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Coca-Cola **West**

Results briefing for the Fiscal Year ended December 2015

February 4, 2016

Coca-Cola West Company, Limited (2579)

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I. 2015 Review and summary of account settlement

II. 2016-2018 3-year Management Plan

III. 2016 Plan

[Reference]

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

Financial closing for Q4 (Oct-Dec)

Trend of OTC market share

Mix by brand/by channel

Sales update on vending machines by cluster

Sales volume actual / plan

Performance trend / KBI trend

Coca-Cola System in Japan / Affiliated companies

I. 2015 Review and summary of account settlement

Sales volume for the year ended Dec 2015 (Jan to Dec)

Vs. Plan

- Sales volume from Jan to Dec underperformed the plan affected by the negative performance in Q3 due to poor weather.

Vs. PY

- The volume turned positive by 4.1% v. PY during Jan- Dec, incorporating Shikoku.
- In total, CCW finished at the same level as the previous year, turning the volume positive during Oct-Dec.

[Sales volume]

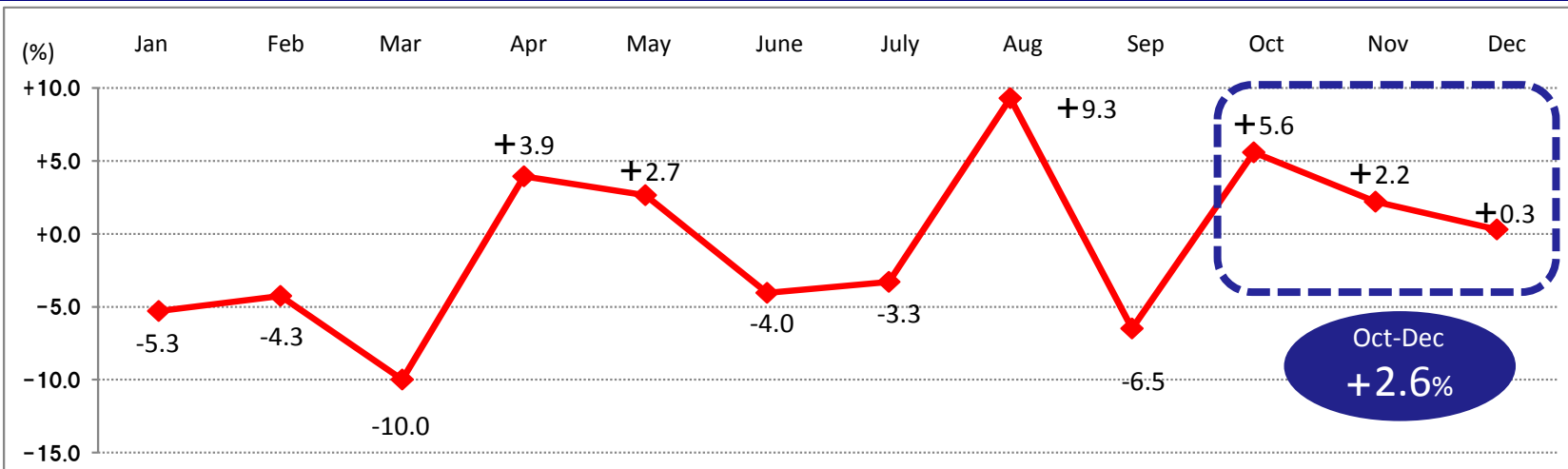
(Unit: K cases, %)	2015 actual	Plan ^{*2}	vs. Plan		PY ^{*3}	vs. PY	
			Diff	%		Diff	%
Jan-Sep total ^{*1}	163,120	167,684	Δ4,564	-2.7	166,068	Δ2,949	-1.8
Oct-Dec total	51,928	51,482	+446	+0.9	50,607	+1,322	+2.6
CCW (excl. Shikoku)	215,048	219,166	Δ4,118	-1.9	216,675	Δ1,627	-0.8
CCW + Shikoku total	225,506	230,303	Δ4,797	-2.1	216,675	+8,831	+4.1

*1 Retroactively revised incorporating June-Sep actual figures due to a revision to performance counting methods.

*2 Plan refers to the figures based on the performance forecast announced on July 29, 2015

*3 PY actual does not include actual performances of Shikoku CCBC

CCW Sales volume trend by month (Vs. PY^{*1, 3})



Sales volume by channel

Vs. Plan

- Supermarket and Vending underperformed plans in total affected by the negative performance in Q3.
- Convenience Store turned positive driven by the sales of new products.

Vs. PY

- With the growth of 6.1% in Q4, Supermarket recovered the shortfall up to Q3.
- Convenience Store turned positive by 7.8% in total with steady growth.
- Vending finished with -3.8% v. PY. However, the negative gap has been shrinking since Q2.

(Unit: K cases, %)	2015 actual	vs. Plan ^{*1}		vs. PY ^{*2}		[Ref(Oct-Dec)]		
		Diff	%	Diff	%	Q4 actual	vs. Plan ^{*1}	vs. PY ^{*2}
							Diff (%)	Diff (%)
Supermarket/Drug/Discounter	66,823	-2,707	-3.9	-48	-0.1	14,952	+2.6	+6.1
Convenience store	27,144	+1,047	+4.0	+1,968	+7.8	7,106	+16.7	+11.1
Chain Store total	93,967	-1,660	-1.7	+1,920	+2.1	22,059	+6.7	+7.6
Vending	68,341	-2,572	-3.6	-2,727	-3.8	16,588	-5.0	-1.5
Retail	11,401	-456	-3.8	-903	-7.3	2,683	-5.7	-5.1
Food Service	25,213	+405	+1.6	+1,837	+7.9	6,508	+2.0	+5.9
Other	16,126	+165	+1.0	-1,754	-9.8	4,091	-0.7	-4.8
CCW total (excl. Shikoku)	215,048	-4,118	-1.9	-1,627	-0.8	51,928	+0.9	+2.6
CCW + Shikoku total	225,506	-4,797	-2.1	+8,831	+4.1			

*1 Plan refers to the figures based on the performance forecast announced on July 29, 2015

*2 PY actual does not include actual performances of Shikoku CCBC. Due to some changes in sales channel categories, PY actual is retroactively revised as well.

Sales volume by package

Vs. Plan

Vs. PY

- While single-serve PET and multi-serve PET fell short, CAN stayed on plan.
→ Bottle CAN exceeding the plan contributed to CAN.
- While highly profitable single-serve PET rose, multi-serve PET declined.
→ Restriction of sales below the lowest permissible whole-sales price through ensured price guideline reduced the number of water multi-serve PET in Q3.

(Unit: K cases, %)		2015 actual	vs. Plan ^{*1}		vs. PY ^{*2}	
			Diff	%	Diff	%
PET	SS (1,000ml or smaller)	61,130	-3,059	-4.8	+1,101	+1.8
	MS (smaller than 1,500ml)	1,502	-302	-16.7	-194	-11.5
	LS (1,500ml or larger)	45,005	-658	-1.4	-258	-0.6
Total		107,637	-4,019	-3.6	+648	+0.6
Can (incl. bottle can)		54,020	+29	+0.1	-1,360	-2.5
Others		13,598	-349	-2.5	-301	-2.2
Syrup, powder		39,792	+221	+0.6	-614	-1.5
CCW total (excl. Shikoku)		215,048	-4,118	-1.9	-1,627	-0.8
CCW + Shikoku total		225,506	-4,797	-2.1	+8,831	+4.1

*1 Plan refers to the figures based on the performance forecast announced on July 29, 2015

*2 PY actual does not include actual performances of Shikoku CCBC

Sales volume by brand

Vs. Plan

Vs. PY

- Georgia stayed on plan in total, with positive 3.8% in Q4.
→ Products jointly developed with customers and the new product “Georgia The Premium” launched in August contributed to the results.
- Georgia finished at the same level as the previous year in total with positive performances since Q2.
- I Lohas made a 2-digit growth with steady sales of “I Lohas Momo” launched in Oct.

		2015 actual	vs. Plan ^{※1}		vs. PY ^{※2}	
(Unit: K cases, %)			Diff	%	Diff	%
Core 8	Coca-Cola	14,755	-623	-4.1	-558	-3.6
	Coca-Cola Zero	6,472	-878	-11.9	-456	-6.6
	Fanta	7,904	-196	-2.4	-857	-9.8
	Georgia	45,215	+172	+0.4	-136	-0.3
	Sokenbicha	10,174	-495	-4.6	-831	-7.6
	Aquarius	19,492	-1,679	-7.9	-829	-4.1
	Ayataka	17,642	+1,060	+6.4	+1,437	+8.9
	I-Lohas	13,994	-1,002	-6.7	+2,142	+18.1
Subtotal		135,647	-3,643	-2.6	-89	-0.1
Other		39,608	-697	-1.7	-925	-2.3
RTD ^{※1} Total		175,255	-4,339	-2.4	-1,013	-0.6
Syrup, powder		39,792	+221	+0.6	-614	-1.5
CCW total (excl. Shikoku)		215,048	-4,118	-1.9	-1,627	-0.8
CCW + Shikoku total		225,506	-4,797	-2.1	+8,831	+4.1

*1 RTD: Packaged products
 *2 Plan refers to the figures based on the performance forecast announced on July 29, 2015
 *3 PY actual does not include actual performances of Shikoku CCBC

2015 account settlement (Jan – Dec)

■ The fiscal year closed with increased consolidated operating profit v. plan and from PY.

(Unit: MM JPY,%)

	2015 actual	Plan ^{*1}	vs. Plan		2014 actual	vs. PY ^{*2}	
			Diff	%		Diff	%
Revenue	440,476	450,600	-10,123	-2.2	424,406	+16,069	+3.8
Gross profits	223,951	229,000	-5,048	-2.2	212,881	+11,070	+5.2
Operating profits	14,262	12,500	+1,762	+14.1	11,008	+3,254	+29.6
Ordinary profits	13,723	12,100	+1,623	+13.4	10,609	+3,114	+29.4
Current net profits	9,970	14,200	-4,229	-29.8	4,482	+5,488	+122.4

*1 Plan refers to the figures based on the performance forecast announced on July 29, 2015

*2 PY actual does not include actual performances of Shikoku CCBC

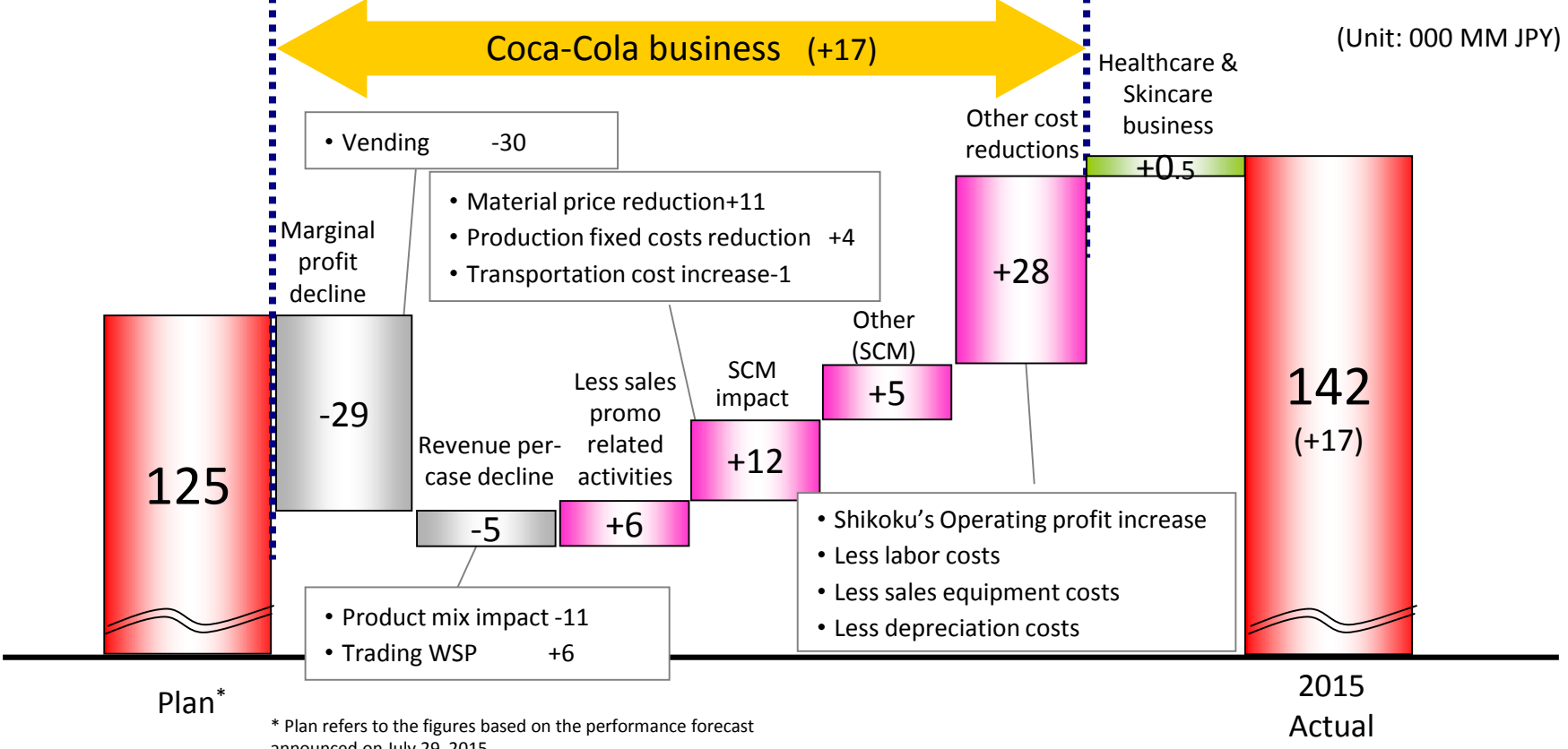
2015 account settlement (Jan – Dec) – causes for operating profit increase (vs. Plan)

Operating profit of KO business was closed exceeding the plan announced in July 29 last year by 1.7 billion JPY.

Marginal profit fell short by 2.9 billion JPY annually affected by volume decline in Vending.

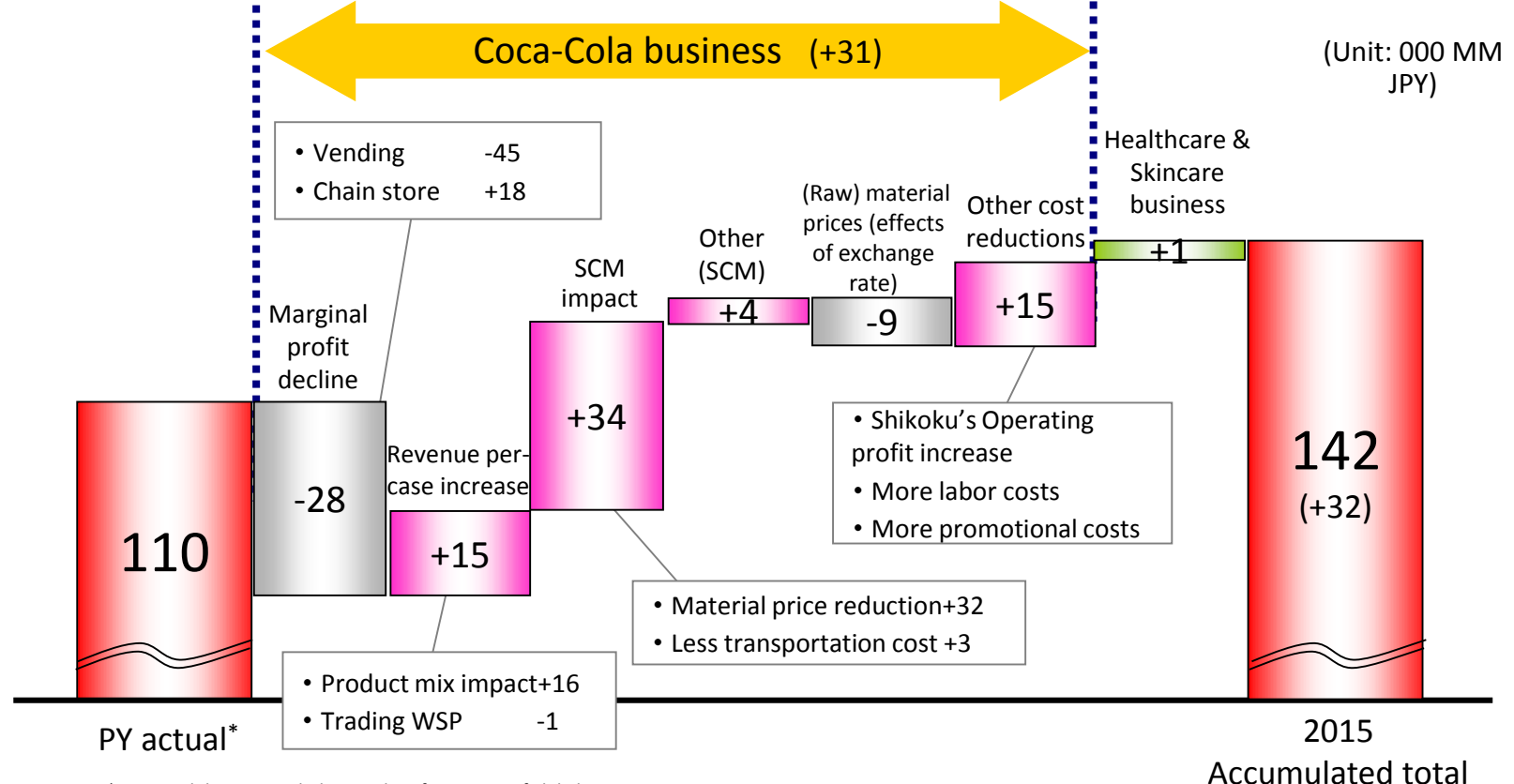
In addition, productivity enhancement and cost reduction initiatives in the field of SCM contributed to the outperformance of operating profit.

While revenue of Healthcare & Skincare business declined, advertisement cost allocations according to sales resulted in operating profit to be on plan.



2015 account settlement (Jan – Dec) – causes for operating profit increase (vs. PY)

Operating profit of KO business was closed exceeding PY by 3.1 billion JPY. While falling negative by 2.8 billion JPY annually affected by the shortfall in Vending, Marginal profit has shown recovery trend as Q4 turned positive v. PY by 600 MM JPY. In addition to per-case revenue increase and SCM impact, profit contributions by Shikoku CCBC helped to boost operating profit. With positive result of operating profit in Q4 by 300 MM JPY v. PY, Healthcare & Skincare business raised annual operating profit by 100 MM JPY v. PY.



* PY actual does not include actual performances of Shikoku CCBC

II. 2016-2018 3-year Management Plan

Overview of “Long-term Management Vision 2020”

Corporate message みんなの あしたに ハッピーを
Coca-Cola West

Corporate philosophy

飲料を通じて
 価値ある「商品、サービス」を提供することで、
 お客様のハッピーでいきいきとしたライフスタイルと
 持続可能な社会の発展に貢献します。

Our principle

お客さまからはじまる 私たちの行動指針
West魂



Basic management stance

- Provide all stakeholders with “Happy”
 - Consumer driven actions
 - Community contribution
 - Employee satisfaction
- Higher sense of accountability to meet our target

Long-term Management Vision 2020

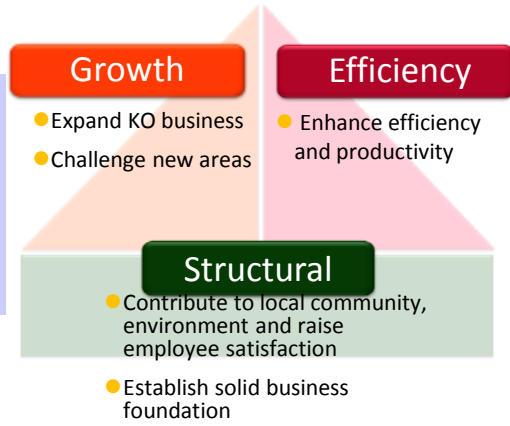
West Vision

Become a company supported by consumers, understood by shareholders, cherished by local communities and proud by employees!!

Growth Target

- Revenue: 510 billion JPY
- Operating Profit : 35 billion JPY
- Consumer satisfaction: 80%
- Corporate love: 80%
- Employee satisfaction: 80%

Long-term strategy



TCCC 2020 VISION

- PROFIT**
 - Expand revenue & profit
- PEOPLE**
 - Raise Employee satisfaction
- PORTFOLIO**
 - Product lineup
- PARTNERS**
 - Customers
- PLANET**
 - Environment, local community
- PRODUCTIVITY**
 - Productivity, Efficiency

*The global vision developed the Coca-Cola Company to promote worldwide.

Positioning of “2016-2018” 3-year Management Plan

Long-term Management Vision 2020

West Vision

Become a company supported by consumers, understood by shareholders, cherished by local communities and proud by employees!!

Growth targets

- ▶ Revenue : 510 billion JPY
- ▶ Operating profit: 35 billion JPY

Step 3(2019-2020)

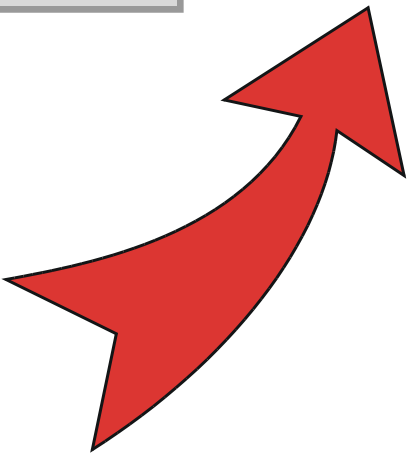
2 years to enjoy tangible growth and realize dreams

Step 2(2016-2018)

3 years to broaden dreams
- Build foundation to realize dreams

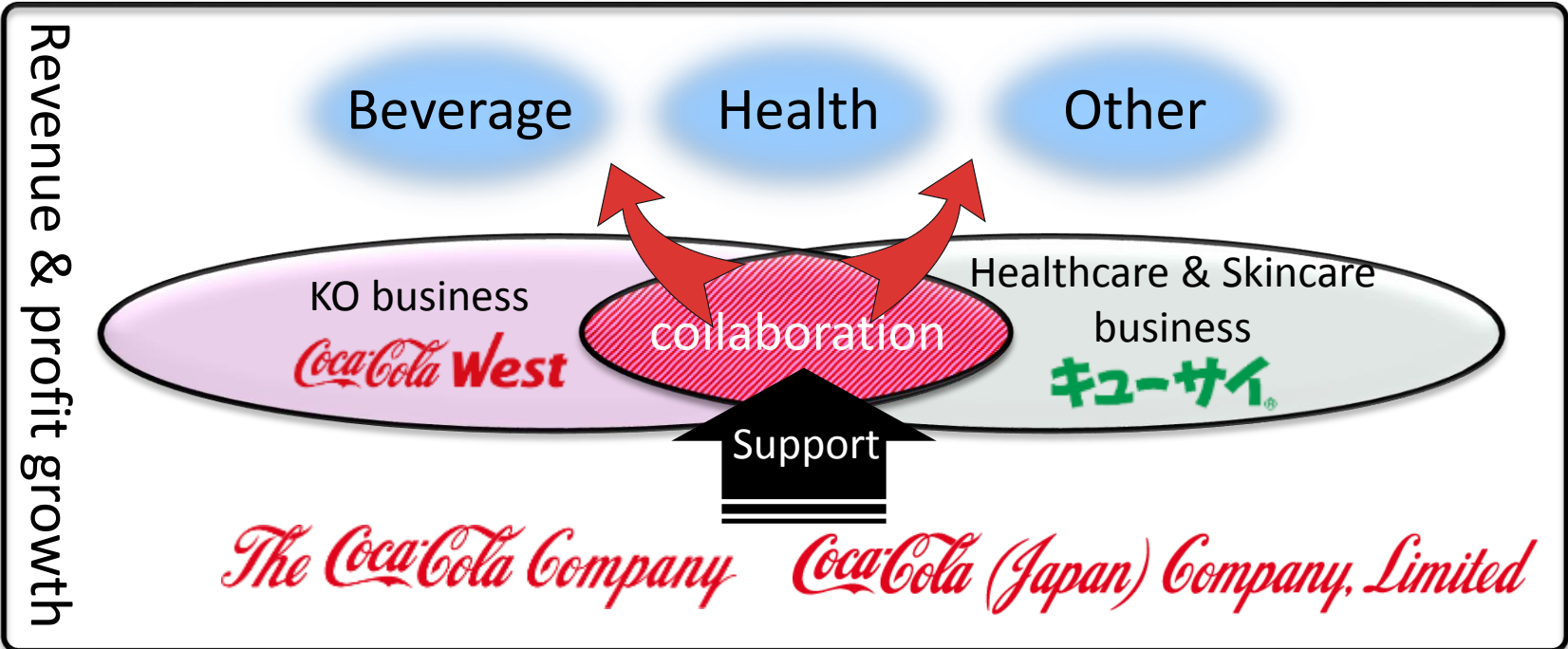
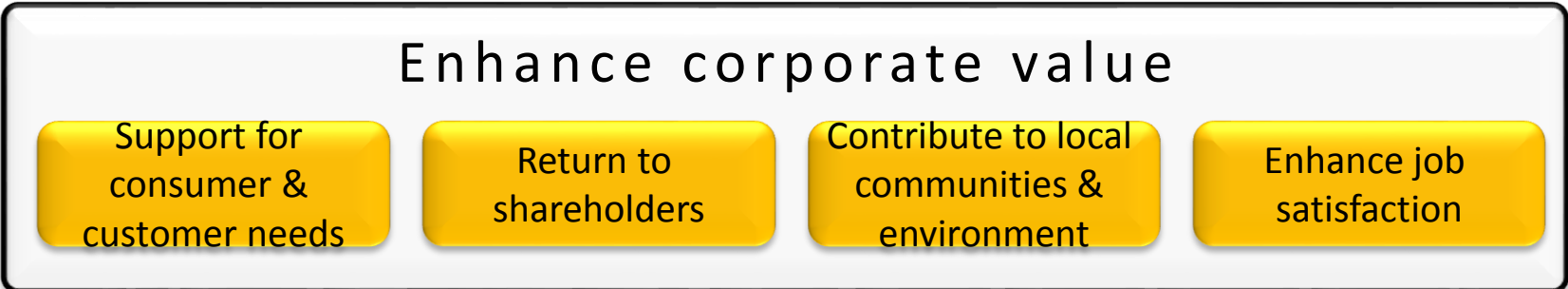
Step 1(2011-2013)

3 years to transform & grow



Scenario for growth

- KO business and Healthcare & Skincare business each deliver growth.
- Through collaborations of both businesses, generate new growth opportunities.



Growth

1. Enhance profitability by ensured reinforcing existing business

- ① Reinforce the existing fields
- ② Challenge new markets with customer-centric perspective
- ③ Expand & advance RGM
- ④ Transform VM business model
- ⑤ Maximize use of KO system's K&I and reinforce marketing according to regional characteristics
- ⑥ Strengthen marketing strategies through alliance and M&A
- ⑦ Establish competitive advantage in the areas of growth

2. Build new growth businesses

Efficiency

3. Advance value chain processes

- ① Advance supply process behind growth and implement new technologies

4. Enable high-quality, low-cost operation structure

- ① Re-allocate production and logistic sites according to changes in demand.
- ② Restructure logistic system based on distribution structure changes.
- ③ Advance high-quality, low-cost operations
- ④ Enable less-burden and labor saving operation models.
- ⑤ Expand global procurement

5. Invest right capital (people, goods, cash)

- ① Appropriately allocate business resources based on research & analysis.
- ② Allocate staff appropriately

Structural

6. Drive CSV

- ① Enable eco-friendly operations.
- ② Continue local contribution and environmental activities

7. Reinforce organizational capabilities & business foundation

- ① Improve asset efficiency
- ② Develop & execute capital strategies
- ③ Transform operation processes leveraging IT.
- ④ Revisit group organizational structure

8. Improve employee satisfaction

- ① Setup attractive HR system
- ② Enable diverse ways to work/HR activating full capacity
- ③ More female advancement
- ④ Improve FTE capabilities/self-fulfillment

Growth strategy 1. Enhance profitability by ensured reinforcing existing business

[Basic ideas in each channel]

Chain store	<u>Expand & advance RGM</u> <ul style="list-style-type: none"> • Capture demands by identifying growth opportunities • Optimize pricing & trade terms 	<ul style="list-style-type: none"> ••• Share gain ••• Per-case revenue increase
Vending	<u>Transform Vending business model</u> <ul style="list-style-type: none"> • Fundamentally revisit the business model • Offer values through vending innovations 	<ul style="list-style-type: none"> ••• Profitability growth ••• Share gain
Retail & food service	<ul style="list-style-type: none"> • Expand a new channel (online) • Re- strengthen the fountain business 	<ul style="list-style-type: none"> ••• Volume growth

[Channel-based volume plans]

	2015 actual	2018 Plan	CAGR
(unit: K c/s, %)			
Chain store	94	107	+4.4
Vending	68	69	+0.3
Retail & Food Service	37	38	+1.4
Others	16	16	-0.7
CCW Total (excl. Shikoku)	215	230	+2.3
CCW + Shikoku total	226	250	+3.5

Growth strategy 1-① -Reinforce the existing fields

2018 existing fields

Vs. 2015 +6.6% CAGR +2.1%

		Vs. 2015	CAGR
Sparkling	<ul style="list-style-type: none"> • Revitalize Coca-Cola • Take approaches for non-sparkling users • Reinforce Sparkling for adults 	+13.2%	+4.2%
Coffee	<ul style="list-style-type: none"> • Step up marketing to diversified consumers 	+2.0%	+0.7%
Non sugar tea	<ul style="list-style-type: none"> • Focus on “Green Tea market” with Ayataka • Pay more attention on “Blend Tea market” with Sokenbicha • Strengthen “FOSHU market” with Karadasukoyakacha W 	+11.2%	+3.6%
Sport & water	<ul style="list-style-type: none"> • Bolster Aquarius brand as the number of sports players increases • Enhance brand values mainly with I Lohas natural water 	+9.3%	+3.0%

Sales boost leveraging the assets of worldwide sponsorship (Tokyo Olympic Games & FIFA World Cup)

Growth strategy 1-② -Challenge new markets with customer-centric perspective

■ Generate new growth opportunities by entering into low share markets and reinforcing Coffee category.

Gain incremental sales in low share market

Reinforce categories where we have low share, while the market is large

lactic

100% juice

Capture potential at white space

Boost sales of brewed coffee

- Develop products according to customer needs and create a recipe.



- Propose new way to offer (counter-top coffee etc.)

New products & packages (such as bottle coffee)

Collaboration with Q'sai

New product development connecting the strengths of KO and Q'sai

Coca-Cola

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Growth strategy 1-③ -Expand & advance RGM

[Capture demands by identifying growth opportunities]

- Ensure to identify growth opportunities and to executive effective OBPPC* strategies.

[Optimization of prices & trade terms]

- Ensure to execute appropriate price strategies and effective promotional spends.

OBPPC

- Drive category management
- Reinforce sales of key products
 - Expand customers with category captaincy
- Challenge new markets
 - Capture new sales opportunities through effective deployment of new products
- Appropriate package strategies
 - Offer with optimum volumes (small & midi)
 - Launch highly value-added packages

Price & Trade terms

- Advance price guideline & guardrail
 - Implement the right price strategies according to Area, scale of customer & Product feature



Raise competitiveness & profitability

- Spend promo costs that generate value
 - Shift investment to drive shopper purchase & address customer issues.

*Abbreviation of Occasion, Brand, Package, Price and Channel which is a method to differentiate products offered so that more consumer needs are met.

Growth strategy 1-④ -Transform VM business model

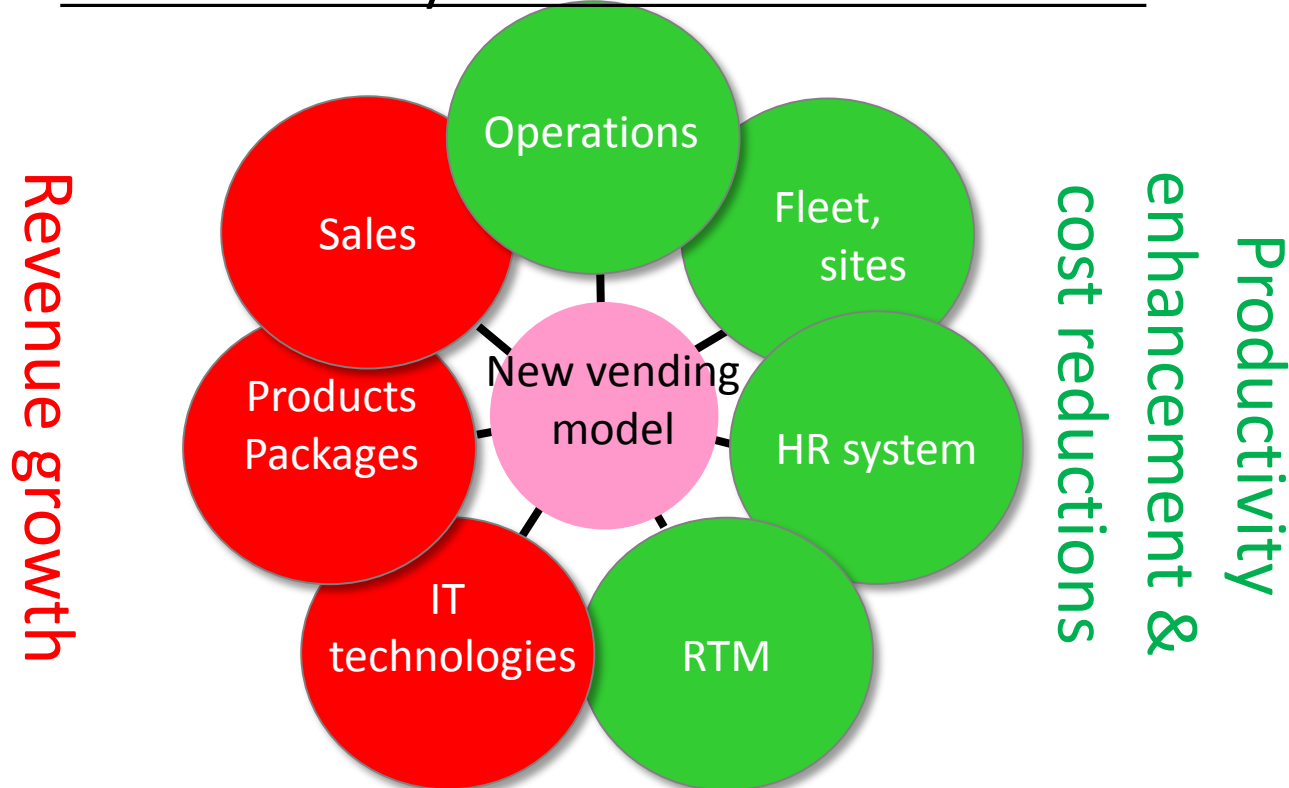
[Fundamentally revisit the business model]

- Transform the business model to deliver profits even in the matured market and establish competitive advantage.

[Challenges faced with Vending]



Fundamentally revisit the overall business

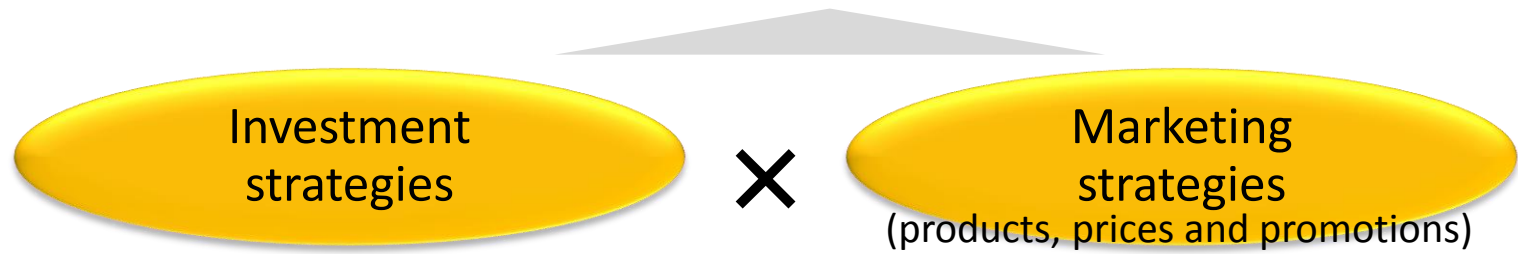


Growth strategy 1-④ -Transform VM business model

[Offer values through vending innovations]

- Boost sales by executing the right marketing strategies according to the vending locations while strategically making investments on vending machines according to customer needs.

Raise sales even in the matured market by generating values through innovations.

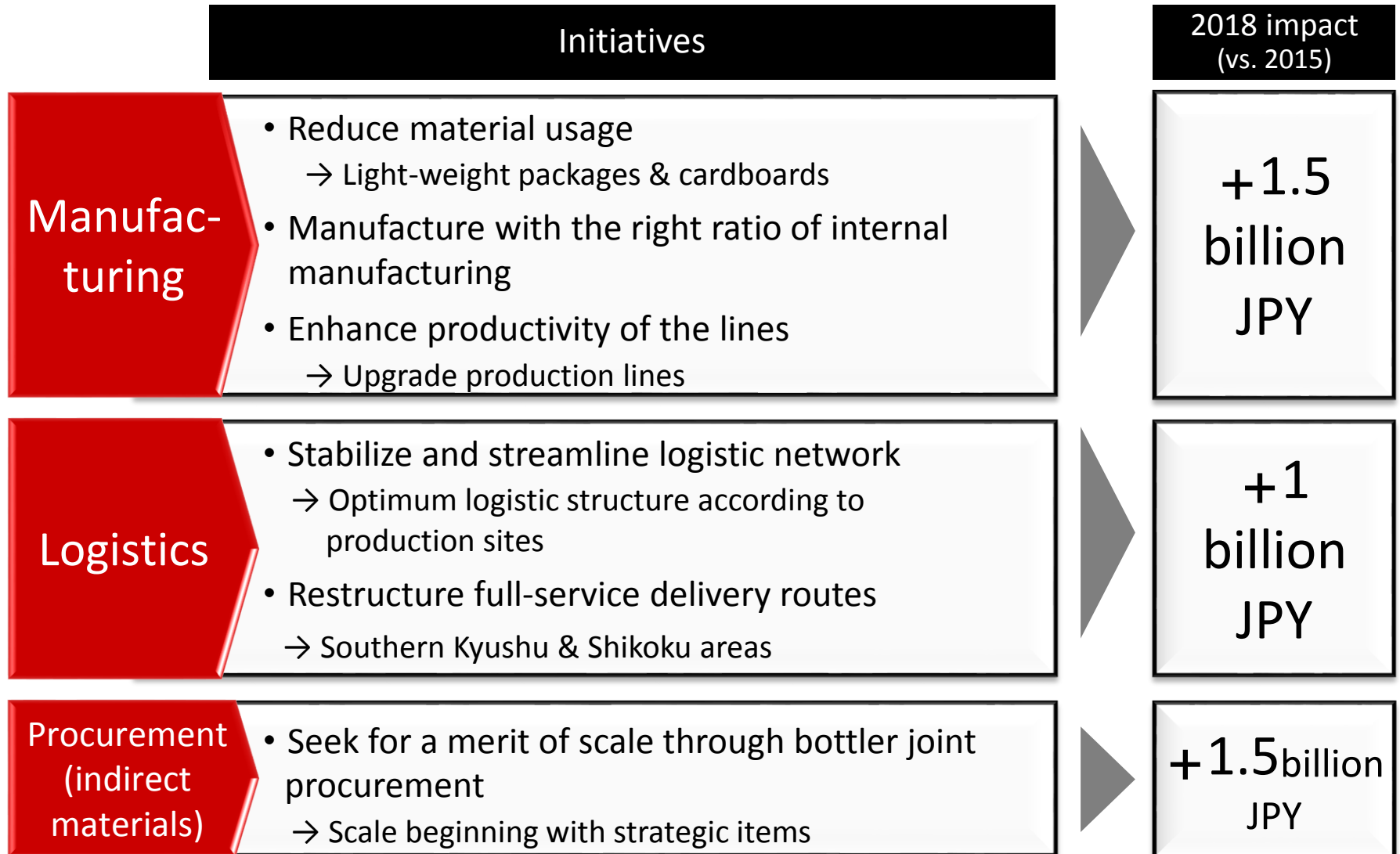


Invest for... **90,000** VM V. The recent 3 years
(3 years total) +25%

	<ul style="list-style-type: none">• Promotions leveraging IT• Eco-friendly appeal (HFC-free)• Systematic renewal		<ul style="list-style-type: none">• More highly value-added products
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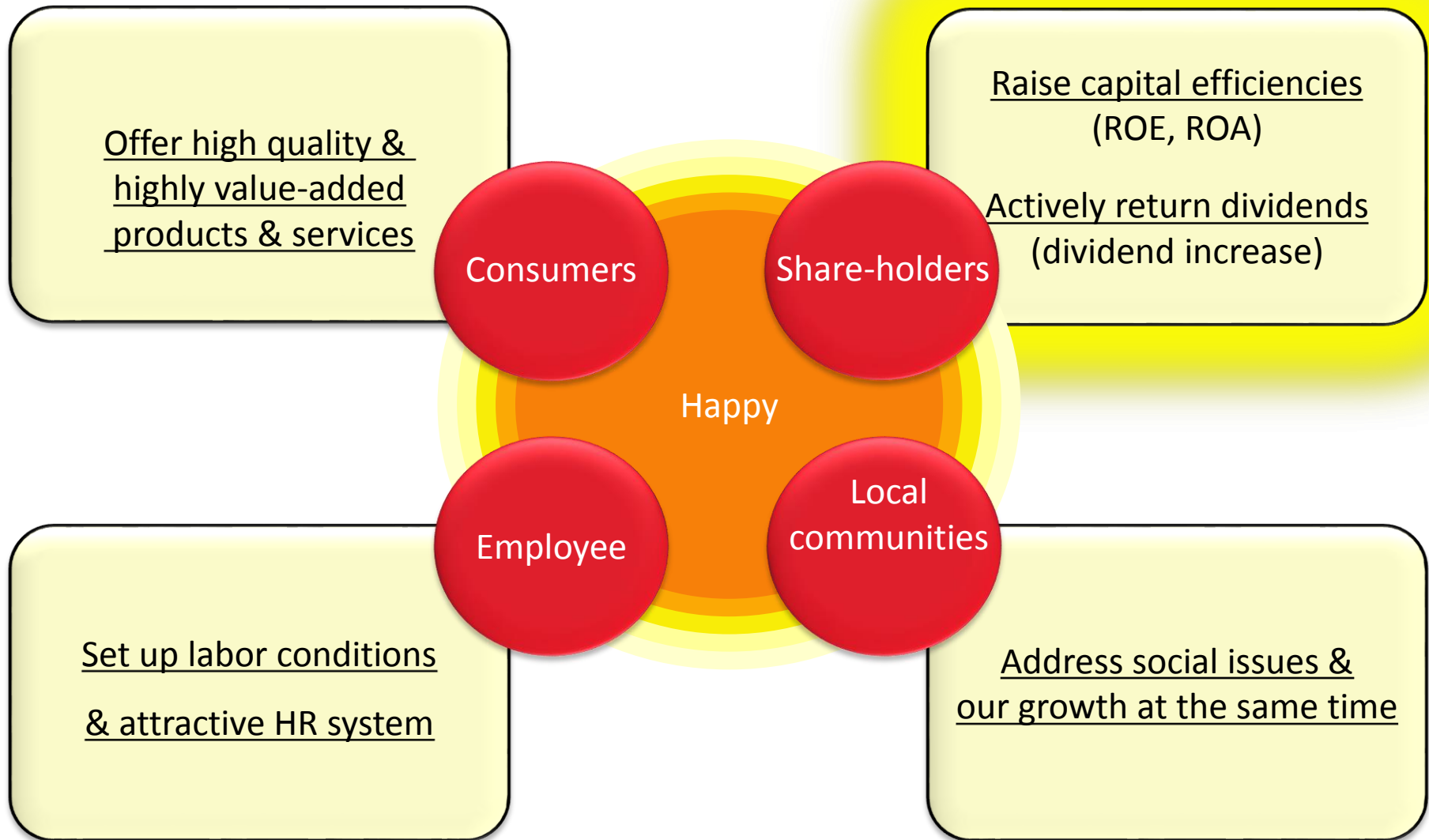
Efficiency 4-①②③⑤ -Enable high quality & low-cost operating structure

- Aim to deliver impacts (cost saving) of 2.5 billion JPY in SCM and 1.5 billion JPY through joint procurement of indirect materials.



Structural strategies

■ Reinforce business foundation in order to offer values to all stakeholders.



Growth

1. Raise profitability by reinforcing existing businesses

- ① Capture new customer brackets
- ② Strategically renew existing products
- ③ Develop marketing strategies for long-lasting relationship

2. Raise revenue by expanding areas of business

- ① Enter into new areas of market expected for growth
- ② Collaborate with CCW

Efficiency

3. Transform to enable high quality & low cost operations

- ① Revisit production processes to reduce COGS
- ② Establish the optimum Call Center structure
- ③ Reinforce WEB recruitment to reduce COGS
- ④ Transform logistic structure to be relevant

4. Allocate investments for growth

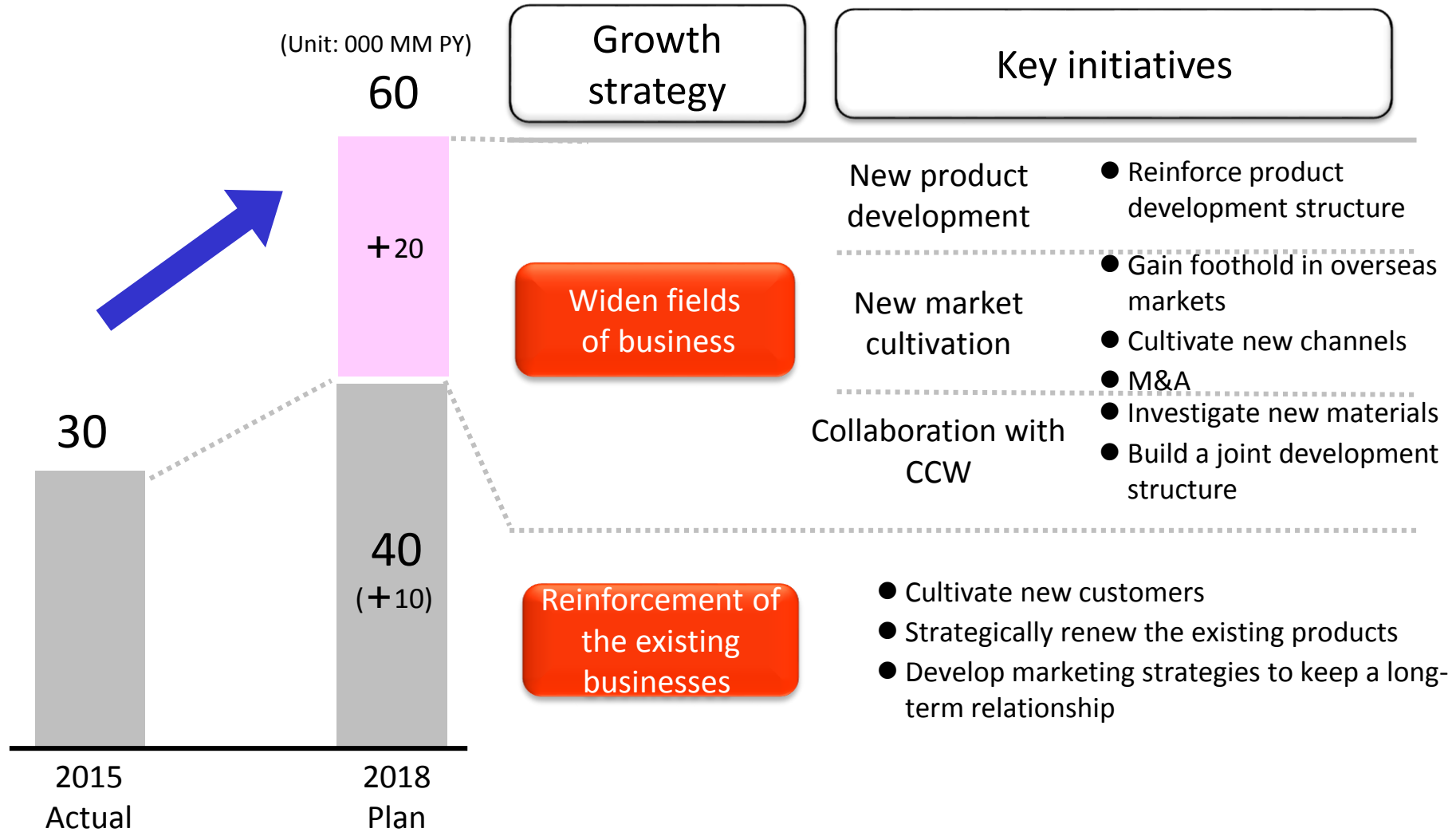
- ① Allocate management resources appropriately based on research & analysis
- ② Ensure solid investments that would lead to future growth

Structural

- 5. Reinforce governance and risk preventive structure
- 6. Transform corporate culture by building new HR system & reinforcing HR development
- 7. Set up IT system for developing sales strategies

Growth scenario

■ Work on widening fields of business and reinforcing the existing businesses to grow in expanding markets.



Growth strategy 1 & 2

■ Raise revenue by reinforcing the existing businesses and widening fields of business as pillars.

Reinforce- ment of the existing businesses

- Cultivate new customers
 - Execute media strategies for expanding targets (website, SNS)
- Strategically renew existing products
 - Product strategies according to the system for functionally-labeled foods

Widen fields of business

New products

- Reinforce product development structure
 - Strengthen information gathering, market research & analysis (use of external resources, M&A)

Low share market (scale: large, share: low)

Untapped market (scale: small, share: high)

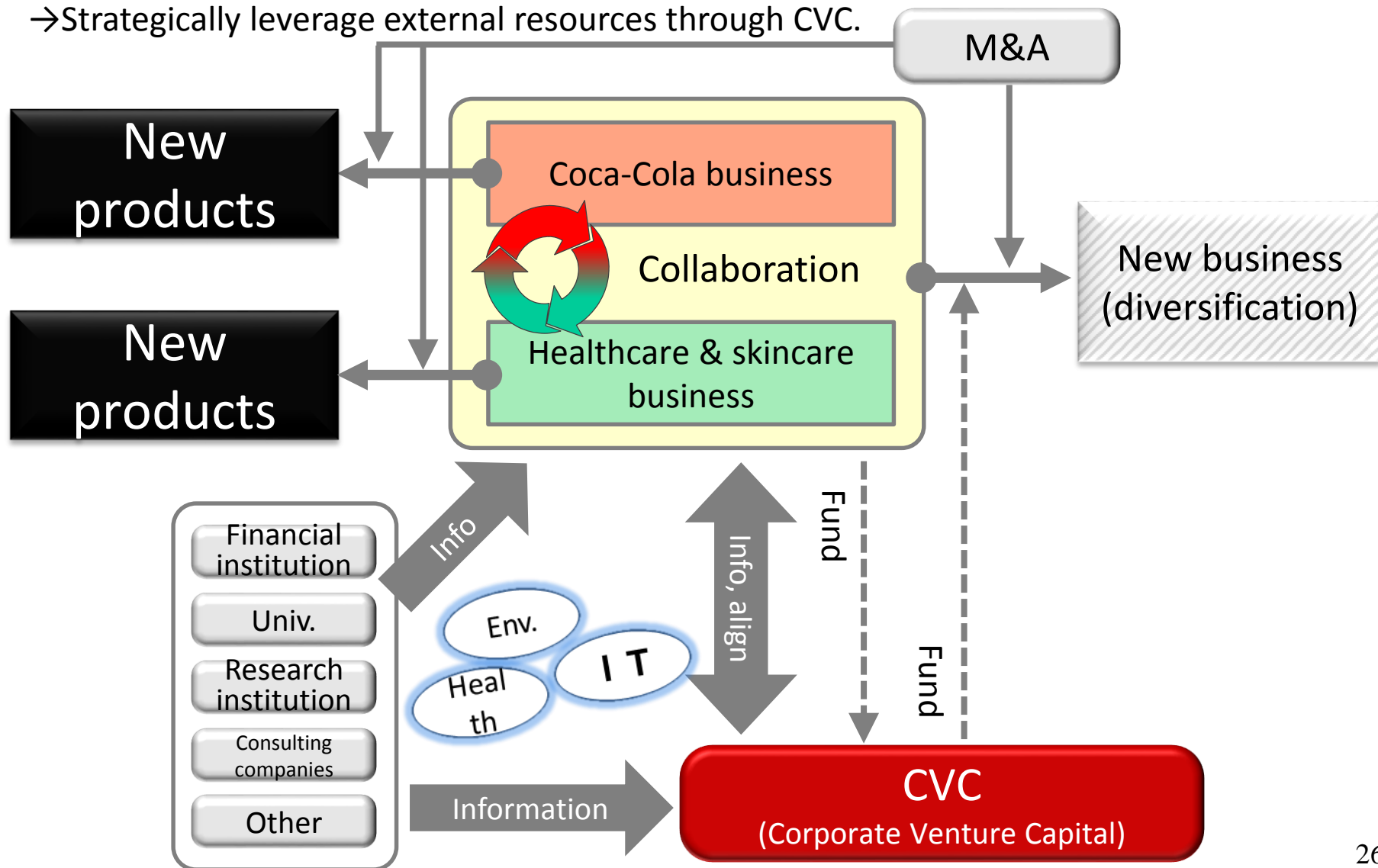
New markets

- Gain foothold in overseas markets
 - Fully enter into the U.S. market (Q'sai USA)
 - Reinforce materials suitable for overseas (Nippon Supplement)
- Cultivate new channels
 - Drive self-service sales to E&D outlets

New initiative for future growth

- Launch a full-scale collaborations between Coca-Cola business and Healthcare & skincare business.

→ Strategically leverage external resources through CVC.



Consolidated management targets (2018)

■ Aim to attain consolidated revenue of 500 billion JPY and operating profit of 21 billion JPY.

(Unit: 100MM JPY)

	2015 actual	2018		
		Plan	Variance vs. 2015	Variance (%)
Revenue	4,404	5,000	+595	+13.5
Coca-Cola Business	4,076	4,440	+363	+8.9
Healthcare & Skincare Business	328	560	+231	+70.5
Operating profits	142	210	+68	+47.2
Coca-Cola Business	112	150	+38	+33.8
Healthcare & Skincare Business	30	60	+30	+96.6
Current net profits (belong to our shareholders)	99	130	+30	+30.4

Operating profits on sales	(%)	3.2	4.2	+1.0	-
ROE	(%)	3.9	5.0 以上	+1.1 or more	-
ROA	(%)	3.8	5.0 以上	+1.2 or more	-
DOE	(%)	1.7	1.9	+0.2	-

CAPEX plans (2018)

- Change service life of sales equipment from the current setting (5-6) to 9 years.
 - Revisit the service life to reflect the actual usage status as more and more sales equipment are used longer.
 - The change allows us to meet the Coca-Cola global standard.
- Aim to deliver stable operating profit growth in the future and reinforce the business foundation by ensuring to make necessary investments in the 3 years when the depreciation costs become less along with the change in service life of sales equipment.

(Unit: 100MM JPY)

	2015 actual	2016-2018 Plan		
		3-year total	Yearly average	Variance vs. 2015
Land	0	94	31	+31
Buildings and structures	6	169	56	+50
Machinery and equipment	28	284	95	+67
Sales equipment	108	469	156	+48
Other	18	134	45	+27
Total	161	1,152	384	+223

Scenario to attain 2018 operating profits (v. 2015)

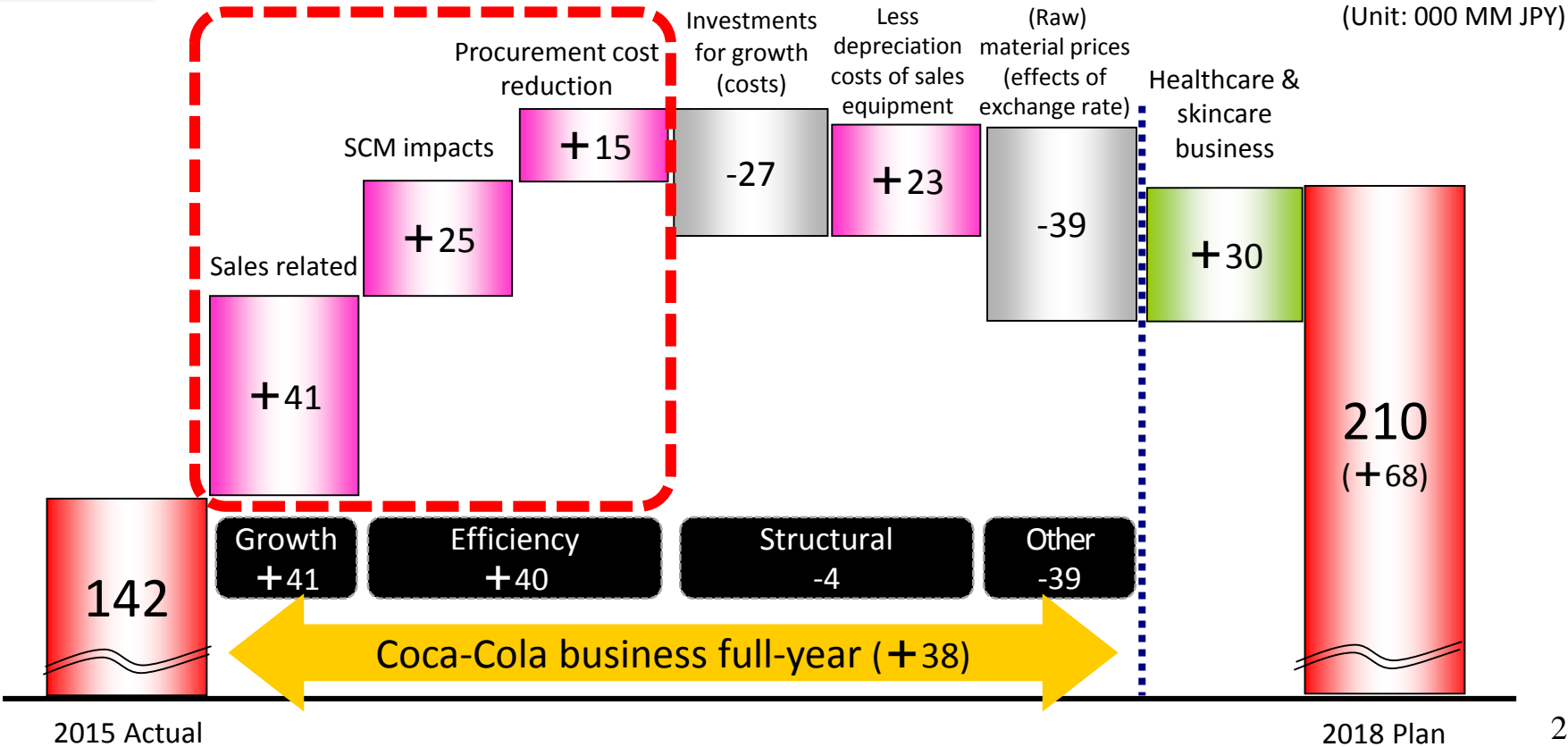
Aim to deliver consolidated operating profit of 21 billion JPY, up by 6.8 b JPY v. 2015.



- Growth strategy +4.1 billion JPY: Grow by raising profits in each channel
- Efficiency strategy +4 billion JPY: Project cost saving through joint procurement of indirect materials in addition to SCM impact generations
- Structural strategy -0.4 billion JPY: Leverage the capitals gained from changing the service life for investments to the future growth.



+3 billion JPY: Project profit increase by expanding new products & channels.



III. 2016 Plan

Advance RGM

Multiply revenue and profits with identified growth opportunities, appropriate price strategies and effective allocation of promotional costs.

Transform vending business

Build a winning transformation model even in the severe market environment by reviewing all operation process from scratch spanning from strategy development to execution management in the vending business.

Invest for future growth

Make necessary investments effectively in order to reinforce foundation for sustainable growth and cultivate HR towards the future.

2016 (Jan – Dec) Volume plan

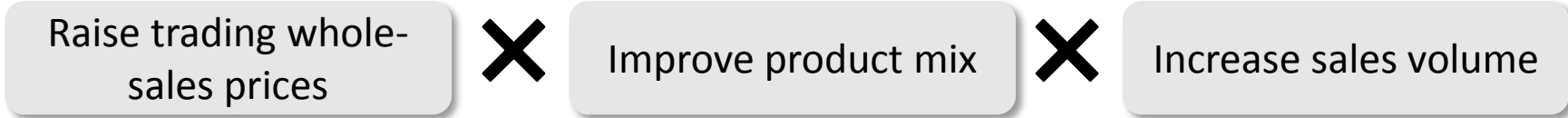
- Set the 2016 plan at the same level of market growth +0.9% vs. PY last year. It will be +4.9 % vs. PY together with Shikoku CCBC.
- Forecast 2.5% growth in Chain store by channel.

	2016 Plan	Vs. PY*	
		Diff	%
(Unit: K cases, %)			
Supermarket/Drug/Discounter	68,299	+1,476	+2.2
Convenience store	28,006	+862	+3.2
Chain Store total	96,305	+2,338	+2.5
Vending	67,891	-449	-0.7
Retail	11,247	-154	-1.3
Food Service	25,767	+553	+2.2
Other	15,715	-410	-2.5
CCW total (excl. Shikoku)	216,926	+1,878	+0.9
CCW + Shikoku total	236,633	+11,038	+4.9

* PY Actual does not include actual performances of Shikoku from Jan-June. Sales volume for Shikoku is also revised retroactively with PY figures due to consolidation of volume counting methods.

Sales strategies - RGM initiatives in supermarket

Take actions to raise profitable revenue growth through ensured acquisition of new point of connections and optimum portfolio according to spaces, while embedding & advancing price guideline.



- Advance price guideline
 - Evolve to the price guideline according to the characteristics of categories & brands

- Make investments based on ROI analysis

- Drive category management
- Strengthen sales of key products
 - Propose planogram (at Teiban)
 - Gain more spaces per store

- Launch new products
 - Develop spaces according to product strategies.
- Deploy packages connected to price strategies.

Sales strategies- Revenue growth & profitability enhancement in Vending

- Ensure foundational sales activities, while ensuring to work on business model transformation.

Sales activities for revenue and profitability growth

Revenue growth

- VM investments for future growth
→ Provide added-value with equipment implementation



New VM

30,000

- Promotion leveraging IT
- Portfolio extension
- Minimized environmental burden
- Prevention of equipment failure risks

(+8,100 vs. PY)

Profitability improvement

- Improvement of unprofitable locations

	CVM	Paper pack	CAN
Target	5,000	1,600	9,000
2016	2,500	1,600	4,500

Contribution profit

+270 MM JPY

- Revisit trade terms with customers
→ Sales promotion costs, commissions



Transform the business models for profitability enhancement

- Fundamentally revisit the business model to address our challenges.
→ Map out issues, develop hypothesis and validate them for issue resolutions.

2016 (Jan – Dec) Volume plan by brand

■ Reinforce competitive advantage of key brands & categories.

→ [key brands & categories] Sparkling, coffee, Non sugar tea and I Lohas

		2016 Plan	Vs. PY*2	
			Diff	%
		(Unit: K cases, %)		
Core 8	Coca-Cola	15,353	+362	+2.4
	Coca-Cola Zero	6,577	+105	+1.6
	Fanta	7,796	-108	-1.4
	Georgia	46,427	+1,212	+2.7
	Sokenbicha	10,238	+64	+0.6
	Aquarius	19,616	+124	+0.6
	Ayataka	17,837	+195	+1.1
	I-Lohas	15,691	+1,696	+12.1
Subtotal		139,535	+3,650	+2.7
Other		38,625	-747	-1.9
RTD*1 Total		178,159	+2,904	+1.7
Syrup, powder		38,767	-1,025	-2.6
CCW total (excl. Shikoku)		216,926	+1,878	+0.9
CCW + Shikoku total		236,633	+11,038	+4.9

*1 RTD: Packaged products

* PY Actual does not include actual performances of Shikoku from Jan-June. Sales volume for Shikoku is also revised retroactive

Sales Strategy – reinforce brand competitiveness

Coca-Cola Brand

- Deployment of Global campaign “Taste the Feeling”
 - Packages to match the campaign
 - Large-scale sampling



Global campaign “Taste the Feeling”



New packages

Non sugar tea

- Reinforced sales of Karadasukoyakacha W



Feb 1

Karadasukoyakacha W renewal

- New product launches, renewals



Coffee (Georgia)

- Reinforcement of core products (Emerald Mountain, European, The Premium)
- New product launches (bottle CAN, new packages)



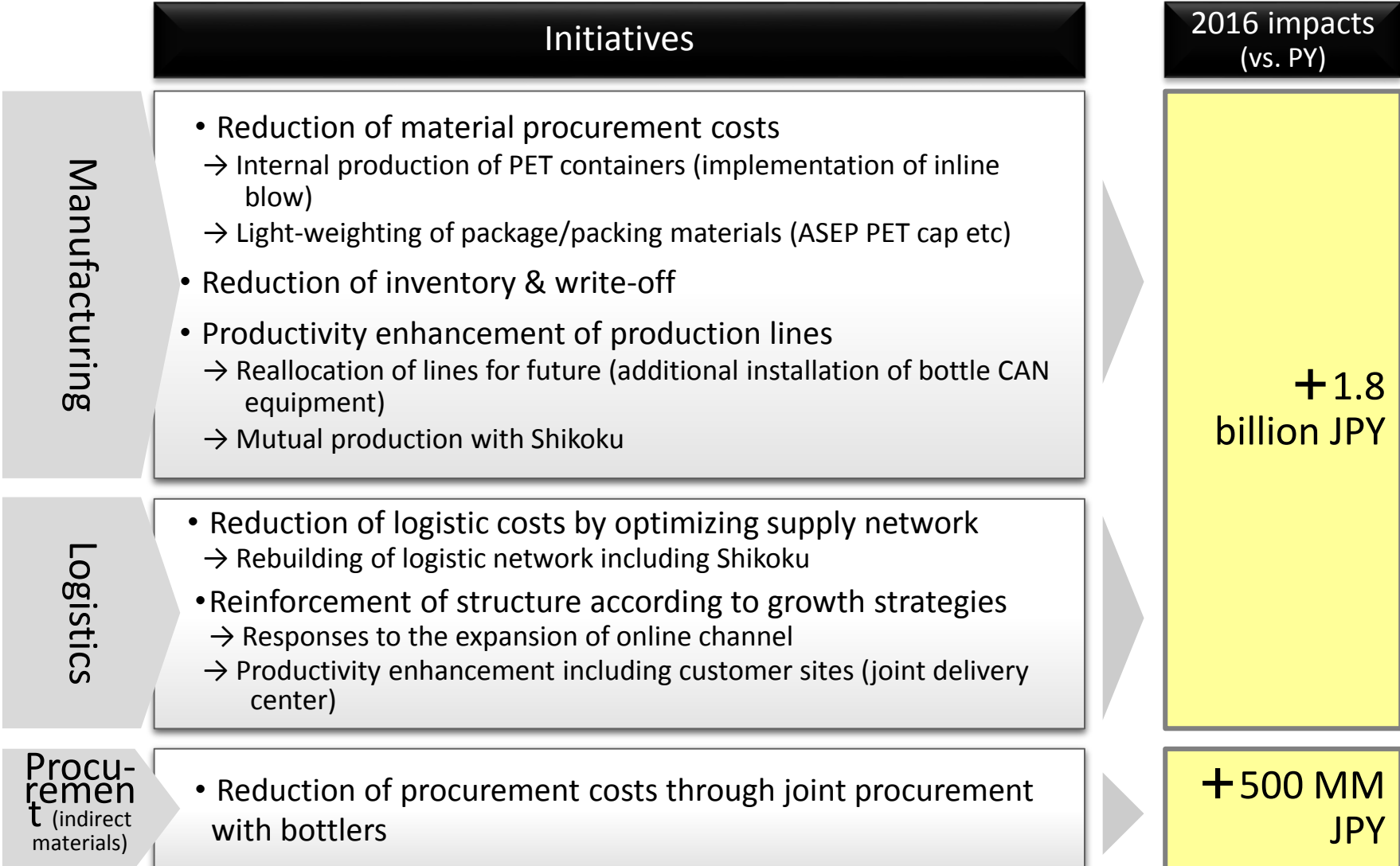
I LOHAS

- New campaign launches
- New product launches



Initiatives in SCM

- Build a high quality & low cost supply chain that meets demand changes.
- Save costs by participating in joint procurement for indirect materials after identifying the target items.



Full-year(Jan-Dec) — Performance forecast

■ Set the full-year consolidated performances with revenue & profit gains vs. PY.

Consolidated

(Unit: MM JPY, %)

	2016 Full year plan	Vs. PY	
		Diff	Diff %
Revenue	455,200	+14,723	+3.3
Gross profit	235,600	+11,648	+5.2
Operating profits	16,000	+1,737	+12.2
Ordinary profits	15,000	+1,276	+9.3
Current net profits (belong to our shareholders)	8,800	-1,170	-11.7

Business specific

[Coca-Cola business(CCW+ Shikoku)]

(Unit: Kcases, %)

	2016 Full year plan	Vs. PY	
		Diff	Diff %
Sales volume	236,633	+11,038	+4.9
Revenue	419,700	+12,064	+3.0
Operating profits	13,000	+1,790	+16.0

[Healthcare & skincare business]

(Unit: Kcases, %)

	2016 Full year plan	Vs. PY	
		Diff	Diff %
Revenue	35,500	+2,659	+8.1
Operating profits	3,000	-52	-1.7

Operating profit variance factors(V. PY)

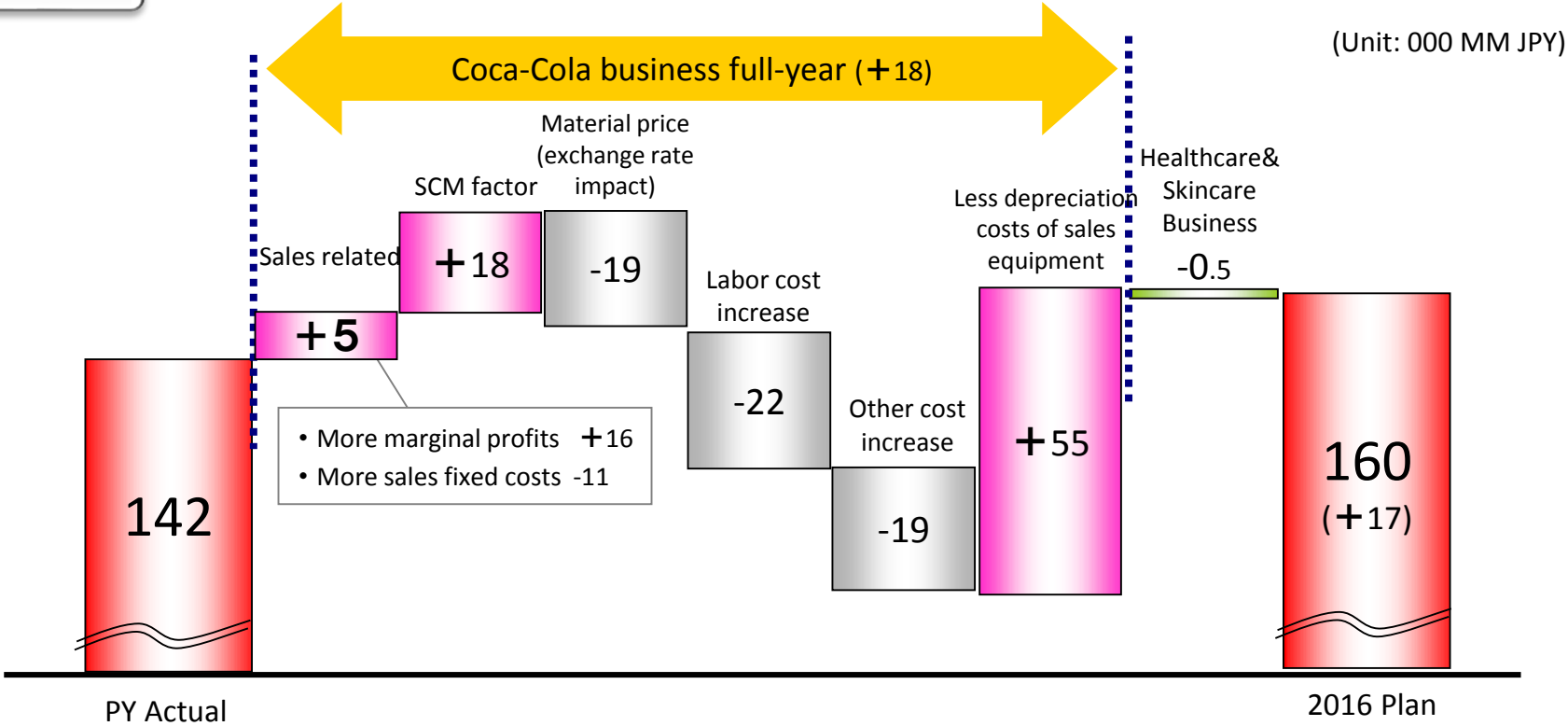
Aim to deliver consolidated operating profit of 16 billion JPY by generating additional operating profit of 1.8 billion JPY v. PY in Coca-Cola business.



- Sales related +500 MM JPY: Ensure sales activities connecting to profitability improvement
- SCM factor +1.8 billion JPY: Work on enhancing productivity such as material cost saving & package light-weighting.
- Other -500 MM JPY: Leverage the capitals gained from depreciation cost reductions for investments to the future growth.



-50 MM JPY: Make investments for revenue growth(more ad and R&D costs)



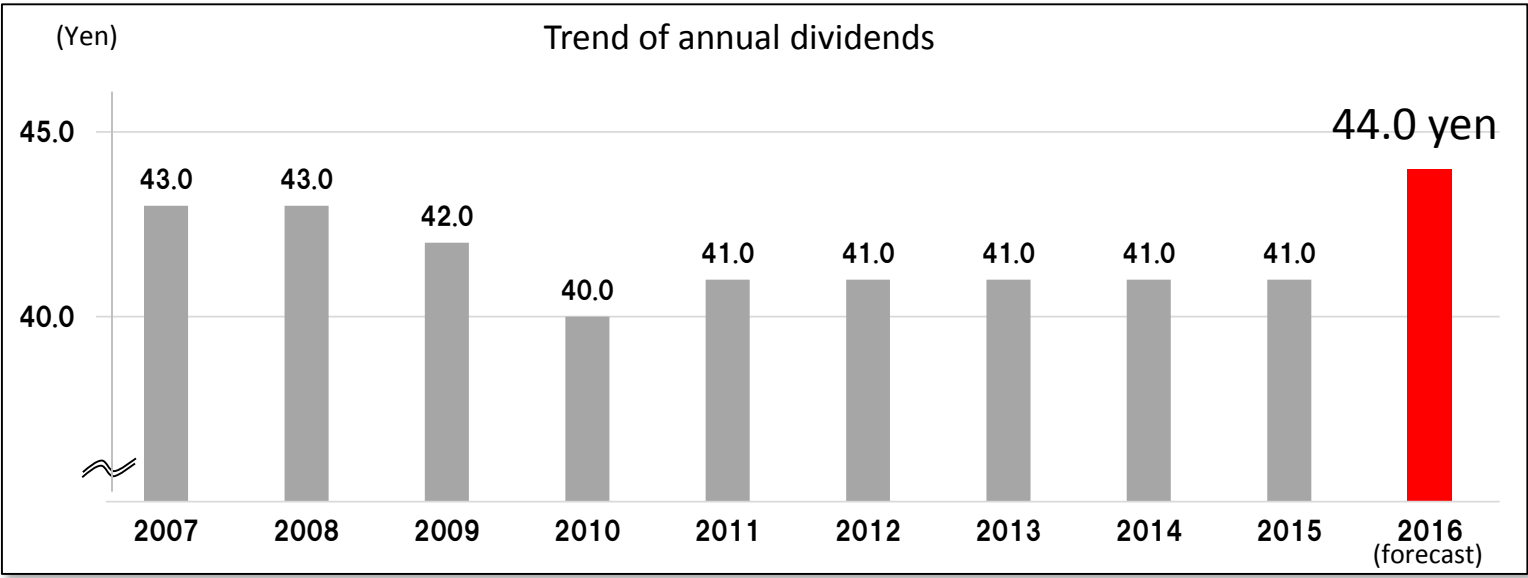
Dividends

■ Since we place shareholders as our key stakeholders, we will increase dividends per share from last year in order to fully return to shareholders.

[Per share]	
Ordinary	
Interim	21 yen (+ 1 yen)
Year-end	21 yen (\pm 0 yen)
Commemorative*	2 yen (+ 2 yen)
Total	44 yen (+ 3 yen)

Variance from PY indicated in ()

*As 2016 marks the milestone of 10 years since the merger of former Coca-Cola West Japan and Kinki Coca-Cola CCBC, we will provide the commemorative dividends to celebrate the year.



- CCW attained operating profit of 10 billion JPY, exceeding the plan raised at the beginning of the year by 7 billion JPY in 2015. Of which, Coca-Cola business delivered 11.2 billion JPY, up by 3.1 billion JPY from PY partly driven by the profit contribution from Shikoku CCBC.
 - Sales volume plan set at the level of market growth with restrained excessive discounts and promotional costs.
 - Cost saving beyond plans achieved by revisiting all operations from scratch.

- We will continue to move forward the good cycle generated in 2015 even in 2016.
 - Sales volume plan to be set at the level of market growth
 - Profitable revenue growth and profitability enhancement in sales by working on RGM advancement & transformation of vending business
 - Achievement of operation quality & efficiency enhancement by continually working on fundamental operation review.

[References]

2015 account settlement (Jan – Dec) — Variance factors(V. Plan)

(Unit: 100MM JPY)

	Plan [※]	2015 actual	Diff
Revenue	4,506	4,404	-101
Gross profits	2,290	2,239	-50
Operating profits	125	142	+17
Ordinary profits	121	137	+16
Current net profits	142	99	-42

Key factors	Diff
•Coca-Cola Business (CCW+Shikoku)	-88.6
•Healthcare & Skincare Business	-12.5
•Coca-Cola Business (CCW+Shikoku)	-42.1
•Healthcare & Skincare Business	-8.3
•SG&A cost decrease	+68.1
•Coca-Cola Business (CCW+Shikoku)	+59.2
<Key factors >	
Less labor costs	+6.3
Less Sales Promotion/Advertising Expenses	+6.6
Less sales commission	+19.5
Less sales equipment costs	+6.7
Less operation outsourcing costs	+4.5
More transportation costs	-7.0
Less depreciation costs	+4.8
•Healthcare & Skincare Business	+8.8
•More Extraordinary loss (Loss on disposal of fixed assets etc)	-61.7
•Corporate tax	+5.6

* Plan refers to the figures based on the performance forecast announced on July 29, 2015

2015 account settlement (Jan – Dec) — Variance factors(V. PY)

(Unit: 100MM JPY)

	PY actual [※]	2015 actual	Diff
Revenue	4,244	4,404	+160
Gross profits	2,128	2,239	+110
Operating profits	110	142	+32
Ordinary profits	106	137	+31
Current net profits	44	99	+54

Key factors	Diff
•Coca-Cola Business (CCW+Shikoku)	+170.1
•Healthcare & Skincare Business	-9.4
•Coca-Cola Business (CCW+Shikoku)	+116.5
•Healthcare & Skincare Business	-5.8
•SG&A cost increase	-78.1
•Coca-Cola Business (CCW+Shikoku)	-85.4
<Key factors>	
Less labor costs	-21.1
More Sales Promotion/Advertising Expenses	-12.7
More sales commission	-13.4
Less sales equipment costs	+13.9
More operation outsourcing costs	-23.1
More transportation costs	-10.3
More depreciation costs	-12.0
•Healthcare & Skincare Business	+7.3
•More Extraordinary profits (from negative goodwill)	+75.6
•More Extraordinary loss (less structural reform costs)	-38.6
•Corporate tax	-13.4

* PY actual does not include actual performances of Shikoku CCBC

Q4 account settlement (Oct – Dec)

(Unit: MM JPY, %)

	2015 Q4 actual
Revenue	110,814
Gross profit	56,436
Operating profits	2,754
Ordinary profits	2,429
Current net profits	Δ 4,376

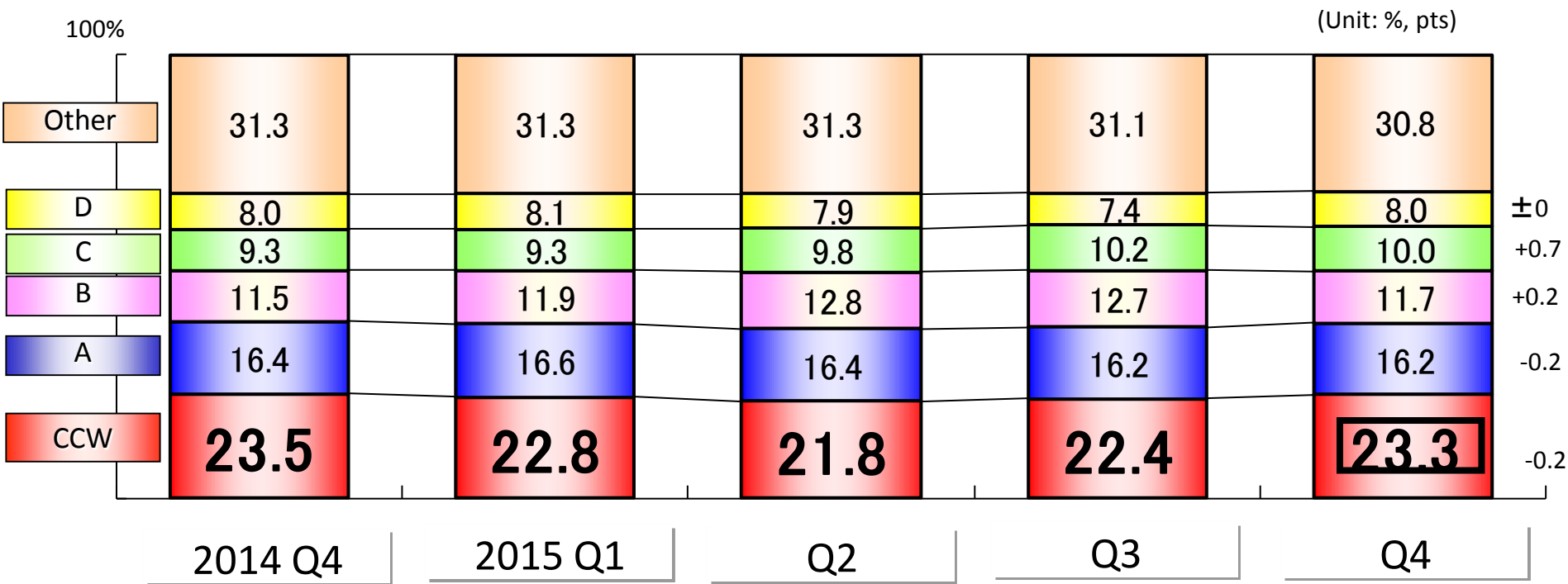
Plan ^{※1}	Vs. PY	
	Diff	Diff %
111,300	Δ485	-0.4
57,100	Δ663	-1.2
1,000	+1,754	+175.5
900	+1,529	+169.9
300	Δ4,676	-

*1 Plan refers to the figures based on the performance forecast announced on July 29, 2015

2014 Q4 actual	Vs. PY ^{※2}	
	Diff	Diff %
100,591	+10,223	+10.2
50,836	+5,599	+11.0
3,012	Δ257	-8.6
2,593	Δ164	-6.4
819	Δ5,195	-

*2 PY actual does not include actual performances of Shikoku CCBC

OTC market share trends (excl. VM)



• Values outside the graph show gap vs. PY same period

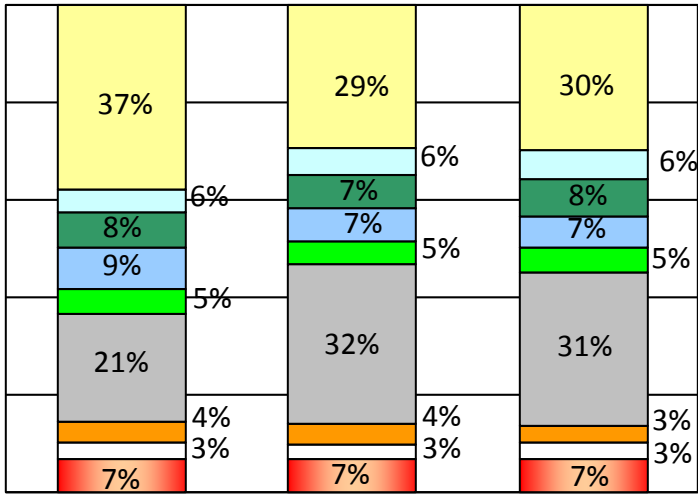
(Source: Intage)

2015 (Jan – Dec) – Mix by brand/channel

Brand

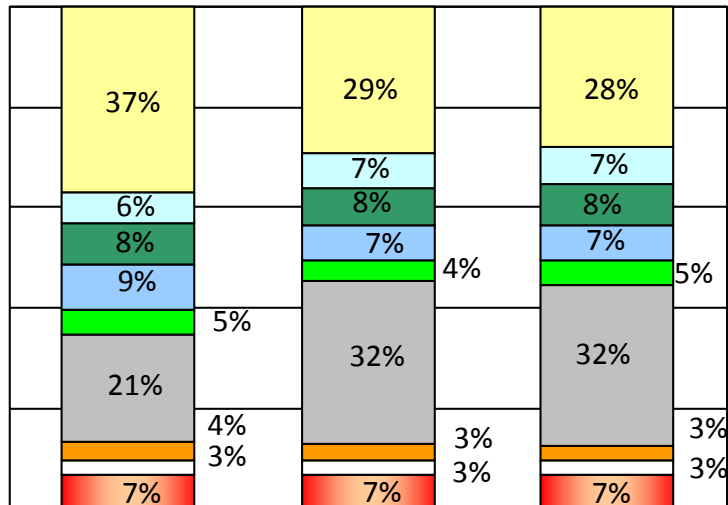
- Others
- I LOHAS
- Ayataka
- Aquarius
- Soukenbicha
- Georgia
- Fanta
- Coca-Cola Zero
- Coca-Cola

2014*



Sales Vol. Revenue Gross profit

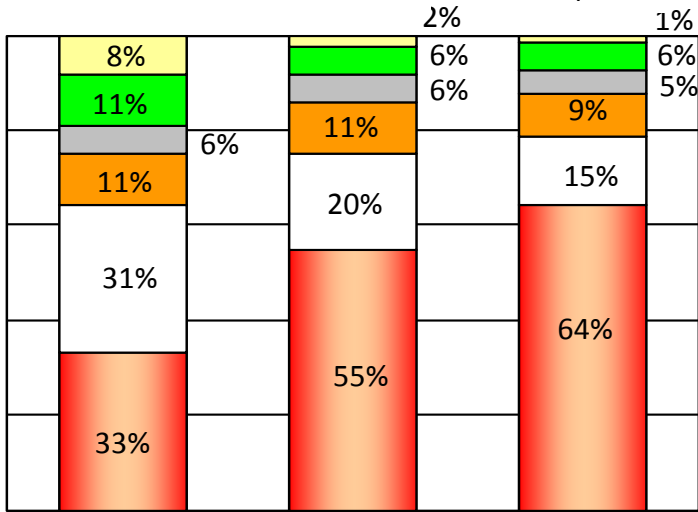
2015



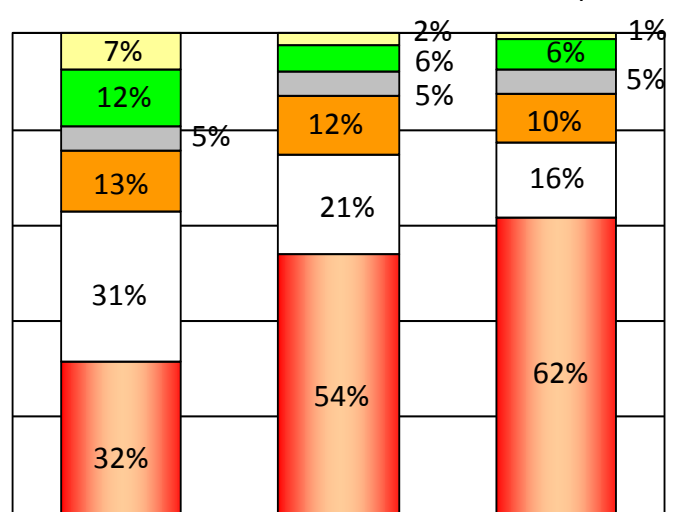
Sales Vol. Revenue Gross profit

Channel

- Others
- Food Service
- Retail
- CVS
- SM
- Vending



Sales Vol. Revenue Gross profit



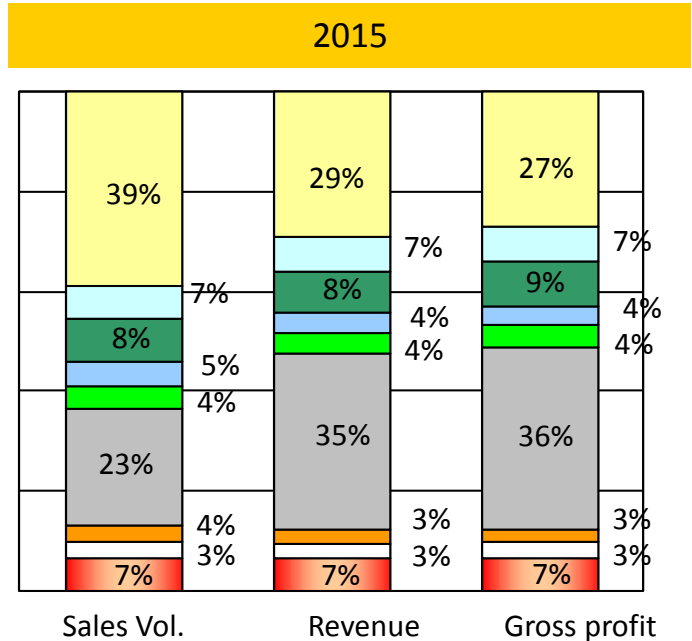
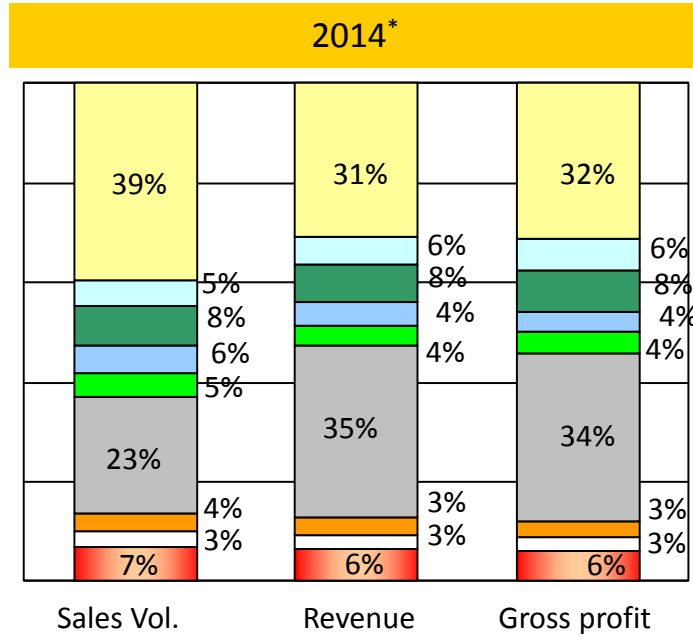
Sales Vol. Revenue Gross profit

* Due to some changes in sales channel categories, PY actual is retroactively revised

Q4 (Oct – Dec) – Mix by brand/channel

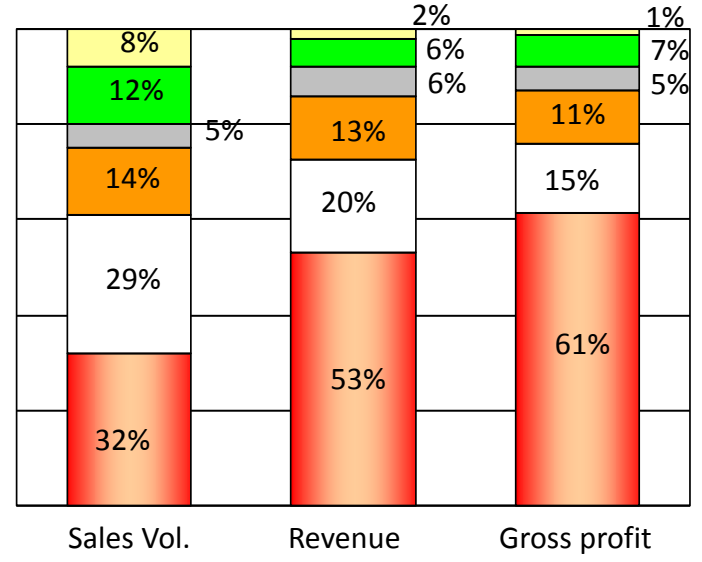
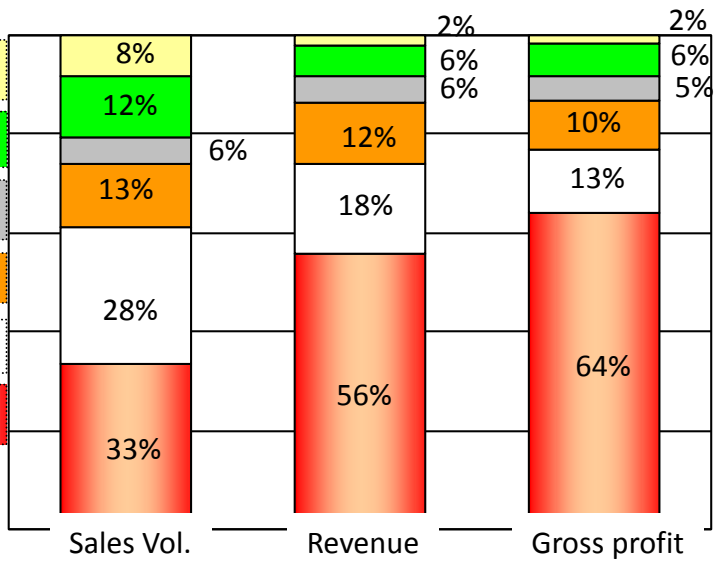
Brand

- Others
- I LOHAS
- Ayataka
- Aquarius
- Soukenbicha
- Georgia
- Fanta
- Coca-Cola Zero
- Coca-Cola



Channel

- Others
- Food Service
- Retail
- CVS
- SM
- Vending



* Due to some changes in sales channel categories, PY actual is retroactively revised

Sales update on vending machines by cluster

Vending machine full service CAN VPM* V. PY

【CCW Area】

	Vs. PY (%)												YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
At-work (office)	-6.7	-7.2	-5.9	-3.9	-5.3	-2.7	-6.8	+3.9	-5.7	-2.9	-0.7	-3.2	-4.4
At-work (plant)	-5.1	-5.2	-5.5	-3.0	-4.2	-0.5	-5.0	+4.2	-3.0	-2.5	-0.6	-2.8	-3.0
Mass retailer	-10.8	-9.8	-12.9	-5.9	-5.6	-6.7	-8.7	+5.9	-7.1	-2.1	-3.3	-4.1	-6.8
Transportation	-9.4	-9.5	-10.0	-3.4	+0.5	-4.0	-5.8	+9.1	-3.0	+1.8	-1.2	-0.4	-3.6
School	-10.2	-7.3	-6.9	-6.9	-3.7	-6.8	-8.6	+9.7	-11.9	-1.0	+0.5	+1.2	-6.3
Leisure	-11.4	-8.1	-6.9	-2.7	-2.3	-4.6	-6.4	+8.0	-3.7	+2.9	-4.0	-4.1	-3.9
Pachinko	-9.9	-9.8	-9.9	-6.5	-6.9	-6.8	-6.8	-4.6	-7.8	-4.3	-3.1	-4.8	-7.7
Sports	-11.5	-9.1	-8.7	-2.9	-2.0	-5.7	-5.0	+11.8	-9.3	+3.1	-1.5	+0.4	-4.3
Hospital	-7.3	-9.4	-9.1	-5.3	-5.2	-3.8	-6.7	+3.3	-6.5	-3.3	-2.0	-3.6	-5.5
Accommodation	-7.4	-8.0	-7.8	-2.5	-1.6	-1.8	-5.7	+6.4	-2.9	-0.3	-3.6	-4.2	-3.2
Other (Indoor)	-11.4	-11.8	-11.4	-6.3	-5.3	-6.7	-10.2	+5.7	-7.3	-2.0	-2.7	-5.5	-7.1
Outdoor	-13.2	-14.4	-15.3	-7.3	-2.4	-7.1	-9.4	+9.7	-8.0	+0.0	-4.9	-3.5	-7.3
Total	-10.2	-9.7	-10.1	-5.2	-3.8	-4.8	-7.3	+5.8	-6.5	-1.3	-2.5	-3.1	-5.6

【Shikoku Area】

Total	-	-	-	-	-	-	-4.1	+16.4	-1.7	+2.4	+3.8	-0.3	-1.6
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* Volume sold per machine

2015 (Jan – Dec) – Sales Volume by channel/package

■Chain store (Unit: K cases, %)	2015 actual	Vs. Plan ^{※1}		Vs. PY ^{※2}	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	33,279	Δ999	-2.9	+1,686	+5.3
Midi PET (less than 1,500ml)	1,360	Δ309	-18.5	Δ199	-12.8
LS PET (1,500ml or larger)	42,019	Δ771	-1.8	Δ168	-0.4
Can (incl. bottle CAN)	15,983	+557	+3.6	+688	+4.5
Other	1,327	Δ138	-9.4	Δ87	-6.2
CCW total (excl. Shikoku)	93,967	Δ1,660	-1.7	+1,920	+2.1

■Vending (Unit: K cases, %)	2015 actual	Vs. Plan ^{※1}		Vs. PY ^{※2}	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	21,776	Δ1,833	-7.8	Δ569	-2.5
LS PET (1,500ml or larger)	198	+49	+32.9	Δ17	-8.0
Can (incl. bottle CAN)	34,527	Δ452	-1.3	Δ1,689	-4.7
Other	8,701	Δ179	-2.0	Δ451	-4.9
Syrup/Powder	3,139	Δ157	-4.8	Δ1	-0.0
CCW total (excl. Shikoku)	68,341	Δ2,572	-3.6	Δ2,727	-3.8

■Retail & Food service (Unit: K cases, %)	2015 actual	Vs. Plan ^{※1}		Vs. PY ^{※2}	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	6,073	Δ230	-3.6	Δ131	-2.1
Midi PET (less than 1,500ml)	135	+4	+3.0	+6	+4.3
LS PET (1,500ml or larger)	2,781	+57	+2.1	+31	+1.1
Can (incl. bottle CAN)	3,495	Δ89	-2.5	Δ374	-9.7
Other	1,999	Δ199	-9.0	+58	+3.0
Syrup/Powder	22,266	+410	+1.9	+1,350	+6.5
CCW total (excl. Shikoku)	36,614	Δ51	-0.1	+934	+2.6

*1 Plan refers to the figures based on the performance forecast announced on July 29, 2015

*2 PY actual does not include actual performances of Shikoku CCBC. Due to some changes in sales channel categories, PY actual is retroactively revised as well

2015 Q4 (Oct – Dec) Sales Volume by channel

	Q4 actual	Vs. Plan ^{*1}		Vs. PY ^{*2}	
		Diff	%	Diff	%
(Unit: K cases, %)					
Supermarket/Drug/Discounter	14,952	+376	+2.6	+856	+6.1
Convenience store	7,106	+1,015	+16.7	+709	+11.1
Chain Store total	22,059	+1,391	+6.7	+1,565	+7.6
Vending	16,588	Δ879	-5.0	Δ253	-1.5
Retail	2,683	Δ162	-5.7	Δ144	-5.1
Food Service	6,508	+126	+2.0	+362	+5.9
Other	4,091	Δ29	-0.7	Δ208	-4.8
CCW total (excl. Shikoku)	51,928	+446	+0.9	+1,322	+2.6
CCW + Shikoku total	56,646	+444	+0.8	+6,039	+11.9

*1 Plan refers to the figures based on the performance forecast announced on July 29, 2015

*2 PY actual does not include actual performances of Shikoku CCBC. Due to some changes in sales channel categories, PY actual is retroactively revised as well.

2015 Q4 (Oct – Dec) – Sales Volume by brand

(Unit: K cases, %)		Q4 actual	Vs. Plan ^{※2}		Vs. PY ^{※3}	
			Diff	%	Diff	%
Core 8	Coca-Cola	3,496	+57	+1.7	+33	+1.0
	Coca-Cola Zero	1,541	Δ154	-9.1	Δ9	-0.6
	Fanta	1,825	+38	+2.1	Δ101	-5.3
	Georgia	12,047	+438	+3.8	+197	+1.7
	Sokenbicha	2,278	Δ158	-6.5	Δ102	-4.3
	Aquarius	2,716	Δ414	-13.2	Δ137	-4.8
	Ayataka	4,356	+533	+13.9	+425	+10.8
	I-Lohas	3,501	Δ34	-1.0	+834	+31.3
	Subtotal	31,761	+307	+1.0	+1,140	+3.7
Other	10,032	+221	+2.3	+224	+2.3	
RTD ^{※1} Total		41,793	+528	+1.3	+1,364	+3.4
Syrup, powder		10,135	Δ82	-0.8	Δ43	-0.4
CCW total (excl. Shikoku)		51,928	+446	+0.9	+1,322	+2.6
CCW + Shikoku total		56,646	+444	+0.8	+6,039	+11.9

*1 RTD: Packaged products

*2 Plan refers to the figures based on the performance forecast announced on July 29, 2015

*3 PY actual does not include actual performances of Shikoku CCBC

2015 Q4 (Oct – Dec) – Sales Volume by package

		Q4 actual	Vs. Plan ^{*1}		Vs. PY ^{*2}	
			Diff	%	Diff	%
(Unit: K cases, %)						
PET	SS (1,000ml or smaller)	14,670	Δ65	-0.4	+755	+5.4
	MS (smaller than 1,500ml)	329	Δ165	-33.5	Δ12	-3.4
	LS (1,500ml or larger)	10,021	+839	+9.1	+629	+6.7
	Total	25,020	+608	+2.5	+1,372	+5.8
Can (incl. bottle can)		13,566	+129	+1.0	Δ2	-0.0
Others		3,207	Δ210	-6.1	Δ6	-0.2
Syrup, powder		10,135	Δ82	-0.8	Δ43	-0.4
CCW total (excl. Shikoku)		51,928	+446	+0.9	+1,322	+2.6
CCW + Shikoku total		56,646	+444	+0.8	+6,039	+11.9

*1 Plan refers to the figures based on the performance forecast announced on July 29, 2015

*2 PY actual does not include actual performances of Shikoku CCBC

2015 Q4 (Oct – Dec) – Sales Volume by channel/package

■ Chain store (Unit: K cases, %)	Q4 actual	Vs. Plan ^{*1}		Vs. PY ^{*2}	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	7,990	+437	+5.8	+588	+7.9
Midi PET (less than 1,500ml)	297	Δ171	-36.5	Δ12	-3.8
LS PET (1,500ml or larger)	9,364	+748	+8.7	+635	+7.3
Can (incl. bottle CAN)	4,197	+443	+11.8	+375	+9.8
Other	214	Δ63	-22.6	Δ17	-7.3
CCW total (excl. Shikoku)	22,059	+1,391	+6.7	+1,565	+7.6

■ Vending (Unit: K cases, %)	Q4 actual	Vs. Plan ^{*1}		Vs. PY ^{*2}	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	5,240	Δ416	-7.4	+147	+2.9
LS PET (1,500ml or larger)	33	Δ8	-19.7	Δ9	-22.0
Can (incl. bottle CAN)	8,444	Δ263	-3.0	Δ301	-3.4
Other	2,057	Δ119	-5.5	Δ82	-3.8
Syrup/Powder	812	Δ74	-8.3	Δ8	-1.0
CCW total (excl. Shikoku)	16,588	Δ879	-5.0	Δ253	-1.5

■ Retail & Food service (Unit: K cases, %)	Q4 actual	Vs. Plan ^{*1}		Vs. PY ^{*2}	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	1,436	Δ90	-5.9	+17	+1.2
Midi PET (less than 1,500ml)	31	+4	+15.8	+0	+0.8
LS PET (1,500ml or larger)	622	+97	+18.5	+1	+0.2
Can (incl. bottle CAN)	918	Δ57	-5.8	Δ82	-8.2
Other	489	Δ112	-18.6	+18	+3.8
Syrup/Powder	5,696	+121	+2.2	+264	+4.9
CCW total (excl. Shikoku)	9,191	Δ36	-0.4	+218	+2.4

*1 Plan refers to the figures based on the performance forecast announced on July 29, 2015

*2 Due to some changes in sales channel categories, PY actual is retroactively revised

2016 (Jan – Dec) – Sales Volume Plan by package

(Unit: Kcases, %)		2016 Plan	Vs. PY*	
			Diff	%
PET	SS (1,000ml or smaller)	64,054	+2,924	+4.8
	MS (smaller than 1,500ml)	2,215	+713	+47.5
	LS (1,500ml or larger)	44,998	Δ6	Δ0.0
	Total	111,267	+3,630	+3.4
Can (incl. bottle can)		52,456	Δ1,564	Δ2.9
Others		14,436	+838	+6.2
Syrup, powder		38,767	Δ1,025	Δ2.6
CCW total (excl. Shikoku)		216,926	+1,878	+0.9
CCW + Shikoku total		236,633	+11,038	+4.9

* PY actual does not include Jan-June actual performances of Shikoku CCBC. Due to a revision to performance counting method, Shikoku CCBC's PY actual is retroactively revised as well

2016 (Jan – Dec) – Sales Volume Plan by channel/package

■ Chain store (Unit: K cases, %)	2016 Plan	Vs. PY	
		Diff	%
SS PET (smaller than 1,000ml)	34,469	+1,191	+3.6
Midi PET (less than 1,500ml)	2,056	+696	+51.2
LS PET (1,500ml or larger)	41,820	Δ198	Δ0.5
Can (incl. bottle CAN)	16,747	+764	+4.8
Other	1,213	Δ123	Δ9.2
CCW total (excl. Shikoku)	96,305	+2,338	+2.5

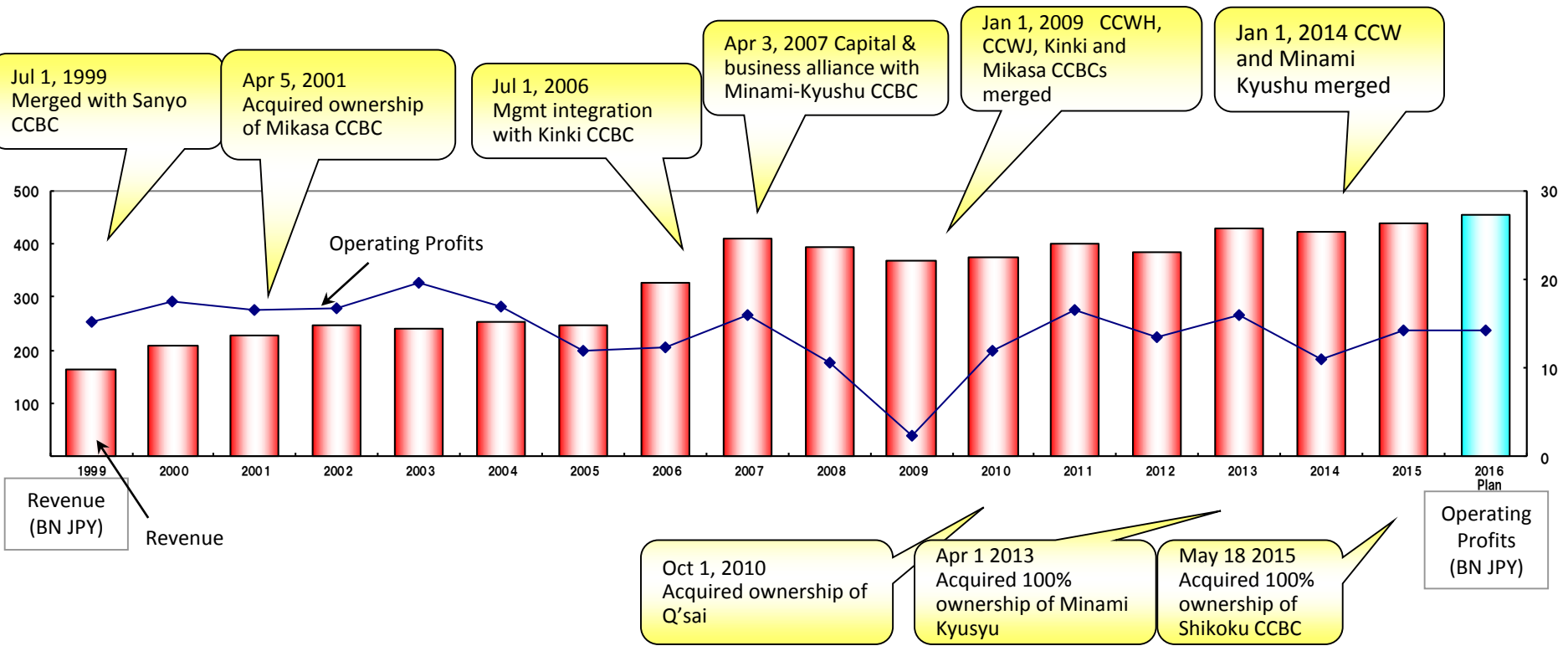
■ Vending (Unit: K cases, %)	2016 Plan	Vs. PY	
		Diff	%
SS PET (smaller than 1,000ml)	23,705	+1,930	+8.9
LS PET (1,500ml or larger)	167	Δ31	Δ15.7
Can (incl. bottle CAN)	32,369	Δ2,158	Δ6.3
Other	9,590	+897	+10.3
Syrup/Powder	2,057	Δ1,083	Δ34.5
CCW total (excl. Shikoku)	67,891	Δ449	Δ0.7

■ Retail & Food service (Unit: K cases, %)	2016 Plan	Vs. PY	
		Diff	%
SS PET (smaller than 1,000ml)	5,879	Δ194	Δ3.2
Midi PET (less than 1,500ml)	156	+21	+15.8
LS PET (1,500ml or larger)	3,011	+230	+8.3
Can (incl. bottle CAN)	3,340	Δ155	Δ4.4
Other	2,265	+401	+21.5
Syrup/Powder	22,362	+96	+0.4
CCW total (excl. Shikoku)	37,014	+400	+1.1

Performance Trend

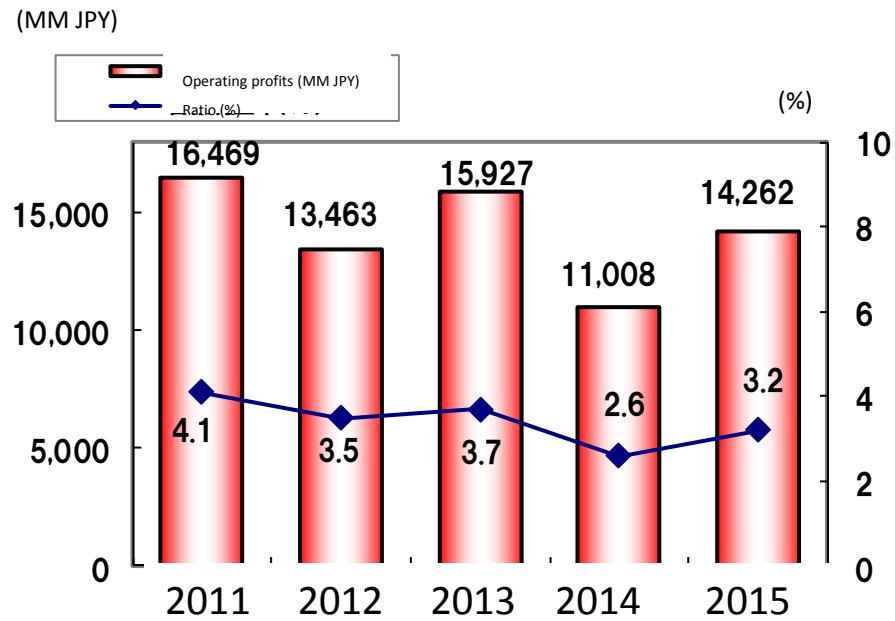
(Unit: MM JPY)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 Plan
Revenue	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	440,476	455,200
Operating Profit	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	14,262	16,000
Ordinary Profit	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	13,723	15,000
Net Profit	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	4,482	9,970	8,800

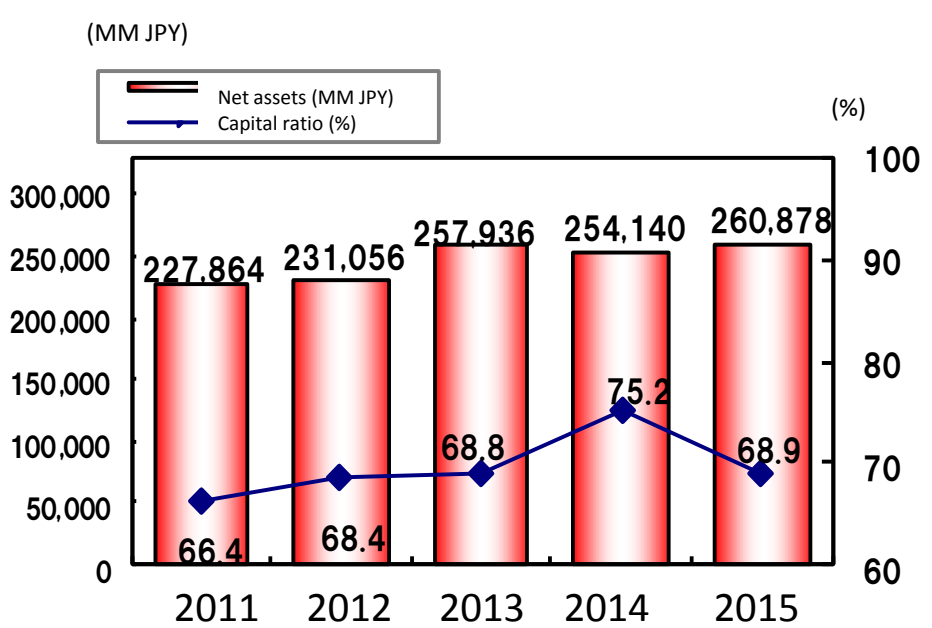


KBI Trend

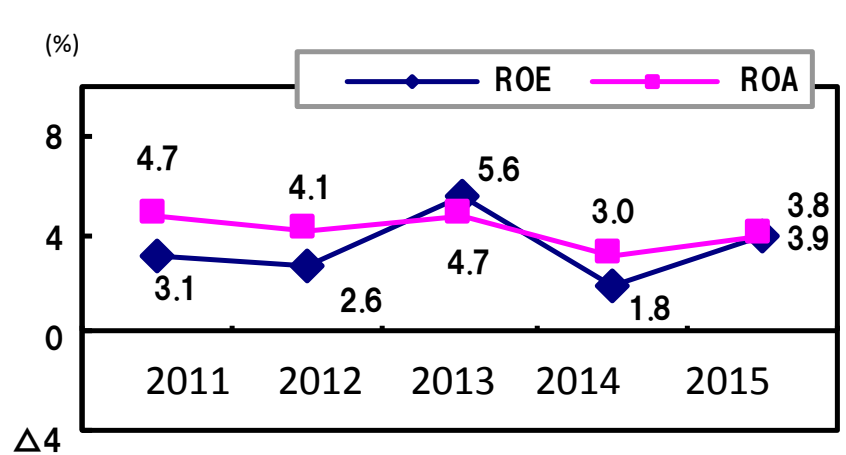
<Operating income & its ratio>



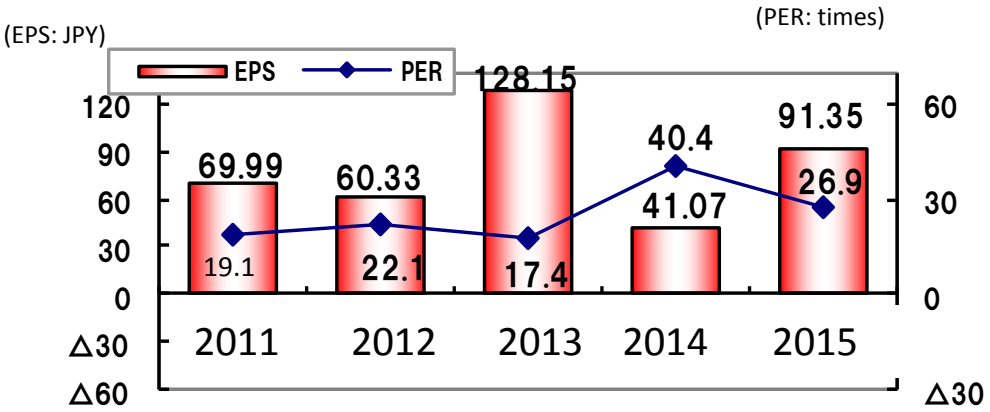
<Net asset/capital ratio>



<ROA/ROE>



<EPS/PER>

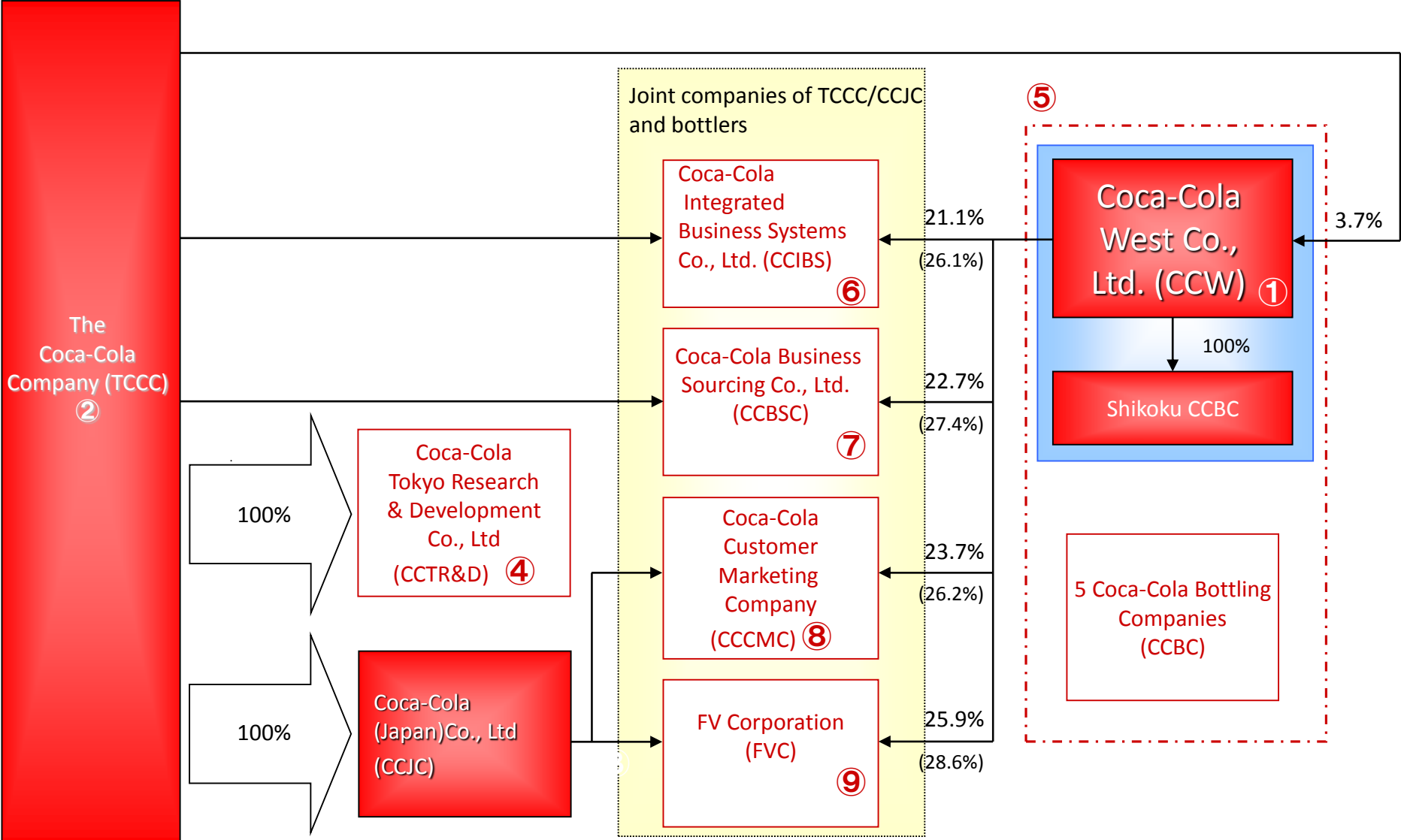


EPS= net profit for the year/average # of shares in the term
 PER = term-end stock price/EPS

Coca-Cola System in Japan – Capital Relationship

Investments with figures indicate %; () in total by CCW+ Shikoku

(As of Jan 1, 2016)



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 (CCBSC)

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
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