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Coca-Cola **West**

Results briefing for the 1st quarter of Fiscal Year ending December 2016

April 27, 2016

Coca-Cola West Company, Limited (2579)

[Contact] Planning Department (IR team)

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

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

I. Account settlement for Q1

II. Activity Plan for Q2

[Reference]

Trend of OTC market share

Mix by brand/by channel

Sales update on vending machines by channel

Q1 Actual sales volume (by channel and by package)

Q2 Volume target

Performance trend / managerial KPI trend

Coca-Cola System in Japan / Affiliated companies

I. Account settlement for the 1st quarter

Q1 Sales Volume (Jan-Mar)

Vs. Plan

- Sales volume from Jan to March closed with positive growth of 3.3%.

Vs. PY

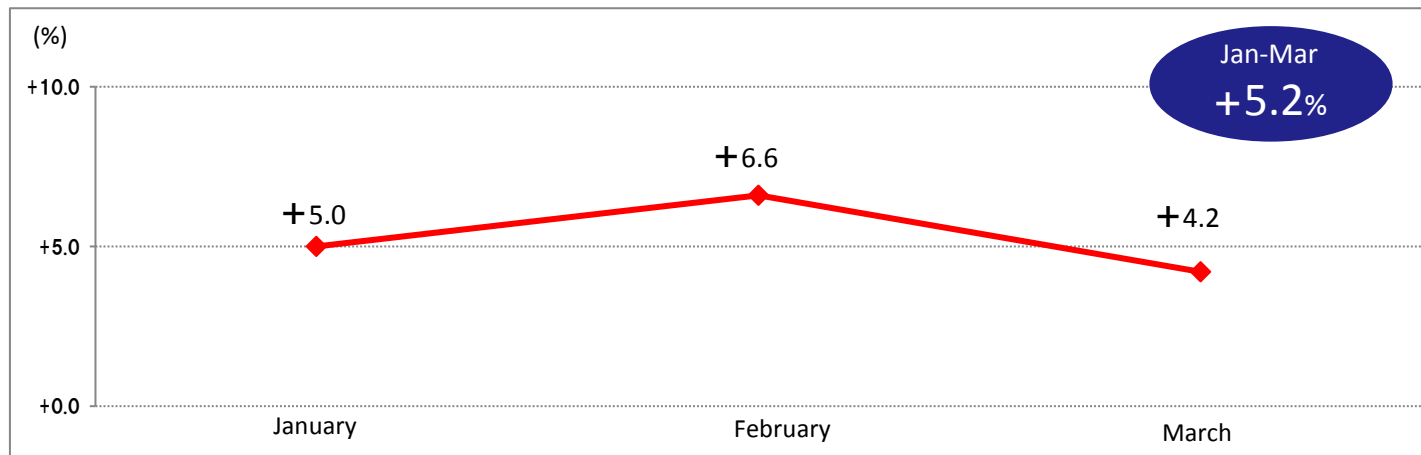
- Sales volume from Jan to March turned positive by 14.1% (including Shikoku CCBC).
- CCW managed to turn sales volume positive by 5.2% during Jan-Mar.

[Sales volume]

(Unit: K c/s, %)	Q1 actual	Plan	Vs. Plan		PY*	Vs. PY	
			Diff	Diff %		Diff	Diff %
CCW (excl. Shikoku CCBC)	46,511	44,963	1,548	+3.4	44,226	+2,285	+5.2
CCW + Shikoku CCBC total	50,483	48,889	1,594	+3.3	44,226	+6,257	+14.1

* PY actual does not include actual performances of Shikoku CCBC

CCW Sales volume trend by month (Vs. PY*)



Sales volume by channel

Vs. Plan

- All key channels finished exceeding the volume plans.

Vs. PY

- Supermarket turned positive by 7% with new product launches and non-price promotions.
- Convenience Store made a 2-digit growth with sales contribution of new product launches including Georgia and I Lohas.
- On top of the market growth, sales of Vending from newly placed machines contributed to the positive volume performances.

	Q1 actual (unit: K c/s, %)	Vs. Plan		Vs. PY	
		Diff	Diff %	Diff	Diff %
Super market/Drug/Discounter	13,018	+814	+6.7	+848	+7.0
Convenience store	6,670	+359	+5.7	+866	+14.9
Chain store total	19,687	+1,173	+6.3	+1,714	+9.5
Vending	15,541	+419	+2.8	+361	+2.4
Retail	2,215	+79	+3.7	-52	-2.3
Food Service	5,491	+58	+1.1	+289	+5.6
Others	3,576	-181	-4.8	-28	-0.8
CCW total (excl. Shikoku CCBC)	46,511	+1,548	+3.4	+2,285	+5.2
CCW + Shikoku CCBC total	50,483	+1,594	+3.3	+6,257	+14.1

* PY actual does not include actual performances of Shikoku CCBC

Status of RGM initiatives in Supermarket

■ With steady progress of RGM initiatives in Q1, revenue per-case has been on a recovery trend from last year.

Ensured sales activities based on price guideline

- Evolve price guideline according to category/brand characteristics
- Activities based on priority placed by customer scale & format

Ensured value appeal upon new launches

- Georgia The Premium Bito
- I Lohas Cider
- Ayataka Nigorihonoka



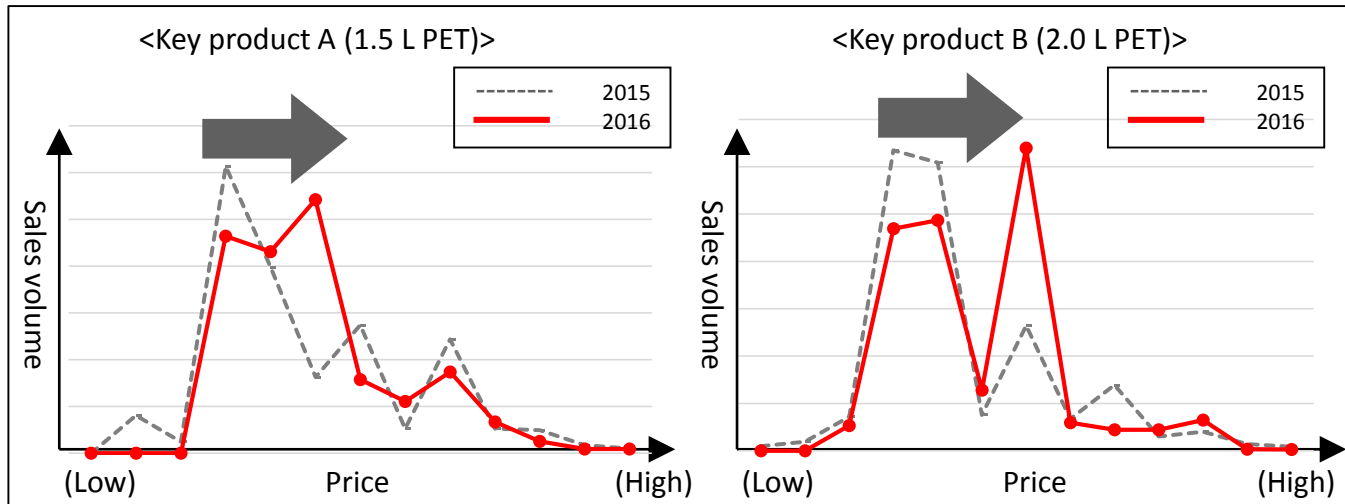
Non-price promotions



Coca-Cola Global campaign

Doll's Festival campaign

[Sales volume by price point during Jan-Mar (Drugstore & Discounter)]



Sales volume by package

Vs. Plan

- All packages except for Syrup and Powder exceeded the plans.

Vs. PY

- Sales volume of highly profitable SS PET outgrew LS PET.
- Sales volume of CAN turned positive from last year with the contribution of bottle CAN.

		Q1 actual	Vs. Plan		Vs. PY*	
			Diff	Diff %	Diff	Diff %
(unit: K c/s, %)						
PET	Small (less than 1,000ml)	13,277	+700	+5.6	+967	+7.9
	Medium (less than 1,500ml)	368	+70	+23.5	+108	+41.4
	Large (less than 1,500ml)	8,447	+381	+4.7	+521	+6.6
	Total	22,093	+1,152	+5.5	+1,596	+7.8
	Can (incl. bottle can)	12,589	+516	+4.3	+308	+2.5
	Other	3,022	+44	+1.5	+260	+9.4
	Syrup & powder	8,807	-164	-1.8	+121	+1.4
	CCW total (excl. Shikoku CCBC)	46,511	+1,548	+3.4	+2,285	+5.2
	CCW + Shikoku CCBC total	50,483	+1,594	+3.3	+6,257	+14.1

* PY actual does not include actual performances of Shikoku CCBC

Sales volume by brand

Vs. Plan

Vs. PY

- Coca-Cola and Coca-Cola Zero exceeded the plans thanks to reinforced activities aligned with Global Campaign.
- Georgia, Ayataka and I Lohas steadily grew with new products.
- Sales from jointly developed products with customers launched last year and sales of "The Premium " and others contributed to the results of Georgia.
- Ayataka made a 2-digit growth from PY partly driven by "Ayataka Nigorihonoka" launched in March.
- Sales volume of I Lohas turned positive by 33% with steady sales growth of " I Lohas Momo" and other factors.

		Q1 actual (unit: K c/s, %)	Vs. Plan		Vs. PY*	
			Diff	Diff %	Diff	Diff %
Core 8	Coca-Cola	3,109	+127	+4.2	+124	+4.2
	Coca-Cola Zero	1,405	+45	+3.3	+104	+8.0
	Fanta	1,521	+82	+5.7	-55	-3.5
	Georgia	11,672	+584	+5.3	+727	+6.6
	Sokenbicha	1,864	-8	-0.4	△63	-3.3
	Aquarius	2,600	-135	-4.9	△220	-7.8
	Ayataka	3,814	+269	+7.6	+439	+13.0
	I LOHAS	3,085	+293	+10.5	+774	+33.5
	Sub total	29,070	+1,257	+4.5	+1,831	+6.7
Others	8,634	+454	+5.6	+333	+4.0	
RTD*1*1 Total		37,704	+1,712	+4.8	+2,164	+6.1
Syrup & powder		8,807	-164	-1.8	+121	+1.4
CCW total (excl. Shikoku CCBC)		46,511	+1,548	+3.4	+2,285	+5.2
CCW + Shikoku CCBC total		50,483	+1,594	+3.3	+6,257	+14.1

*1 RTD: Packaged products

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

Q1 Settlement (Jan-Mar)

- Consolidated operating profits rose by 3.4 billion JPY from last year, outperforming 2.5 billion JPY from the plan.

(unit: MM JPY, %)

	2016 Q1 actual	Plan	Vs. Plan		2015 actual	Vs. PY*	
			Diff	Diff %		Diff	Diff %
Revenue	100,545	97,100	+3,445	+3.5	91,116	+9,429	+10.3
Gross profit	52,076	50,300	+1,776	+3.5	46,177	+5,898	+12.8
Operating income	2,209	-300	+2,509	—	-1,246	+3,456	—
Ordinary profit	2,069	-500	+2,569	—	-1,290	+3,360	—
Current net income (attributable to shareholders)	953	-600	+1,553	—	-1,252	+2,206	—

* PY actual does not include actual performances of Shikoku CCBC

Q1 Settlement (Jan-Mar) — Variance factors(V. Plan)

(Unit: 100MM JPY)

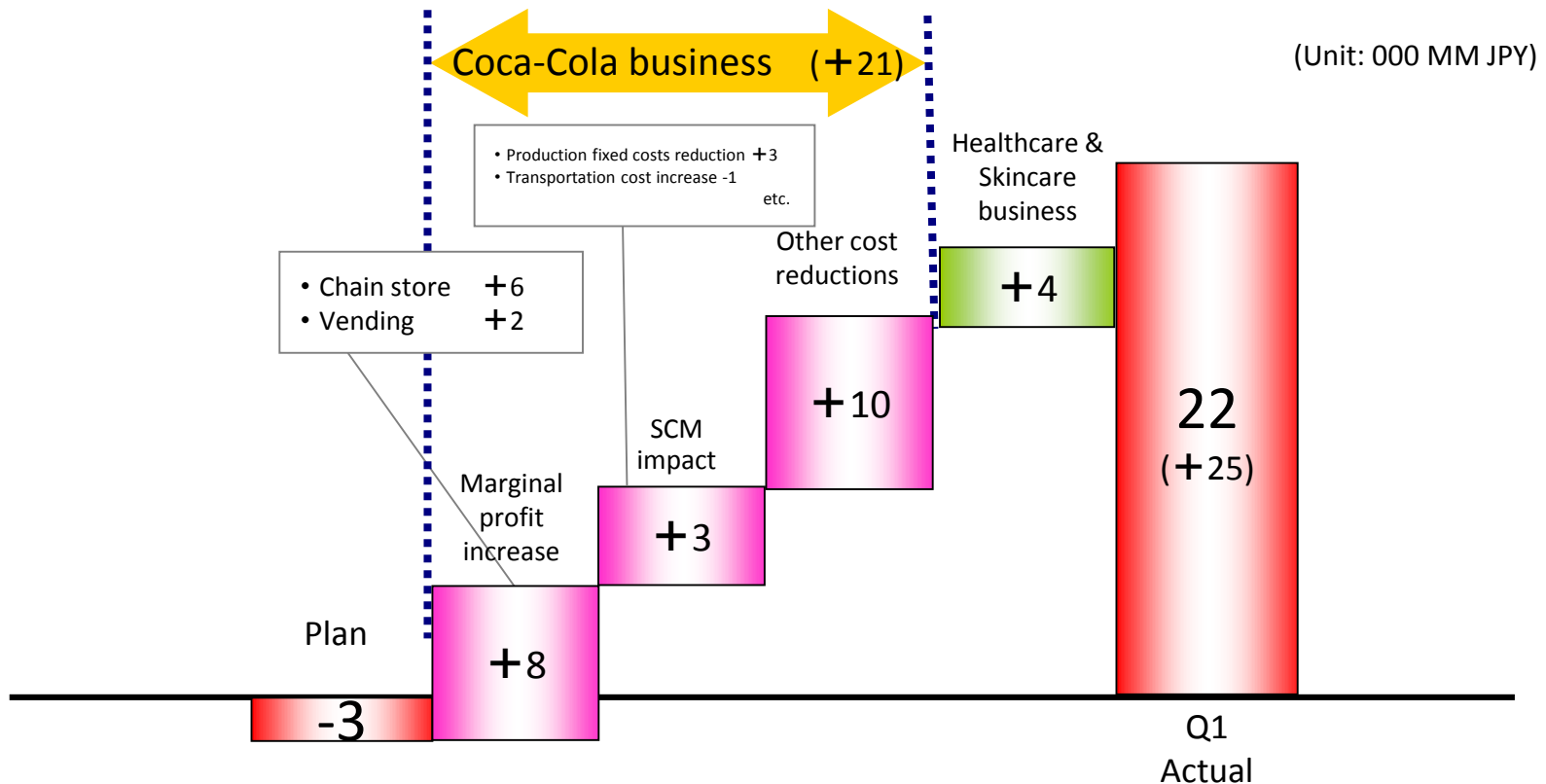
	Plan	Q1 actual	Diff
Revenue	971	1,005	+34
Gross profit	503	520	+17
Operating income	-3	22	+25
Ordinary profit	-5	20	+25
Current net income (attributable to shareholders)	-6	9	+15

Key factors	Diff
•Coca-Cola Business (CCW + Shikoku CCBC)	+35.8
•Healthcare & Skincare Business	-1.3
•Coca-Cola Business (CCW + Shikoku CCBC)	+16.0
•Healthcare & Skincare Business	+1.6
•Decrease of SG&A Expenses	+7.3
•Coca-Cola Business (CCW + Shikoku CCBC)	+4.9
<Key factors>	
Promotion/Advertising Cost decrease	+1.4
Sales equipment cost decrease	+1.9
Operation outsourcing cost increase	-1.3
Decrease of repair expenses	+0.7
Decrease of supplies expenses	+0.5
•Healthcare & Skincare Business	+2.4
•Income taxes	-10.1

Q1 Settlement (Jan-Mar) — Drivers of operating profit increase(V. Plan)

Operating profit of Coca-Cola business was closed exceeding the plan by 2.1 billion JPY. In addition to the positive growth of marginal profit by 800 MM JPY thanks to sales volume exceeding the plan, productivity enhancement in SCM and solid progress of cost reduction initiatives contributed to the outperformance of operating profit.

While revenue of Healthcare & Skincare business fell short of the plan, its operating profit exceeded the plan by 400 MM JPY driven by product mix and decreased SG&A.



Q1 Settlement (Jan-Mar) — Variance factors(V. PY)

(Unit: 100MM JPY)

	PY actual*	Q1 actual	Diff
Revenue	911	1,005	+94
Gross profit	461	520	+58
Operating income	-12	22	+34
Ordinary profit	-12	20	+33
Current net income (attributable to shareholders)	-12	9	+22

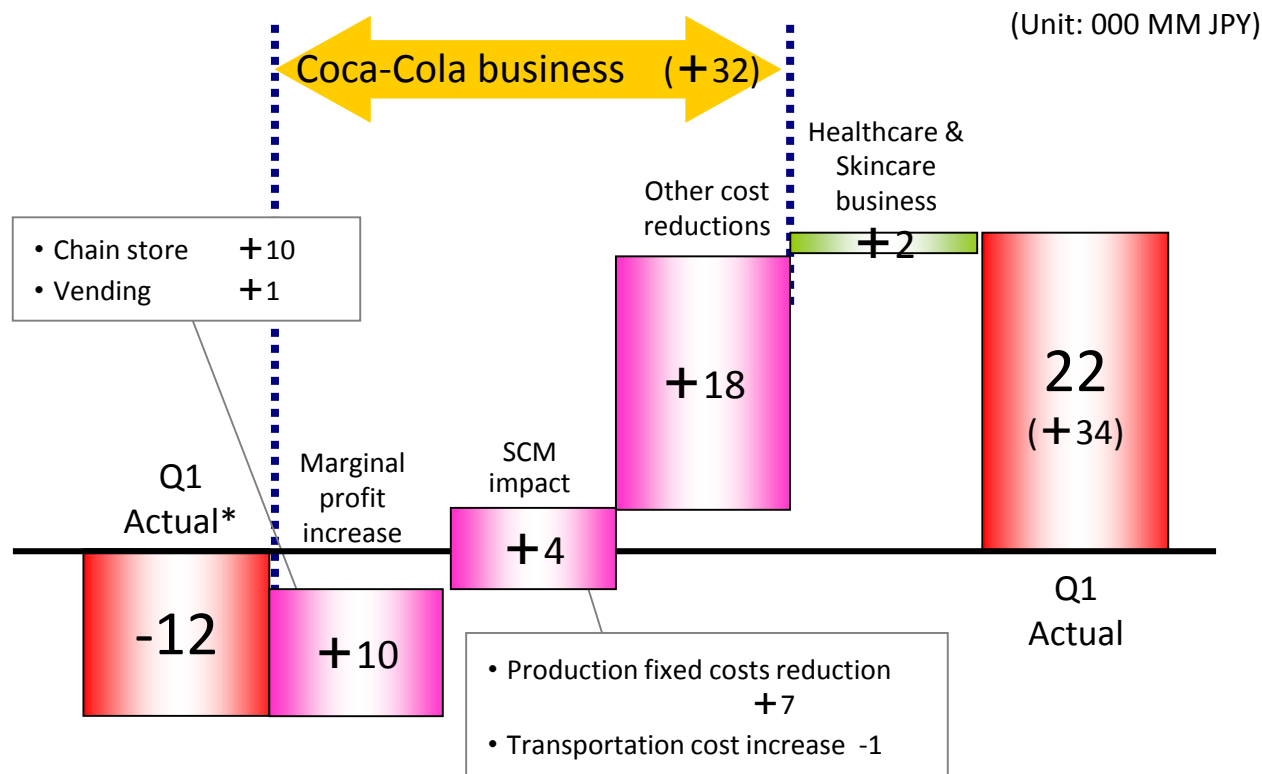
Key factors	Diff
•Coca-Cola Business (CCW +Shikoku CCBC)	+94.0
•Healthcare & Skincare Business	+0.2
•Coca-Cola Business (CCW +Shikoku CCBC)	+57.7
•Healthcare & Skincare Business	+1.2
•Increase of SG&A Expenses	-24.4
•Coca-Cola Business (CCW +Shikoku CCBC)	-25.1
<Key factors>	
Labor cost increase	-17.8
Promotion/Advertising Cost increase	-10.1
Sales commission increase	-5.7
Sales equipment cost decrease	+1.6
Operation outsourcing cost increase	-8.2
Transportation cost decrease	+1.0
Depreciation cost decrease	+14.3
•Healthcare & Skincare Business	+0.7
• Income taxes	-11.4

* PY actual does not include actual performances of Shikoku CCBC

Q1 Settlement (Jan-Mar) — Drivers of operating profit increase(V. PY)

Operating profit of Coca-Cola business was closed exceeding PY by 3.2 billion JPY. Marginal profit turned positive by 1 billion JPY with the contribution of sales volume growth in Chain store. Furthermore, emergence of SCM impacts and cost reductions contributed to the growth of operating profit.

Healthcare & Skincare business gained more profit than PY by 200 MM JPY with increased revenue.



* PY actual does not include actual performances of Shikoku CCBC

II. Activity Plan for Q2

Q2 (Apr-June) Sales volume plan for each channel

- We project Q2 sales volume with **+ 1.9% V. PY** or **+ 11.1%** including Shikoku CCBC.
- By channel, we forecast sales volume with **-3.3% V. PY** conservatively estimating Vending market trend while we expect **4.6%** growth in Chain store.

		Q2 plan	Vs. PY*	
			Diff	Diff %
(unit: K c/s, %)				
	Super market/Drug/Discounter	18,274	+665	+3.8
	Convenience store	7,260	+460	+6.8
	Chain store total	25,534	+1,125	+4.6
	Vending	17,009	-576	-3.3
	Retail	2,886	-132	-4.4
	Food service	6,320	+78	+1.2
	Others	4,087	+525	+14.8
	CCW total (excl. Shikoku CCBC)	55,836	+1,020	+1.9
	CCW + Shikoku CCBC total	60,881	+6,065	+11.1

* PY actual does not include April-June actual performances of Shikoku CCBC

Commercial strategies- RGM evolution in supermarket

Enable profitable revenue growth by launching effective new products and attractive non-price promotions, while embedding and evolving commercial activities based on price guideline.



Evolution of price guideline and guardrail

Execute optimum price strategies according to areas/customers/product characteristics.



- Offer optimum portfolio according to price guideline
→ Differentiation of packages & use of sub flavors
- Revisit guardrail (lowest permissible WSP) (from April)

New product launches

→ Ensured selling stories appealing product values



Non-price promotions

Limited to our areas



Tie-up with One Piece (from April)



Tie-up with Disney (from May)

Commercial strategies-Transformation of Vending business

- Launch mobile loyalty program (from April 8)
 - Conduct a promotion to receive a product with accumulated stamps.

Q2 plan **24,000 VM** (Annual plan: 60,000 VM)



- Capture prime locations
 - Ensure placement activities with identified profitability.
 - Introduce new vending machines steadily into the market.

[Number of new placement]

Q1 Actual
5,600 VM
+1,000 VM v. Plan

Q2 Plan
6,400 VM
(Annual plan: 20,000 VM)

[Number of new vending machine placement]

Q1 Actual
5,900 VM
+400 VM v. Plan

Q2 Plan
6,500 VM
(Annual plan: 30,000 VM)

Revenue growth

Commercial strategies-Transformation of Vending business

For profitability enhancement

- Improve unprofitable locations

[Number of withdrawal and unprofitable value improvements]

Q1 Actual
4,300 VM + 30 MM JPY
 +1,500 VM v. Plan +10 MM JPY v. Plan

Q2 Plan
3,000 VM + 60 MM JPY
 (Annual plan: 8,600 VM, +270 MM JPY)

- Revisit trade terms with customers

[Profit contributions through revisions of trade terms]

Q1 Actual
+ 20 MM JPY

Q2
+ α

- Raise per-case revenue by offering with various packages according to locations

[Per-case revenue]

Q1 Actual
+ 13 yen v. Plan
 +12 yen v. Plan

Q2 Plan
+ 10 yen v. PY

For efficiency

- Transform operations- Thorough elimination of impossibility, wastes and variances-

Vending business transformation project

Optimize call frequency
& operation structure

Improve operation
efficiency, leveraging IT

Rationalize operations
(loading, settlement etc.)

Q2 (Apr-June) Volume plan by brand

- While reinforcing competitive advantage of key brands & categories (Sparkling, coffee, Non sugar tea, Water and Sports), launch new products in a bid to capture new growth opportunities.

		Q2 plan	Vs. PY**2	
			Diff	%
			(Unit: K cases, %)	
Core 8	Coca-Cola	4,019	+179	+4.7
	Coca-Cola Zero	1,755	+78	+4.7
	Fanta	2,111	+70	+3.4
	Georgia	11,642	+487	+4.4
	Sokenbicha	2,626	-52	-1.9
	Aquarius	5,503	-191	-3.4
	Ayataka	4,467	+199	+4.7
	I-Lohas	4,429	+530	+13.6
	Subtotal	36,551	+1,300	+3.7
Other		9,610	-443	-4.4
RTD*1 Total		46,161	+857	+1.9
Syrup, powder		9,675	+163	+1.7
CCW total (excl. Shikoku CCBC)		55,836	+1,020	+1.9
CCW + Shikoku CCBC total		60,881	+6,065	+11.1

*1 RTD: Packaged products

*2 PY Actual does not include actual performances of Shikoku CCBC from Apr-June

Commercial strategies-Revenue- reinforce brand competitiveness

Coca-Cola Brand

- Stamp bottle campaign



Georgia

- Rejuvenation of brands through extended lineup



Highly value-added/high price products

Functionality-labeled food



Energy beverages



Low share categories

Lactic

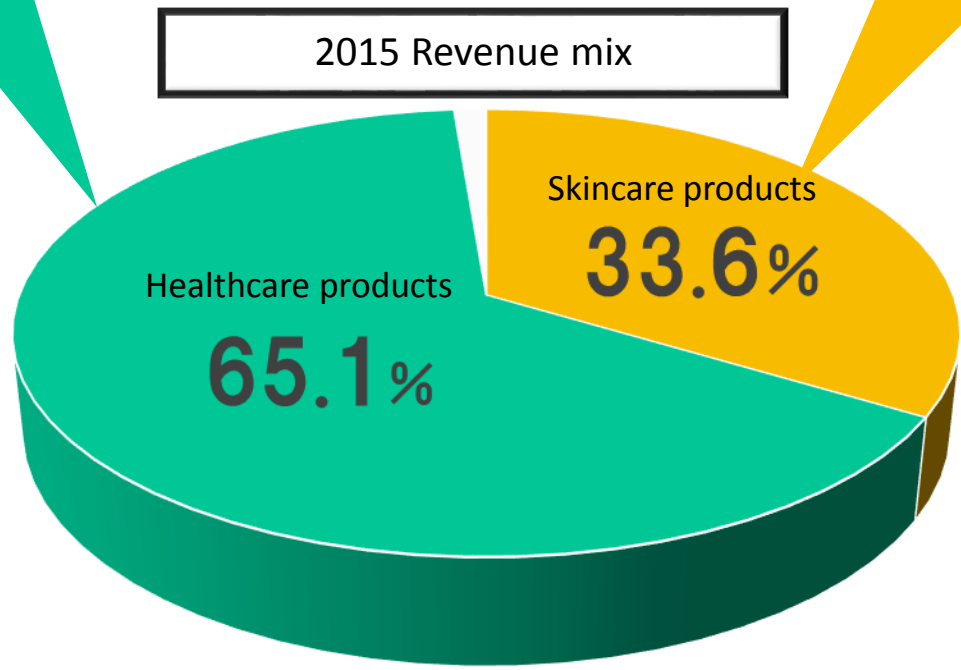


100% Juice



Healthcare & skincare business

- There are key products retained in the areas of Healthcare (health foods) & skincare (cosmetics).
- Products from both areas have been deployed particularly through online sales (approximately 90% of revenue come from online sales channel)



Commercial strategies

- Healthcare products: While revising contents of online programs, move forward preparations for the launch of functionally-labeled foods.
- Skincare products: Strengthen the lineup in the growing skincare market.

Healthcare products

Q1

- Reinforce sales of knee category



Q2

- Revise contents of online programs
 - Knee-support Collagen
 - Glucosamine Z
- Prepare for the launch of functionally-labeled foods

Skincare products

- Revise contents of online programs
- Bolster sales of Cola-rich BB cream

[Monthly trend of Q'sai revenue (v. PY)]

	Jan	Feb	Mar	Total	(%)
Qsai Revenue (Skincare)	+7.6	+12.0	+12.7	+10.8	
Skincare market	+7.1	+6.9	-	-	

(Source: Data from Q'sai and JADMA)

- Launch new products (May 1)



Cola-rich BB powder Foundation

Q2 (Apr-June)- Performance forecast

■ We project Q2 performances with revenue & operating profit gains vs. PY.

Consolidated

(unit: MMJPY, %)

	Q2 plan	Vs. PY	
		Diff	Diff %
Revenue	116,400	+6,521	+5.9
Gross profit	60,000	+4,925	+8.9
Operating income	4,800	+1,122	+30.5
Ordinary profit	4,700	+1,113	+31.0
Current net income (attributable to shareholders)	2,800	-7,310	-72.3

Business specific

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

(unit: K c/s, MMJPY, %)

	Q2 plan	Vs. PY	
		Diff	Diff %
Volume	60,881	+6,065	+11.1
Revenue	107,700	+5,966	+5.9
Operating income	4,100	+1,076	+35.6

[Healthcare & skincare business]

(unit: MMJPY, %)

	Q2 plan	Vs. PY	
		Diff	Diff %
Revenue	8,700	+554	+6.8
Operating income	700	+46	+7.1

Q2 (Apr-June)-Drivers for operating profit increase(V. PY)

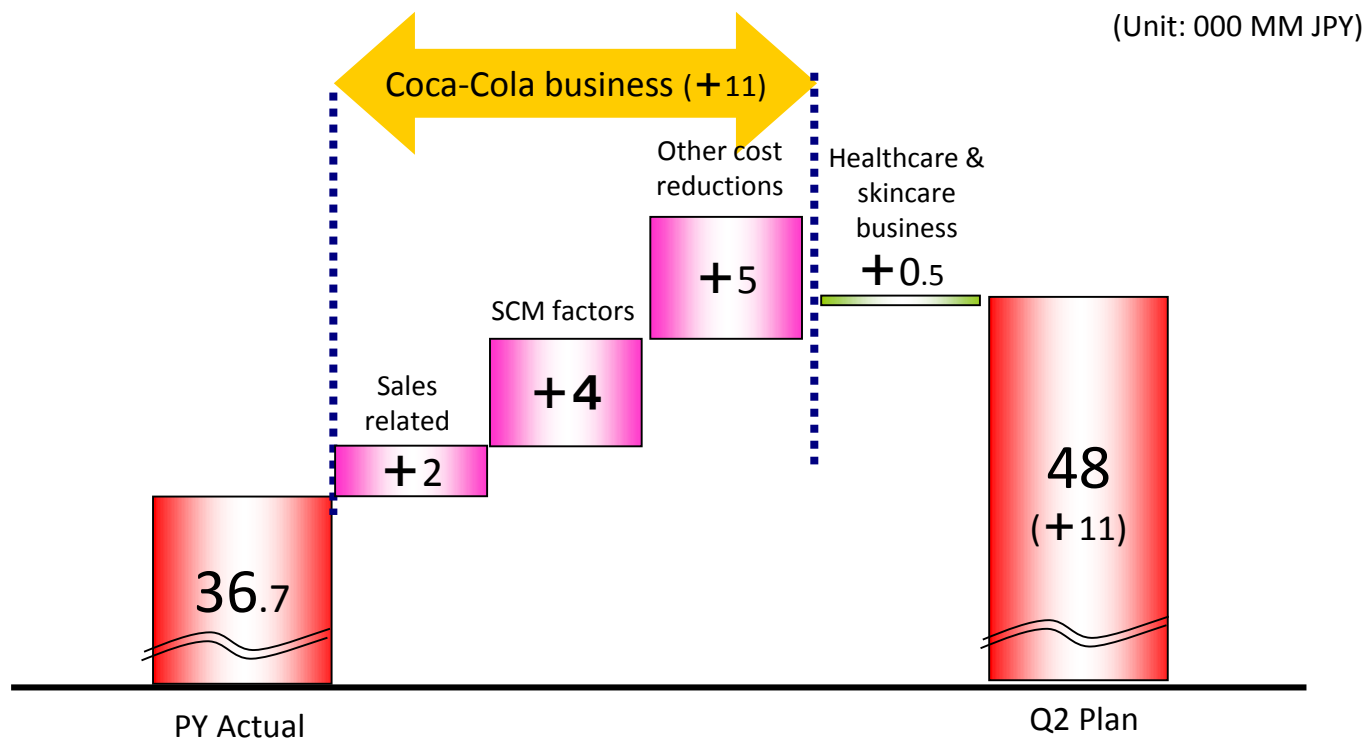
Aim to deliver consolidated operating profit of 4.8 billion JPY, up by 1.1 b JPY v. PY.



- Sales related + 200 MM JPY: Expect profit contributions from revenue growth in Chain store and profitability improvement in Vending.
- SCM factors + 400 MM JPY: Generate SCM impacts by enhancing productivities and work on reinforcing the system towards peak season.
- Other + 500 MM JPY: Leverage the capital resources gained from reducing depreciation costs for investments to the future growth.



+50 MM JPY: Move forward initiatives for launching new products into market in Healthcare & Skincare market



Establishment of CQ Ventures

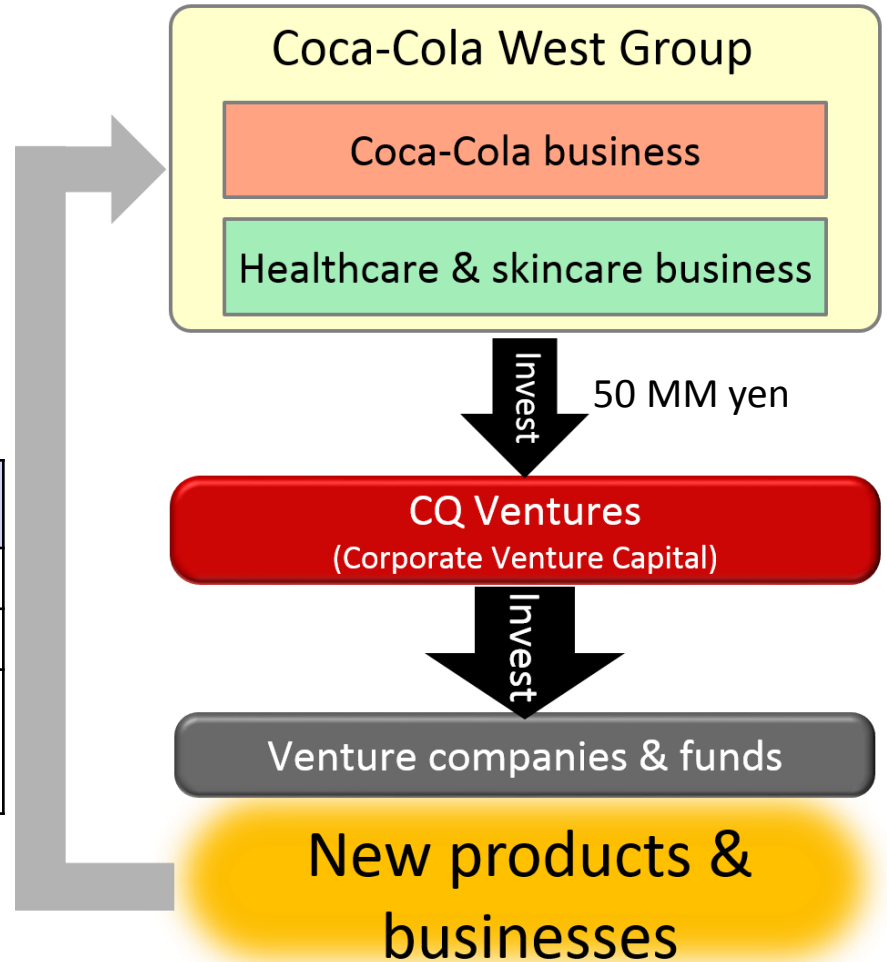
■ CQ Ventures Co., Ltd. was newly established on February 29 for developing new products and building new businesses.

→ Generate new growth opportunities for our group, by strategically leveraging external resources.

Areas of investments

Healthcare, skincare, bio/life science, agriculture, environment, IT etc.

Company overview	
Name	CQ Ventures Co., Ltd.
Business	Investments to venture companies and funds
Capital	50 MM JPY (Investments by CCW: 25 MM JPY; Q'sai: 25 MM JPY)



- We closed Q1 with consolidated operating profit exceeding the plan by 2.5 billion JPY and by 3.4 billion JPY even v. PY. The good cycle generated in 2015 continues.
 - RGM initiative in Supermarket as the most critical task and revenue & profit growth initiatives in Vending made steady progress in Coca-Cola business.
 - Fundamental review of every single activity in a bid to enhance operation quality and efficiency minimized costs and contributed to the growth of operating profit.
- We will further drive the initiatives done in Q1 even after Q2 with ensured delivery of performance plans, exceeding full-year operating profit target set at the beginning of the year, and strive to gain more profits v. plan annually.

[Ref] Impacts from the Kumamoto Earthquake

(as of April 25)

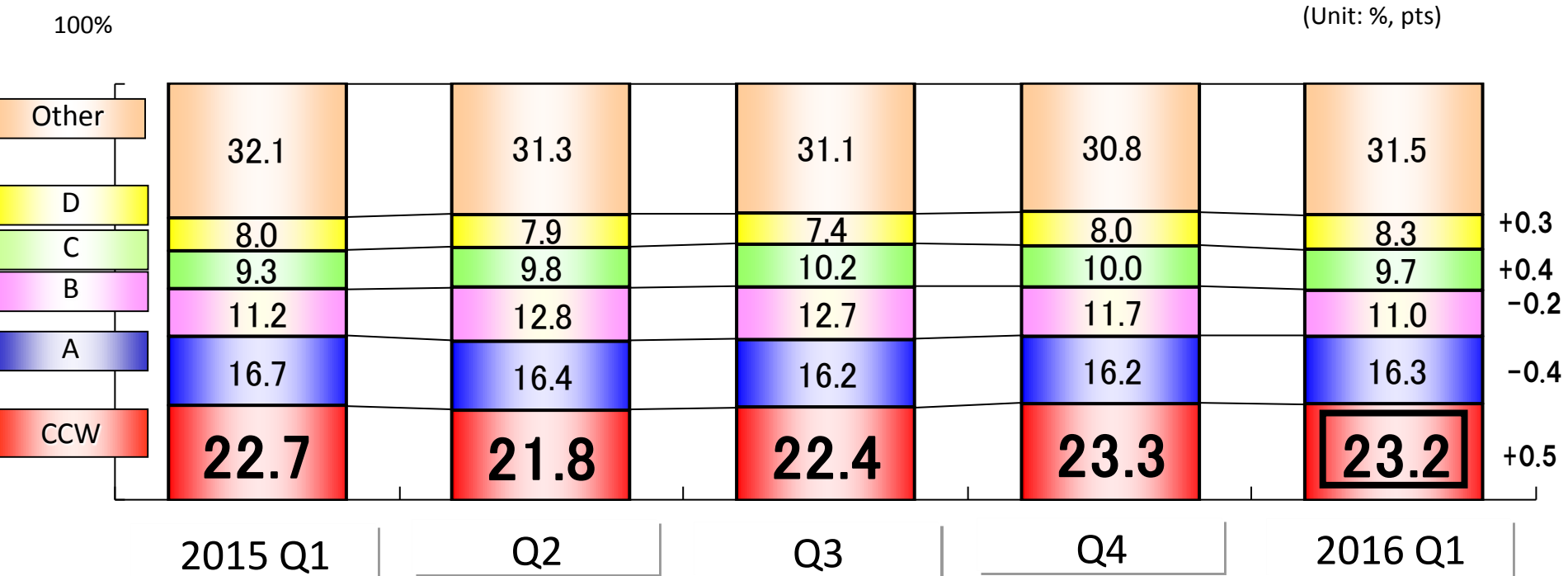
Contribution to local communities	<ul style="list-style-type: none">➤ 27,000 cases were donated to the disaster-hit regions with the help given by Coca-Cola (Japan) Co., Ltd. and other bottlers. → "Ayataka", "I Lohas", "Morinomizudayori" and others
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Damage status of CCW	➤ Plants	While production lines temporarily halted at Kumamoto & Kiyama Plants, they have resumed productions already. → Production resumed from April 25 at Kumamoto Plant and from April 20 at Kiyama Plant
	➤ Sales equipment	Vending machines and dispensers fell.
	➤ Products	Products damages at offices and Logistic Center (load shifting etc)

Sales volume has been on plan in our areas overall.
Therefore, we shall not revise performance forecasts due to impacts from the earthquakes.

[References]

OTC market share trends (excl. VM)



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

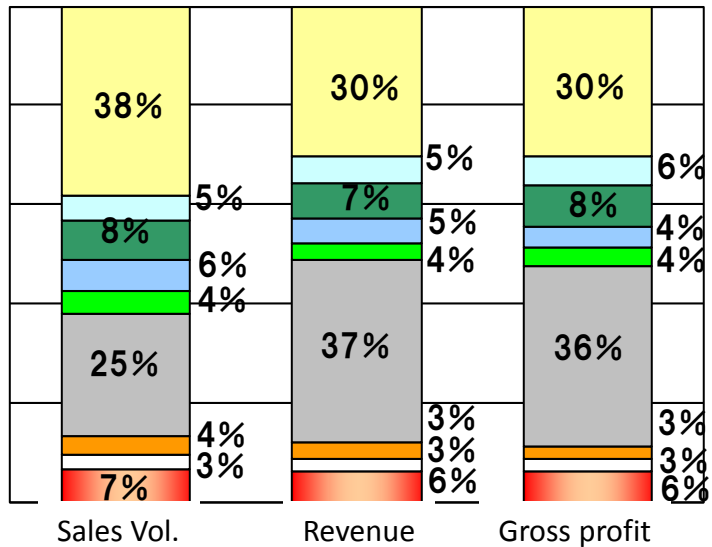
(Source: Intage)

Q1 (Jan – Mar) – Mix by brand/channel

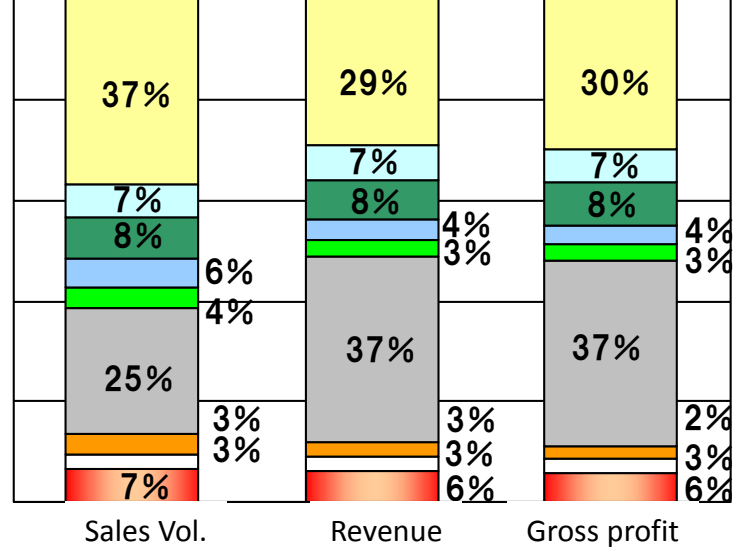
Brand

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

2015

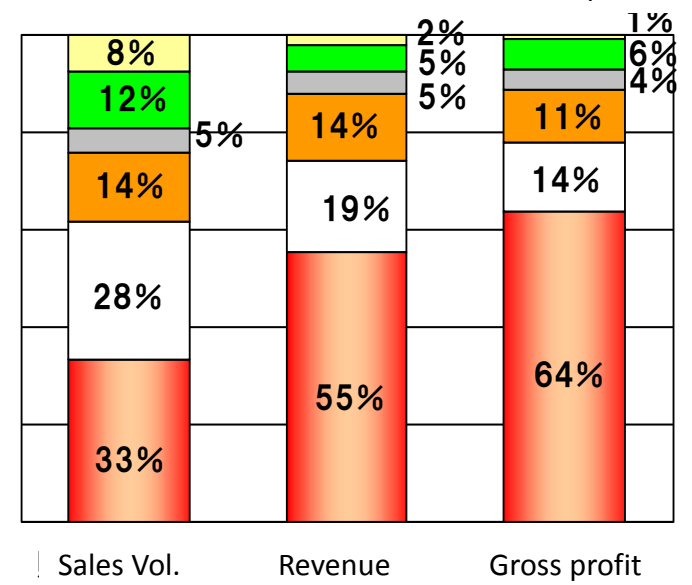
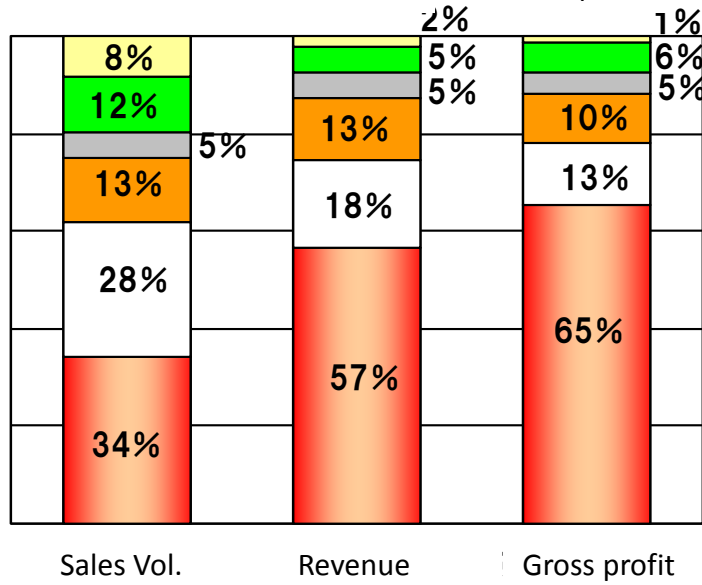


2016



Channel

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



Sales update on vending machines by cluster

Vending machine full service CAN VPM* V. PY

[CCW Area]

	Vs. PY (%)			
	Jan	Feb	Mar	YTD total
At-work (office)	-2.2	+2.1	+0.0	-0.0
At-work (plant)	-2.8	+1.9	+1.8	+0.4
Mass retailer	-2.4	+1.6	-2.6	-1.3
Transportation	+1.2	+3.8	+1.3	+2.0
School	-0.8	+5.7	+3.2	+2.6
Leisure	-3.7	+0.6	-3.4	-2.3
Pachinko	-5.8	-1.8	-6.8	-4.9
Sports	-4.2	+0.6	-1.0	-1.5
Hospital	-3.0	+3.0	+1.1	+0.3
Accommodation	-4.2	+2.8	-1.9	-1.3
Other (Indoor)	-2.7	+0.9	+0.8	-0.4
Outdoor	-1.6	+1.3	+2.6	+0.8
Total	-2.5	+1.5	-0.1	-0.4

*Sales Vol. per vending machine

Q1 (Jan – Mar) – Sales Volume by channel/package

■ Chain store
(Unit: K cases, %)

	Q1 actual	Vs. Plan		Vs. PY	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	7,434	+504	+7.3	+667	+9.9
Midi PET (less than 1,500ml)	341	+69	+25.1	+106	+45.4
LS PET (1,500ml or larger)	7,883	+391	+5.2	+485	+6.6
Can (incl. bottle CAN)	3,833	+176	+4.8	+453	+13.4
Other	196	+33	+20.5	+3	+1.5
CCW total (excl. Shikoku CCBC)	19,687	+1,173	+6.3	+1,714	+9.5

■ Vending
(Unit: K cases, %)

	Q1 actual	Vs. Plan		Vs. PY	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	4,698	+69	+1.5	+289	+6.6
LS PET (1,500ml or larger)	29	+1	+3.5	-5	-14.3
Can (incl. bottle CAN)	7,999	+302	+3.9	-121	-1.5
Other	2,062	-5	-0.2	+190	+10.1
Syrup/Powder	752	+52	+7.4	+8	+1.0
CCW total (excl. Shikoku CCBC)	15,541	+419	+2.8	+361	+2.4

■ Retail & Food service
(Unit: K cases, %)

	Q1 actual	Vs. Plan		Vs. PY	
		Diff	%	Diff	%
SS PET (smaller than 1,000ml)	1,141	+124	+12.2	+8	+0.7
Midi PET (less than 1,500ml)	27	+1	+4.6	+2	+7.8
LS PET (1,500ml or larger)	531	-15	-2.8	+36	+7.3
Can (incl. bottle CAN)	753	+34	+4.7	-30	-3.8
Other	400	-65	-14.1	+15	+3.8
Syrup/Powder	4,855	+58	+1.2	+206	+4.4
CCW total (excl. Shikoku CCBC)	7,706	+137	+1.8	+238	+3.2

Q2 (Apr – Jun) – Sales Volume Plan by package

(Unit: K cases, %)		Q2 plan	Vs. PY [※]	
			Diff	%
PET	SS (1,000ml or smaller)	16,674	+864	+5.5
	Mldi(smaller than 1,500ml)	638	+237	+59.0
	LS (1,500ml or larger)	11,683	+25	+0.2
	Total	28,996	+1,126	+4.0
Can (incl. bottle can)		13,410	-476	-3.4
Others		3,755	+207	+5.8
Syrup, powder		9,675	+163	+1.7
CCW total (excl. Shikoku CCBC)		55,836	+1,020	+1.9
CCW + Shikoku CCBC total		60,881	+6,065	+11.1

* PY actual does not include actual performances of Shikoku CCBC

Q2 (Apr – Jun) – Sales Volume Plan by channel/package

Chain store (Unit: K cases, %)	Q2 plan	Vs. PY	
		Diff	%
SS PET (smaller than 1,000ml)	9,241	+517	+5.9
Midi PET (less than 1,500ml)	599	+236	+64.9
LS PET (1,500ml or larger)	10,880	-3	-0.0
Can (incl. bottle CAN)	4,446	+424	+10.5
Other	368	-49	-11.8
CCW total (excl. Shikoku CCBC)	25,534	+1,125	+4.6

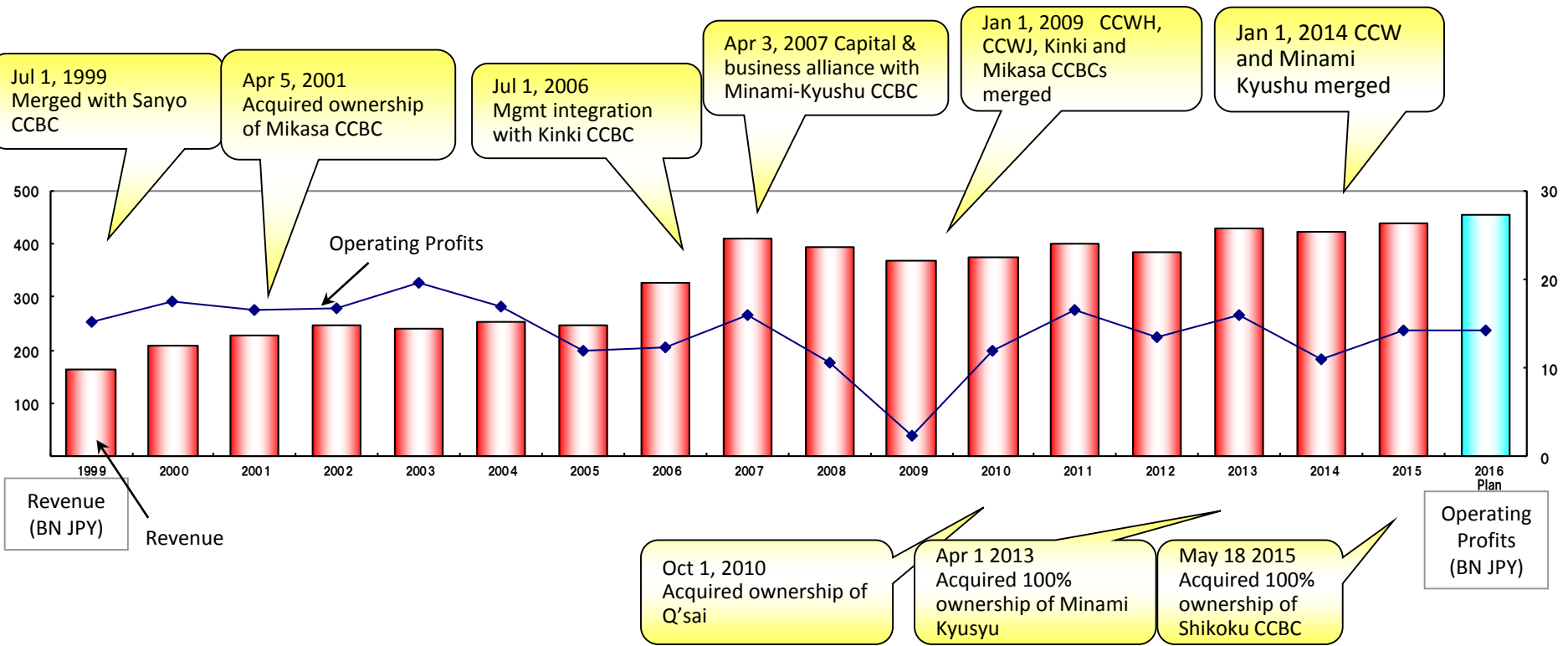
Vending (Unit: K cases, %)	Q2 plan	Vs. PY	
		Diff	%
SS PET (smaller than 1,000ml)	5,867	+392	+7.2
LS PET (1,500ml or larger)	38	-4	-8.6
Can (incl. bottle CAN)	8,162	-829	-9.2
Other	2,467	+200	+8.8
Syrup/Powder	475	-335	-41.4
CCW total (excl. Shikoku CCBC)	17,009	-576	-3.3

Retail & Food service (Unit: K cases, %)	Q2 plan	Vs. PY	
		Diff	%
SS PET (smaller than 1,000ml)	1,567	-46	-2.8
Midi PET (less than 1,500ml)	38	+2	+6.3
LS PET (1,500ml or larger)	765	+31	+4.3
Can (incl. bottle CAN)	802	-68	-7.8
Other	565	+90	+18.9
Syrup/Powder	5,470	-64	-1.2
CCW total (excl. Shikoku CCBC)	9,206	-54	-0.6

Performance Trend

(Unit: MM JPY)

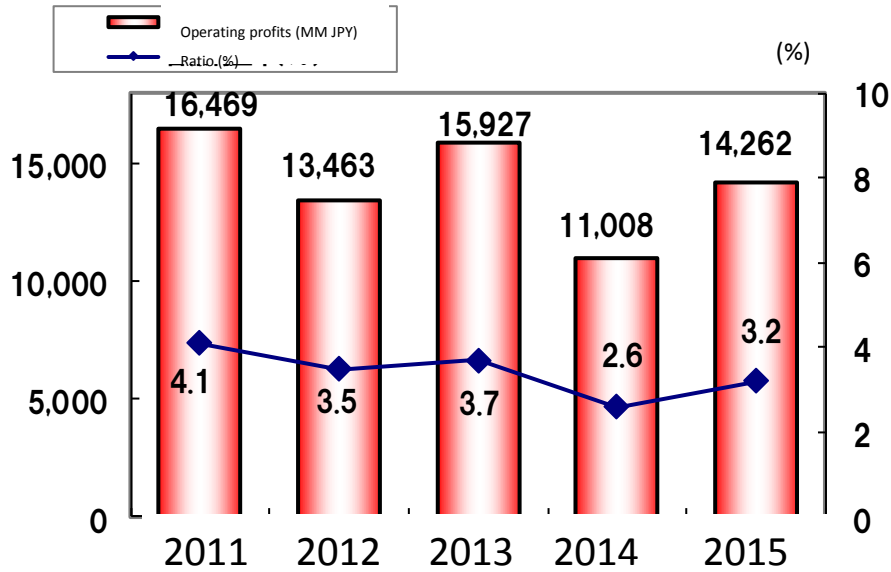
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 Plan
Revenue	164,731	207,827	226,111	247,737	240,825	253,248	245,874	327,821	409,521	395,556	369,698	375,764	399,717	386,637	431,711	424,406	440,476	455,200
Operating Profit	15,160	17,449	16,634	16,704	19,638	16,860	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

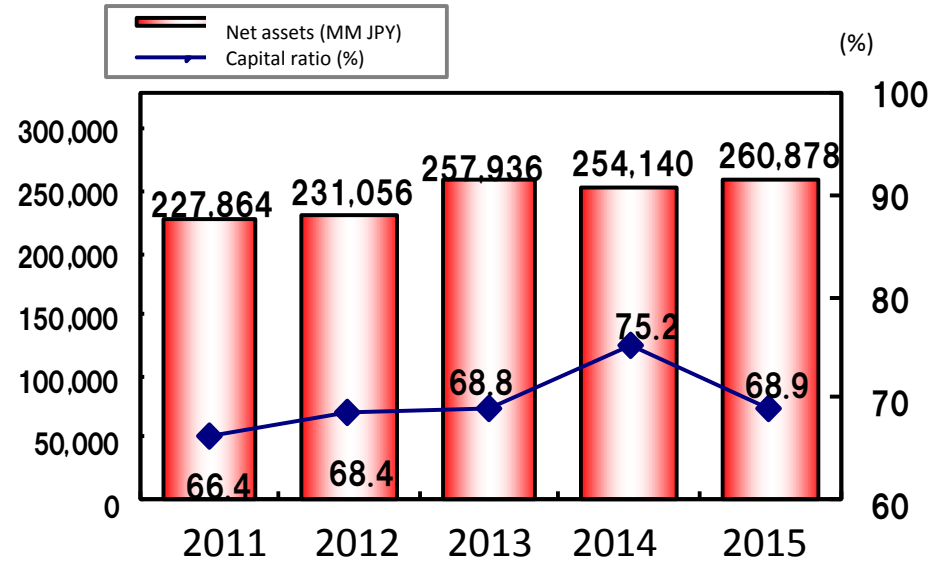
<Operating income & its ratio>

(MM JPY)



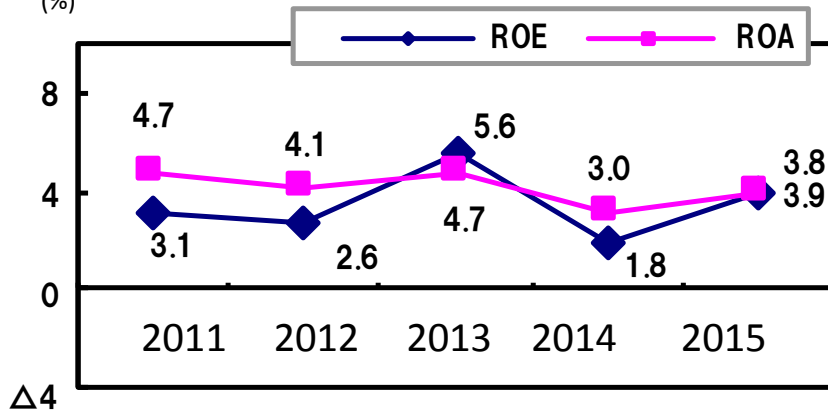
<Net asset/capital ratio>

(MM JPY)



<ROA/ROE>

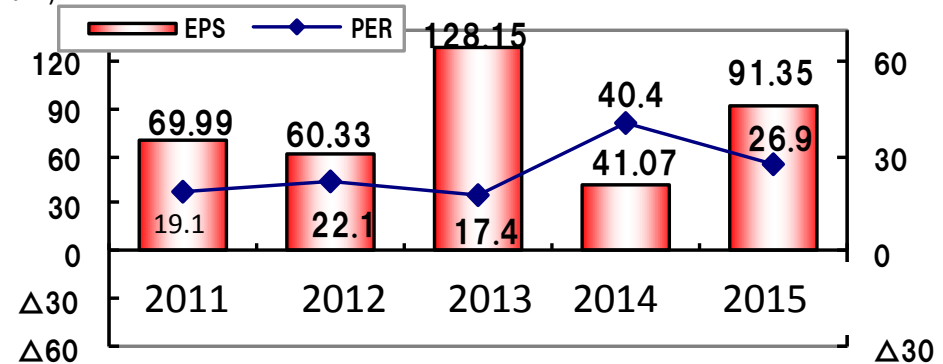
(%)



<EPS/PER>

(EPS: JPY)

(PER: times)

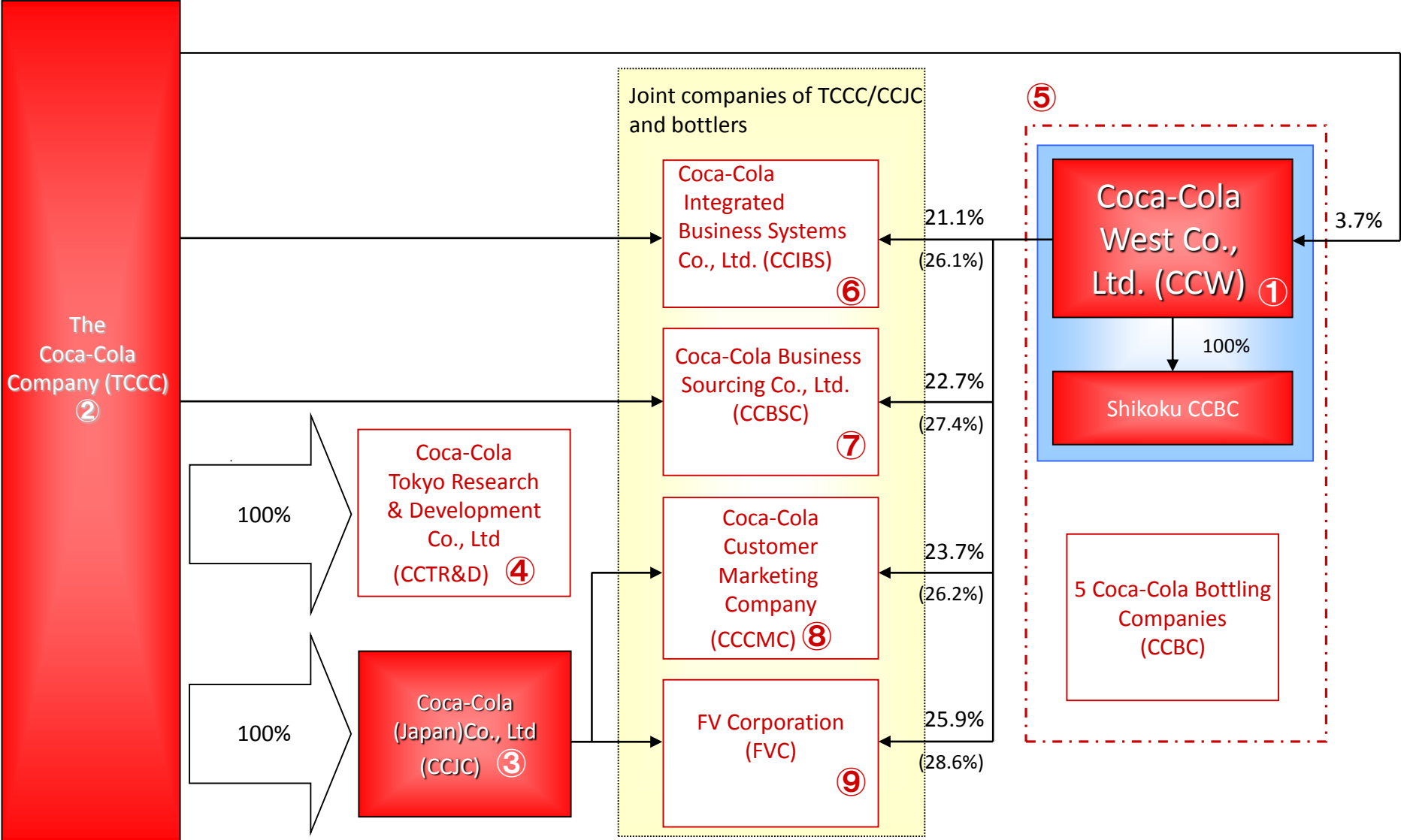


EPS= net profit for the year/average # of shares in the term
 PER = term-end stock price/EPS

Coca-Cola System in Japan – Capital Relationship

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

(As of Jan 1, 2016)



Coca-Cola affiliated 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. Furthermore, CCW made Shikoku CCBC its wholly-owned subsidiary as of May 18, 2015.

2. The Coca-Cola Company (TCCC)

Established in 1892 in Atlanta, Georgia of the U.S.A. It 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 in 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, product planning as well as manufacturing of beverage base 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. After separating and becoming independent from the traditional R&D department that revolved around the headquarters in the U.S., it handles product development and technical support to respond to the needs of Japan.

5. Coca-Cola bottlers (CCBCs)

There are 7 bottlers in Japan responsible for manufacturing and selling products in the respective commercial territories.

6. Coca-Cola IBS Co., Ltd. (CCIBS)

Established through joint investments by TCCC and all bottlers in Japan in June 1999. It assumes business consulting to the Coca-Cola system in Japan, as well as development of the supporting information systems and the overall maintenance operations.

7. Coca-Cola Business Service Co., Ltd. (CCBSC)

Established through joint investments by TCCC and all bottlers in Japan in August 2015. It is in charge of overall procurement operations of raw materials, packaging materials, equipment and indirect materials.

8. Coca-Cola Customer Marketing Company (CCCMC)

Established through joint investments by Coca-Cola (Japan) Co., Ltd. and all bottlers in Japan in January 2007. In addition to handling sales negotiations with major retailers such as nationwide supermarkets and convenience stores as a main window, it makes propositions for sales promotions and in-store activities.

9. FV Corporation Co., Ltd. (FVC)

Established through joint investments by Coca-Cola (Japan) Co., Ltd. and all bottlers in Japan in May 2001. FVC conducts sales to key accounts in vending machine operation, handling non Coca-Cola products also.

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