="list-style-type: none"> • Leverage Qoo brand POP, cross MD POP |

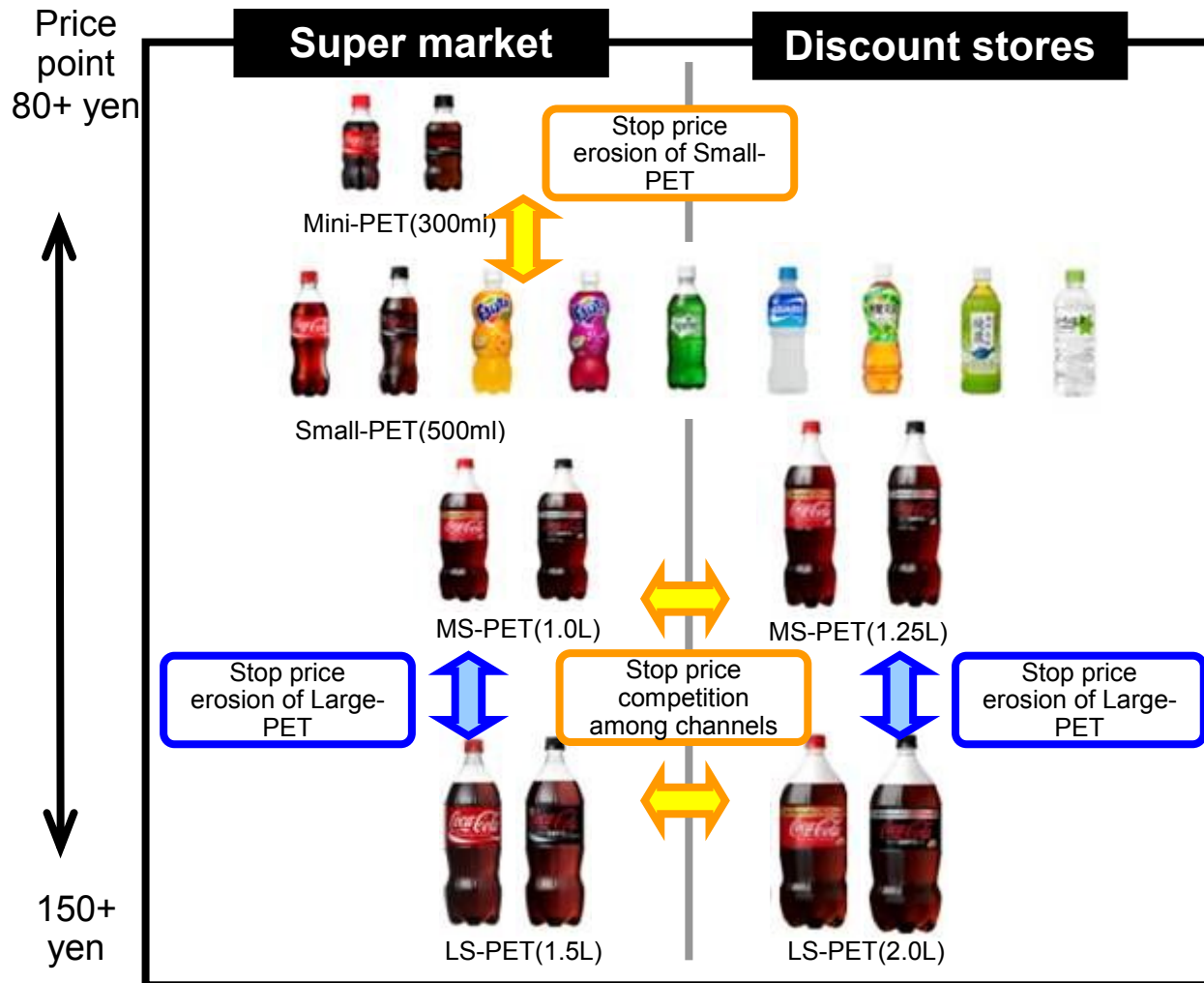


* Advertisement media for sales promotions used in small stores and other places.

Channel Strategy – Chain Store

[Increase per-case revenue]

- Reinforce mini-PET(300ml) coverage.
- Differentiate packages by channel to contain outlet price erosions among channels.



• Expand coverage



300ml PET

• Drive enabling regular
• Activate promotions



• Expand coverage
• Keep price guidelines



1.25 L PET

2L PET



Channel Strategy – Chain Store

[Increase per-case revenue]

■ Premium promotions specialized in Small-PET.

✓Coca-Cola



Original Shopping bags



✓Coca-Cola zero



Original Clear folders



✓Aquarius



Cough drops



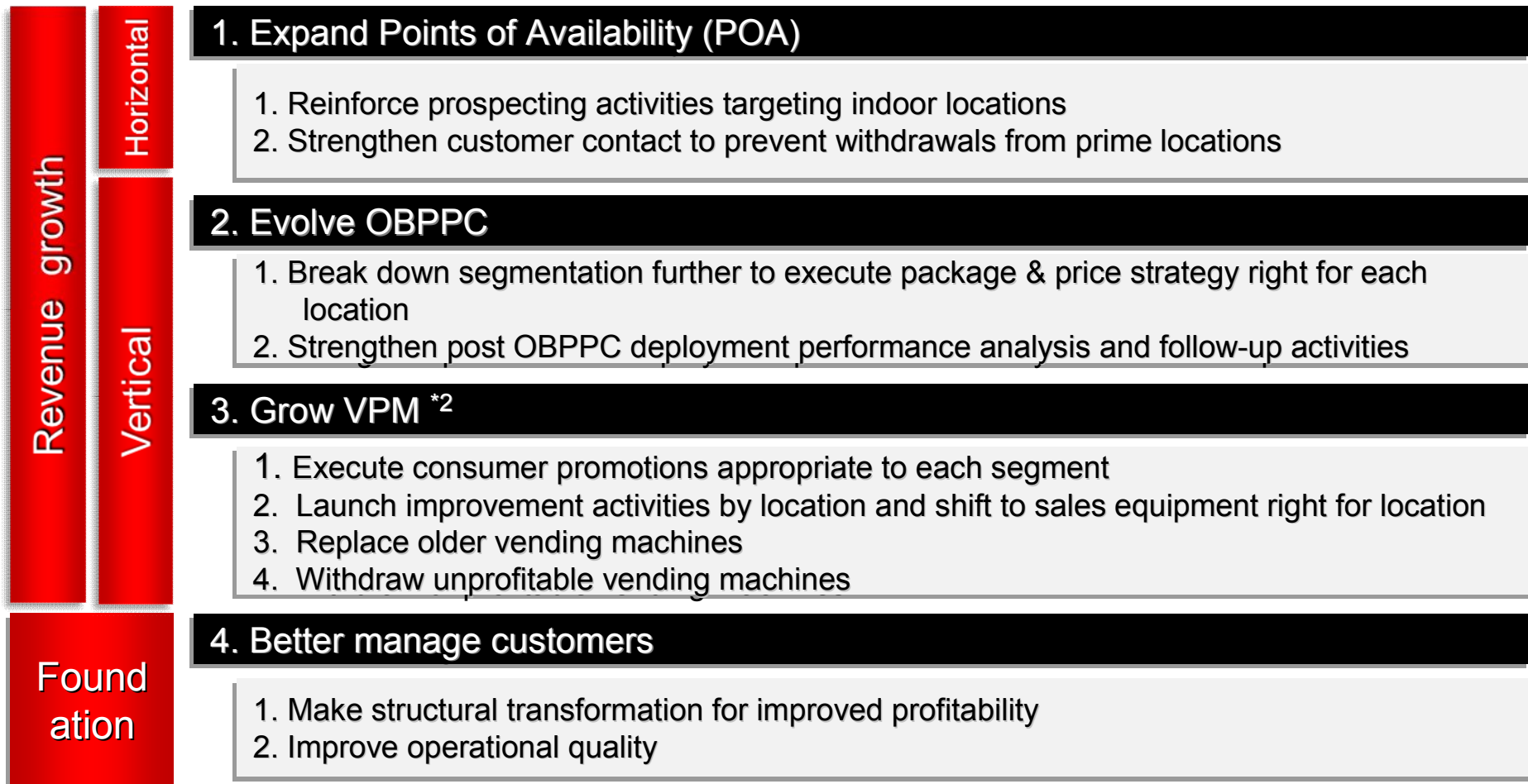
■ Aggressively place sales equipment (coolers/racks) to non-regular POA and expand sales of small packaged products.

	Event space end	Checkout	Bread POA	Deli POA	Snack POA	Liquor POA	End-cap side
Equipment							
Lineup							

Place total **8,200** units

Channel Strategy – Vending Basic Strategy

- Reinforce vending machine prospecting and withdrawal prevention activities to increase active machines
- Strengthen OBBPC*¹ and run effective promotions to increase volume and revenue per machine



*1 Occasion, Brand, Package, Price, Channel

*2 Sales volume per 1 vending machine

Channel Strategy - Vending

[Vending machine placement and withdrawal]

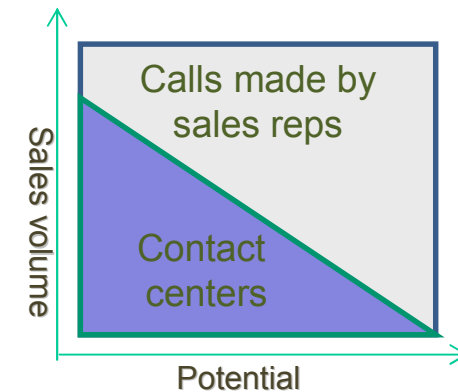
■ Fortify sales force by combining sales reps with contact centers for thorough prospecting and withdrawal prevention

<Strengthening contacts with prime locations>

- Contact centers to make retention calls
→ Kansai to start in Feb, Kyushu in May and Chugoku in Jun

<Stepping up prospecting activities>

- Sales reps to leverage contact centers to strengthen activities in existing customer locations and increase time for prospecting activities



■ Shore up prospecting activities targeting indoor locations with higher VPM*1

<Implementing “Peak-Shift” vending machines*2>



6,400
units to be implemented

~Key attributes of “Peak-Shift” vending machines~

Duration for which cold products can be sold after cooling is turned off	16 hours	Improved energy efficiency vs. heat pump	8.5 times better
Daytime power consumption during summer reduced by	95%	Cooling time reduced by	25%
Daytime machine noise (when cooling is turned off)	0	Annual power consumption reduced by	10%

*1. Sales volume per 1 vending machine

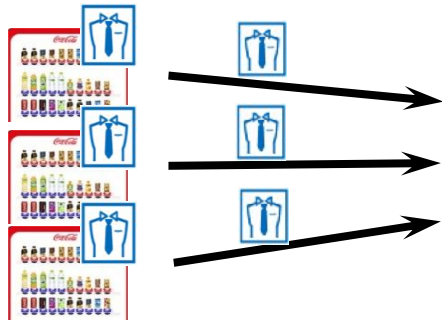
*2. Vending machine that uses power for cooling during night time, when power demand is lower and consumes no power during daytime when demand peaks.

Channel Strategy - Vending

[VPM*1 improvement]

- Increase location intelligence through every dealer survey for vending machines and beef up sales analysis by dedicated staff to leverage information to the full and deploy OBPPC*2 right for each location

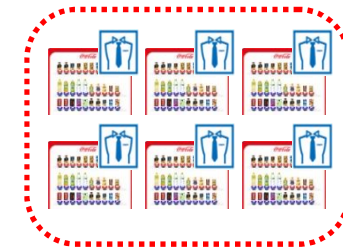
2012



Sales analysis

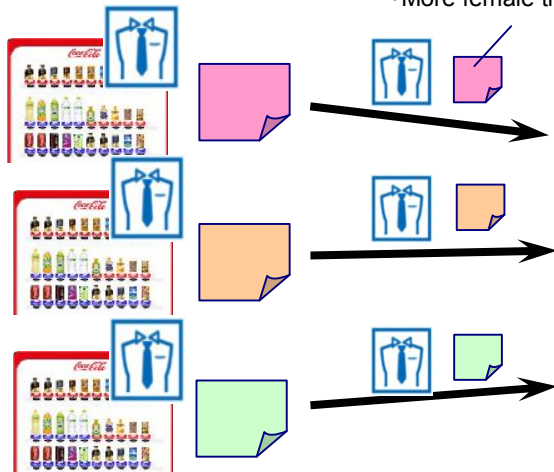
- Analyze sales performance by sub-channel
- Deploy standardized OBPPC by sub-channel

①



2013

- Examples:
- Competitor A's machine is also placed
 - # of employees: XXX
 - More female than male etc



Sales analysis

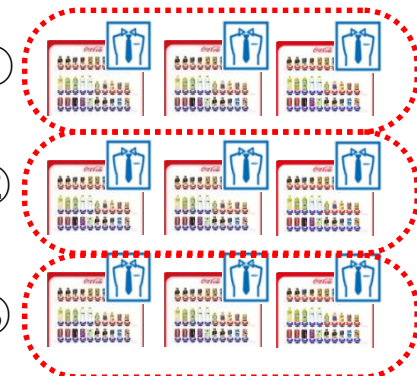
- Analyze sales performance based on detailed location information (side-by-side competitors' machines, consumer segments...)
- More detailed segmentation to enable more focused OBPPC deployment
- Strengthen analytical verification of new product launches and promotions for their effectiveness
- Allocated dedicated staff members

More detailed segmentation to offer right range of products for each location

①

②

③



※ 1 Sales volume per 1 vending machine
 ※ 2 Occasion, Brand, Package, Price, Channel



Channel Strategy – Retail Food Service Basic Strategy

- Expand prospecting activities and improve availability in existing outlets to increase sales volume and revenue

Revenue growth	Horizontal	1. Expand Points of Availability (POA) <ol style="list-style-type: none"> Strengthen prospecting in eating and drinking and leisure channels using packaged products Step up prospecting in large chain accounts and commercial facilities Capture densely populated OTC locations (kiosk etc)
	Vertical	2. Evolve OBPPC*1 <ol style="list-style-type: none"> Increase availability of packaged products based on segmentation (Bottled products, HORECA *2 exclusive products, mini PET and small PET)
Foundation		3. Grow VPO*3 <ol style="list-style-type: none"> Propose new ways of selling (bundle selling and mix drink items on menu) Embed basic MD activities and expand best practices horizontally Launch new products and equipment for expanded regular coffee business
		4. Better manage customers <ol style="list-style-type: none"> Roll out to wider areas new HOREA operating model with partner sakayas Sharpen focus of syrup business and allocate resources accordingly (switch to packaged goods for small outlets) Enforce rigorous adherence to the new price guidelines and transition to “pay for performance* 4” trading

*1 Occasion, Brand, Package, Price, Channel
 *2 Hotel, Restaurant, Cafe

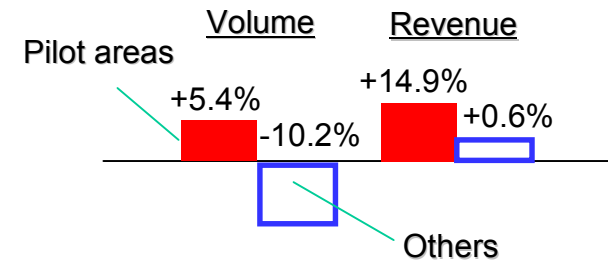
*3 Sales volume per 1 outlet
 *4 Promotional spend payment linked with executed activities

Channel Strategy – Retail Food Service

■ Roll out to wider areas new HOREA* operating model with partner sakayas

2012 actual

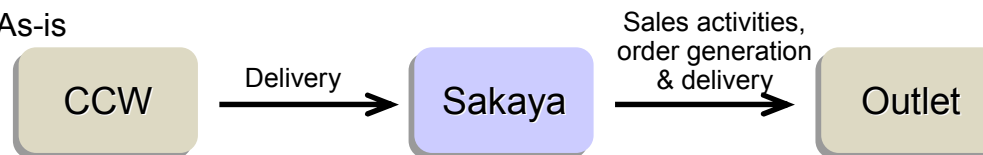
- Expanded trading with partner sakayas
 - Rolled out to Kita Kyushu and Kurume areas in addition to Osaka & Fukuoka
 - This operating model showed stronger volume and revenue growth than other models.



2013 Initiatives

- Continue to expand trading with partner sakayas
 - Roll out to Kyoto, Kobe and Hiroshima

■ As-is



■ Trading with partner sakaya



- Apply direct selling model more to high revenue outlets

* Hotel, Restaurant, Cafe

[Reference]

Account settlement for the FY ending Dec 2012 (Jan-Dec)

– Factors for increase/decrease (comparison with target ※)

	Target※	2012 Actual	Gap		(unit: MM JPY)
Revenue	3,928	3,866	-61	Key factors	Gap
Gross profit on sales	1,947	1,907	-39	▪ Coca-Cola business	-67.8
Operating profit	147	134	-12	▪ Health food business	+6.2
Ordinary profit	148	138	-9	▪ Coca-Cola business	-44.1
Net profit for the year	74	60	-13	▪ Health food business	+5.0
				Increase/decrease of SG&A	
				▪ Labor cost decrease	+11.7
				▪ Sales commision decrease	+6.8
				▪ Operational consignment fee decrease	+2.0
				▪ Depreciation cost decrease	+1.9
				▪ Tranporation cost decrease	+1.4
				▪ Health food business	-3.0
				▪ Extraordinary profit/loss changes (increased loss from quality issues etc)	-16.5
				▪ Corporate tax etc decrease	+11.8

※ Target numbers are based on the performance outlook released on Aug 2 2012

Account settlement for the FY ending Dec 2012 (Jan-Dec)

– Factors for increase/decrease (comparison with PY)

	2011	FY 2012 actual	Gap
Revenue	3,997	3,866	-130
Gross profit on sales	1,952	1,907	-44
Operating profit	164	134	-30
Ordinary profit	160	138	-21
Net profit for the year	69	60	-9

(unit: MM JPY)

Key factors	Gap
▪ Coca-Cola business	-133.5
▪ Health food business	+17.3
▪ Coca-Cola business	-55.0
▪ Health food business	+15.1
Increase/decrease of SG&A	
▪ Decrease of labor cost	+11.3
▪ Decrease of depreciation cost	+6.1
▪ Increase of sales commission	+4.7
▪ Decrease of consumables cost	+1.3
▪ Decrease of maintenance service	+1.2
▪ Increase of transportation cost	-7.0
▪ Health food business	-11.0
▪ Extraordinary profit/loss increase/decrease	+3.7
▪ Corporate tax etc	+8.4

Account settlement for FY2012 Q4 (Oct-Dec)

(K c/s, MM JPY, %)

	FY 2012 Q4 actual	Target※	vs. Target		FY 2011 Q4 actual	vs. PY	
			±	%		±	%
Revenue	90,237	94,000	-3,762	-4.0	93,813	-3,576	-3.8
Gross profit on sales	44,483	47,400	-2,916	-6.2	46,534	-2,051	-4.4
Operating income	3,006	4,400	-1,393	-31.7	3,237	-230	-7.1
Ordinary profit	3,384	4,400	-1,015	-23.1	2,937	+447	+15.2
Net profit for the term	1,523	2,400	-876	-36.5	930	+593	+63.8

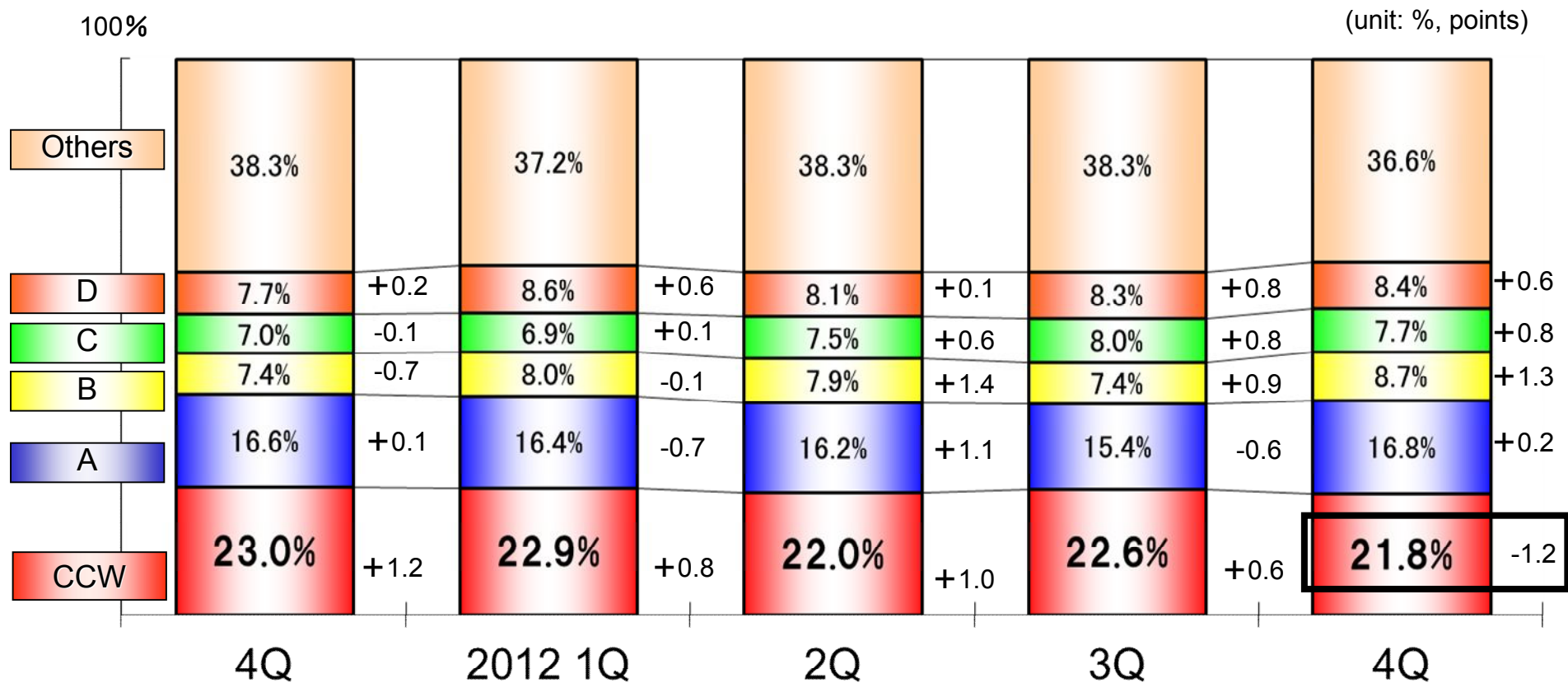
【Reference】Coca-Cola business sales volume

(unit: k c/s, %)

	FY 2012 Q4 actual	Target※	vs. Target		FY 2011 Q4 actual	vs. PY	
			±	%		±	%
Sales volume	43,769	44,000	-231	-0.5	44,211	-442	-1.0

※ Target numbers are based on the performance outlook released on Aug 2 2012

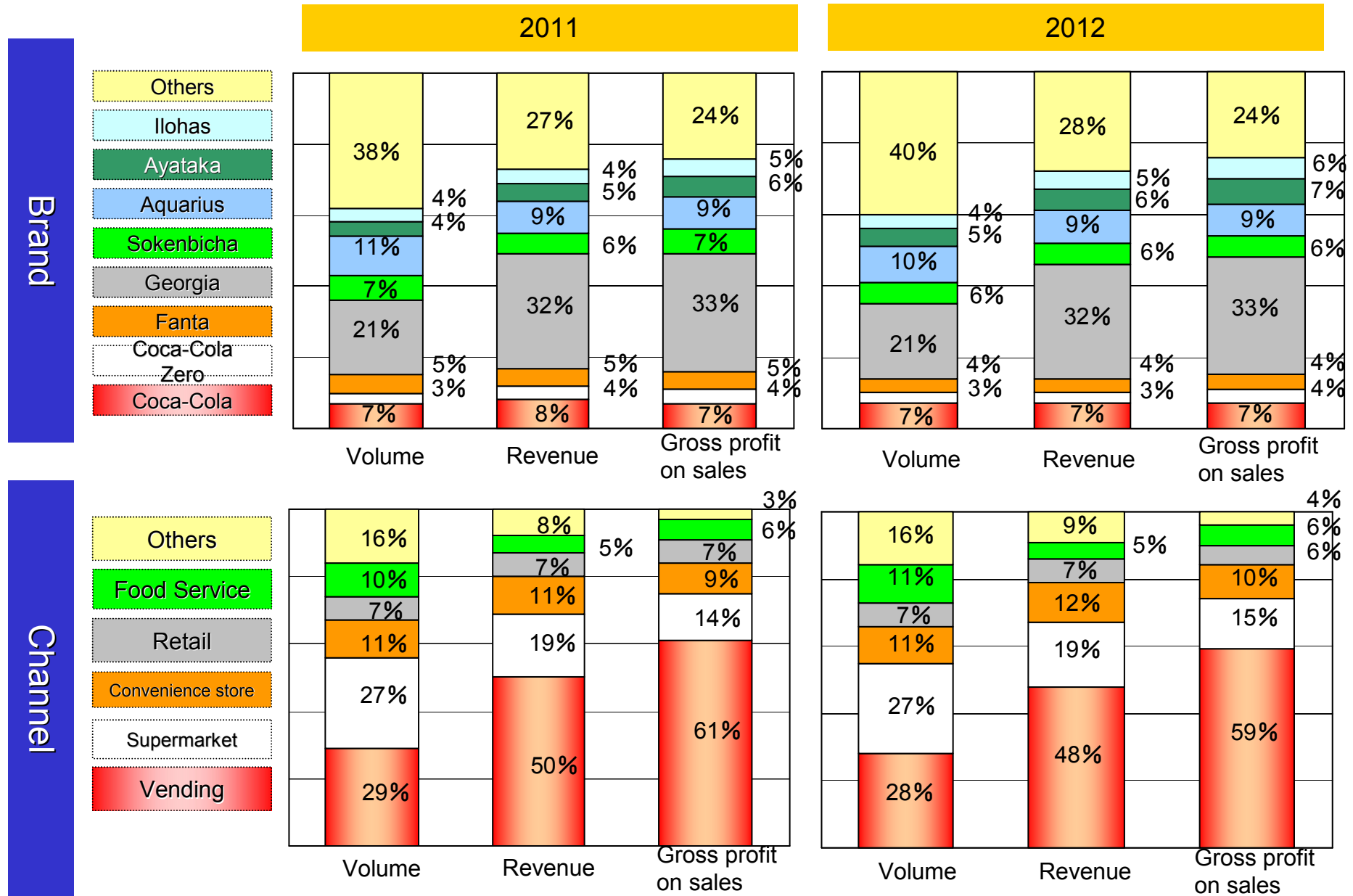
OTC Market share trend (except vending machines)



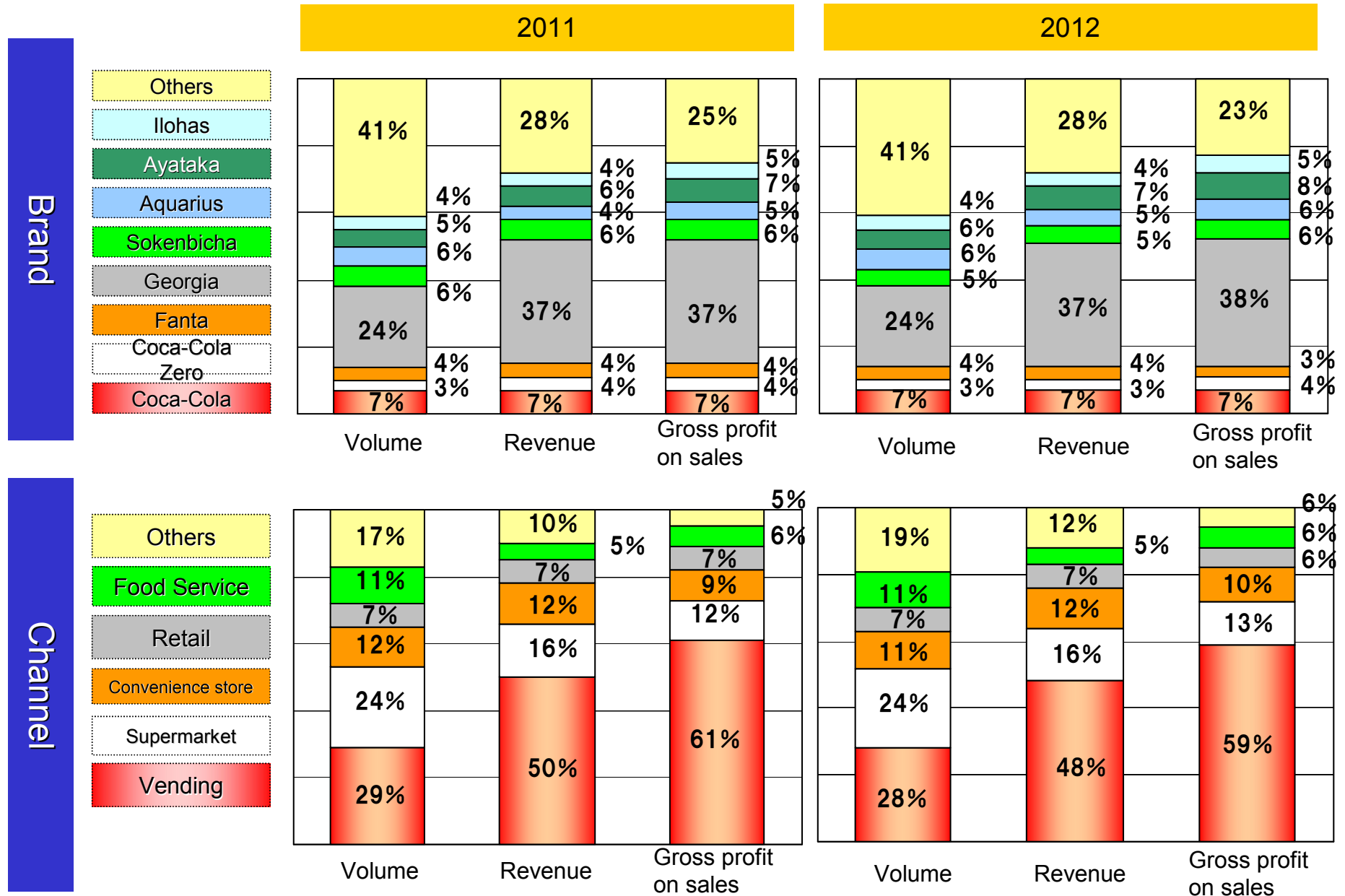
※Values put outside of the graph show YTY gap

(Source: Intage)

FY2012 (Jan-Dec) – Mix by brand/by channel



FY 2012 Q4 (Oct-Dec) – Mix by brand/by channel



Vending machine sales performance by sub channel

Vending machine full service can VPM* vs. PY

Sub channel	vs. PY (%)												
	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	YTD
At-work white	-1.2	+0.4	-4.0	-3.8	+4.1	-3.8	-4.8	-2.1	-8.1	+1.3	-6.2	-6.8	-3.0
At-work blue	-0.3	+0.9	+1.5	+0.3	+6.5	-3.6	-0.9	-0.9	-7.1	+1.3	-6.8	-8.2	-1.6
Mass retailer	-2.0	-6.3	-6.3	-5.5	-3.4	-4.1	-7.1	-0.3	-6.7	-3.5	-7.6	-5.5	-4.8
Transport	-1.3	-1.5	-1.7	+0.9	+0.5	-2.2	-2.5	+0.3	-3.3	-1.4	-4.1	-5.0	-1.8
School	-0.2	-4.9	-6.2	+0.1	+11.0	-3.6	-0.5	+3.9	+0.7	+4.2	-5.9	-5.7	-0.3
Amusement	+1.9	-6.3	-2.5	-2.7	-6.5	-2.5	-5.3	-3.7	-5.5	-5.4	-9.7	-5.7	-4.5
Pachinko	+0.5	-0.7	+0.3	-2.5	-5.8	-1.9	-3.8	-1.9	-4.5	-5.9	-3.8	-3.7	-2.8
Sports facility	+5.0	-6.4	-0.3	-2.5	-4.0	-1.1	-5.4	-0.5	-4.2	-3.8	-10.8	-8.2	-3.5
Hospital	-0.4	-0.4	-3.0	-4.2	+1.0	-1.7	-5.2	-0.5	-6.4	-1.1	-4.5	-4.9	-2.6
Accomodation	-1.2	-2.7	-2.0	-1.6	-2.4	-1.4	-4.9	-1.3	-7.1	-4.0	-3.8	-5.3	-3.1
Other indoor	-5.1	-3.4	-6.0	-9.0	-1.3	-4.4	-9.8	-1.1	-10.1	-2.5	-8.4	-8.1	-5.8
Outdoor	+0.5	-4.7	-6.3	-9.6	-2.1	-5.2	-12.6	-4.2	-11.1	-7.0	-12.4	-12.2	-7.4
Total	-0.2	-2.7	-3.7	-4.7	-0.4	-3.7	-6.7	-2.0	-7.5	-3.2	-8.2	-7.9	-4.3

* Sales volume per o1 vending machine

FY 2012 Q4 (Oct-Dec) - Volume by channel

(unit: K C/S, %)

		FY 2012 Q4 actual	vs. Target ^{※1}		vs. PY	
			±	%	±	%
	Supermarket ^{※2}	10,474	-183	-1.7	-148	-1.4
	Convenience store	4,950	+9	+0.2	-118	-2.3
Chain Store Total		15,424	-174	-1.1	-265	-1.7
Vending		12,079	-941	-7.2	-711	-5.6
Retail		2,912	-110	-3.6	-237	-7.5
Food Service		5,015	+4	+0.1	+111	+2.3
Others		8,339	+989	+13.5	+660	+8.6
Total		43,769	-231	-0.5	-442	-1.0

※1 Target numbers are based on the performance outlook released on Aug 2 2012

※2 Drug store/Discounter/Home center are included in supermarket

FY2012 Q4 (Oct-Dec) - Volume by package

(unit: K C/S, %)

		FY 2012 Q4 actual	vs. Target [※]		vs .PY	
			±	%	±	%
PET	Small (<1,000ml)	10,147	-577	-5.4	+543	+5.7
	Medium (<1,500ml)	282	-171	-37.8	+39	+16.3
	Large (>=1,500ml)	7,165	+110	+1.6	-207	-2.8
	Total	17,594	-639	-3.5	+376	+2.2
Can (incl. bottle can)		13,129	+102	+0.8	-1,090	-7.7
Others		2,918	-204	-6.5	-137	-4.5
Syrup, powder		10,128	+510	+5.3	+409	+4.2
Total		43,769	-231	-0.5	-442	-1.0

※ Target numbers are based on the performance outlook released on Aug 2 2012

FY 2012 Q4 (Oct-Dec) - Volume by brand

(unit: K C/S, %)

		FY 2012 Q4 actual	vs. Target ^{※1}		vs. PY	
			±	%	±	%
C o r e 8	Coca-Cola	2,949	+69	+2.4	-182	-5.8
	Coca-Cola Zero	1,491	+117	+8.5	+23	+1.6
	Fanta	1,595	-239	-13.0	-215	-11.9
	Georgia	10,645	+354	+3.4	-155	-1.4
	Sokenbicha	2,179	-358	-14.1	-389	-15.1
	Aquarius	2,541	-183	-6.7	-88	-3.3
	Ayataka	2,594	+371	+16.7	+321	+14.1
	I-Lohas	1,669	-157	-8.6	+115	+7.4
Subtotal		25,663	-26	-0.1	-569	-2.2
Others		7,978	-715	-8.2	-282	-3.4
RTD ^{※2} products		33,641	-741	-2.2	-851	-2.5
Syrup, powder		10,128	+510	+5.3	+409	+4.2
Total		43,769	-231	-0.5	-442	-1.0

※1 Target numbers are based on the performance outlook released on Aug 2 2012

※2 Packaged products

FY2012 (Jan-Dec) - Volume by channel/by package

(unit: K C/S, %)

■Chain Store	FY 2012 Actual	vs. Target※		vs. PY	
		±	%	±	%
Small PET (<1,000ml)	22,109	-909	-3.9	+2,067	+10.3
Medium PET (<1,000ml)	1,164	-190	-14.0	+176	+17.8
Large PET (>=1500ml)	33,732	-94	-0.3	+928	+2.8
Can	12,806	+149	+1.2	△1,743	△12.0
Others	2,558	+302	+13.4	+531	+26.2
Total	72,369	-740	-1.0	+1,959	+2.8

(unit: K C/S, %)

■Vending	FY 2012 Actual	vs. Target※		vs. PY	
		±	%	±	%
Small PET (<1,000ml)	17,456	-664	-3.7	+1,538	+9.7
Large PET (>=1500ml)	209	+47	+28.9	-12	-5.2
Can	30,132	-1,255	-4.0	-3,122	-9.4
Others (Bottle can, etc.)	3,318	+268	+8.8	+463	+16.2
Syrup, powder	678	-71	-9.5	-1,275	-65.3
Total	51,796	-1,675	-3.1	-2,409	-4.4

(unit: K C/S, %)

■Retail & Food Service	FY 2012 Actual	vs. Target※		vs. PY	
		±	%	±	%
Small PET (<1,000ml)	5,243	+172	+3.4	+312	+6.3
Medium PET (<1,000ml)	150	+18	+13.5	+5	+3.6
Large PET (>=1500ml)	2,551	+42	+1.7	+42	+1.7
Can	2,964	-240	-7.5	-454	-13.3
Others	2,024	-250	-11.0	-325	-13.9
Syrup, powder	19,453	+174	+0.9	+336	+1.8
Total	32,384	-84	-0.3	-84	-0.3

※ Target numbers are based on the performance outlook released on Aug 2 2012

FY2012 Q4 (Oct-Dec) - Volume by channel/by package

(unit: K C/S, %)

■Chain Store	FY 2012 Q4 Actual	vs. Target※		vs. PY	
		±	%	±	%
Small PET (<1,000ml)	4,830	-414	-7.9	+216	+4.7
Medium PET (<1,000ml)	236	-180	-43.3	+21	+9.8
Large PET (>=1500ml)	6,598	+68	+1.0	-228	-3.3
Can	3,194	+122	+4.0	-367	-10.3
Others	567	+231	+68.5	+93	+19.5
Total	15,424	-174	-1.1	-265	-1.7

(unit: K C/S, %)

■Vending	FY 2012 Q4 Actual	vs. Target※		vs. PY	
		±	%	±	%
Small PET (<1,000ml)	3,896	-277	-6.6	+359	+10.2
Large PET (>=1500ml)	54	+31	+130.3	+12	+29.5
Can	7,208	-787	-9.8	-939	-11.5
Others (Bottle can, etc.)	798	+128	+19.1	-29	-3.6
Syrup, powder	122	-36	-23.0	-114	-48.4
Total	12,079	-941	-7.2	-711	-5.6

(unit: K C/S, %)

■Retail & Food Service	FY 2012 Q4 Actual	vs. Target※		vs. PY	
		±	%	±	%
Small PET (<1,000ml)	1,181	-9	-0.7	+27	+2.3
Medium PET (<1,000ml)	45	+9	+25.1	+18	+67.9
Large PET (>=1500ml)	512	+10	+2.1	+19	+3.9
Can	735	-139	-15.9	-116	-13.7
Others	510	-107	-17.4	-154	-23.2
Syrup, powder	4,944	+130	+2.7	+79	+1.6
Total	7,927	-106	-1.3	-126	-1.6

※ Target numbers are based on the performance outlook released on Aug 2 2012

FY2013 (Jan-Dec) - Volume target by package

(unit: K C/S, %)

		2013 Target	vs. PY	
			±	%
PET	Small (<1,000ml)	49,466	+4,064	+9.0
	Medium (<1,500ml)	1,919	+601	+45.6
	Large (>=1,500ml)	36,771	+274	+0.8
	Subtotal	88,156	+4,938	+5.9
Can (incl. bottle can)		50,155	-1,610	-3.1
Others		13,023	+731	+5.9
Syrup, powder		38,146	-1,393	-3.5
Total		189,481	+2,667	+1.4

FY2013 (Jan-Dec) - Volume target by channel/by package

(unit: K C/S, %)

■Chain Store	2013 Target	vs. PY	
		±	%
Small PET (<1,000ml)	24,355	+2,246	+10.2
Medium PET (<1,500ml)	1,794	+630	+54.1
Large PET (>=1,500ml)	34,404	+672	+2.0
Can	11,872	-934	-7.3
Others	2,729	+171	+6.7
Total	75,154	+2,784	+3.8

(unit: K c/s, %)

■Vending	2013 Target	vs. PY	
		±	%
Small PET (<1,000ml)	19,052	+1,596	+9.1
Large PET (>=1,500ml)	169	-40	-19.1
Can	30,520	+388	+1.3
Other (Bottle Can, etc.)	2,895	-423	-12.7
Syrup, powder	254	-424	-62.6
Total	52,893	+1,097	+2.1

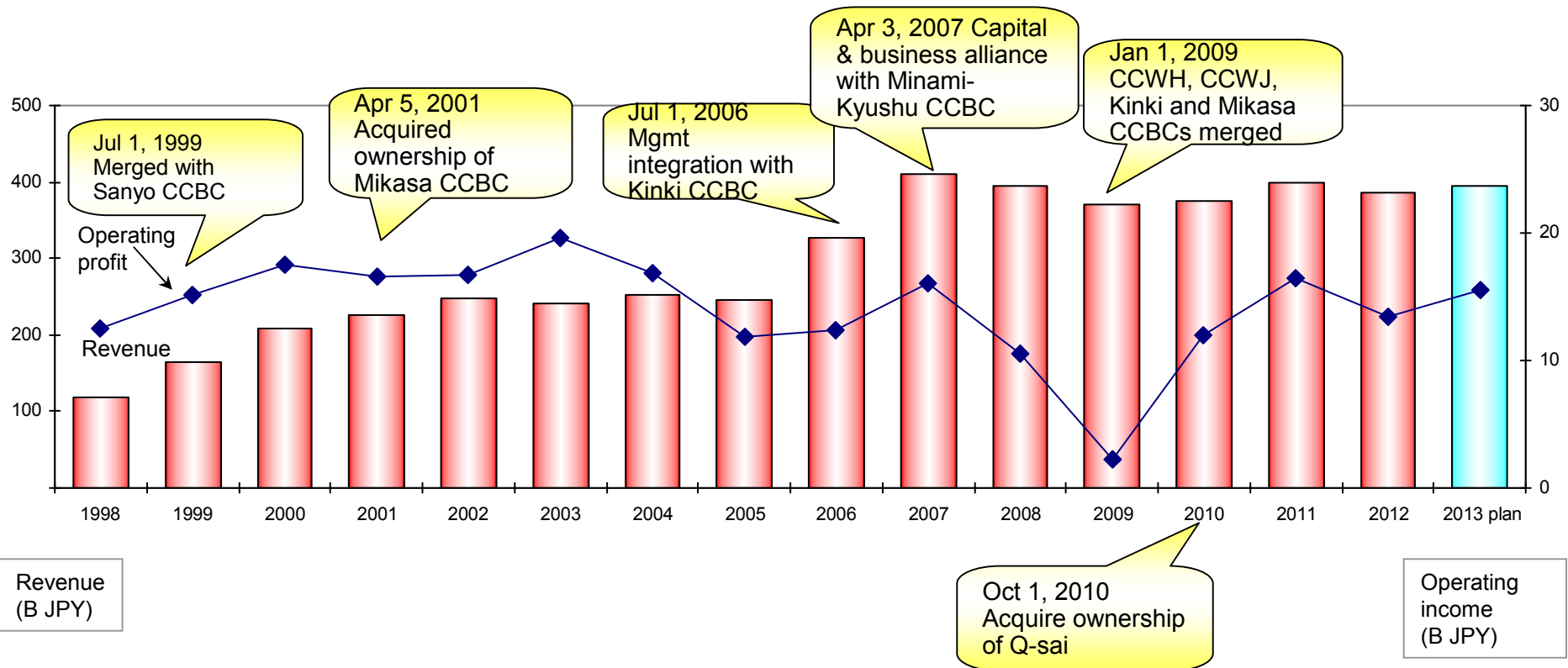
(unit: K c/s, %)

■Retail Food Service	2013 Target	vs. PY	
		±	%
Small PET (<1,000ml)	5,544	+302	+5.8
Medium PET (<1,500ml)	122	-28	-18.9
Large PET (>=1,500ml)	2,198	-353	-13.8
Can	2,903	-61	-2.1
Others	2,342	+318	+15.7
Syrup, powder	19,670	+218	+1.1
Total	32,780	+395	+1.2

Performance trend

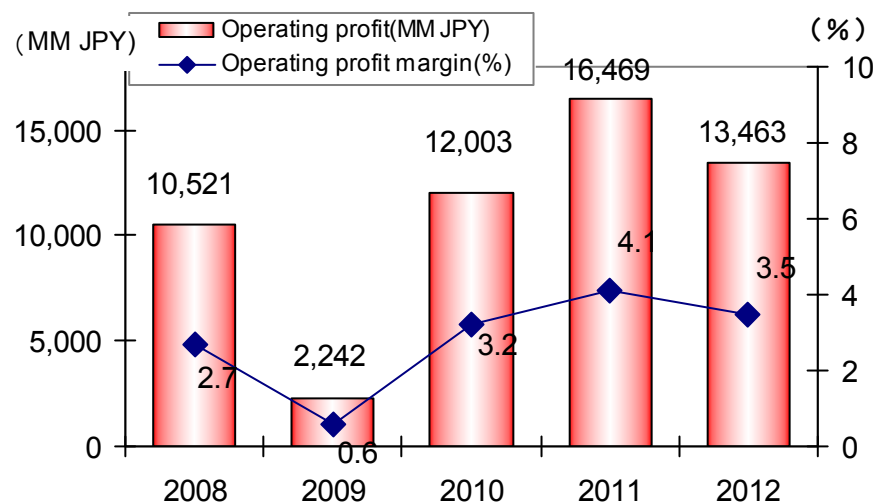
(unit: MM JPY)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 plan
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	386,637	393,700
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	13,463	15,500
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	13,845	14,700
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	Δ7,594	7,582	6,997	6,031	7,800

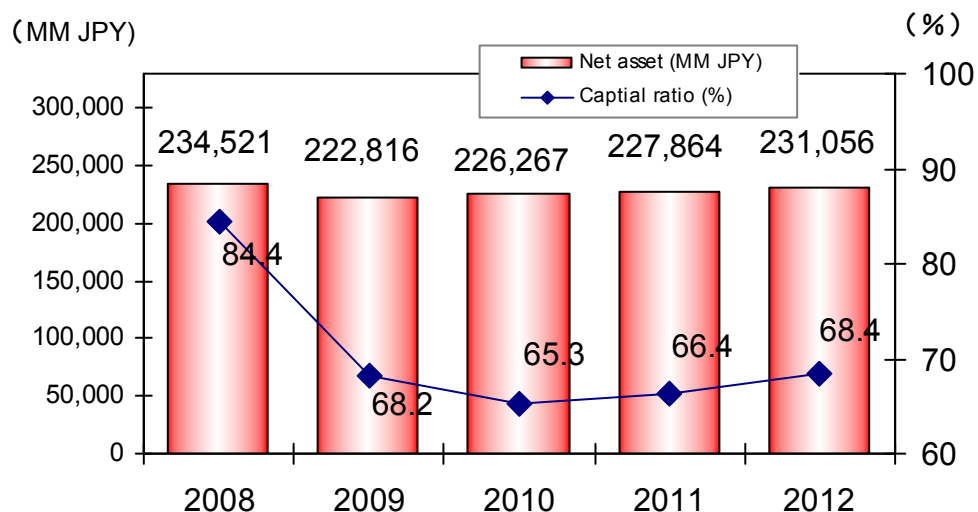


Changes of Management metrics

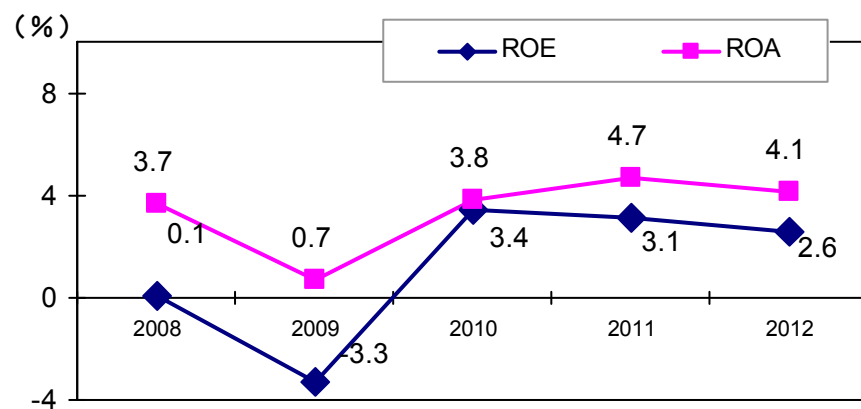
<Operating profit/operating profit ratio>



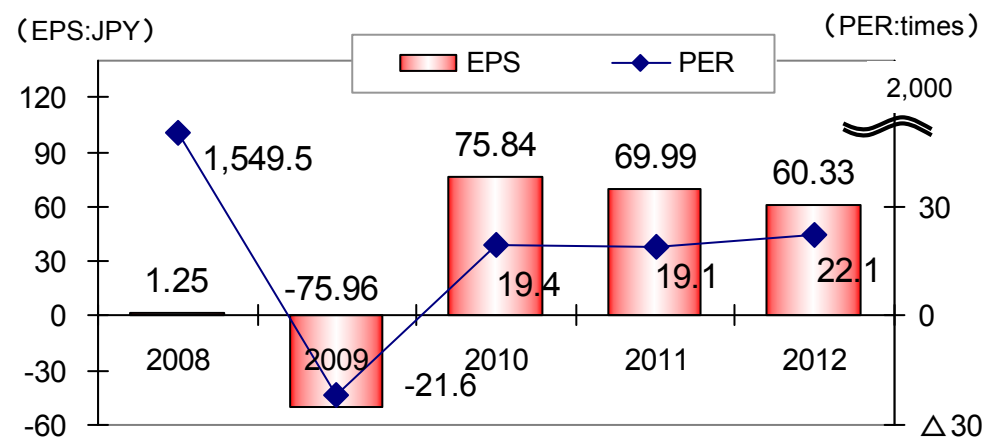
<Net asset/capital ratio>



<ROA/ROE>

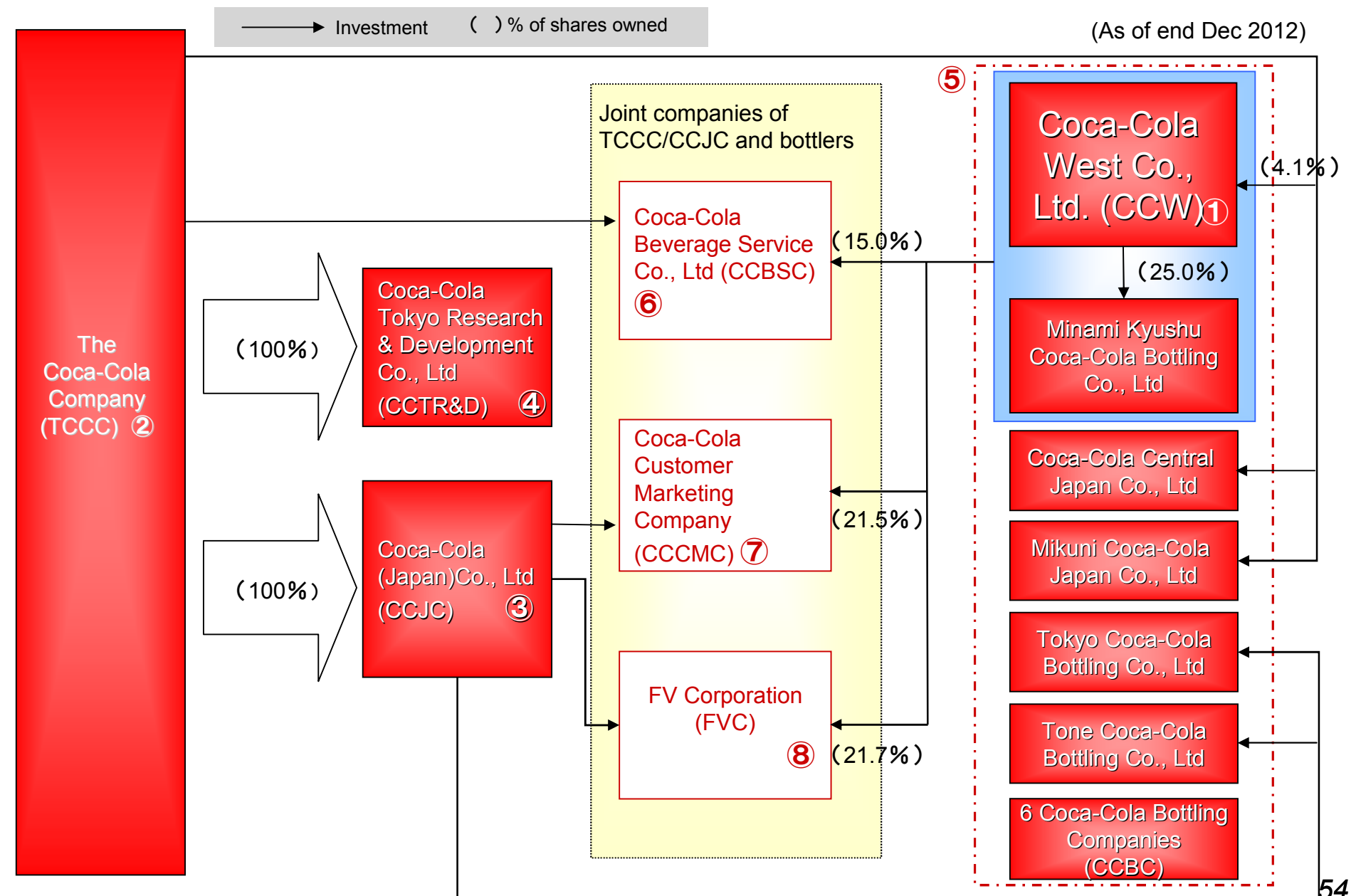


<EPS/PER>



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

Coca-Cola System in Japan – Capital Relationship



Coca-Cola related companies and their roles

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
Channel (Business unit)	
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
Vending	
Regular vending machine	A vending machine offered free of charge to a customer who supervises its operation and uses it to sell products purchased from us
Full service vending machine	A vending machine installed and managed directly by us
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
Chain store	
National chain	National chain supermarket that CCCMC are responsible for negotiating
Regional chain	Chain supermarket that owns its stores in the two or more bottlers' territories
Local chain	Chain supermarket that owns its stores in the single bottler's territory
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	Occasion, Brand, Package, Price, Channel
PicOS	Picture Of Success
HORECA	Hotel, Restaurant, Café, etc

Forward-looking statement

The plans, performance forecasts, and strategies appearing in this material are based on the judgment of the management in view of data obtained as of the date this material was released. Please note that these forecasts may differ materially from actual performance due to risks and uncertain factors such as those listed below.

- Intensification of market price competition
- Change in economic trends affecting business climate
- Major fluctuations in capital markets
- Uncertain factors other than those above