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Coca-Cola **West**

Results briefing for the 2nd quarter of Fiscal Year ending December 2014

August 4, 2014

Coca-Cola West Company, Limited (2579)

[Contact] Planning Department (IR team)

TEL 092-641-8774 FAX 092-641-9128

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

Agenda

I. Overview of account settlement for the 1st half

II. Activity Plan for the 2nd half

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Financial closing for Q2 (Apr-June)

Trend of OTC market share

Mix by brand/by channel

Sales update on vending machines by channel

Q2 Actual sales volume (by channel and by package)

2H Volume target

Performance trend / managerial KPI trend

Coca-Cola System in Japan / Affiliated companies

I. Overview of account settlement for the 1st half

Account settlement for 1H (Jan-June) - Sales Volume

- While market expanded in Q1 driven by demand surge prior to tax raise with volume also exceeded PY, the market as well as our volume dropped in Q2 due to a reverse effect.
- Our market share in 1H also grew both in volume and value.

[Volume]

[Unit: K C/S, %]	Volume	V. Plan		V. PY		[Ref]Real-term comparison V. PY**	
		Diff.	%	Diff.	%	Diff.	%
1H	101,942	-3,645	-3.5	+6,543	+6.9	-1,451	-1.4
Q1	47,503	-148	-0.3	+9,210	+24.1	+1,217	+2.6
Q2	54,440	-3,497	-6.0	-2,668	-4.7	-2,668	-4.7

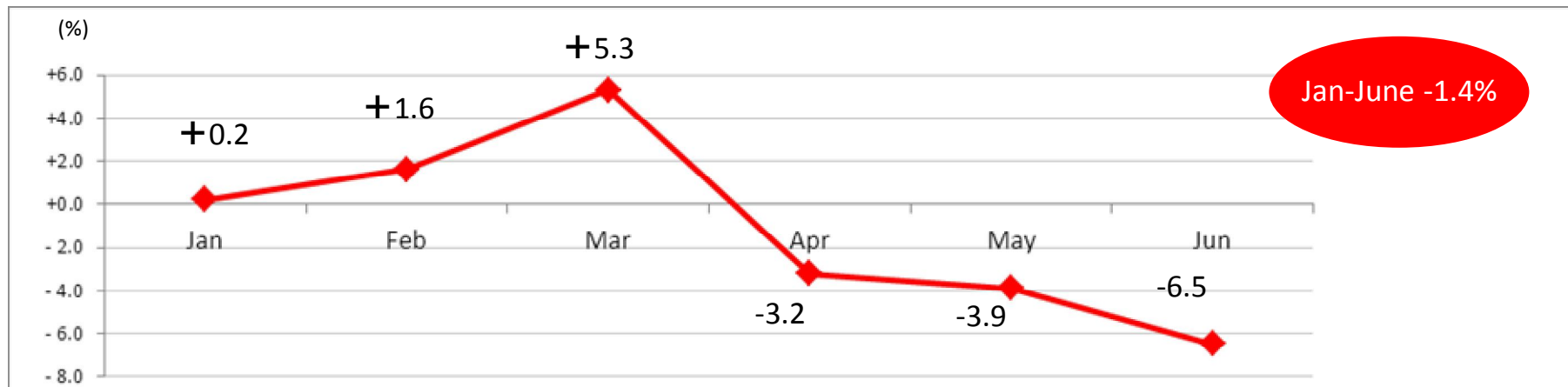
[Market share(OTC)]

(Unit: pts)	V. PY**	
	Volume	Value
1H	+0.8	+0.3

(Source: Intage)

* PY actual includes Jan-Mar of Minami Kyushu.

Monthly volume trend (v. PY*)



Account settlement for 1H (Jan-June) – Volume by channel

- Chain store in total fell behind plan, impacted by Volume underperformance in Supermarket.
 - Supermarket cluster itself shrank after April due to consumption tax hike. Our Volume growth from PY did not bring about going beyond plan.
 - On the other hand, convenience store saw Volume nearly on plan with new launches to growth categories (Bottle CAN and Water MS PET) worked.
- Despite Volume in Vending fell below PY impacted by tax raise, the impact was under our assumptions.

[Ref]Real-term comparison

(Unit: K C/S, %)		1H Actual	V. Plan		V. PY		V. PY ^{**2}	
			Diff.	%	Diff.	%	Diff.	%
Supermarket ^{**1}	30,173	-2,073	-6.4	+3,796	+14.4	+1,767	+6.2	
Convenience store	11,626	-14	-0.1	+883	+8.2	-55	-0.5	
Chain Store Total	41,800	-2,087	-4.8	+4,679	+12.6	+1,713	+4.3	
Vending	28,805	-5	-0.0	+2,081	+7.8	-476	-1.6	
Retail	5,746	-1,057	-15.5	-582	-9.2	-1,373	-19.3	
Food Service	10,657	+739	+7.4	+976	+10.1	+381	+3.7	
Others	14,935	-1,236	-7.6	-611	-3.9	-1,695	-10.2	
Total	101,942	-3,645	-3.5	+6,543	+6.9	-1,451	-1.4	

*1 Supermarket includes drugstore/discount/home center.

*2 PY actual includes Jan-Mar of Minami Kyushu.

Account settlement for 1H (Jan-June)–Volume by package

- While SS PET Volume grew from PY, it has a gap with Plan. On the other hand, the growth was seen with MS PET primarily in Supermarket, indicating worsened Package mix.
 - MS PET Volume increased in Supermarket in March.
(impacted by demand surge prior to tax hike)
- Volume of CAN products was nearly on plan, driven by Bottle CAN growth.
 - With Georgia European renewal, Bottle CAN Volume grew from PY (+9.6%)

[Ref]Real-term comparison

(Unit: K C/S, %)		1H Actual	V. Plan		V. PY		V. PY*	
			Diff.	%	Diff.	%	Diff.	%
PET	Small PET (<1,000ml)	27,726	-2,789	-9.1	+3,019	+12.2	+935	+3.5
	Medium PET (<1,500ml)	751	+52	+7.4	+37	+5.2	-8	-1.0
	Large PET (>=1,500ml)	19,863	+320	+1.6	+2,316	+13.2	+1,041	+5.5
Sub total		48,340	-2,417	-4.8	+5,371	+12.5	+1,968	+4.2
CAN (incl. Bottle CAN)		27,635	-12	-0.0	+1,555	+6.0	-1,188	-4.1
Other		6,644	-58	-0.9	-293	-4.2	-698	-9.5
Syrup, powder		19,324	-1,159	-5.7	-91	-0.5	-1,533	-7.4
Total		101,942	-3,645	-3.5	+6,543	+6.9	-1,451	-1.4

* PY actual includes Jan-Mar of Minami Kyushu.

Account settlement for 1H (Jan-June) – Volume by brand

■ While SSD in total fell behind plan, it exceeded PY.

→ New flavor deployment of "Fanta" and "Schweppes"

→ Good sales of "I Lohas sparkling", enjoyed top share in Sparkling water market.

■ While NST in total fell behind plan, it exceeded PY.

→ Good trend of "Karadasukoyakacha W" launched in April, ranking No.2 brand share in FOSHU tea market.

■ Georgia Volume declined from both plan and PY.

→ With European renewal, Bottle CAN Volume grew.

[Ref] Real-term comparison

	(Unit: k C/S, %)	1H Actual	V. Plan		V. PY		V. PY ^{*2}	
			Diff.	%	Diff.	%	Diff.	%
Core 8	Coca-Cola	7,268	-257	-3.4	+628	+9.5	+127	+1.8
	Coca-Cola Zero	3,324	-391	-10.5	+203	+6.5	-15	-0.4
	Fanta	4,184	+30	+0.7	+413	+11.0	+120	+3.0
	Georgia	22,622	-205	-0.9	+1,764	+8.5	-665	-2.9
	Sokenbicha	5,168	-740	-12.5	+123	+2.4	-124	-2.3
	Aquarius	8,853	-430	-4.6	+80	+0.9	-407	-4.4
	Ayataka	7,081	-170	-2.3	+1,282	+22.1	+526	+8.0
	I-Lohas	5,123	+185	+3.8	+874	+20.6	+609	+13.5
	Subtotal	63,624	-1,978	-3.0	+5,367	+9.2	+171	+0.3
	Others	18,995	-508	-2.6	+1,266	+7.1	-89	-0.5
	RTD ^{*2} Total	82,619	-2,486	-2.9	+6,633	+8.7	+82	+0.1
	Syrup, Powder	19,324	-1,159	-5.7	-91	-0.5	-1,533	-7.4
	Total	101,942	-3,645	-3.5	+6,543	+6.9	-1,451	-1.4

*1 Packaged product *2 PY actual includes Jan-Mar of Minami Kyushu.

Account settlement for 1H (Jan-June)

(Unit: MM JPY, %)

	2014 1H Actual	Plan [※]	V. Plan		2013 1H Actual	V. PY	
			Diff.	%		Diff.	%
Revenue	203,145	209,300	-6,154	-2.9	196,225	+6,919	+3.5
Gross Profit	102,260	106,300	-4,039	-3.8	98,227	+4,032	+4.1
Operating Profit	2,855	3,200	-344	-10.8	4,783	-1,927	-40.3
Ordinary Profit	2,878	2,000	+878	+43.9	5,672	-2,793	-49.3
Net Profit	859	300	+559	+186.3	11,056	-10,196	-92.2

* Plan: Figures based on the performance forecast announced on April 30, 2014

[Ref]Real-term comparison (PY actual includes Jan-Mar of Minami Kyushu.)

(Unit: MM JPY, %)

	2014 1H Actual	V. PY	
		Diff.	%
Revenue	203,145	-6,250	-3.0
Operating Profit	2,855	-1,418	-33.2

Account settlement for 1H (Jan-June) – Causes of Difference (comparison with Plan*)

(unit : 100 MM JPY)

	Plan*	2014 H1 Actual	Diff.
Revenue	2,093	2,031	-61
Gross Profit	1,063	1,022	-40
Operating Profit	32	28	-3
Ordinary Profit	20	28	+8
Net Profit	3	8	+5

Key Factors	Diff.
•Coca-Cola Business	-45.0
•Healthcare & Skincare Business	-16.5
•Coca-Cola Business	-27.0
•Healthcare & Skincare Business	-13.3
SG&A Expenses Increase / Decrease	
•Personnel Expenses (D)	+6.0
•Sales Promotion/Advertising Expenses (I)	-1.2
•Sales Commision (I)	-4.9
•Selling Equipment Expenses (D)	+4.9
•Outsourcing Expenses (D)	+2.8
•Logistic Expenses (D)	+2.1
•Repairing Expenses (D)	+2.2
•Maintenance Expenses (D)	+1.6
•Depreciation Expenses (D)	+4.0
•Healthcare & Skincare Business (D)	+9.4
•Non-operating Income (I)	+3.4
•Non-operating Expenses (D) (retirement of fixed asset)	+8.7
•Extraordinary Loss (I) (Labeling Expenses and others)	-2.5

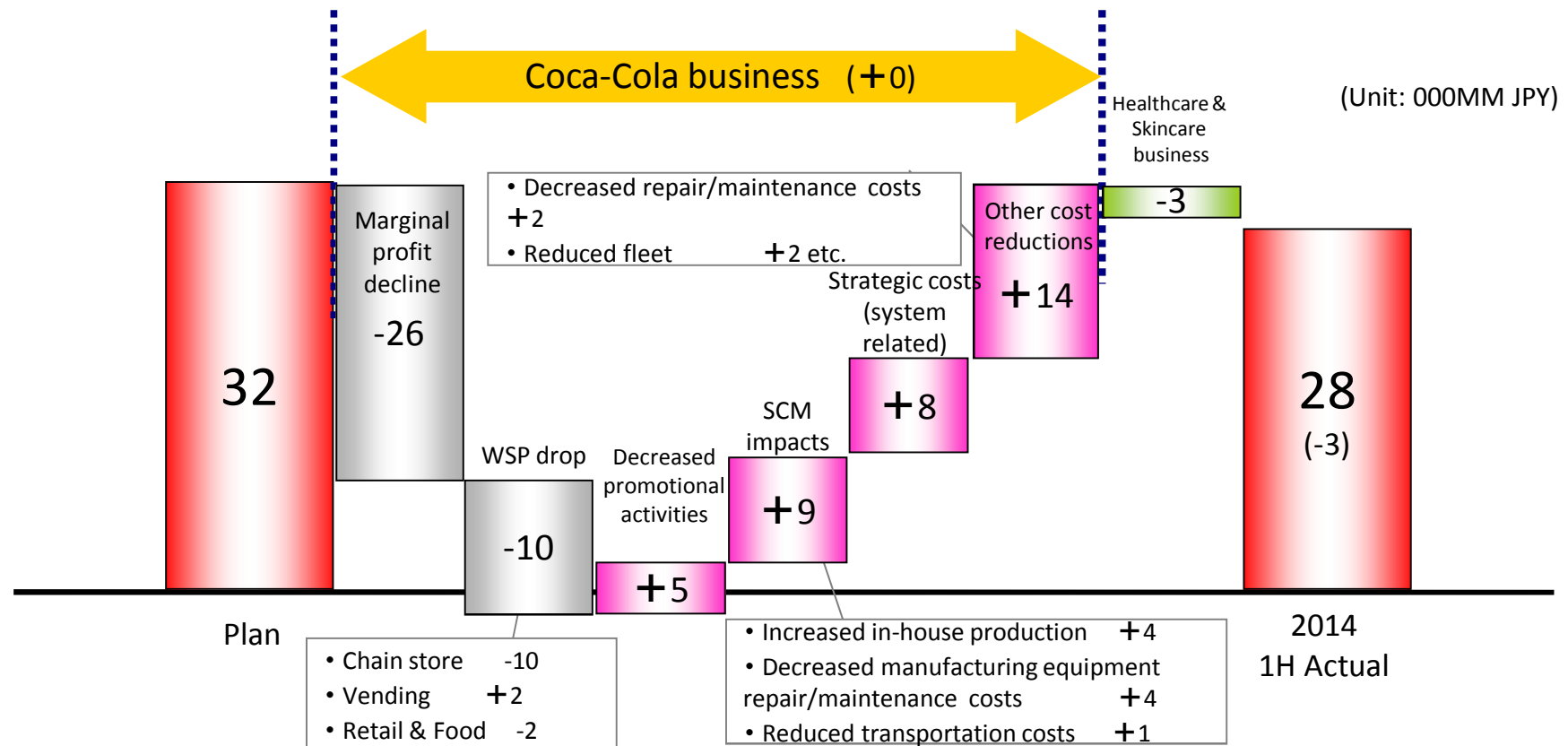
* Plan: Figures based on the performance forecast announced on April 30, 2014

Account settlement for 1H (Jan-June)

– Causes of Difference in operating income (Comparison with Plan)

Marginal profit in Coca-Cola business fell behind plan due to Volume underperformance or worsened package mix. Wholesale price decline in trade also brought down profit below plan by 1 Billion JPY. On the other hand, operating income recorded nearly on plan thanks to SCM impacts more than planned and accelerated corporate-wide cost reductions.

Healthcare & Skincare business saw Revenue behind plan due to “incorrect product labeling” by Nippon Supplement with operating income -300 MM JPY V. Plan.



Account settlement for 1H (Jan-June) – Causes of Difference (Comparison with PY)

(unit : 100 MM JPY)

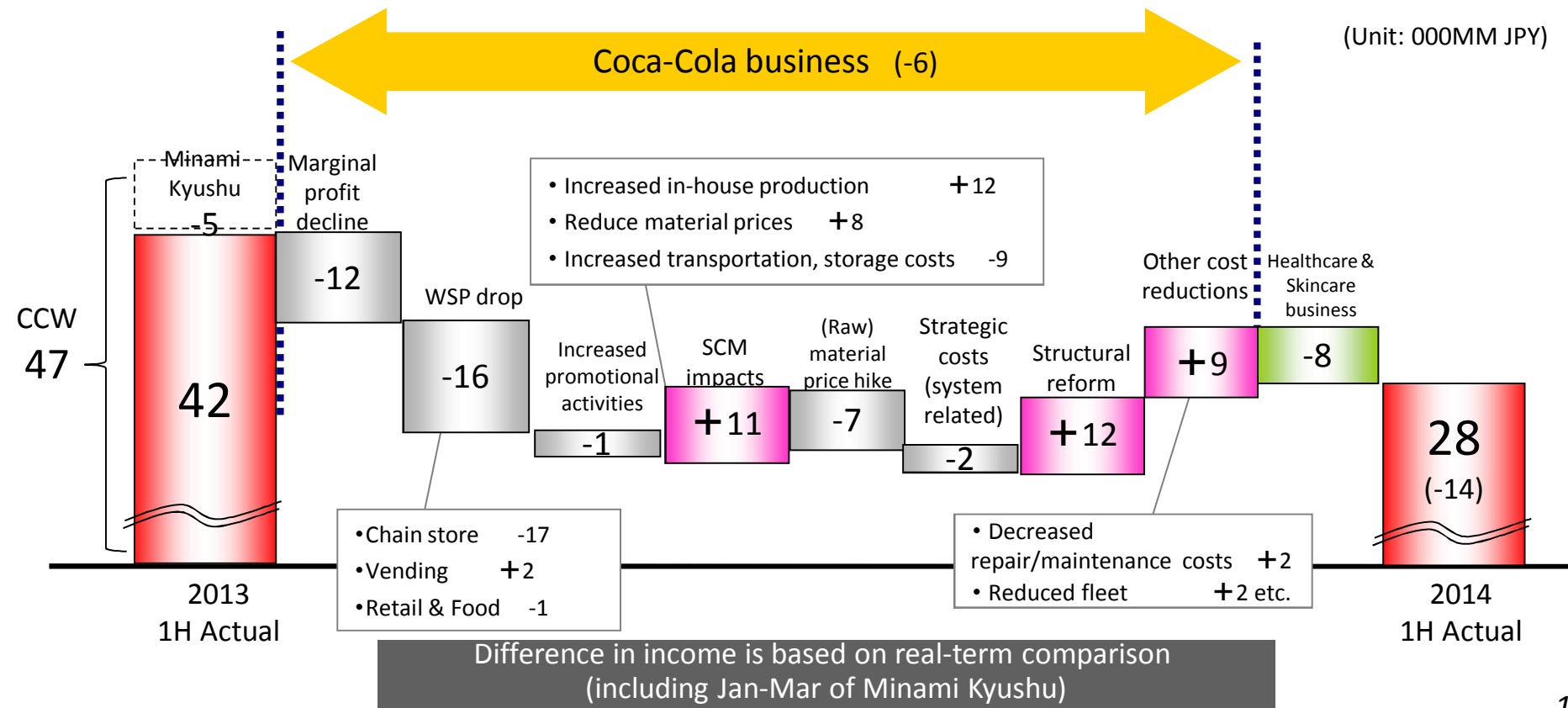
	2013	2014 H1 Actual	Diff.	Key Factors	Diff.
Revenue	1,962	2,031	+69	•Coca-Cola Business •Healthcare & Skincare Business	+85.7 -16.5
Gross Profit	982	1,022	+40	•Coca-Cola Business •Healthcare & Skincare Business	+53.3 -13.0
Operating Profit	47	28	-19	SG&A Expenses Increase / Decrease • Personnel Expenses (I) • Sales Promotion/Advertising Expenses (I) • Sales Commision (I) • Selling Equipment Expenses (D) • Outsourcing Expenses (I) • Logistic Expenses (I) • Depreciation Expenses (I) • Healthcare & Skincare Business (D)	-2.7 -13.1 -12.5 +3.9 -14.4 -20.2 -3.9 +4.9
Ordinary Profit	56	28	-27	• Non-operating Income (D) (Investment Gain on Equity Method)	-7.5
Net Profit	110	8	-101	• Extraordinary profits (D) (Gain on Negative Goodwill and others) • Extraordinary Loss (D) (Loss on Step Acquisition) • Corporation Tax (D)	-143.7 +58.1 +11.3

Account settlement for 1H (Jan-June)

– Causes of Difference in operating income (Comparison with PY)

In addition to the impact from worsened channel mix, Coca-Cola business remains to face challenges with huge profit loss from WSP drop in Chain store. In spite of structural reform or SCM impacts delivered, operating income dropped by 600 MM JPY V. PY.

Healthcare & Skincare business lost profit by 800 MM JPY V. PY with investments as Strategic costs (system related) to achieve long-term growth as well as the impact from “incorrect product labeling”.



II. Plans for the 2nd half

Thinking behind the 2nd half plan

- For Cola-Cola business, we have revised the 2nd half industry growth forecast by channel in view of the 1st half industry situation. We have then modified our sales volume plan based on the newly revised industry growth forecast.
- In the 2nd half, we aim to improve marginal profit by focusing on the following two programs.
 - Improve revenue per case and grow revenue and profit through sales volume growth in Supermarket
 - Grow revenue by increasing incremental vending machines

The 2nd half sales volume plan (July to December)

■ The 2nd half sales volume plan has been revised in view of the 1st half market environment.

Sales plan by channel

	(Unit: K C/S, %)	2H Plan	PY	V. PY	
				Diff	%
Supermarket ※1		42,258	38,206	+4,052	+10.6
Convenience store		13,990	12,917	+1,073	+8.3
Chain Store Total		56,248	51,123	+5,125	+10.0
Vending		32,834	32,909	-75	-0.2
Retail		6,859	8,684	-1,825	-21.0
Food Service		13,236	11,693	+1,543	+13.2
Others		17,204	17,551	-346	-2.0
Total		126,381	121,959	+4,422	+3.6

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

Sales plan by brand

	(Unit: K C/S, %)	2H Plan	V. PY	
			Diff	%
Coca-Cola		8,980	+338	+3.9
Coca-Cola Zero		4,195	+267	+6.8
Fanta		5,432	+135	+2.6
Georgia		23,945	+57	+0.2
Sokenbicha		6,723	-67	-1.0
Aquarius		14,504	+381	+2.7
Ayataka		9,993	+1,360	+15.8
I-Lohas		6,877	+1,584	+29.9
Subtotal		80,650	+4,055	+5.3
Others		22,282	-828	-3.6
RTD ※2 Total		102,932	+3,228	+3.2
Syrup, Powder		23,449	+1,195	+5.4
Total		126,381	+4,422	+3.6

※2 Packaged products

Improve profitability and market share in supermarket

- Focus on selling single-serve and multi-serve packages in supermarket to expand profit, revenue and market share

Focusing on selling small PET (improve pack mix)

- ▶ Intensify programs to capture more points of connection

【Regular PoCs】To ensure full listing of key SKUs

【Critical PoCs】(Checkout, liquor, bakery, deli and snack)

→ Merchandise products right for each PoC type

Vs. end Q2 + 6,000 PoCs
(20,000 PoCs)

- ▶ Reinforce critical products

【Karada Sukoyakacha W】

→ Sell multi-pack (6-pack)

【I Lohas Sparkling】

→ Sell twin pack (near-pack promotion)



Strengthen sales of large PET (expand market share)

- ▶ Expand points of connection

→ Fully activate campaigns and themed programs

→ Ensure optimal prices by customer by SKU



Coca-Cola TM
Summer Campaign



Aquarius TM
Anti-heatstroke



Ayataka Maroyakajitate
(increased exposure)

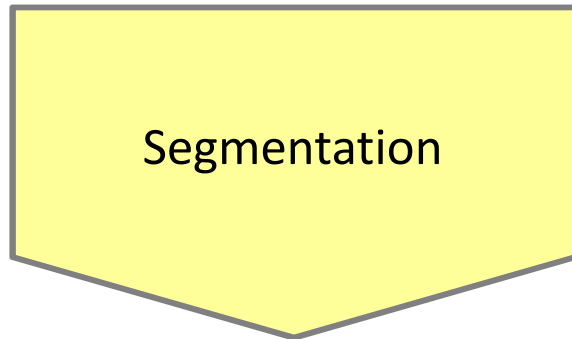


CCW original
campaign

(Design subject to change)

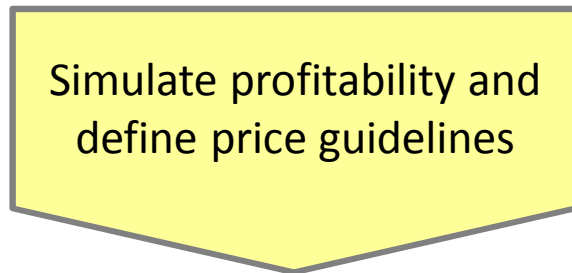
Improve profitability and market share in supermarket

- Based on analysis by region (prefecture) and by customer, devise and execute granular marketing strategy to grow both revenue per case and market share for profit expansion



More granular analyses by customer

- Group and classify customers in each region (prefecture) based on key metrics like ROI, revenue level, potential growth and category competitive environment



Grow revenue per case and market share

- Clarify strategy for each customer based on segmentation
- Define price guideline by SKU




Ensure full market execution and reinforce tracking

- Define talking points and identify issues by customer for negotiation and clarify timeline
- Fully execute strategy aligned with customer's business plan
- Track negotiation progress and outcome daily, weekly and monthly

Growing vending revenue

■ Reinforce placement and retention programs to increase the number of our machines

Placement	<ul style="list-style-type: none">• Strengthen prospecting programs by mobilizing the entire CCW group<ul style="list-style-type: none">→ Clarify and enhance the list of indoor new and existing customers (across all channels)→ Zero in on specific regions and competitors for intensive activities• Enhance power-saving proposition leveraging Peak Shift machines<ul style="list-style-type: none">→ Approach businesses subject to revised Energy Saving Act with Peak Shift machine proposition→ Leverage media and direct mail• Capture locations owned by third party operators• Utilize contact centers for prospecting	
Retention	<ul style="list-style-type: none">• Build stronger ties with existing customers• Renew older vending machines (4,500 units)	

2nd half
Incremental
gains +3,000 machines

Expand convenience store revenue

■ Introduce customer exclusive products and deploy promotions focusing on key products

Introduce customer exclusive products

- ▶ Coca-Cola Lemon 500ml PET
- ▶ Aquarius Refresh Ice 500ml PET
- ▶ Canada Dry Sparking Peach 500ml PET

June 30 launch



Strengthen sales of key products

- ▶ Promote Georgia
→ Reinforce core products, new launches and autumn campaigns (TBD)



Emerald Mountain Blend (20th anniversary)

European

Summer only products

- ▶ Run customer specific promotions
→ Loyalty points, bundle selling etc



Galvanize channels and brands

Galvanize channels by running “summer campaign” promotions

Supermarket



Coca-Cola original air bucket

Vending



McDonald's free coupon

Roll out brand specific campaigns to re-energize core brands

Coca-Cola TM



Coca-Cola Ice bottle



Limited time only packages

Aquarius



Anti-heat stroke campaign (near pack)

Non-sugar tea



Summer campaign (near pack)

Full year (Jan – Dec) consolidated performance plan

- Full year operating income plan shall be 16.7 billion JPY on a consolidated basis.
(as announced on Apr 30.)

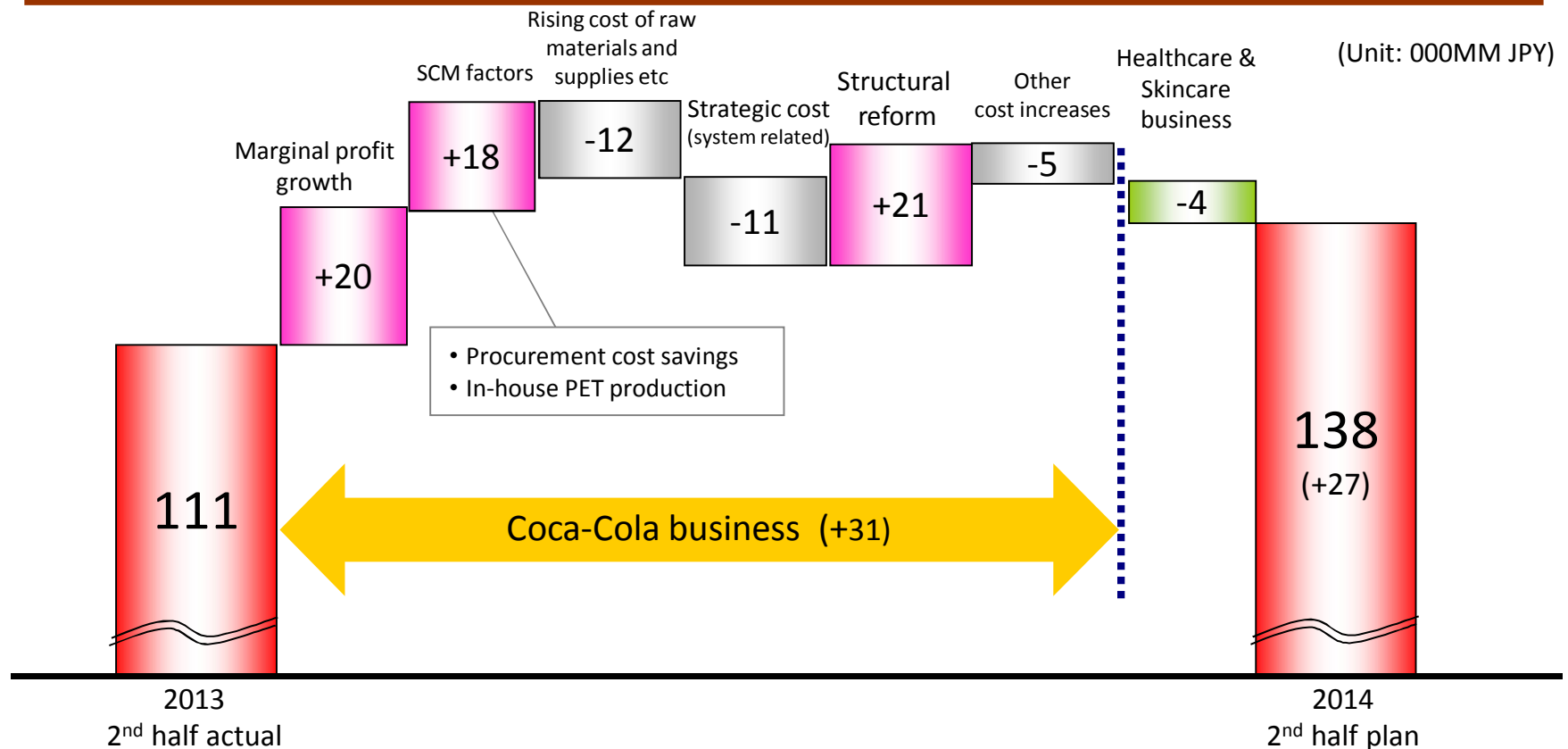
(Unit: MM JPY, %)

	2014 FY Plan	V. PY	
		Diff.	%
Revenue	454,300	+22,588	+5.2
Gross Profit	231,200	+15,912	+7.4
Operating Profit	16,700	+772	+4.8
Ordinary Profit	15,300	-1,306	-7.9
Net Profit	7,600	-6,025	-44.2

2nd half plan (Jul to Dec) - Scenario for delivering operating income plan (vs.2013)

For Coca-Cola business, we aim to grow marginal profit by improving supermarket profit and share and achieving gains in the number of vending machines. Our operating income plan assumes a year-on-year improvement by 3.1 billion JPY driven by SCM cost savings and structural reform profit gains.

In Healthcare & Skincare business, despite planned revenue increase, our plan foresees a 400-million JPY profit decline vs. 2013 due to investment for future growth.



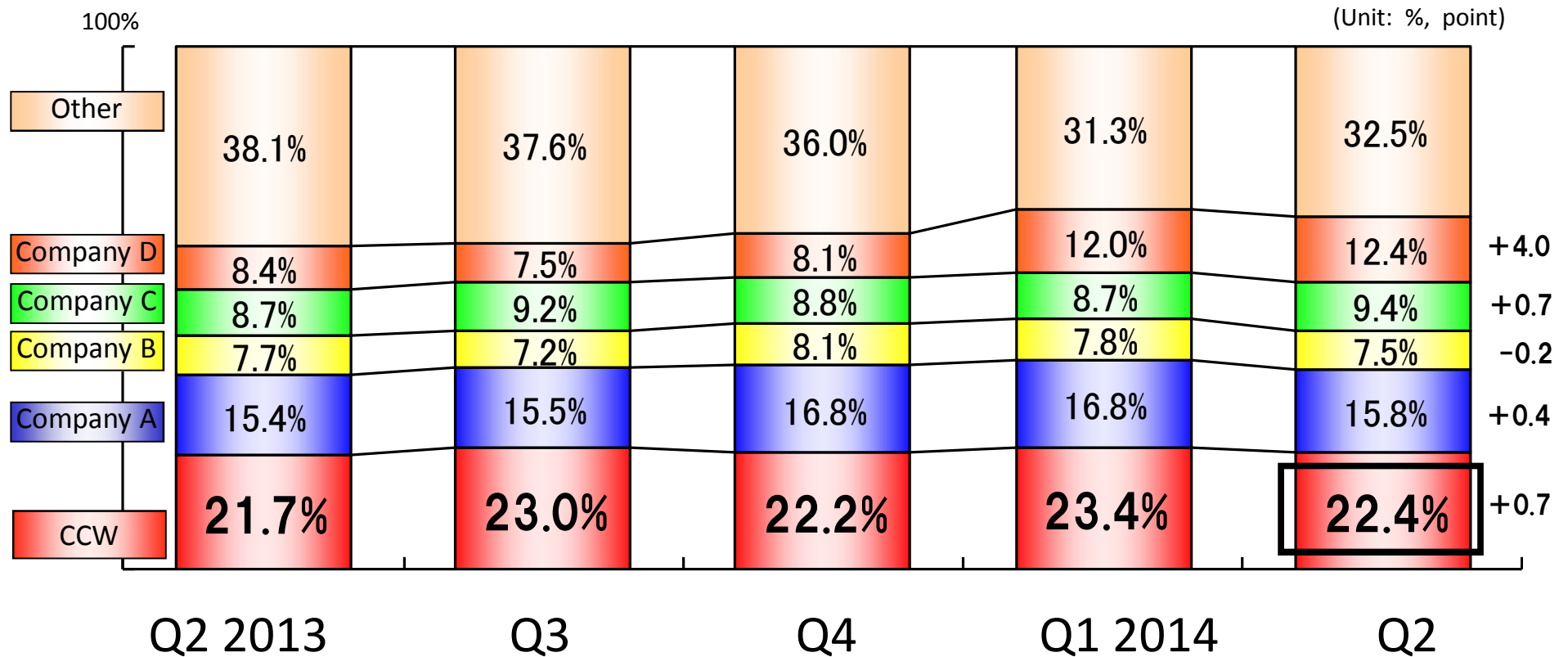
[Reference]

Account settlement for Q2 (April-June)

(Unit: MM JPY, %)

	FY 2014 Q2 Actual	Plan	V. Plan		FY 2013 Q2 Actual	V. PY	
			Diff.	%		Diff.	%
Revenue	108,241	113,600	-5,358	-4.7	113,567	-5,326	-4.7
Gross Profit	55,037	57,500	-2,462	-4.3	57,322	-2,284	-4.0
Operating Profit	4,228	4,800	-571	-11.9	5,151	-923	-17.9
Ordinary Profit	4,280	3,900	+380	+9.8	5,058	-777	-15.4
Net Profit	1,934	1,800	+134	+7.5	10,734	-8,800	-82.0

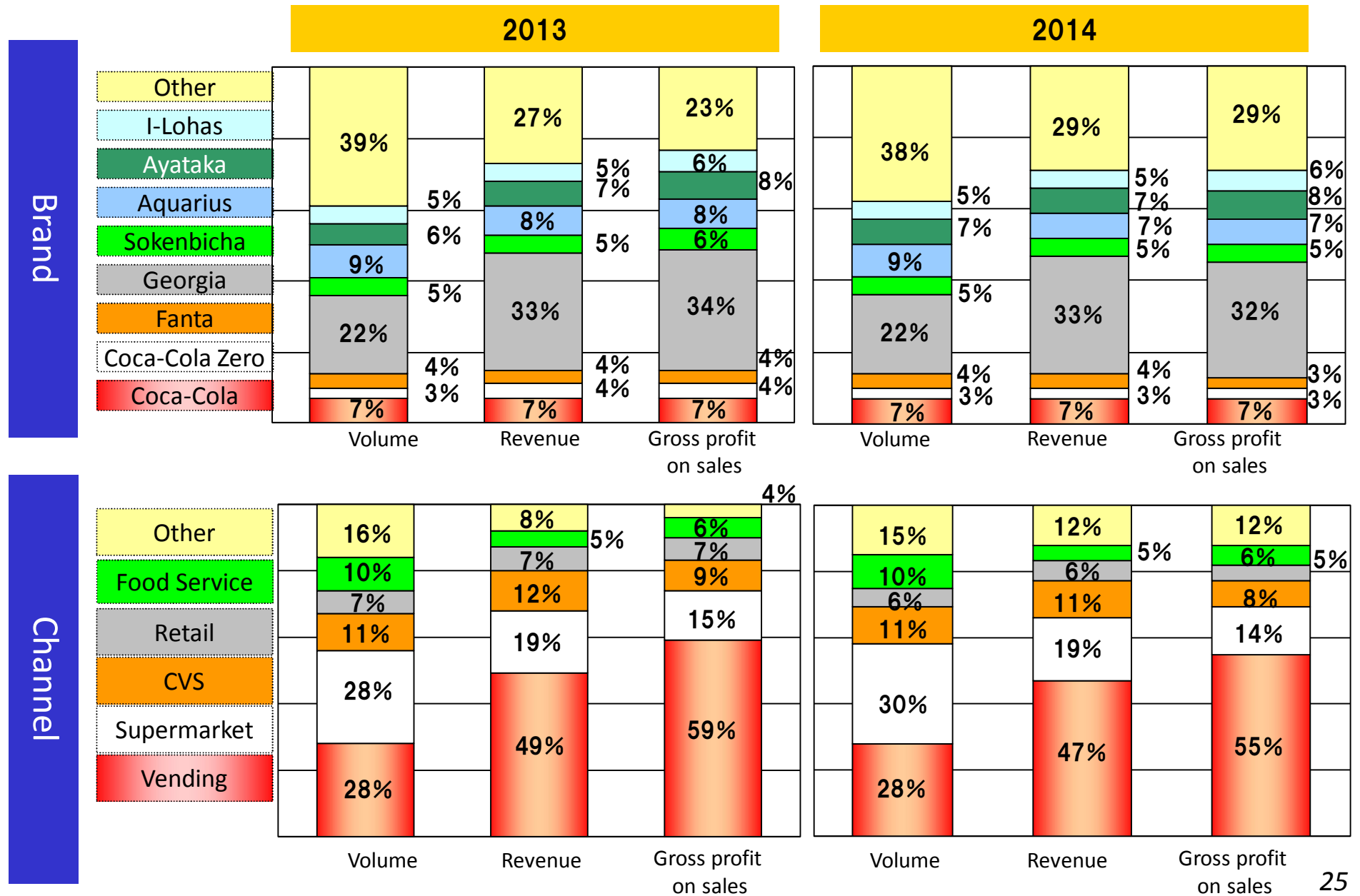
Trend of OTC market share (Except for VM)



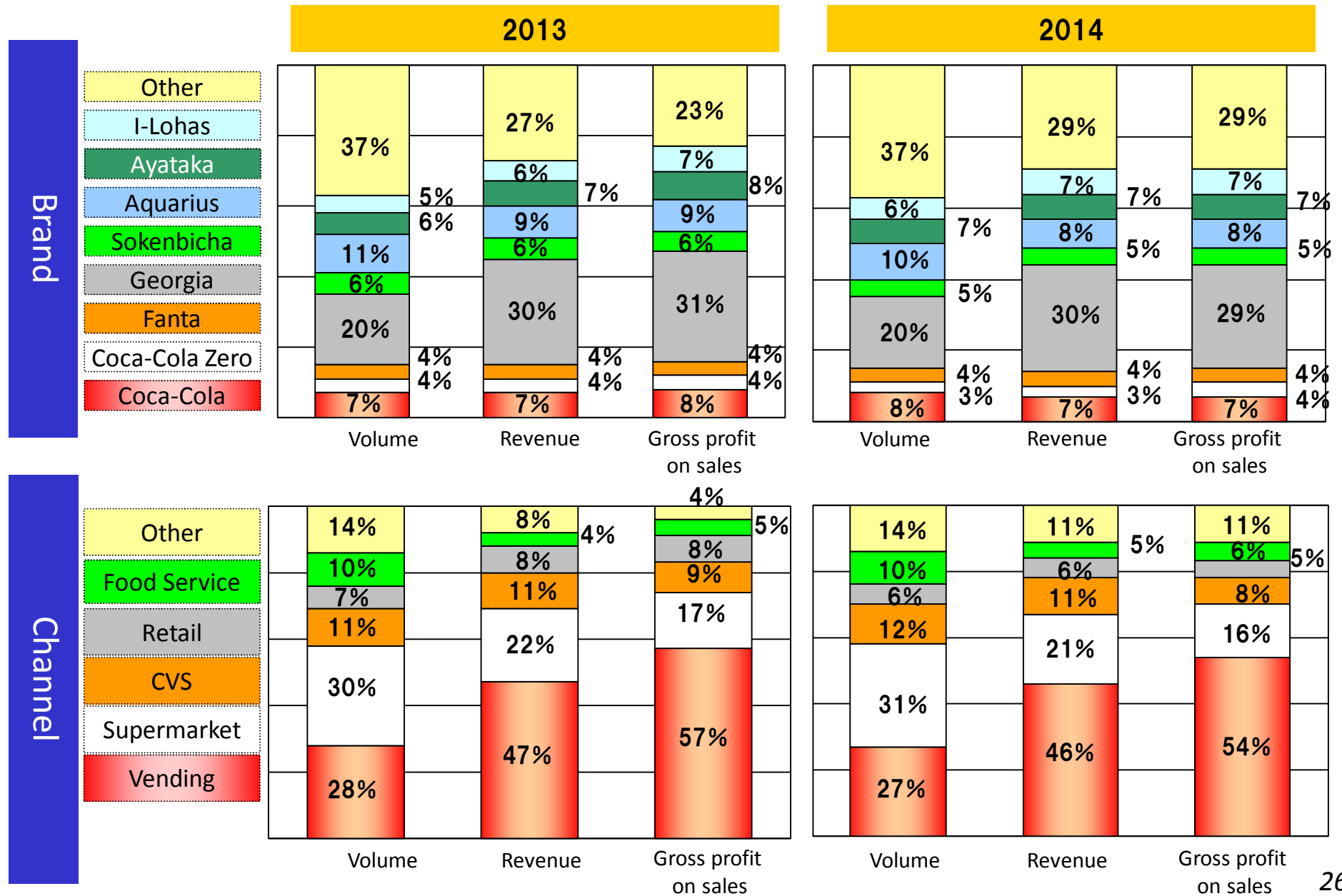
•Values put on side of bars shows year-over-year variances.

(Source: Intage)

Account settlement for 1H (Jan-June) – Mix by brand/by channel



Account settlement for Q2 (April-June) – Mix by brand/by channel



Sales update on vending machines by channel

Vs. PY of VPM* of Full Service CAN VM

Sub Channel	V. PY (%)						
	Jan	Feb	Mar	Apr	May	Jun	YTD
At-work White	-2.6	-1.6	-2.9	-2.5	-7.7	-4.5	-3.7
At-work Blue	+0.8	+0.7	-0.9	+0.9	-5.9	-3.2	-1.4
Mass Retailer	-5.1	-3.3	-2.9	-6.9	-10.0	-8.0	-6.1
Transport	+0.1	+0.7	+0.4	-4.9	-7.9	-6.4	-3.3
School	+2.5	+1.1	-2.7	+1.0	-8.8	-4.7	-2.9
Amusement	-1.7	-3.9	-1.8	-10.1	-7.2	-3.9	-4.8
Pachinko	-4.4	-4.7	-4.6	-6.6	-6.4	-8.1	-5.8
Sports Facility	-0.4	-2.8	-4.9	-5.6	-7.3	-6.3	-4.9
Hospital	-2.7	-1.1	-3.0	-4.1	-9.5	-7.7	-4.9
Accomodation	-1.0	-1.3	+1.6	-2.9	-8.0	-6.0	-3.1
Other Indoor	-3.2	-1.5	-2.9	-3.6	-9.4	-6.4	-4.7
Outdoor	-1.6	+0.6	-4.3	-4.3	-13.2	-10.6	-6.1
Total	-1.8	-1.0	-2.9	-3.6	-9.0	-6.8	-4.4

* Sales volume per vending machine

Account settlement for 1H (Jan-June)–volume by channel and package

■ Chain Store

(Unit: K C/S, %)	1H Actual	V. Plan		V. PY	
		Diff	%	Diff	%
Small PET (<1,000ml)	14,537	-1,947	-11.8	+2,367	+19.5
Medium PET (<1,500ml)	690	+48	+7.5	+39	+6.0
Large PET (>=1,500ml)	18,458	+309	+1.7	+2,075	+12.7
Can	6,679	-755	-10.2	+18	+0.3
Others	1,436	+258	+21.9	+180	+14.3
Total	41,800	-2,087	-4.8	+4,679	+12.6

[Ref] Real comparison

V. PY [※]	
Diff	%
+1,449	+11.1
-1	-0.2
+882	+5.0
-667	-9.1
+50	+3.6
+1,713	+4.3

■ Vending

(Unit: K C/S, %)	1H Actual	V. Plan		V. PY	
		Diff	%	Diff	%
Small PET (<1,000ml)	10,060	-382	-3.7	+536	+5.6
Large PET (>=1,500ml)	103	-109	-51.6	-33	-24.5
Can	15,910	+311	+2.0	+990	+6.6
Others (Bottle can, etc.)	2,188	+211	+10.7	+486	+28.5
Syrup, Powder	544	-35	-6.0	+102	+23.1
Total	28,805	-5	-0.0	+2,081	+7.8

V. PY [※]	
Diff	%
-258	-2.5
-45	-30.7
-297	-1.8
+304	+16.1
-180	-24.8
-476	-1.6

■ Retail & Food Service

(Unit: K C/S, %)	1H Actual	V. Plan		V. PY	
		Diff	%	Diff	%
Small PET (<1,000ml)	2,828	-208	-6.9	+156	+5.8
Medium PET (<1,500ml)	58	+0	+0.1	-2	-3.6
Large PET (>=1,500ml)	1,189	+8	+0.7	+164	+16.0
Can	1,603	-67	-4.0	-88	-5.2
Others	1,094	+96	+9.7	+80	+7.9
Syrup, Powder	9,630	-147	-1.5	+84	+0.9
Total	16,403	-318	-1.9	+394	+2.5

V. PY [※]	
Diff	%
-133	-4.5
-6	-9.4
+94	+8.6
-446	-21.8
-16	-1.4
-486	-4.8
-992	-5.7

※ PY actual figures include Jan-Mar performance of Minami Kyushu CCBC.

Account settlement for Q2 (April-June) –Volume by channel

(Unit: K C/S, %)		Q2 actual	V. Plan		V. PY	
			Diff	%	Diff	%
	Supermarket	16,944	-2,755	-14.0	-328	-1.9
	Convenience store	6,280	+309	+5.2	+326	+5.5
	Chain Store Total	23,223	-2,447	-9.5	-2	-0.0
	Vending	14,902	-373	-2.4	-792	-5.0
	Retail	3,116	-530	-14.5	-965	-23.6
	Food Service	5,455	+370	+7.3	+2	+0.0
	Others	7,744	-517	-6.3	-911	-10.5
	Total	54,440	-3,497	-6.0	-2,668	-4.7

Account settlement for Q2 (April-June) –Volume by brand

(Unit: K C/S, %)		Q2 Actual	V. Plan		V. PY	
			Diff	%	Diff	%
Core 8	Coca-Cola	4,064	-137	-3.3	-40	-1.0
	Coca-Cola Zero	1,840	-237	-11.4	-108	-5.5
	Fanta	2,281	-141	-5.8	-43	-1.9
	Georgia	10,956	-116	-1.1	-457	-4.0
	Sokenbicha	2,737	-672	-19.7	-507	-15.6
	Aquarius	5,630	-628	-10.0	-792	-12.3
	Ayataka	3,724	-300	-7.5	+87	+2.4
	I-Loas	3,338	+253	+8.2	+575	+20.8
	Subtotal	34,571	-1,978	-5.4	-1,286	-3.6
Others		10,052	-923	-8.4	-367	-3.5
RTD* Total		44,622	-2,901	-6.1	-1,653	-3.6
Syrup, Powder		9,817	-596	-5.7	-1,015	-9.4
Total		54,440	-3,497	-6.0	-2,668	-4.7

*Packaged products

Account settlement for Q2 (April-June) –Volume by package

(Unit: K C/S, %)		Q2 actual	V. Plan		V. PY	
			Diff	%	Diff	%
PET	Small PET (<1,000ml)	15,434	-2,837	-15.5	+70	+0.5
	Medium PET (<1,500ml)	453	+48	+11.9	+2	+0.5
	Large PET (>=1,500ml)	10,925	-250	-2.2	-612	-5.3
PET Total		26,813	-3,039	-10.2	-540	-2.0
Can (Bottle can, etc.)		14,142	+116	+0.8	-714	-4.8
Others		3,668	+22	+0.6	-399	-9.8
Syrup, powder		9,817	-596	-5.7	-1,015	-9.4
Total		54,440	-3,497	-6.0	-2,668	-4.7

Account settlement for Q2 (April-June)–volume by channel and package

Chain Store (Unit: K C/S, %)	Q2 Actual	V. Plan		V. PY	
		Diff	%	Diff	%
Small PET (<1,000ml)	8,399	-1,912	-18.5	+935	+12.5
Medium PET (<1,500ml)	418	+46	+12.2	+9	+2.1
Large PET (>=1,500ml)	10,076	-314	-3.0	-672	-6.3
Can	3,358	-630	-15.8	-447	-11.8
Others	973	+364	+59.7	+174	+21.8
Total	23,223	-2,447	-9.5	-2	-0.0

Vending (Unit: K C/S, %)	Q2 actual	V. Plan		V. PY	
		Diff	%	Diff	%
Small PET (<1,000ml)	5,328	-656	-11.0	-607	-10.2
Large PET (>=1,500ml)	70	-49	-41.3	-32	-31.5
Can	8,128	+437	+5.7	-196	-2.4
Others (Bottle can, etc.)	1,105	-95	-8.0	+125	+12.7
Syrup, Powder	271	-9	-3.1	-82	-23.2
Total	14,902	-373	-2.4	-792	-5.0

Retail & Food Service (Unit: K C/S, %)	Q2 actual	V. Plan		V. PY	
		Diff	%	Diff	%
Small PET (<1,000ml)	1,606	-65	-3.9	-121	-7.0
Medium PET (<1,500ml)	33	+0	+1.3	-6	-14.2
Large PET (>=1,500ml)	667	+1	+0.2	-19	-2.7
Can	783	-50	-6.0	-322	-29.1
Others	582	+59	+11.3	-26	-4.3
Syrup, Powder	4,899	-106	-2.1	-470	-8.8
Total	8,571	-160	-1.8	-963	-10.1

2H (July-Dec) –Volume target by package

		2H Plan	V. PY	
			Diff	%
(Unit: K C/S, %)				
PET	Small PET (<1,000ml)	36,801	+3,009	+8.9
	Medium PET (<1,500ml)	932	-155	-14.2
	Large PET (>=1,500ml)	27,709	+1,598	+6.1
	Total	65,443	+4,452	+7.3
Can (Bottle can, etc.)		29,809	-308	-1.0
Others		7,680	-917	-10.7
Syrup, Powder		23,449	+1,195	+5.4
Total		126,381	+4,422	+3.6

2H (July-Dec) – Volume target by channel and package

Chain Store (Unit: K C/S, %)	2H Plan	V. PY	
		Diff	%
Small PET (<1,000ml)	19,438	+3,314	+20.6
Medium PET (<1,500ml)	856	-136	-13.8
Large PET (>=1,500ml)	25,946	+1,450	+5.9
Can	8,158	+320	+4.1
Others	1,850	+177	+10.6
Total	56,248	+5,125	+10.0

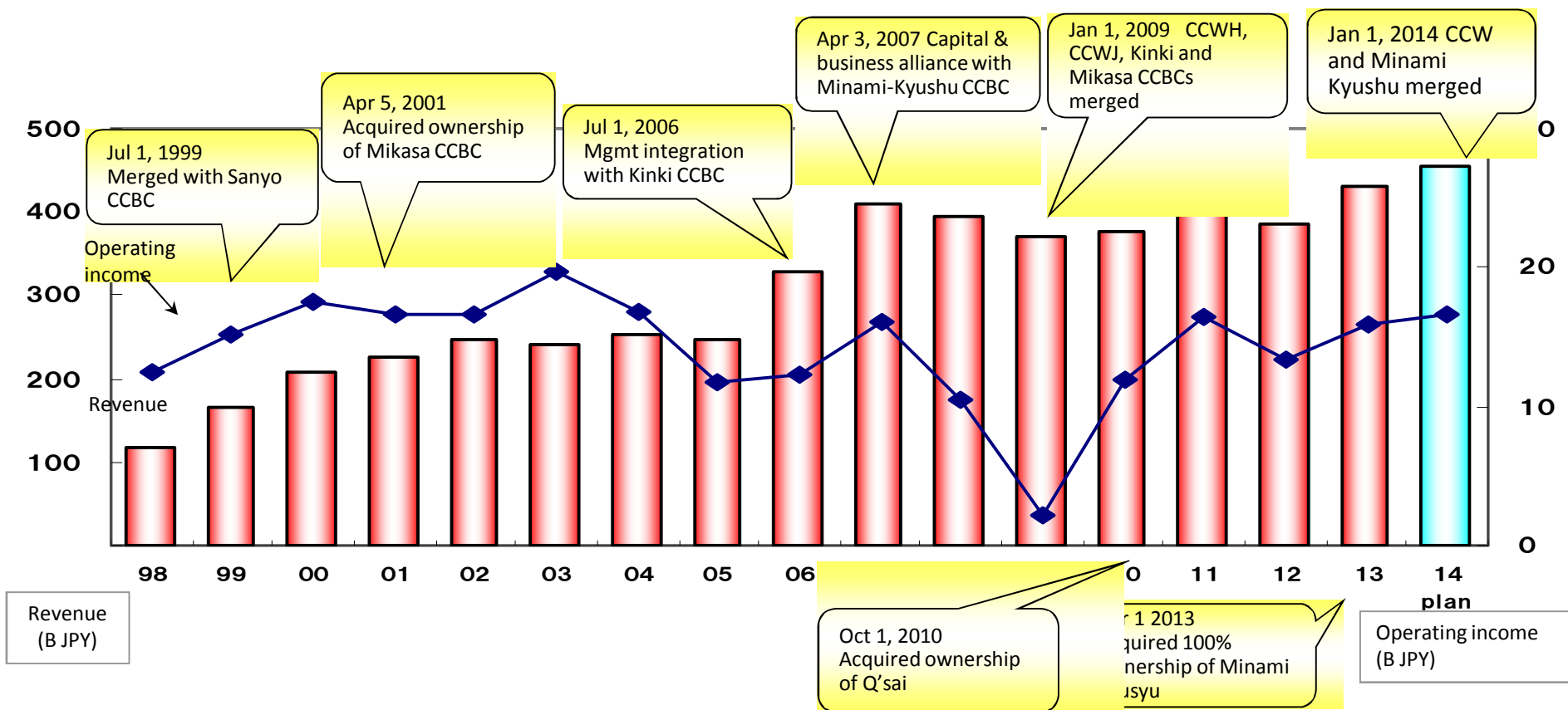
Vending (Unit: K C/S, %)	2H Plan	V. PY	
		Diff	%
Small PET (<1,000ml)	13,393	+114	+0.9
Large PET (>=1,500ml)	100	-46	-31.7
Can	16,412	-228	-1.4
Others (Bottle can, etc.)	2,196	-25	-1.1
Syrup, Powder	733	+111	+17.8
Total	32,834	-75	-0.2

Retail & Food Service (Unit: K C/S, %)	2H Plan	V. PY	
		Diff	%
Small PET (<1,000ml)	3,898	+85	+2.2
Medium PET (<1,500ml)	75	-10	-11.9
Large PET (>=1,500ml)	1,219	-247	-16.8
Can	1,758	-445	-20.2
Others	1,316	+3	+0.2
Syrup, Powder	11,828	+331	+2.9
Total	20,094	-282	-1.4

Performance trend

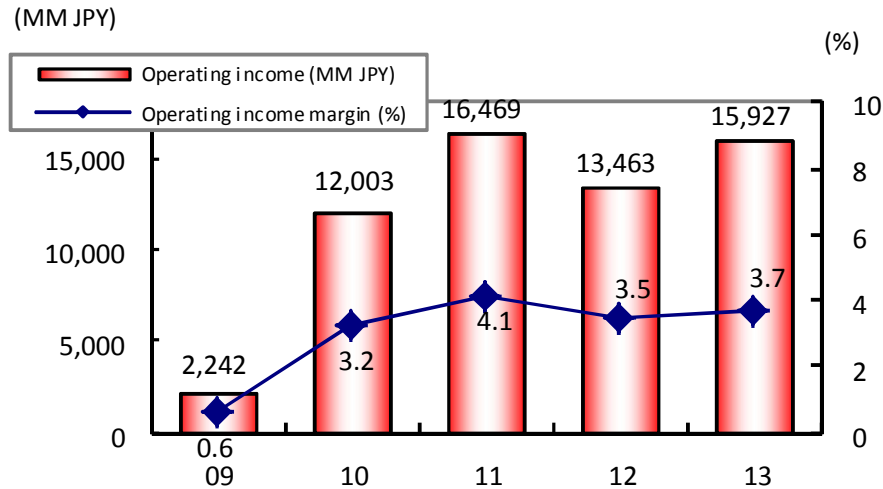
(Unit: MM JPY)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 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	431,711	454,300
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	15,927	16,700
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	13,845	16,606	15,300
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	6,031	13,625	7,600

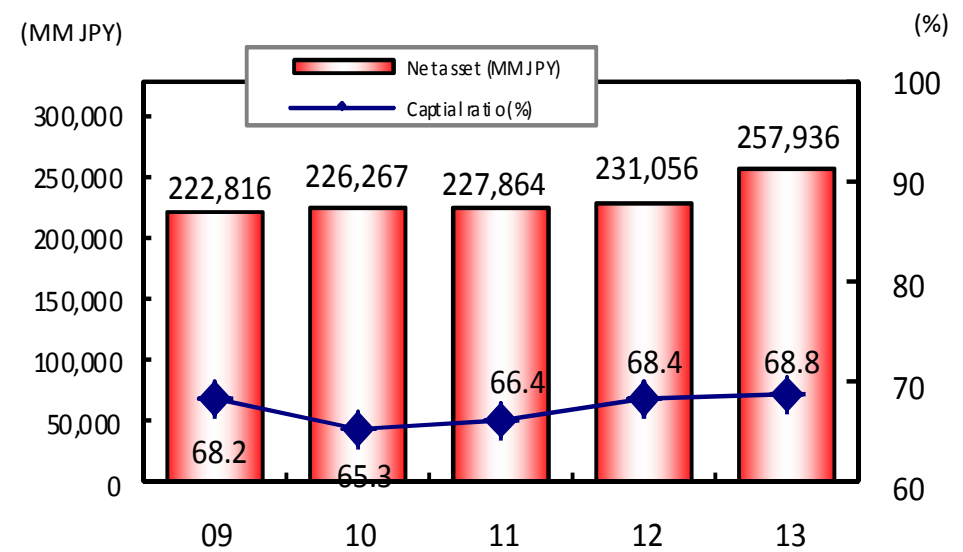


KBI trend

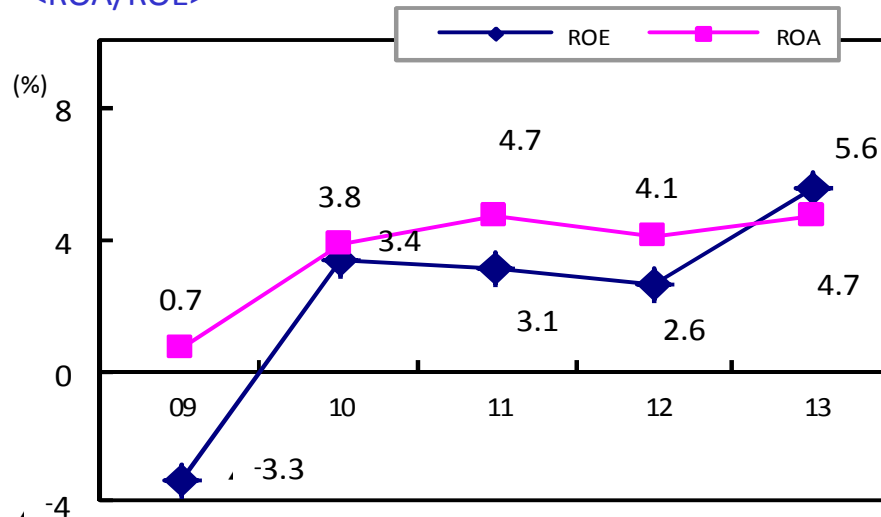
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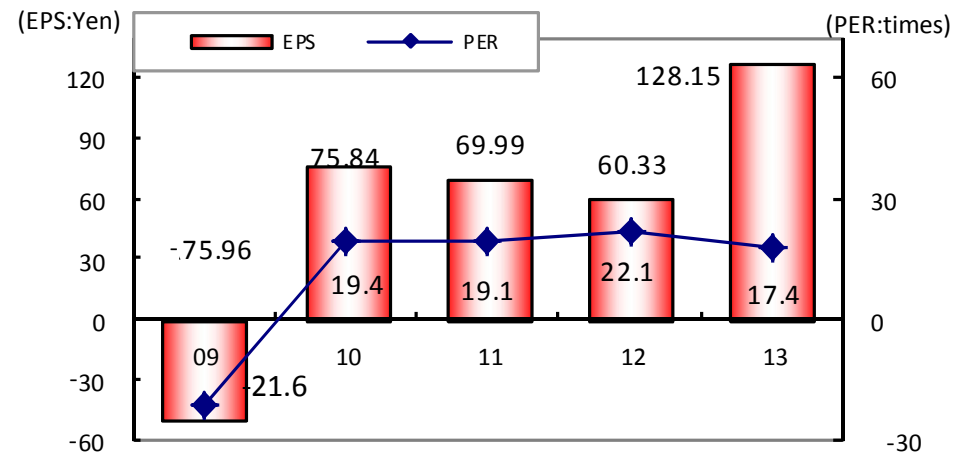
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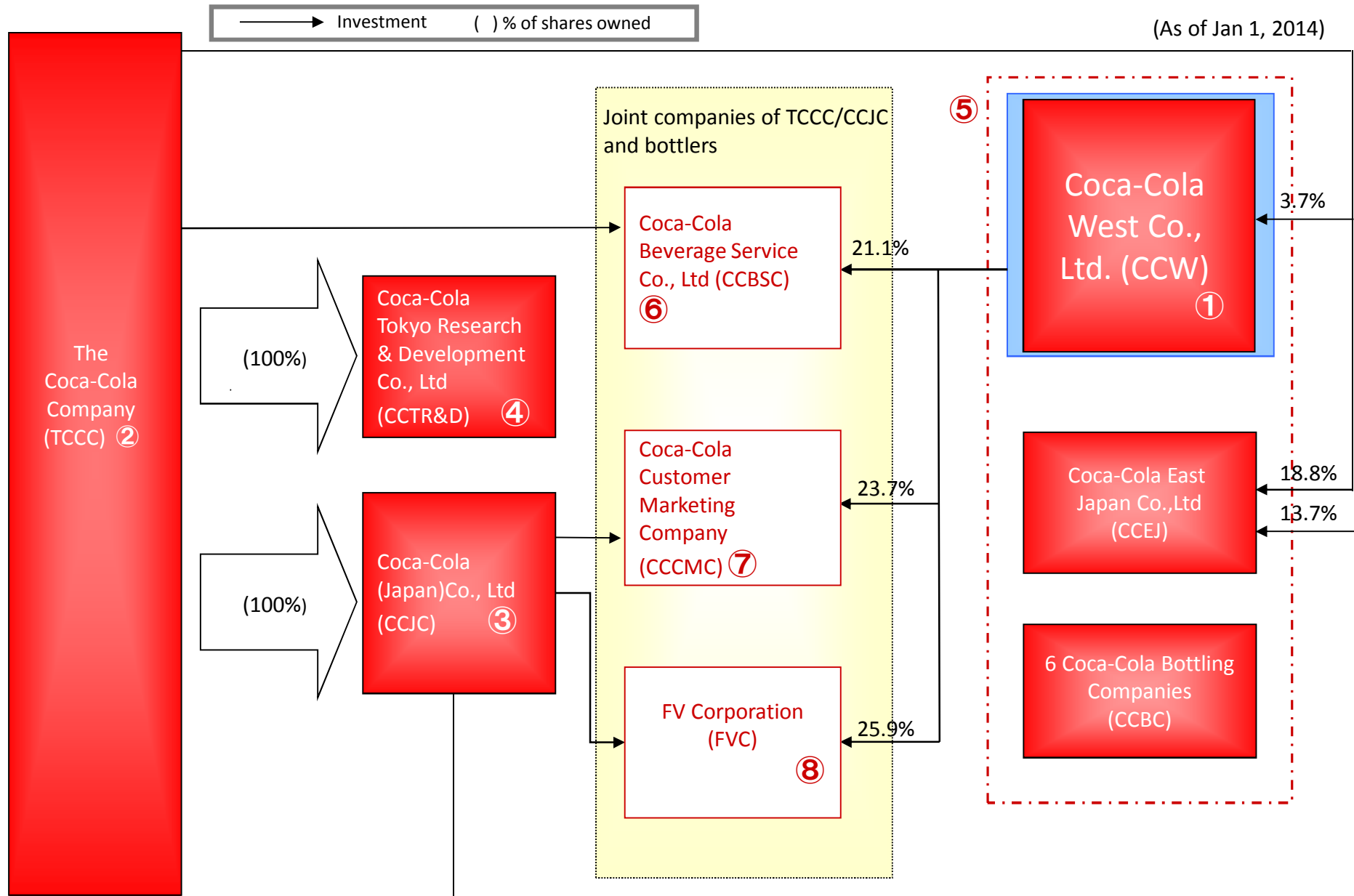
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EPS= net profit for the year/average # of shares in the term
 PER = term-end stock price/EPS

Coca-Cola System in Japan – Capital Relationship

(As of Jan 1, 2014)



Coca-Cola related companies and their roles

① Coca-Cola West Co., Ltd. (CCW)

Coca-Cola West Japan (CCWJ) was established in 1999 by merging Kitakyushu CCBC and Sanyo CCBC. CCWJ acquired ownership of Mikasa CCBC in 2001. In 2006, CCWJ and Kinki CCBC merged the management of both companies, and in 2009 Coca-Cola West Co., Ltd. was established. CCW acquired 100% ownership of Minami Kyushu CCBC on April 1 2013 and merged on January 1 2014.

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. (CTTR&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 8 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