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*Coca-Cola* **West**

# Results briefing for the 3<sup>rd</sup> quarter of Fiscal Year ending December 2015

October 28, 2015

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## I. Account settlement for Q3

## II. Activity Plan for Q4 and full-year

[Reference]

Financial closing for Q3 (July -September)

Trend of OTC market share

Mix by brand/by channel

Sales update on vending machines by channel

Q3 Actual sales volume (by channel and by package)

Q4 Volume target

Performance trend / managerial KPI trend

Coca-Cola System in Japan / Affiliated companies

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# I. Account settlement for the 3<sup>rd</sup> quarter

# Q3 Sales Volume (Jan-Sep)

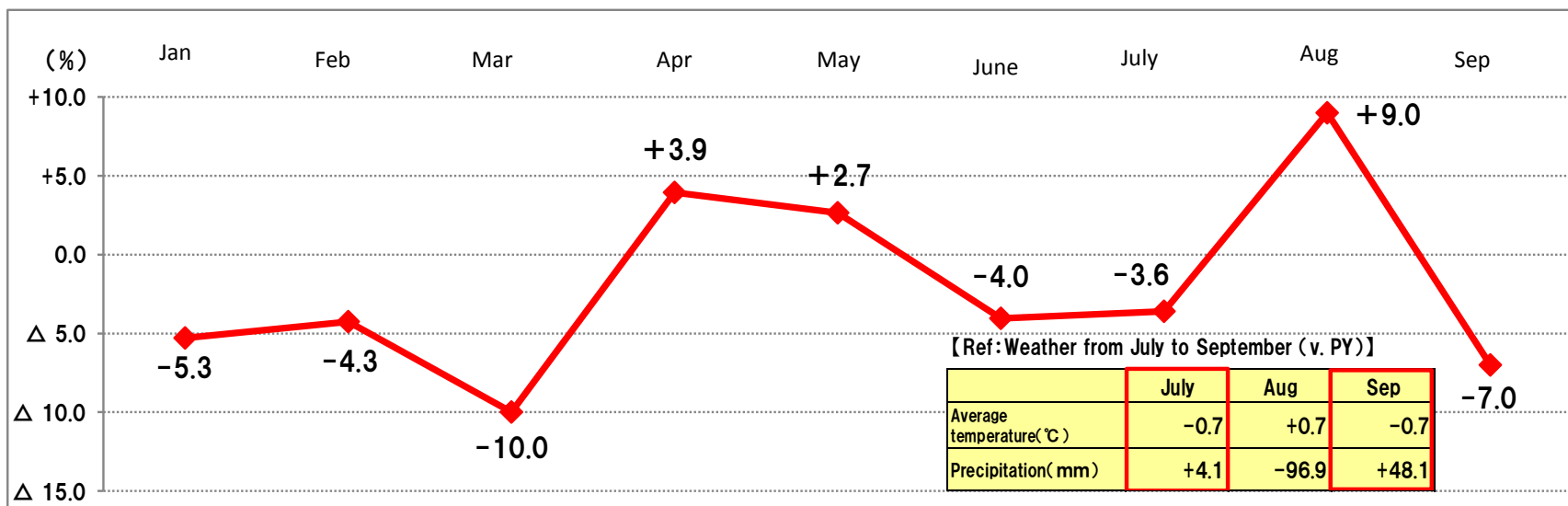
- Underperformance of Q3 plan affected by poor weather resulted in CCW sales volume from Jan to Sep to fall -2.9% or -3.2% including Shikoku v. Plan.
- The volume turned positive by 1.5% v. PY during Jan-Sep, incorporating Shikoku.

[volume] (Unit: K cases, %)	2015 Jan-Sep actual	target*1	vs. target		PY*2	vs. PY	
			Diff	%		Diff	%
CCW (excl. Shikoku)	162,809	167,635	-4,826	-2.9	166,068	-3,260	-2.0
Shikoku	5,741	6,417	-676	-10.5	-	+5,741	-
CCW + Shikoku total	168,550	174,052	-5,501	-3.2	166,068	+2,482	+1.5

\*1 The planned values based on performance forecast announced on July 29, 2015

\*2 PY Actual does not include actual performances of Shikoku.

## Monthly volume trend (v. PY\*)



# Sales volume by channel

■ While Supermarket and Vending turned negative v. Plan affected by poor weather, Convenience Store was on plan.

■ As to PY comparison, volume in Convenience Store continued to grow as 1H, generating positive performances of 6.7% during Jan-Sep period. On the other hand, Vending and Supermarket fell short.

→ Products jointly developed with customers contributed to boosting sales in Convenience Store.

(Unit: K cases, %)	2015 Jan-Sep actual	vs. target <sup>※1</sup>		vs. PY <sup>※2</sup>	
		Diff	%	Diff	%
Supermarket	51,871	-3,084	-5.6	-904	-1.7
Convenience store	20,038	+32	+0.2	+1,259	+6.7
Chain Store total	71,908	-3,051	-4.1	+355	+0.5
Vending	51,753	-1,693	-3.2	-2,474	-4.6
Retail	8,718	-294	-3.3	-759	-8.0
Food Service	18,705	+280	+1.5	+1,475	+8.6
Other	11,724	-67	-0.6	-1,857	-13.7
CCW total (excl. Shikoku)	162,809	-4,826	-2.9	-3,260	-2.0
Shikoku	5,741	-676	-10.5	+5,741	-
CCW + Shikoku total	168,550	-5,501	-3.2	+2,482	+1.5

※1 The planned values based on performance forecast announced on July 29, 2015

※2 PY Actual does not include actual performances of Shikoku. Sales volume in 2014 is revised retroactively due to reconsideration of channel segmentations.

# Sales volume by package

■ While multi-serve PET, single-serve PET declined V. plan, CAN stayed on plan.

■ Against PY, highly profitable single-serve PET rose while multi-serve PET declined.

→ Activities engaged in Supermarket to improve product mix boosted the volume of single-serve PET.

→ Restriction of sales under the lowest permissible whole-sales price through ensured activities according to price guideline reduced the number of multi-serve PET mainly with water.

(Unit: K cases, %)		2015 Jan-Sep actual	vs. target <sup>※1</sup>		vs. PY <sup>※2</sup>	
			Diff	%	Diff	%
PET	SS (1,000ml or smaller)	46,461	-2,993	-6.1	+345	+0.7
	MS (smaller than 1,500ml)	1,173	-137	-10.4	-183	-13.5
	LS (1,500ml or larger)	34,983	-1,497	-4.1	-887	-2.5
Total		82,617	-4,628	-5.3	-724	-0.9
Can (incl. bottle can)		40,454	-101	-0.2	-1,358	-3.2
Others		10,391	-139	-1.3	-295	-2.8
Syrup, powder		29,346	+41	+0.1	-882	-2.9
CCW total (excl. Shikoku)		162,809	-4,826	-2.9	-3,260	-2.0
Shikoku		5,741	-676	-10.5	+5,741	-
CCW + Shikoku total		168,550	-5,501	-3.2	+2,482	+1.5

※1 The planned values based on performance forecast announced on July 29, 2015.

※2 PY Actual does not include actual performances of Shikoku.

# Status of revenue growth initiatives in Supermarket

■ Q3 revenue per-case is on the rise since last year.

Deployment of sales activities based on price guideline

Execution of non-price promotions



Summer promotion



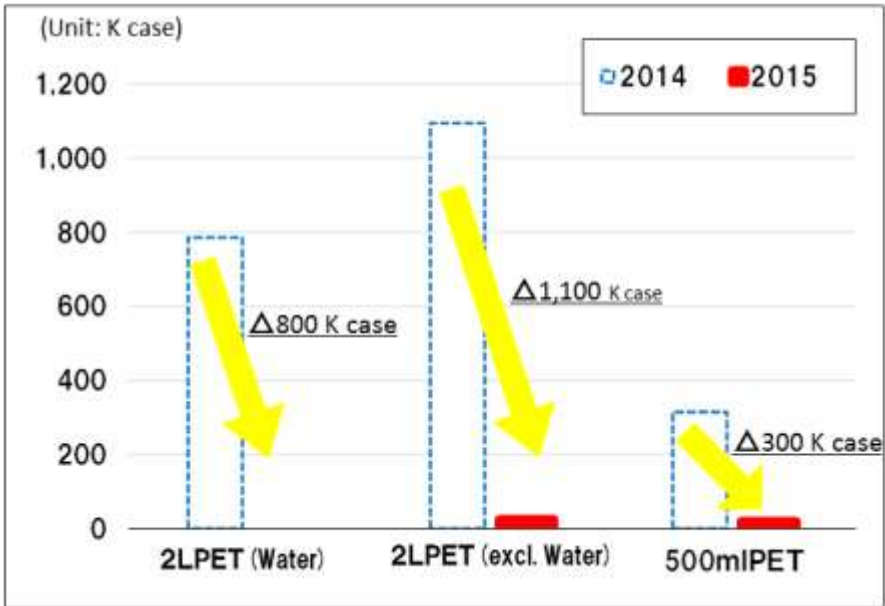
Disney promotion

Reinforced sales of highly value-added products

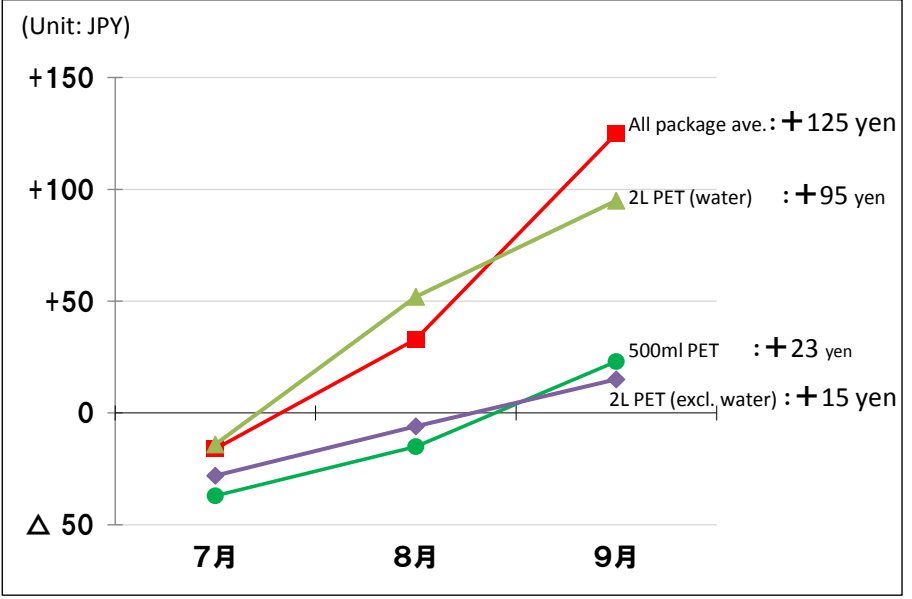
- Karadasukoyakacha W
- Pekoraku bottle (2L PET)



[Actual sales below the lowest permissible WSP (July-Sep)]



[Trend of revenue per-case with key packages (V. PY)]



# Sales volume by brand

■ Georgia was nearly on plan. Against PY, Jan-Sep turned negative affected by shortfall in Q1. However, the recovery trend continues since turning to positive in Q2 v. PY.

→ Products jointly developed with customers and the new product “The Premium” launched in August contributed to the results.

■ Ayataka keeps good performances, outperforming both plan and PY.

■ While missed plan, I Lohas made a 2-digit growth from PY.

→ It was driven by “I Lohas Sparkling”.

		2015 Jan-Sep actual	vs. target <sup>**2</sup>		vs. PY <sup>**3</sup>	
			Diff	%	Diff	%
(Unit: K cases, %)						
Core 8	Coca-Cola	11,259	-680	-5.7	-592	-5.0
	Coca-Cola Zero	4,931	-725	-12.8	-446	-8.3
	Fanta	6,079	-234	-3.7	-756	-11.1
	Georgia	33,168	-266	-0.8	-334	-1.0
	Sokenbicha	7,895	-337	-4.1	-729	-8.5
	Aquarius	16,776	-1,265	-7.0	-692	-4.0
	Ayataka	13,286	+526	+4.1	+1,012	+8.2
	I-Lohas	10,493	-968	-8.4	+1,308	+14.2
Subtotal		103,887	-3,949	-3.7	-1,229	-1.2
Other		29,576	-918	-3.0	-1,149	-3.7
RTD <sup>*1</sup> Total		133,463	-4,867	-3.5	-2,377	-1.8
Syrup, powder		29,346	+41	+0.1	-882	-2.9
CCW total (excl. Shikoku)		162,809	-4,826	-2.9	-3,260	-2.0
Shikoku		5,741	-676	-10.5	+5,741	-
CCW + Shikoku total		168,550	-5,501	-3.2	+2,482	+1.5

\*1 RTD: Packaged products

\*2 The planned values based on performance forecast announced on July 29, 2015

\*3 PY Actual does not include actual performances of Shikoku.



## Q3 Settlement (Jan-Sep)

■ By delivering 11.5 Billion JPY as planned, consolidated operating profit rose by 3.5 Billion JPY from PY.

(Unit: MM JPY,%)

	2015 Jan-Sep actual	target <sup>※1</sup>	vs. target		2014 Jan-Sep actual	vs. PY <sup>※2</sup>	
			Diff	%		Diff	%
Revenue	329,661	339,300	-9,638	-2.8	323,815	+5,846	+1.8
Gross profit on sales	167,515	171,900	-4,384	-2.6	162,044	+5,471	+3.4
Operating income	11,507	11,500	+7	+0.1	7,995	+3,511	+43.9
Ordinary profit	11,294	11,200	+94	+0.8	8,015	+3,279	+40.9
Current net profit	14,347	13,900	+447	+3.2	3,663	+10,683	+291.6

※1 The planned values based on performance forecast announced on July 29, 2015

※2 PY Actual does not include actual performances of Shikoku.

# Q3 Settlement (Jan-Sep) — Variance factors(V. Plan)

	target*	2015 Jan-Sep actual	Diff
Revenue	3,393	3,296	-96
Gross profit on sales	1,719	1,675	-43
Operating income	115	115	+0
Ordinary profit	112	112	+0
Current net profit	139	143	+4

(Unit: 100 MM JPY)

Key causes	Diff (value)
•Coca-Cola business (CCW+Shikoku)	-93.3
•Healthcare & Skincare business	-3.0
•Coca-Cola business (CCW+Shikoku)	-42.1
•Healthcare & Skincare business	-1.6
Decrease of SG & A	+43.9
•Coca-Cola business (CCW+Shikoku)	+40.8
<Main factors for increase/ decrease>	
•Decrease of labor cost	+7.0
•Decrease of sales promotion and advertising cost	+5.2
•Decrease of sales commision	+12.1
•Decrease of sales equipment	+2.3
•Decrease of business consignment expenses	+4.5
•Decrease of depreciation cost	+1.6
•Healthcare & Skincare business	+3.0
•Increase of extraordinary losses (Loss on retirement of fixed assets etc)	-1.7
•Corporate tax etc	+5.3

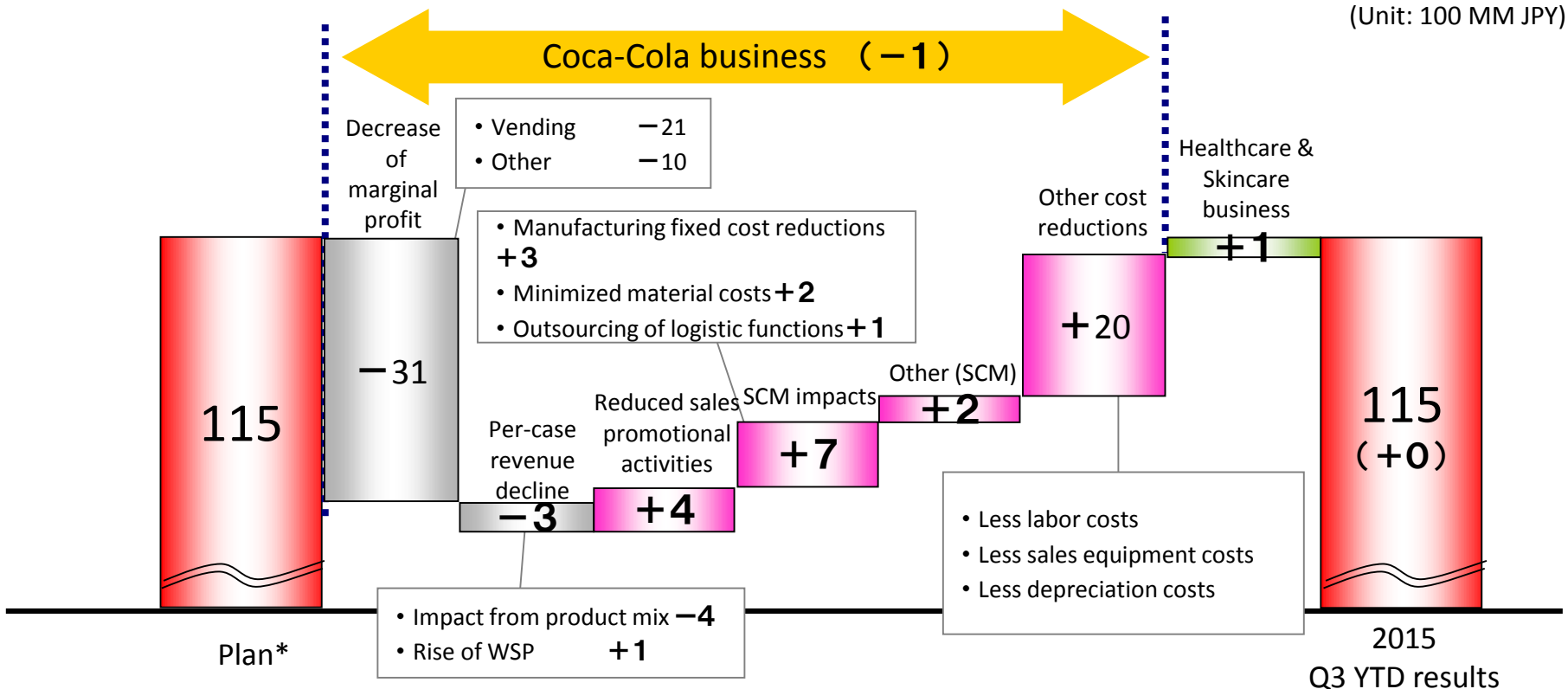
\* The planned values based on performance forecast announced on July 29, 2015

# Q3 Settlement (Jan-Sep) – Operating profit variance factors(V. Plan)

Marginal profit turned negative in KO business affected by volume underperformance in highly profitable Vending due to poor weather in Q3 resulting in the fall by 3.1 billion JPY. On the other hand, operating profit kept its loss at 100 MM JPY with impact gained from productivity enhancement, cost reductions in SCM.

Healthcare & Skincare business delivered incremental operating profit of 100 MM JPY with reduced advertisement costs, despite having revenue decline.

(Unit: 100 MM JPY)



\*The planned values based on performance forecast announced on July 29, 2015

# Q3 Settlement (Jan-Sep) – Operating profit variance factors(V. PY)

(Unit: 100 MM JPY)

	py*	2015 Jan-Sep actual	Diff
Revenue	3,238	3,296	+58
Gross profit on sales	1,620	1,675	+54
Operating income	79	115	+35
Ordinary profit	80	112	+32
Current net profit	36	143	+106

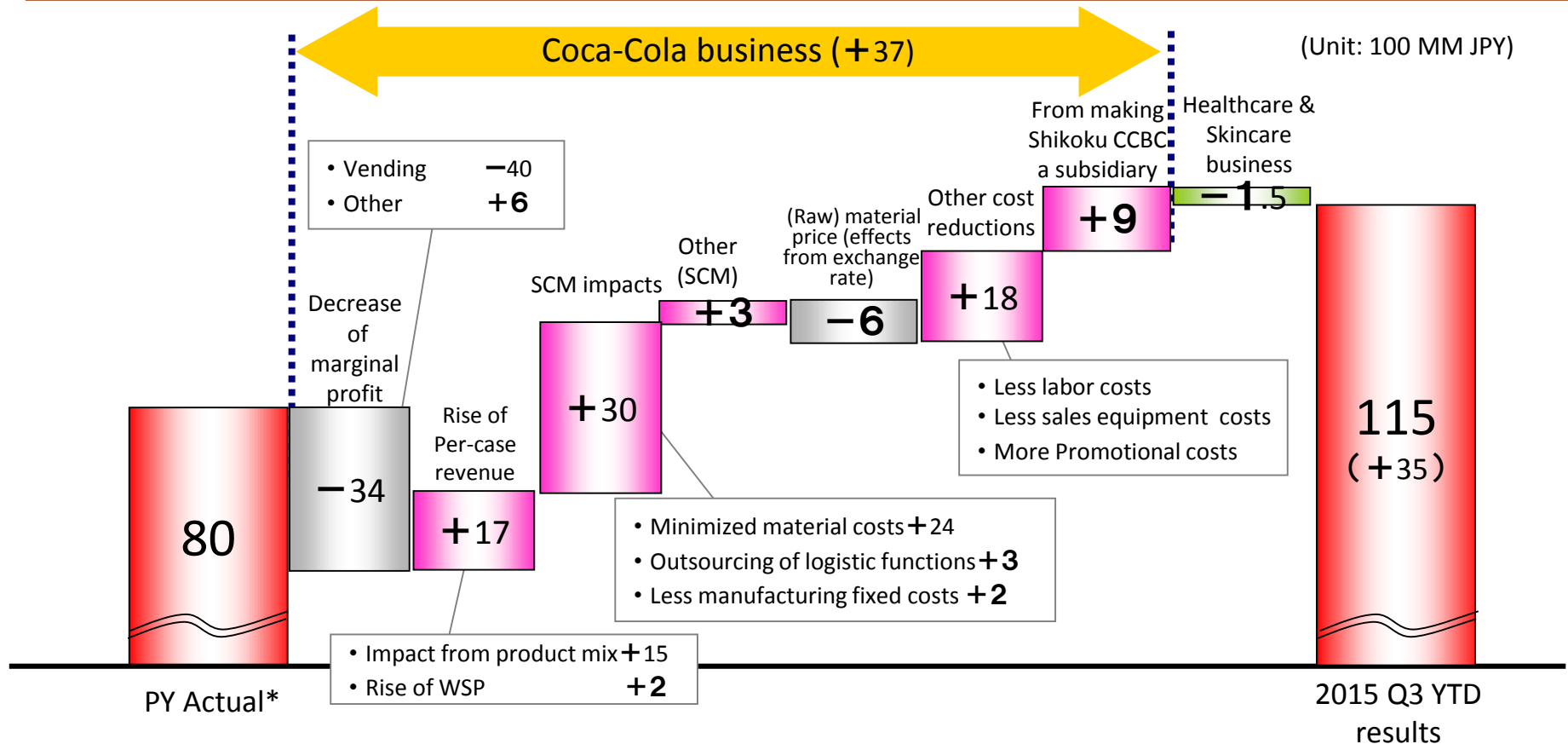
Key causes	Diff (value)
•Coca-Cola business (CCW+Shikoku)	+68.0
•Healthcare & Skincare business	-9.5
•Coca-Cola business (CCW+Shikoku)	+60.6
•Healthcare & Skincare business	-5.9
•Decrease of SG & A	-19.5
•Coca-Cola business (CCW+Shikoku)	-24.0
<Main factors for increase/ decrease>	
•Decrease of labor cost	+19.4
•Increase of sales promotion and advertising cost	-8.9
•Increase of sales commision	-5.7
•Decrease of sales equipment	+5.0
•Increase of business consignment expenses	-17.0
•Increase of transportation cost	-8.3
•Increase of depreciation cost	-7.6
•Healthcare & Skincare business	+4.4
•Increase of extraordinary income (Gain from negative goodwill etc)	+81.8
•Decrease of extraordinary losses (Decrease of restructuring cost etc)	+14.5
•Corporate tax etc	-22.5

\* PY Actual does not include actual performances of Shikoku.

# Q3 Settlement (Jan-Sep) – Operating profit variance factors(V. PY)

Marginal profit fell by 3.4 billion JPY in KO business due to volume decline in Vending. On the other hand, operating profit rose by 3.7 billion JPY with profit contribution by raising per-case revenue, SCM impact generated and operating profit contribution of 900 MM JPY from Shikoku CCBC.

While delivering operating profit in Q3 as PY level, the profits of Healthcare & Skincare business during Jan-Sep was 100 MM JPY negative, affected by the underperformance in 1H.



\* PY Actual does not include actual performances of Shikoku.

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## II. Activity Plan for Q4 and full-year

## Q4 (Oct-Dec) Sales volume plan for each channel

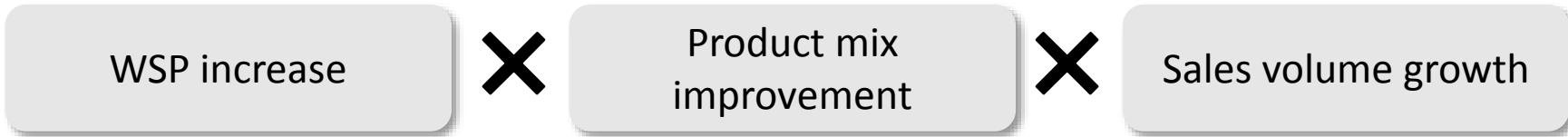
- As CCW, we plan sales volume for Q4 at **+1.7% V. PY** with the prospect of recovery in consumption environment.
- Together with Shikoku, the plan would be **+11.1% V. PY**.

	2015 Q4 target	vs. PY <sup>※</sup>	
		Diff	%
(Unit: K cases, %)			
Supermarket	14,576	+479	+3.4
Convenience store	6,091	-306	-4.8
Convenience store total	20,667	+174	+0.8
Vending	17,467	+626	+3.7
Retail	2,845	+18	+0.6
Food Service	6,383	+237	+3.9
Other	4,120	-179	-4.2
CCW total (excl. Shikoku)	51,482	+875	+1.7
Shikoku	4,720	+4,720	-
CCW + Shikoku total	56,202	+5,595	+11.1

※ PY Actual does not include actual performances of Shikoku. Sales volume in 2014 is revised retroactively due to reconsideration of channel segmentations.

# Commercial strategies — Revenue increase in supermarket

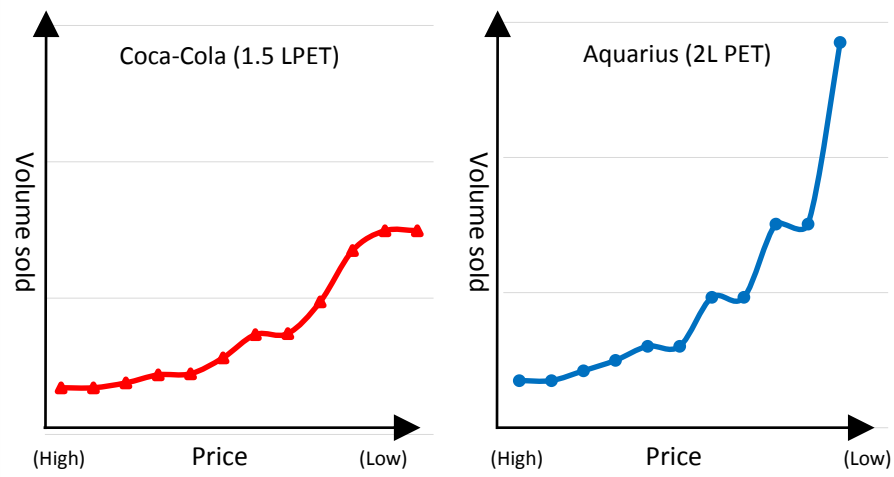
■ We will focus on embedding sales activities based on price guideline and advancing the guideline further in Q4.



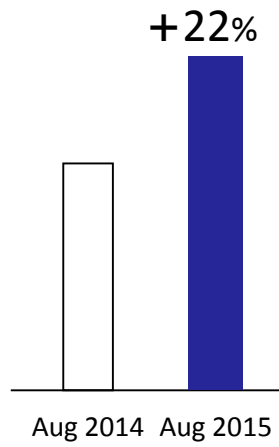
## Evolution of price guideline incorporating category/brand characteristics

→ Set price guideline based on PY data.

[Comparison of volume sold by price point (July-Sep)]



Revenue of Aquarius 2L PET



## Execute non-price promotions



## Reinforce high value-added products



(Intage)



# Sales strategy — Vending profitability improvement & new placement

■ While focusing on profitability improvement of existing locations as priority, ensure to capture new locations that generate profits.

Improve profitability

- improve profitability of unprofitable vending machines
  - Improve unprofitable locations and review trade terms with customers

[Q4 plan]  
Profit contribution  
**310** MM JPY

- Deploy portfolio & promotions according to customers



Loyalty promotion  
(8,500 VMs)



CCW exclusive promotion  
(40,000 VMs)



Lucky cap promotion  
(60,000 VMs)

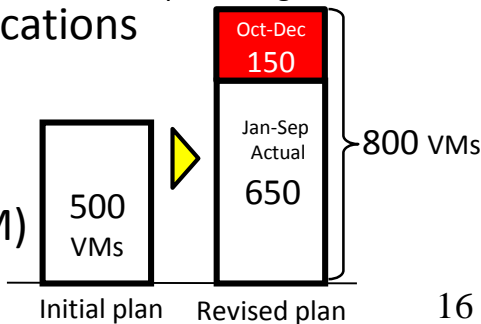


Georgia all-nation campaign  
(60,000 VMs)

New placement

- Reinforce new placement activity to quality (high VPM) locations
  - Focus activities by narrowing down the target (area, competitor)
- Introduce highly value-added cup vending machines (CVM)

[Implementation status of highly value-added Cup vending machines]



## Q4 (Oct-Dec) Sales volume plan for each brand

- Reinforce sales activities for the key categories of “Coca-Cola brand”, “Georgia” and “NST”.
- Expect 2-digit growth from PY by launching a new product of “I Lohas Momo” in I Lohas lineup.

		2015 Q4 target	vs. PY <sup>※2</sup>	
(Unit: K cases, %)			Diff	%
Core 8	Coca-Cola	3,439	-24	-0.7
	Coca-Cola Zero	1,695	+144	+9.3
	Fanta	1,787	-140	-7.2
	Georgia	11,609	-241	-2.0
	Sokenbicha	2,436	+55	+2.3
	Aquarius	3,130	+277	+9.7
	Ayataka	3,823	-108	-2.8
	I-Lohas	3,536	+869	+32.6
	<b>Subtotal</b>	<b>31,454</b>	<b>+833</b>	<b>+2.7</b>
	Other	9,811	+3	+0.0
	<b>RTD<sup>※1</sup> Total</b>	<b>41,265</b>	<b>+836</b>	<b>+2.1</b>
	Syrup, powder	10,217	+39	+0.4
	<b>CCW total (excl. Shikoku)</b>	<b>51,482</b>	<b>+875</b>	<b>+1.7</b>
	Shikoku	4,720	+4,720	-
	<b>CCW + Shikoku total</b>	<b>56,202</b>	<b>+5,595</b>	<b>+11.1</b>

※1 RTD: Packaged products

※2 PY Actual does not include actual performances of Shikoku.

# Sales strategy – Enhance brand competitiveness

■ Reactivate key brand categories by launching campaigns with different themes by brand.

Coca-Cola brand

- Conduct “Winter song bottle” campaign to arouse demand in winter (Christmas/year-end & new year season)
- Launch limited packages such as slim bottles or new product of “Coca-Cola Lime”.



“Winter song bottle” campaign



Seasonally limited “Winter song bottle”



Slim bottle



Japan design bottle



Coca-Cola Lime 500 ml PET

Georgia

- Carry out “Vending +2°C campaign” only for vending machines.
- Strengthen core products and “The Premium” in conjunction with “Georgia 40<sup>th</sup>. Anniversary”.



Vending machine +2°C campaign



Emerald Mountain series



European series



The Premium 185 g CAN

# Full-year(Jan-Dec) — Performance forecast

■ Aim to attain consolidated operating profit of 12.5 billion JPY (unchanged from the values announced on July 29).

## Consolidated

(Unit: MM JPY, %)

	2015 full year target	vs. PY <sup>※2</sup>	
		Diff	%
Revenue	450,600	+26,193	+6.2
Gross profit on sales	229,000	+16,118	+7.6
Operating income	12,500	+1,491	+13.6
Ordinary profit	12,100	+1,490	+14.1
Current net profit	14,200	+9,717	+216.8

※ PY Actual does not include actual performances of Shikoku.

## Business specific

### [Coca-Cola business (CCW+Shikoku)]

(Unit: K cases, MM JPY, %)

	2015 full year plan	vs. PY <sup>※</sup>	
		Diff	%
volume	230,253	+13,579	+6.3
Revenue	416,500	+25,879	+6.6
Operating income	9,500	+1,397	+17.3

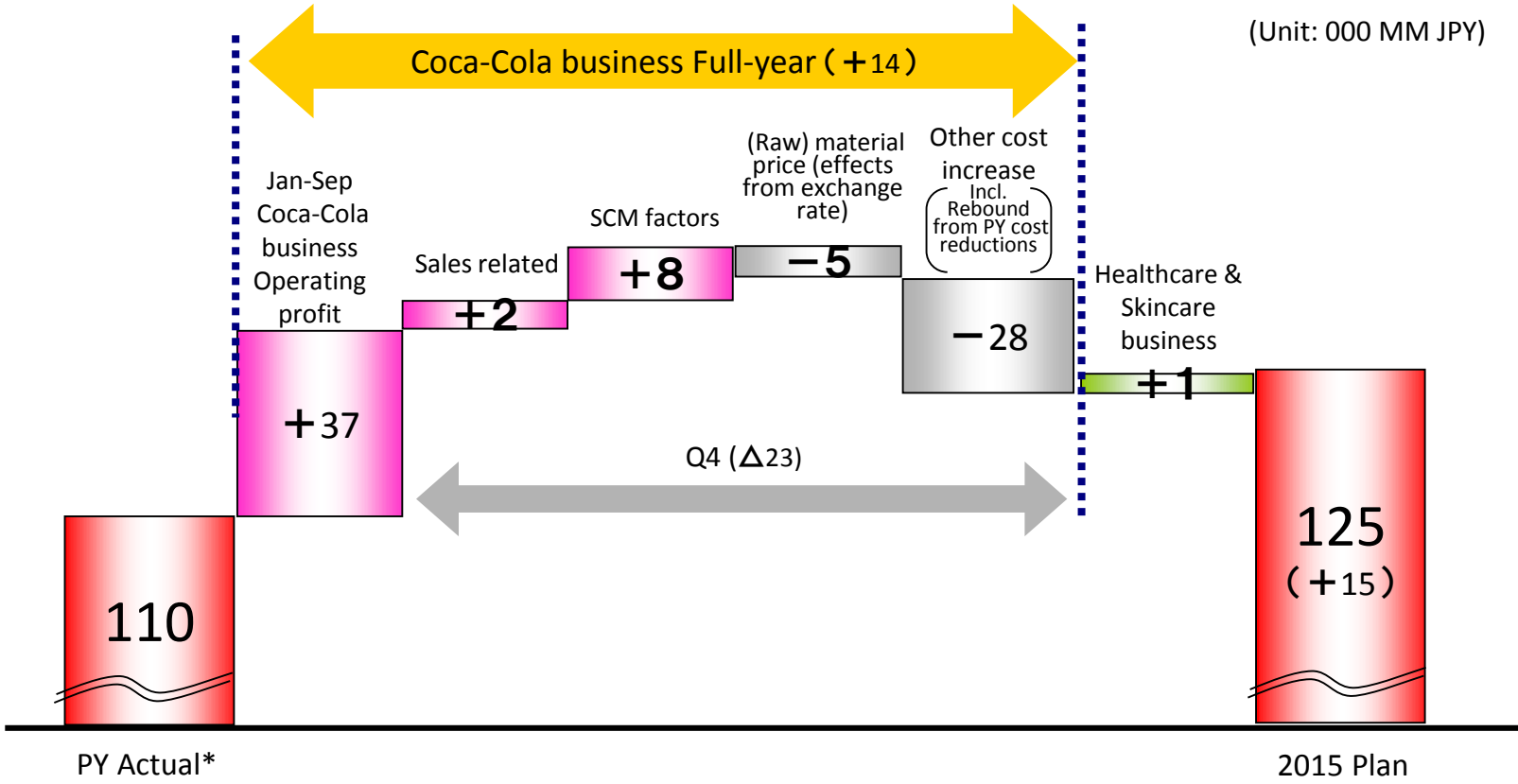
### [Healthcare & Skincare business]

(Unit: MM JPY, %)

	2015 full year plan	vs. PY <sup>※</sup>	
		Diff	%
Revenue	34,100	+313	+0.9
Operating income	3,000	+94	+3.2

# Full-year (Jan-Dec)- Operation profit achievement scenario (V. PY)

With expected sales related contribution profit of 200 MM JPY V. PY in Coca-Cola Business in Q4 as we continue to drive revenue increase in Supermarket and profit improvement in Vending, we shall also keep on generating impacts in SCM. On the other hand, we forecast full-year operating profit growth of 1.4 billion JPY V. PY, despite profit decline in Q4 at 2.3 billion JPY due to a rebound of cost reduction from last year. As to Healthcare & Skincare business, we plan 100 MM JPY full-year operating profit growth from last year.



- With operating profits nearly on plan, KO business closed Q3 having profit growth of 3.9 billion JPY V. PY.
- Major emergence of SCM impacts in Q3 and initiatives taken to ensure cost reductions through fundamental review of every operation in Performance Recovery Committee contributed to the outperformance of operating profit V. plan.
- As sales activities based on price guideline in supermarket have begun taken root, per-case revenue in Q3 was nearly on plan. Even compared with PY, the erosion seems to bottom out.
- In Q4, we aim to fully embed initiatives in supermarket and vending to raise profits and attain consolidated operating profit target of 12.5 billion JPY by advancing productivity enhancement initiatives in SCM at the same time.

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[Reference]

# Q3 (Jul-Sep)-- Performance overview

(Unit: MM JPY,%)

	2015 Q3 actual
Revenue	128,666
Gross profit on sales	66,263
Operating income	9,077
Ordinary profit	8,998
Current net profit	5,465

target <sup>※1</sup>	vs. target	
	Diff	%
138,400	-9,733	-7.0
70,700	-4,436	-6.3
9,100	-22	-0.3
8,900	+98	+1.1
5,100	+365	+7.2

2014 Q3 actual	vs. PY <sup>※2</sup>	
	Diff	%
120,670	+7,996	+6.6
59,784	+6,479	+10.8
5,140	+3,937	+76.6
5,136	+3,861	+75.2
2,803	+2,662	+95.0

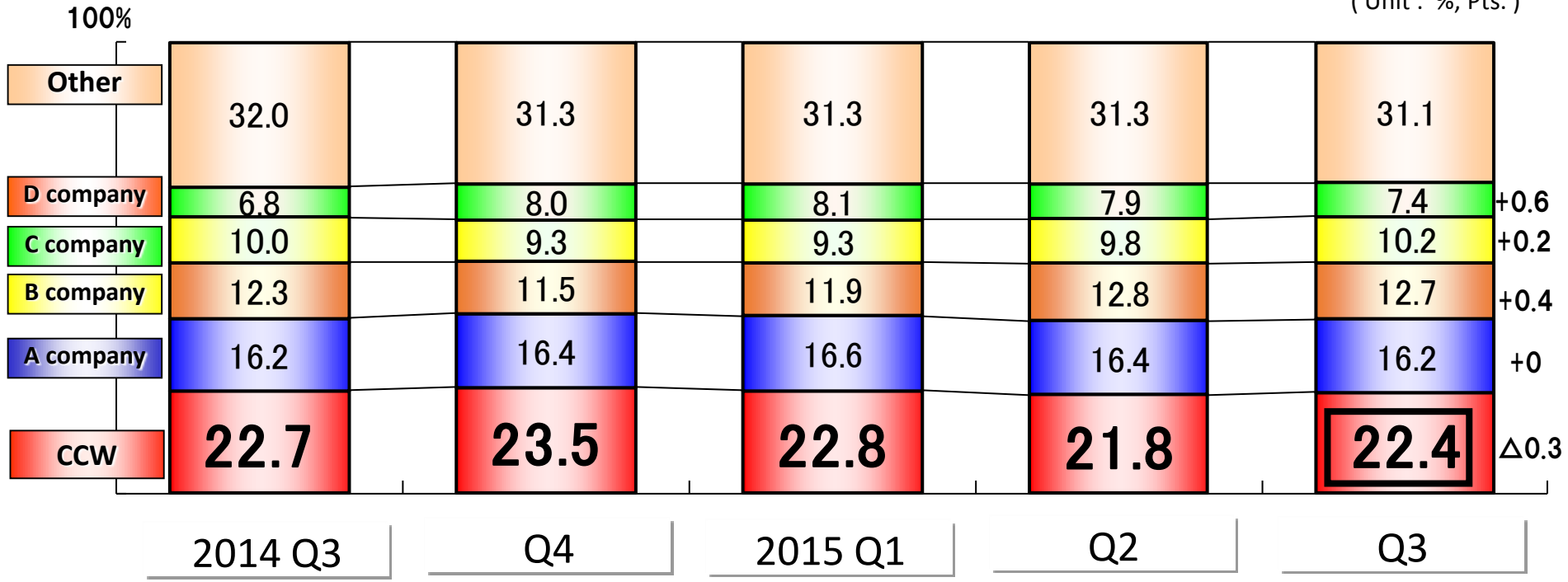
※1 The planned values based on performance forecast announced on July 29, 2015

※2 PY Actual does not include actual performances of Shikoku.



# OTC Market share trend (except vending machines)

( Unit : %, Pts. )



• Values on the right side of the bar shows diff. v. PY

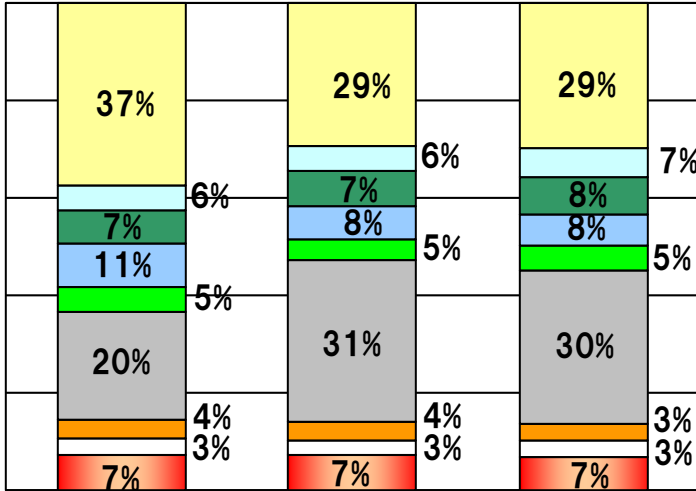
Source: intage

# YTD (Jan-Sep) brand / channel component ratio

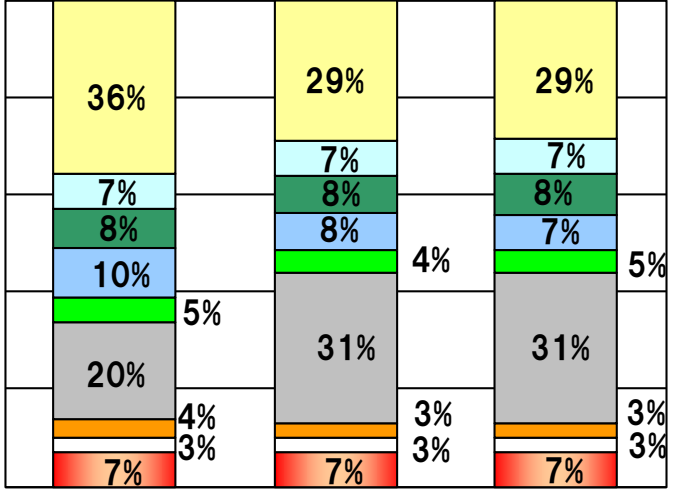
Brand

## 2014\*

- Other
- I-Lohas
- Ayataka
- Aquarius
- Sokenbicha
- Georgia
- Fanta
- Coca-Cola Zero
- Coca-Cola

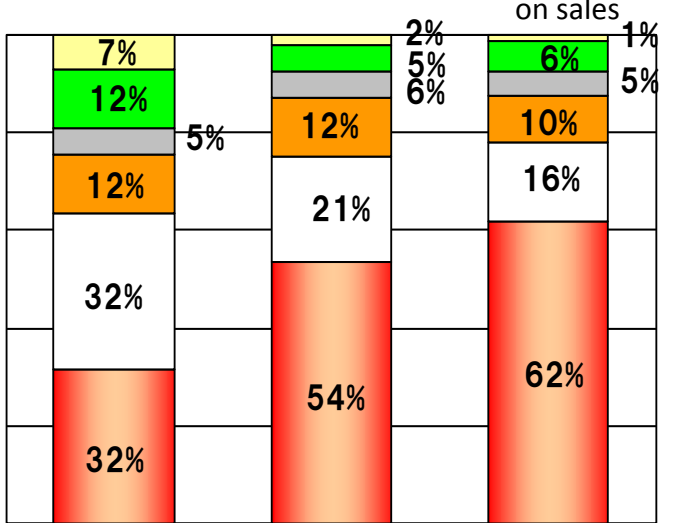
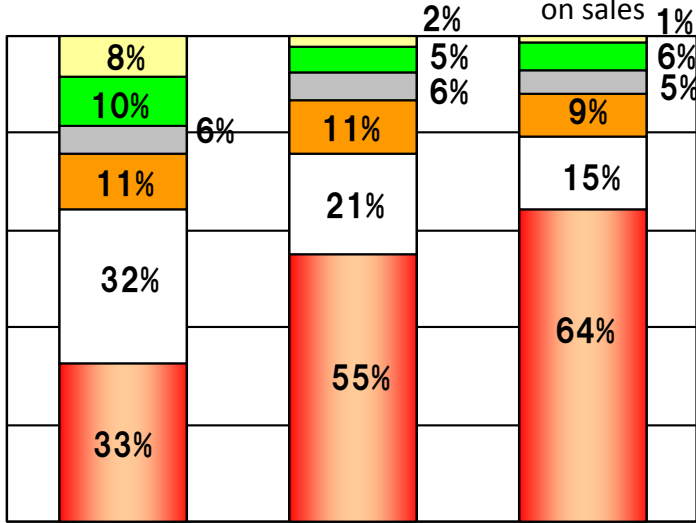


## 2015



Channel

- Other
- Food Service
- Retail
- CVS
- Supermarket
- Vending



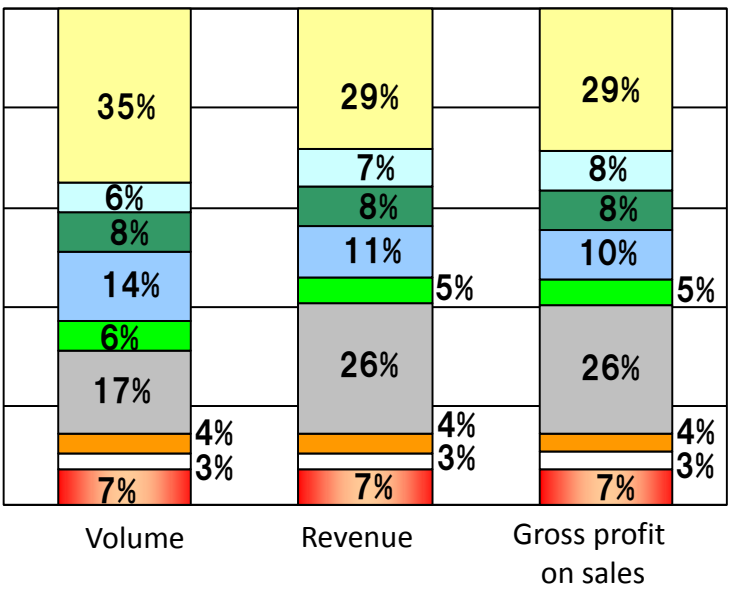
\*Revised PY actual retroactively due to some changes made to sales channel segments

# Q3 (Jul-Sep) brand / channel component ratio

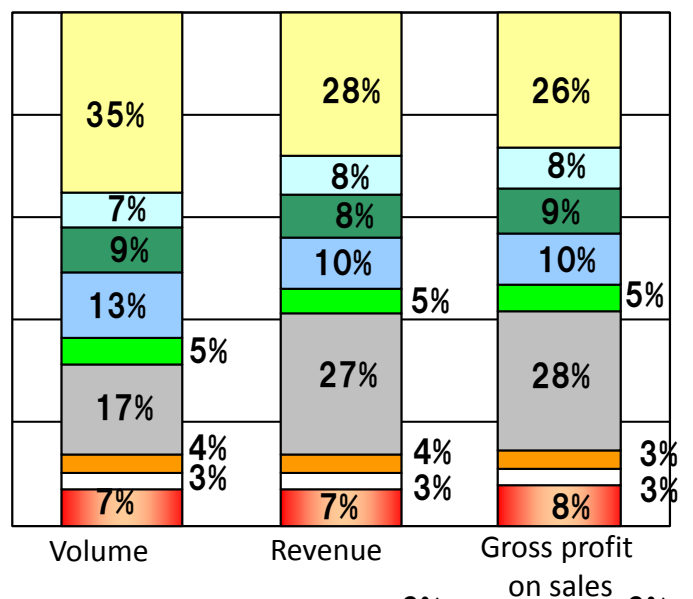
Brand

- Other
- I-Lohas
- Ayataka
- Aquarius
- Sokenbicha
- Georgia
- Fanta
- Coca-Cola Zero
- Coca-Cola

2014\*

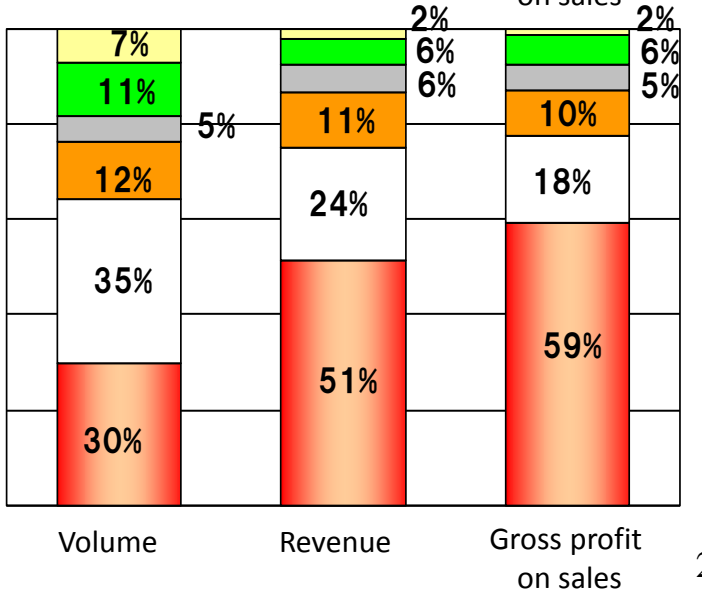
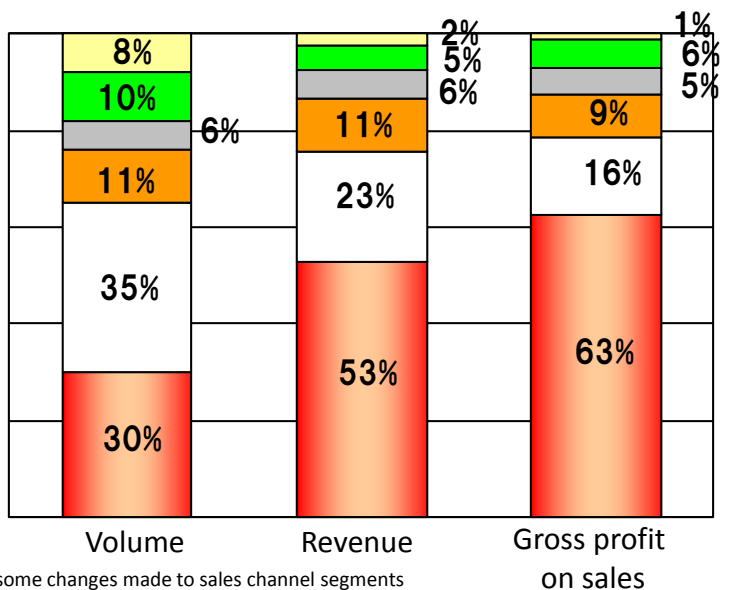


2015



Channel

- Other
- Food Service
- Retail
- CVS
- Supermarket
- Vending



\*Revised PY actual retroactively due to some changes made to sales channel segments

# Sales update on vending machines by channel

## Vs. PY of VPM\* of Full Service CAN VM

### [CCW Area]

	vs. PY (%)									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
At work white	-6.7	-7.2	-5.9	-3.9	-5.3	-2.7	-6.8	+3.9	-5.7	-4.4
At work blue	-5.1	-5.2	-5.5	-3.0	-4.2	-0.5	-5.0	+4.2	-3.0	-3.0
Mass retailer	-10.8	-9.8	-12.9	-5.9	-5.6	-6.7	-8.7	+5.9	-7.1	-6.8
Transportation	-9.4	-9.5	-10.0	-3.4	+0.5	-4.0	-5.8	+9.1	-3.0	-3.6
School	-10.2	-7.3	-6.9	-6.9	-3.7	-6.8	-8.6	+9.7	-11.9	-6.3
Leisure	-11.4	-8.1	-6.9	-2.7	-2.3	-4.6	-6.4	+8.0	-3.7	-3.9
Pachinko	-9.9	-9.8	-9.9	-6.5	-6.9	-6.8	-6.8	-4.6	-7.8	-7.7
Sports facility	-11.5	-9.1	-8.7	-2.9	-2.0	-5.7	-5.0	+11.8	-9.3	-4.3
Hospital	-7.3	-9.4	-9.1	-5.3	-5.2	-3.8	-6.7	+3.3	-6.5	-5.5
Accommodation	-7.4	-8.0	-7.8	-2.5	-1.6	-1.8	-5.7	+6.4	-2.9	-3.2
Other (Indoor)	-11.4	-11.8	-11.4	-6.3	-5.3	-6.7	-10.2	+5.7	-7.3	-7.1
Outdoor	-13.2	-14.4	-15.3	-7.3	-2.4	-7.1	-9.4	+9.7	-8.0	-7.3
Total	-10.2	-9.7	-10.1	-5.2	-3.8	-4.8	-7.3	+5.8	-6.5	-5.6

### [Shikoku Area]

Total	-	-	-	-	-	-	-4.1	+16.4	-1.7	-2.7
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\* Sales volume per vending machine

# YTD (Jan-Sep) – sales volume by channel / by package

■ Chain Store (Unit: K cases,%)	2015 Jan-Sep actual	Vs. target <sup>※1</sup>		Vs. PY <sup>※2</sup>	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	25,188	-1,512	-5.7	+999	+4.1
MS PET (smaller than 1,500ml)	1,064	-138	-11.5	-188	-15.0
LS PET (1,500ml or larger)	32,654	-1,519	-4.4	-802	-2.4
Can	11,885	+190	+1.6	+412	+3.6
Other	1,117	-73	-6.1	-66	-5.6
CCW total (excl. Shikoku)	71,908	-3,051	-4.1	+355	+0.5

■ Vending (Unit: K cases,%)	2015 Jan-Sep actual	Vs. target <sup>※1</sup>		Vs. PY <sup>※2</sup>	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	16,535	-1,417	-7.9	-716	-4.2
LS PET (1,500ml or larger)	165	+57	+53.0	-8	-4.6
Can	26,083	-189	-0.7	-1,387	-5.0
Other	6,642	-61	-0.9	-369	-5.3
Syrup/Powder	2,328	-83	-3.5	+7	+0.3
CCW total (excl. Shikoku)	51,753	-1,693	-3.2	-2,474	-4.6

■ Retail & Food service (Unit: K cases,%)	2015 Jan-Sep actual	Vs. target <sup>※1</sup>		Vs. PY <sup>※2</sup>	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	4,628	-149	-3.1	-157	-3.3
MS PET (smaller than 1,500ml)	104	-0	-0.3	+5	+5.4
LS PET (1,500ml or larger)	2,159	-40	-1.8	+30	+1.4
Can	2,587	-23	-0.9	-282	-9.8
Other	1,375	-91	-6.2	+34	+2.6
Syrup/Powder	16,569	+289	+1.8	+1,085	+7.0
CCW total (excl. Shikoku)	27,423	-15	-0.1	+716	+2.7

※1 The planned values based on performance forecast announced on July 29, 2015

※2 PY Actual does not include actual performances of Shikoku. Sales volume in 2014 is revised retroactively due to reconsideration of channel segmentations.

## Q3 (Jul-Sep) - Volume by channel

	2015 Q3 actual	Vs. target <sup>※1</sup>		Vs. PY <sup>※2</sup>	
		Diff	%	Diff	%
(Unit: K cases,%)					
Supermarket	22,093	-3,084	-12.2	-509	-2.3
Convenience store	7,433	+32	+0.4	+281	+3.9
Chain Store total	29,526	-3,051	-9.4	-227	-0.8
Vending	18,988	-1,693	-8.2	-340	-1.8
Retail	3,433	-294	-7.9	-307	-8.2
Food Service	7,261	+280	+4.0	+687	+10.5
Other	4,608	-67	-1.4	-123	-2.6
CCW total (excl. Shikoku)	63,816	-4,826	-7.0	-310	-0.5
Shikoku	5,741	-676	-10.5	+5,741	-
CCW + Shikoku total	69,557	-5,501	-7.3	+5,431	+8.5

※1 The planned values based on performance forecast announced on July 29, 2015

※2 PY Actual does not include actual performances of Shikoku. Sales volume in 2014 is revised retroactively due to reconsideration of channel segmentations.

# Q3 (Jul-Sep) - Volume by brand

		2015 Q3 actual	Vs. target <sup>※2</sup>		Vs. PY <sup>※3</sup>	
			Diff	%	Diff	%
(Unit: K cases, %)						
Core 8	Coca-Cola	4,500	-680	-13.1	-83	-1.8
	Coca-Cola Zero	1,959	-725	-27.0	-94	-4.6
	Fanta	2,462	-234	-8.7	-189	-7.1
	Georgia	11,067	-266	-2.3	+188	+1.7
	Sokenbicha	3,290	-337	-9.3	-166	-4.8
	Aquarius	8,261	-1,265	-13.3	-353	-4.1
	Ayataka	5,644	+526	+10.3	+451	+8.7
	I-Lohas	4,284	-968	-18.4	+222	+5.5
	<b>Subtotal</b>	<b>41,468</b>	<b>-3,949</b>	<b>-8.7</b>	<b>-24</b>	<b>-0.1</b>
	Other	11,150	-918	-7.6	-580	-4.9
	<b>RTD<sup>※1</sup> Total</b>	<b>52,618</b>	<b>-4,867</b>	<b>-8.5</b>	<b>-604</b>	<b>-1.1</b>
	Syrup, powder	11,198	+41	+0.4	+294	+2.7
	<b>CCW total (excl. Shikoku)</b>	<b>63,816</b>	<b>-4,826</b>	<b>-7.0</b>	<b>-310</b>	<b>-0.5</b>
	Shikoku	5,741	-676	-10.5	+5,741	-
	<b>CCW + Shikoku total</b>	<b>69,557</b>	<b>-5,501</b>	<b>-7.3</b>	<b>+5,431</b>	<b>+8.5</b>

\*1 RTD: Packaged products \*2 The planned values based on performance forecast announced on July 29, 2015

\*3 PY Actual does not include actual performances of Shikoku.

## Q3 (Jul-Sep) - Volume by package

		2015 Q3 actual	Vs. target <sup>※1</sup>		Vs. PY <sup>※2</sup>	
			Diff	%	Diff	%
(Unit: K cases, %)						
PET	SS (1,000ml or smaller)	18,341	-2,993	-14.0	-49	-0.3
	MS (smaller than 1,500ml)	511	-137	-21.1	-94	-15.5
	LS (1,500ml or larger)	15,398	-1,497	-8.9	-609	-3.8
	Total	34,250	-4,628	-11.9	-751	-2.1
Can (incl. bottle can)		14,287	-101	-0.7	+109	+0.8
Others		4,081	-139	-3.3	+38	+0.9
Syrup, powder		11,198	+41	+0.4	+294	+2.7
CCW total (excl. Shikoku)		63,816	-4,826	-7.0	-310	-0.5
Shikoku		5,741	-676	-10.5	+5,741	-
CCW + Shikoku total		69,557	-5,501	-7.3	+5,431	+8.5

※1 The planned values based on performance forecast announced on July 29, 2015

※2 PY Actual does not include actual performances of Shikoku.



# Q3 (Jul-Sep) - Volume by channel / by package

■Chain Store (Unit: K cases, %)	2015 Q3 actual	Vs. target <sup>※1</sup>		Vs. PY <sup>※2</sup>	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	9,722	-1,512	-13.5	+70	+0.7
MS PET (smaller than 1,500ml)	466	-138	-22.9	-96	-17.0
LS PET (1,500ml or larger)	14,373	-1,519	-9.6	-625	-4.2
Can	4,458	+190	+4.5	+425	+10.5
Other	513	-67	-11.5	+7	+1.3
CCW total (excl. Shikoku)	29,526	-3,051	-9.4	-227	-0.8

■Vending (Unit: K cases, %)	2015 Q3 actual	Vs. target <sup>※1</sup>		Vs. PY <sup>※2</sup>	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	6,652	-1,417	-17.6	-128	-1.9
LS PET (1,500ml or larger)	89	+57	+178.0	+20	+29.7
Can	8,972	-189	-2.1	-156	-1.7
Other	2,502	-61	-2.4	-81	-3.1
Syrup/Powder	773	-83	-9.7	+5	+0.7
CCW total (excl. Shikoku)	18,988	-1,693	-8.2	-340	-1.8

■Retail & Food service (Unit: K cases, %)	2015 Q3 actual	Vs. target <sup>※1</sup>		Vs. PY <sup>※2</sup>	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	1,883	-149	-7.3	-74	-3.8
MS PET (smaller than 1,500ml)	43	-	-0.7	+2	+5.4
LS PET (1,500ml or larger)	931	-40	-4.2	-9	-0.9
Can	935	-23	-2.4	-80	-7.9
Other	516	-91	-15.0	+8	+1.5
Syrup/Powder	6,386	+289	+4.7	+533	+9.1
CCW total (excl. Shikoku)	10,694	-15	-0.1	+380	+3.7

※1 The planned values based on performance forecast announced on July 29, 2015

※2 PY Actual does not include actual performances of Shikoku. Sales volume in 2014 is revised retroactively due to reconsideration of channel segmentations.

※ Super market include drug store/discount store/home center

## Q4 (Oct-Dec) - Volume plan by package

		2015 Q4 target	Vs. PY*	
			Diff	%
(Unit: K cases, %)				
PET	SS (1,000ml or smaller)	14,735	+821	+5.9
	MS (smaller than 1,500ml)	494	+154	+45.1
	LS (1,500ml or larger)	9,182	-210	-2.2
	<b>Total</b>	<b>24,412</b>	<b>+764</b>	<b>+3.2</b>
Can (incl. bottle can)		13,436	-131	-1.0
Others		3,417	+204	+6.3
Syrup, powder		10,217	+39	+0.4
CCW total (excl. Shikoku)		51,482	+875	+1.7
Shikoku		4,720	-	-
CCW + Shikoku total		56,202	+5,595	+11.1

\* PY Actual does not include actual performances of Shikoku.

# Q4 (Oct-Dec) - Volume plan by channel/by package

■Chain Store (Unit: K cases, %)	2015 Q4 target	Vs. PY <sup>※</sup>	
		Diff	%
SS PET (smaller than 1,000ml)	7,553	+150	+2.0
MS PET (smaller than 1,500ml)	467	+159	+51.5
LS PET (1,500ml or larger)	8,617	-113	-1.3
Can	3,754	-68	-1.8
Other	276	+46	+19.8
CCW total (excl. Shikoku)	20,667	+174	+0.8

■Vending (Unit: K cases, %)	2015 Q4 target	Vs. PY <sup>※</sup>	
		Diff	%
SS PET (smaller than 1,000ml)	5,656	+564	+11.1
LS PET (1,500ml or larger)	41	-1	-2.9
Can	8,707	-38	-0.4
Other	2,177	+36	+1.7
Syrup/Powder	885	+66	+8.0
CCW total (excl. Shikoku)	17,467	+626	+3.7

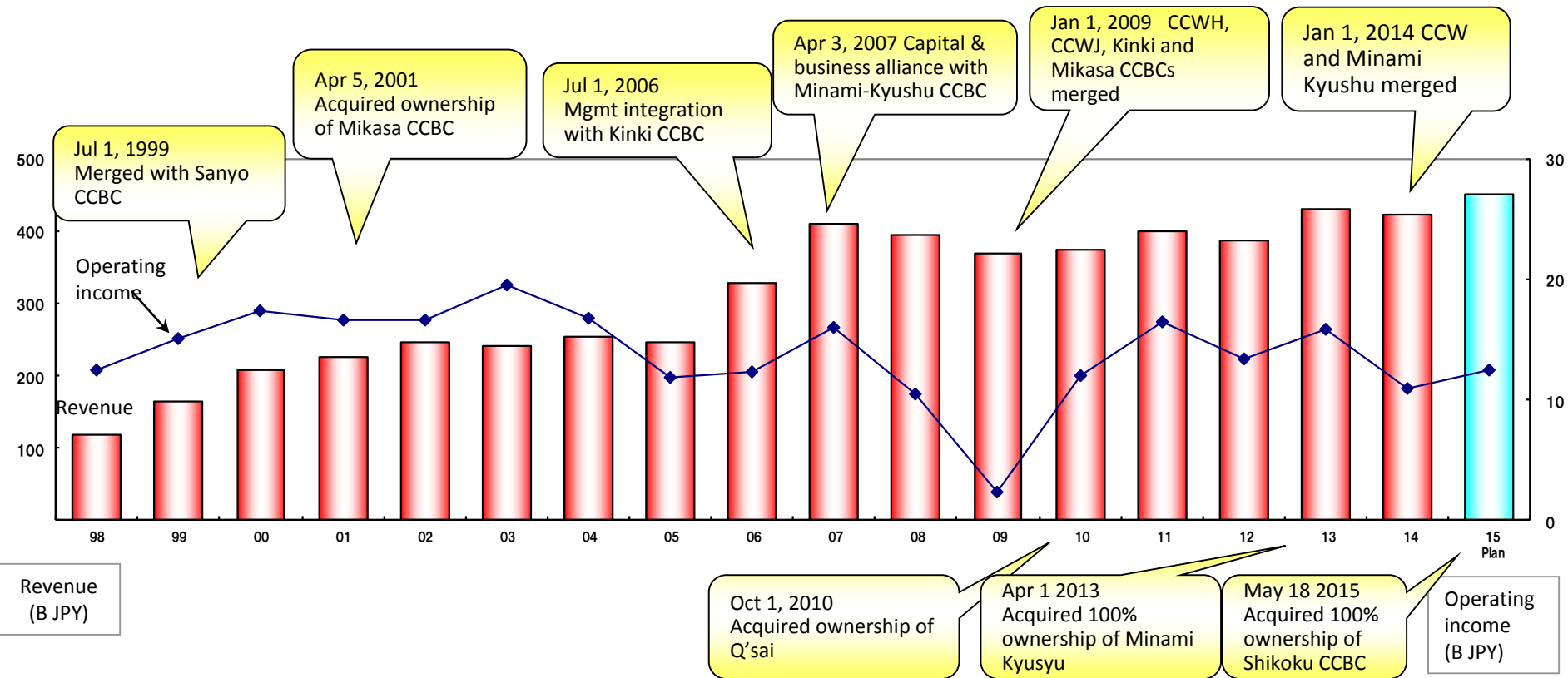
■Retail & Food service (Unit: K cases, %)	2015 Q4 target	Vs. PY <sup>※</sup>	
		Diff	%
SS PET (smaller than 1,000ml)	1,526	+107	+7.5
MS PET (smaller than 1,500ml)	27	-4	-13.0
LS PET (1,500ml or larger)	525	-96	-15.5
Can	975	-25	-2.5
Other	600	+130	+27.5
Syrup/Powder	5,576	+144	+2.6
CCW total (excl. Shikoku)	9,228	+254	+2.8

※ PY Actual does not include actual performances of Shikoku. Sales volume in 2014 is revised retroactively due to reconsideration of channel segmentations.

# Performance trend

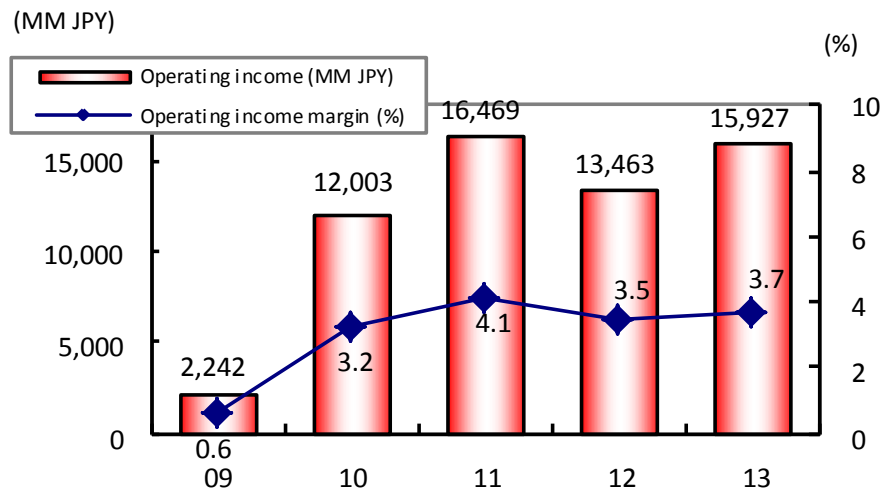
(Unit: MM JPY)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 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	424,406	450,600
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	11,008	12,500
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	16,606	10,609	12,100
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	13,625	4,482	14,200

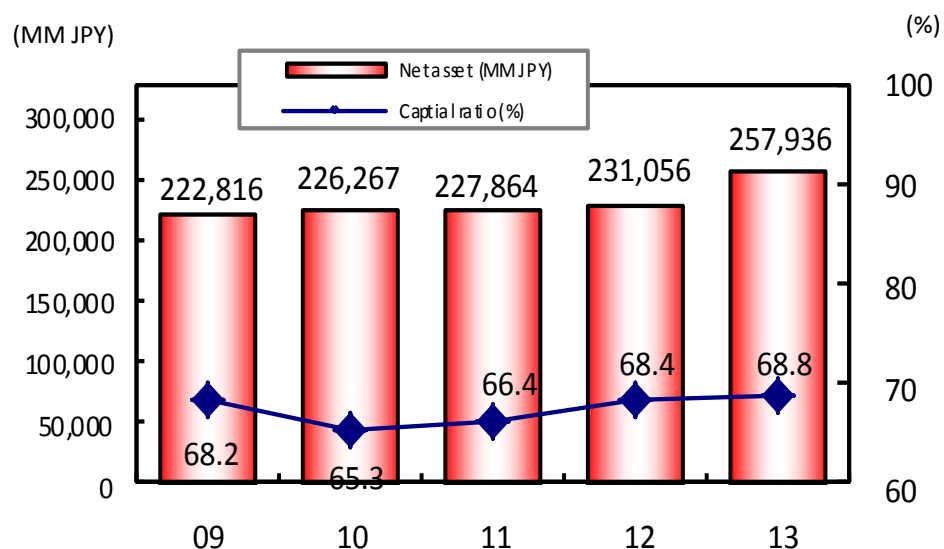


# KBI trend

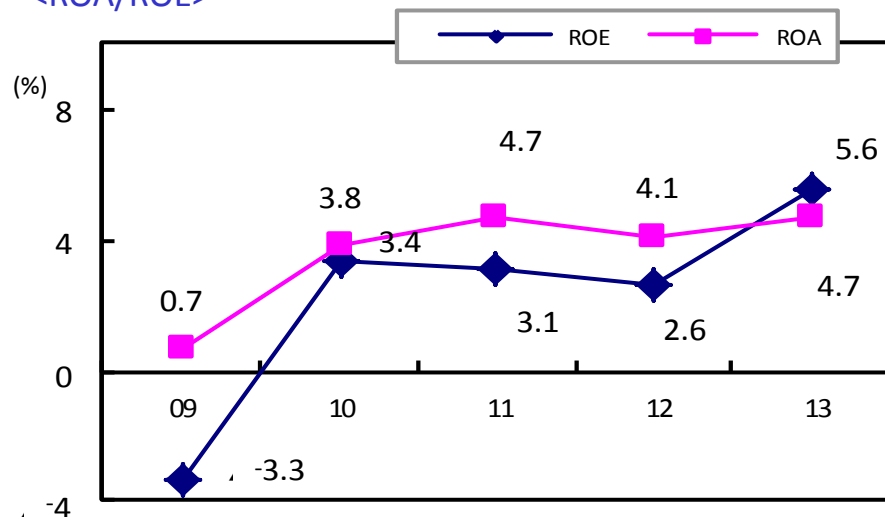
## <Operating income & its ratio>



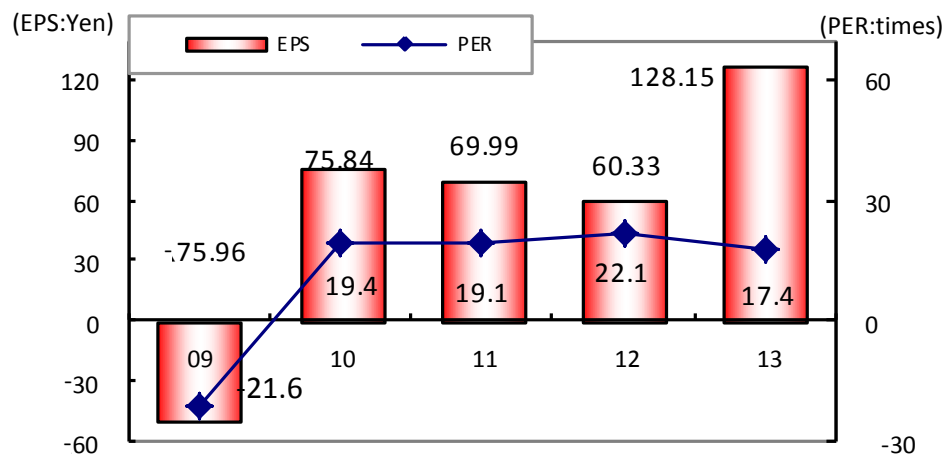
## <Net asset/capital ratio>



## <ROA/ROE>



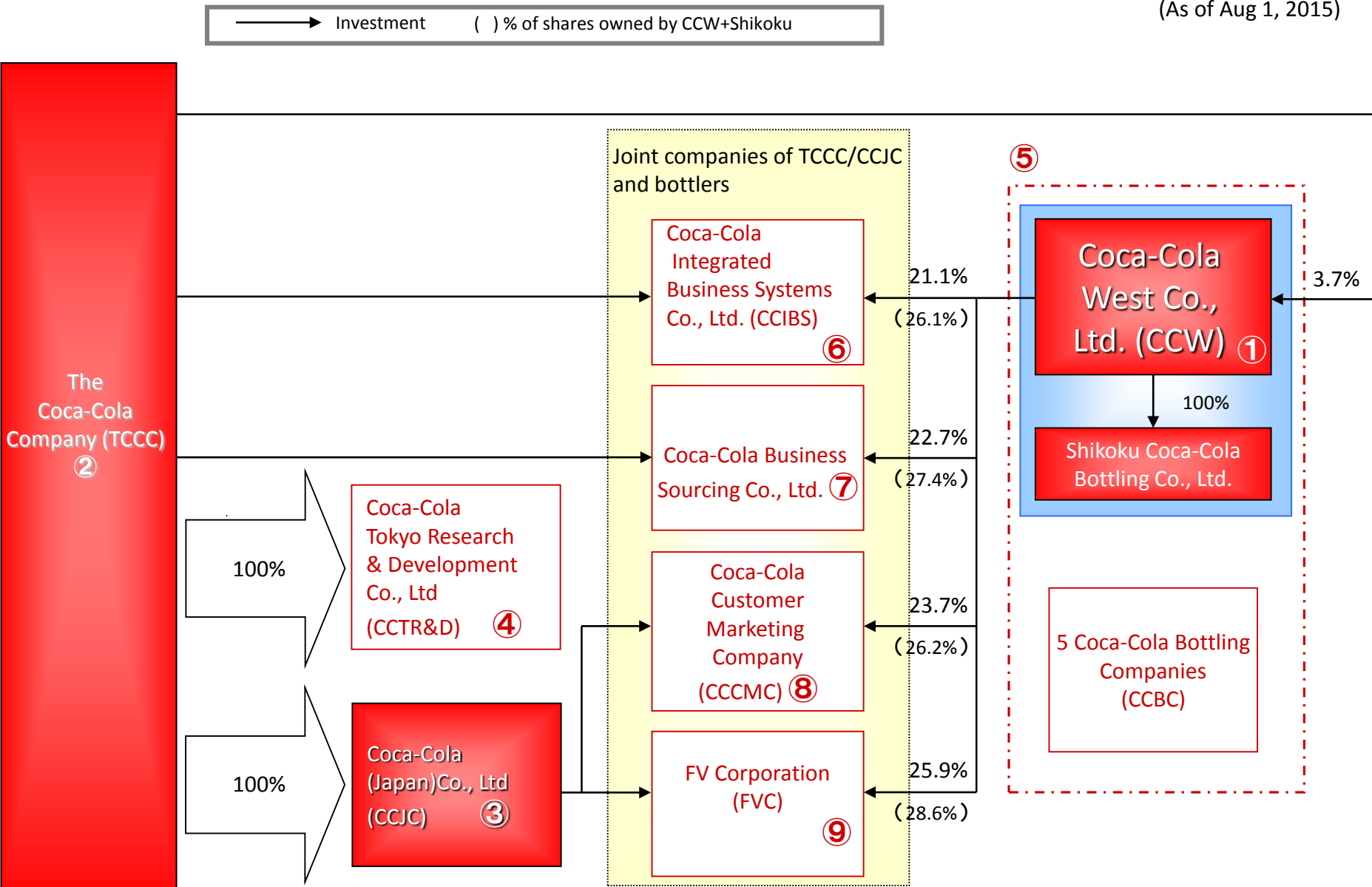
## <EPS/PER>



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

(As of Aug 1, 2015)



# 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 in 2013 and merged in 2014. CCW acquired 100% ownership of Shikoku CCBC on May 18 2015.

## 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 8 bottlers in Japan, which are responsible for selling Coca-Cola products in the respective territories.

## ⑥ Coca-Cola Integrated Business Systems Co., Ltd. (CCIBS)

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.

## ⑦ Coca-Cola Business Sourcing Company, Limited

It assumes overall operations to procure (raw) materials, equipment as well as indirect materials in Japanese Coca-Cola system.

## ⑧ 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.

## ⑨ 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