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Coca-Cola **West**

Results briefing for the 2nd quarter of Fiscal Year ending December 2016

August 15, 2016

Coca-Cola West Company, Limited (2579)

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I. Account settlement for 1H

II. Activity Plan for 2H and full-year

[Reference]

Q2 (April-June) financial results

Trend of OTC market share

Mix by brand/by channel

Sales update on vending machines by channel

Q2 Actual sales volume (by channel and by package)

2H Volume target

Performance trend / managerial KPI trend

Coca-Cola System in Japan / Affiliated companies

I. Account settlement for 1H

1H Sales Volume (Jan-June)

Vs. Plan

- Total sales volume delivered +2.5%, exceeding plans both in Q1 and Q2.

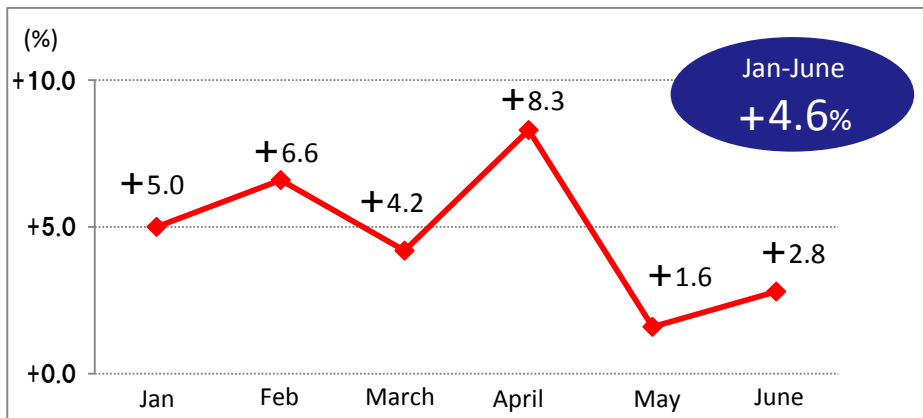
Vs. PY

- Partly attributable to incorporating Shikoku CCBC, Jan-June volume turned positive by 13.6%.
- CCW volume during Jan-June was a positive 4.6%.

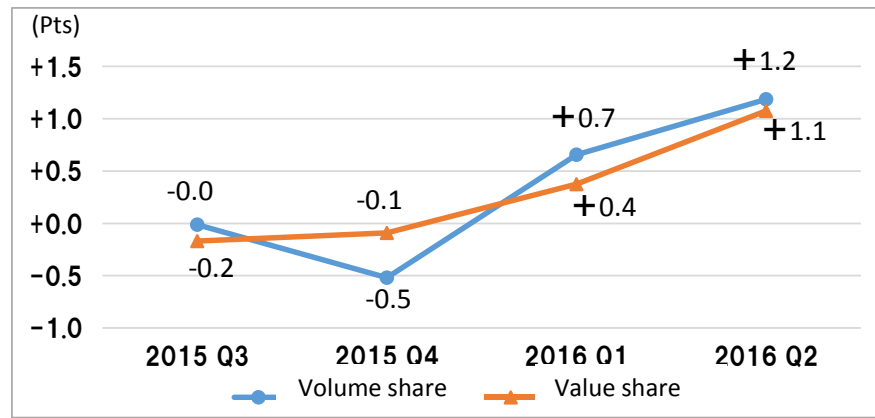
[Sales volume]		Actual volume	Plan	Vs. Plan		PY*	Vs. PY	
(Unit: K c/s, %)				Diff	Diff %		Diff	Diff %
CCW (excl. Shikoku CCBC)		103,579	100,799	+2,780	+2.8	99,042	+4,537	+4.6
Q1		46,511	44,963	+1,548	+3.4	44,226	+2,285	+5.2
Q2		57,068	55,836	+1,232	+2.2	54,816	+2,252	+4.1
CCW + Shikoku CCBC total		112,520	109,770	+2,750	+2.5	99,042	+13,478	+13.6

*PY actual does not include actual performances of Shikoku CCBC

CCW Sales volume trend by month (Vs. PY)



CCW Share trend by quarter (Vs. PY)



Sales volume by channel

Vs. Plan

- All key channels except for Food Service finished exceeding the volume plans.

Vs. PY

- Volume in Supermarket and Convenience Store turned positive both in Q2 and in total, partly contributed by the sales of new products launched after March.

	1H actual (unit: K c/s, %)	Vs. Plan		Vs. PY*	
		Diff	Diff %	Diff	Diff %
Super market/Drug/Discounter	31,987	+1,509	+5.0	+2,209	+7.4
Convenience store	14,022	+451	+3.3	+1,417	+11.2
Chain store total	46,009	+1,960	+4.4	+3,626	+8.6
Vending	32,745	+614	+1.9	-20	-0.1
Retail	5,235	+213	+4.2	-50	-0.9
Food Service	11,702	-52	-0.4	+258	+2.3
Others	7,888	+44	+0.6	+722	+10.1
CCW total (excl. Shikoku CCBC)	103,579	+2,780	+2.8	+4,537	+4.6
CCW + Shikoku CCBC total	112,520	+2,750	+2.5	+13,478	+13.6

*PY actual does not include actual performances of Shikoku CCBC

Sales volume by package

Vs. Plan

- Sales volume of key packages exceeded the plans.

Vs. PY

- Highly profitable SS PET grew ahead of LS PET.
- New product of Georgia Café Bottle Coffee (950ml PET) and Coca-Cola 1.0 L PET contributed to the growth of Midi PET.
- Sales volume of CAN turned positive from last year with the contribution of bottle CAN.

(unit: K c/s, %)		1H actual	Vs. Plan		Vs. PY*	
			Diff	Diff %	Diff	Diff %
PET	Small (less than 850ml)	29,844	+593	+2.0	+1,724	+6.1
	Medium (less than 1,500ml)	1,232	+296	+31.6	+570	+86.2
	Large (1,500ml or more)	20,519	+769	+3.9	+934	+4.8
	Total	51,595	+1,658	+3.3	+3,228	+6.7
Can (incl. bottle can)		26,638	+1,155	+4.5	+470	+1.8
Other		6,664	-69	-1.0	+354	+5.6
Syrup & powder		18,682	+36	+0.2	+485	+2.7
CCW total (excl. Shikoku CCBC)		103,579	+2,780	+2.8	+4,537	+4.6
CCW + Shikoku CCBC total		112,520	+2,750	+2.5	+13,478	+13.6

*PY actual does not include actual performances of Shikoku CCBC

Sales volume by brand

Vs. Plan

Vs. PY

- Launch of seasonally-limited design bottles aligned with the campaign contributed to the sales of Coca-Cola and Coca-Cola Zero exceeding the plans.
- Georgia, Ayataka and I Lohas steadily made solid growth with new products.
- Volume of Sokenbicha became positive in Q2 impacted by the renewal in May.
- Georgia grew 7.6% in Q2 through lineup extensions which resulted in +7.1% in 1H.
- Ayataka made a 2-digit growth from PY with good performances of both “Ayataka” and “Ayataka Nigorihonoka”.
- I Lohas delivered 22% positive sales with steady growth of “I Lohas Cider” launched in March in addition to “I Lohas Momo”.

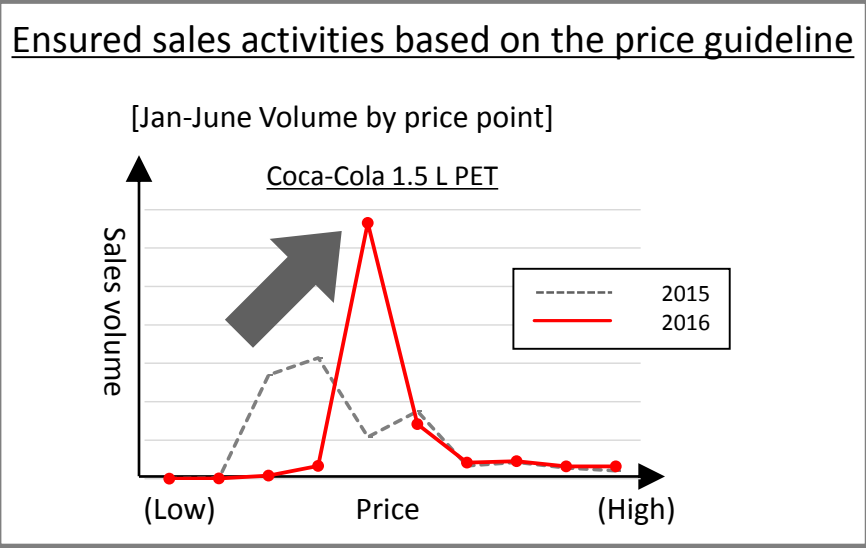
		1H actual	Vs. Plan		Vs. PY* ²	
(unit: K c/s, %)			Diff	Diff %	Diff	Diff %
Core 8	Coca-Cola	7,067	+66	+0.9	+243	+3.6
	Coca-Cola Zero	3,246	+132	+4.2	+269	+9.0
	Fanta	3,528	-21	-0.6	-88	-2.4
	Georgia	23,672	+941	+4.1	+1,571	+7.1
	Sokenbicha	4,553	+55	+1.2	-52	-1.1
	Aquarius	7,986	-253	-3.1	-529	-6.2
	Ayataka	8,785	+773	+9.7	+1,142	+14.9
	I LOHAS	7,583	+363	+5.0	+1,374	+22.1
	Sub total	66,419	+2,056	+3.2	+3,930	+6.3
Others		18,478	+688	+3.9	+123	+0.7
RTD* ¹ Total		84,897	+2,744	+3.3	+4,052	+5.0
Syrup & powder		18,682	+36	+0.2	+485	+2.7
CCW total (excl. Shikoku CCBC)		103,579	+2,780	+2.8	+4,537	+4.6
CCW+Shikoku CCBC total		112,520	+2,750	+2.5	+13,478	+13.6

*1 RTD: Packaged products

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

Status of RGM initiatives in Supermarket

Revenue per case improved from prior year in all channels of Supermarket, Drug store and Discounter with good progress of RGM initiatives.



Highly value-added, premium product launches

(From Mar) (From April) (From May)

Volume sold in Supermarket (after March) **248 K cases**

	Growth from PY (%) (January - June)		
	Sales volume	Revenue	Revenue per-case
Supermarket	+ 10.5%	+ 10.9%	+ 0.4%
Drug store/Discounter	+ 3.2%	+ 3.5%	+ 0.3%
Total	+ 7.4%	+ 8.0%	+ 0.6%

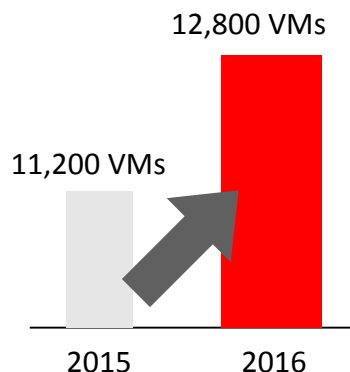
Initiatives for transformation of Vending business

- We have begun to see solid results of initiatives for revenue growth and profitability enhancement.

For revenue growth

Capturing prime locations

[# of new VM placement (Jan-June)]



+1,600 v. PY

Volume contribution per VM

+23% v. PY

Promotion leveraging smartphone apps



[# of VM implemented (after April)]

18,000

[Promotional impacts]

VPM*

Growth v. PY **+3.5pts**

(v. VMs not implemented)

For profitability enhancement

Improve unprofitable locations

[Number of withdrawal and unprofitable value improvements]

1H Actual
8,500 VMs 100 MM JPY
 +2,600 VMs v. Plan +30 MM JPY v. Plan

Revisit trade terms with customers

[Profit contributions via reviewed trade terms]

1H Actual
70 MM JPY
 +70 MM JPY v. Plan

➤ Raise per-case revenue with variety of packages per locations

[Per-case revenue]

1H Actual
+15 yen v. Plan

*VPM: Volume sold Per Machine

1H Financial results (Jan-June)

■ Consolidated operating profit closed at 8.8 Billion JPY.

→ Increase of 4.3 Billion JPY v. Plan and 6.4 Billion JPY v. PY.

(unit: MM JPY, %)

	1H 2016 actual	Plan	Vs. Plan		1H 2015 actual	Vs. PY*	
			Diff	Diff %		Diff	Diff %
Revenue	219,306	213,500	+5,806	+2.7	200,994	+18,312	+9.1
Gross profit	113,485	110,300	+3,185	+2.9	101,252	+12,233	+12.1
Operating income	8,883	4,500	+4,383	+97.4	2,430	+6,452	+265.5
Ordinary profit	8,630	4,200	+4,430	+105.5	2,295	+6,335	+275.9
Current net income (attributable to shareholders)	4,633	2,200	+2,433	+110.6	8,857	-4,224	-47.7

* PY actual does not include actual performances of Shikoku CCBC

1H Financial results (Jan-June)-Key drivers (v. Plan)

(Unit: 100MM JPY)

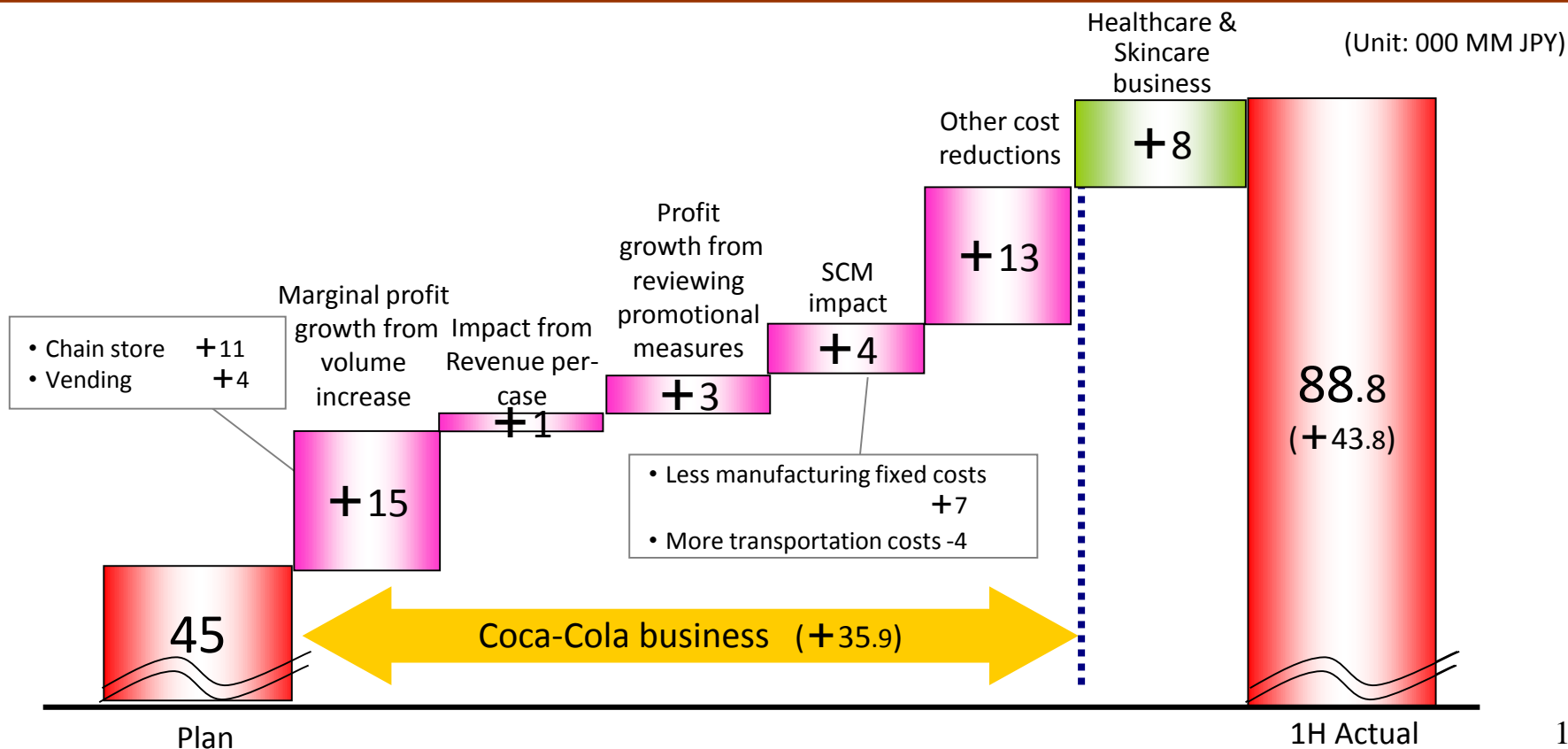
	Plan	1H actual	Diff
Revenue	2,135	2,193	+58
Gross profit	1,103	1,134	+31
Operating income	45	88	+43
Ordinary profit	42	86	+44
Current net income (attributable to shareholders)	22	46	+24

Key drivers	Diff
•Coca-Cola Business (CCW +Shikoku CCBC)	+63.4
•Healthcare & Skincare Business	-5.3
•Coca-Cola Business (CCW +Shikoku CCBC)	+32.1
•Healthcare & Skincare Business	-0.3
•Decrease of SG&A Expenses	+11.9
•Coca-Cola Business (CCW +Shikoku CCBC)	+3.7
<p style="text-align: center;"><Key drivers></p> <p style="padding-left: 20px;">Increase of labor costs</p> <p style="padding-left: 20px;">Decrease of promotion/advertising costs</p> <p style="padding-left: 20px;">Decrease of sales equipment costs</p> <p style="padding-left: 20px;">Increase of operation outsourcing costs</p> <p style="padding-left: 20px;">Increase of transportation costs</p> <p style="padding-left: 20px;">Decrease of repair costs</p> <p style="padding-left: 20px;">Decrease of fuel costs</p> <p style="padding-left: 20px;">Decrease of consumables costs</p>	
•Healthcare & Skincare Business	+8.2
•Increase of extraordinary losses (due to disaster)	-7.5
•Corporate tax	-12.6

1H Financial results (Jan-June)-Drivers of operating profits (v. Plan)

Coca-Cola business finished with Operating profit exceeding the plan by 3.5 Billion JPY. Marginal profit turned positive by 1.6 Billion JPY thanks to Volume exceeding the plan as well as growth of Revenue per-case. In addition, productivity enhancement in SCM and cost reduction by reviewing all sorts of activities contributed to the outperformance of operating profit.

Healthcare & Skincare business delivered positive Operating profit of 800 MM JPY v. Plan primarily driven by SG&A kept below the plan.



1H Financial results (Jan-June)-Key drivers (v. PY)

	PY actual*	1H actual	Diff		Diff
Revenue	2,009	2,193	+183	•Coca-Cola Business (CCW +Shikoku CCBC)	+181.4
Gross profit	1,012	1,134	+122	•Healthcare & Skincare Business	+1.7
Operating income	24	88	+64	•Coca-Cola Business (CCW +Shikoku CCBC)	+118.9
Ordinary profit	22	86	+63	•Healthcare & Skincare Business	+3.3
Current net income (attributable to shareholders)	88	46	-42	•Increase of SG&A Expenses	-57.8
				•Coca-Cola Business (CCW +Shikoku CCBC)	-60.7
				<Key drivers>	
				Increase of labor costs	-38.8
				Increase of promotion/advertising costs	-14.8
				Increase of sales commissions	-13.8
				Decrease of sales equipment costs	+3.8
				Increase of operation outsourcing costs	-17.6
				Increase of transportation costs	-3.6
				Decrease of depreciation costs	+28.2
				•Healthcare & Skincare Business	+2.9
				•Decrease of extraordinary profits (gain on negative goodwill)	-85.2
				•Increase of extraordinary losses (due to disaster)	-2.7
				•Corporate tax	-17.4

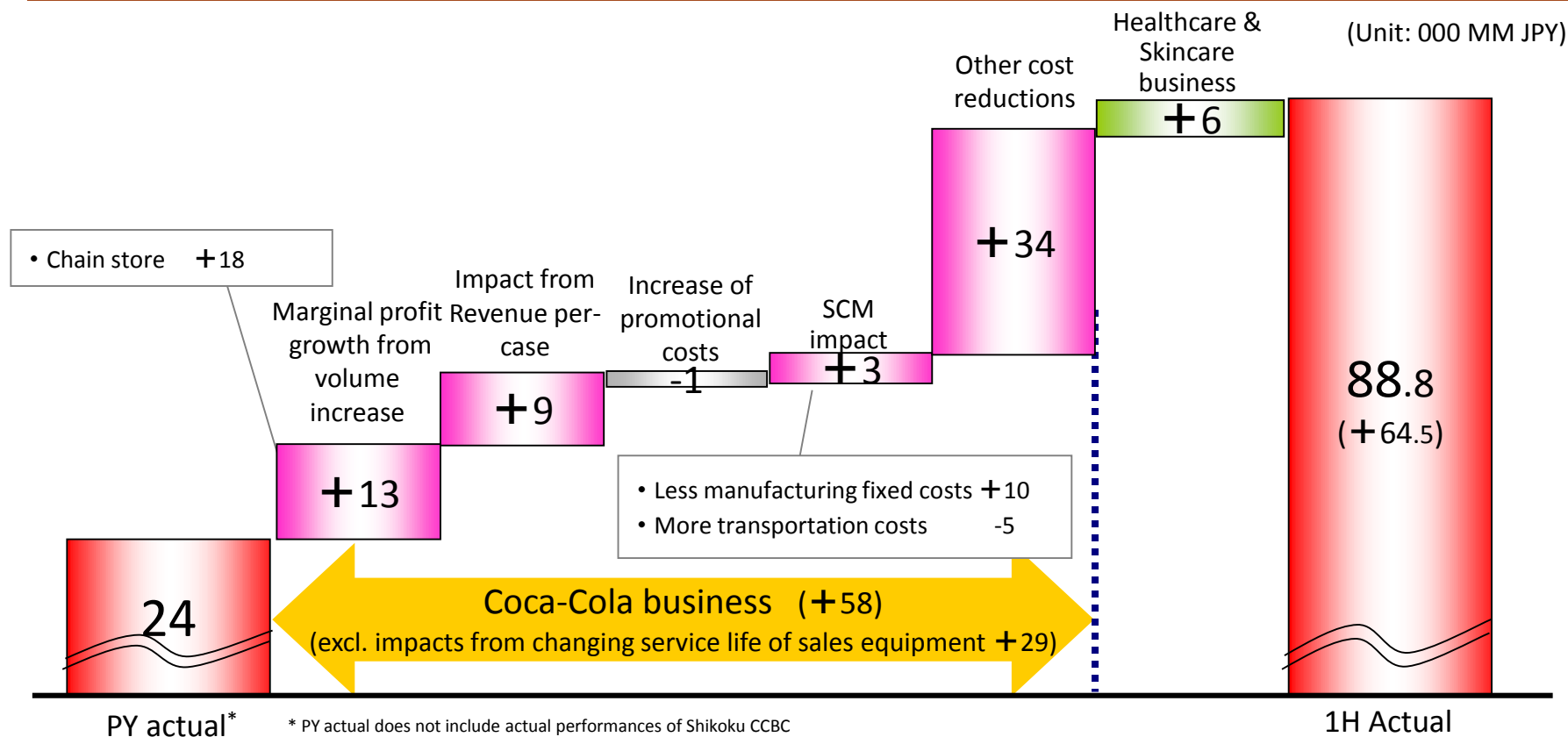
(Unit: 100MM JPY)

* PY actual does not include actual performances of Shikoku CCBC

1H Financial results (Jan-June)-Drivers of operating profit growth (v. PY)

Coca-Cola business finished with Operating profit exceeding PY by 5.8 Billion JPY. In addition to Marginal profit turning positive by 1.3 Billion JPY with Volume contributions from Chain store, growth of Revenue per-case contributed to profit increase of 900 MM JPY. Productivity enhancement in SCM and cost reductions also helped operating profit to grow.

Healthcare & Skincare business delivered positive Operating profit of 600 MM JPY v. PY with revenue increase.



II. Activity Plan for 2H and full-year

2H (July-Dec) Volume plan

■ We project 2H volume plan as initially planned to be $\pm 0.2\%$ v. PY (including Shikoku CCBC).

Volume plan by channel

	2H plan	Vs. PY	
		Diff	Diff %
(unit: K c/s, %)			
Supermarket/Drug/Discounter	37,822	+777	+2.1
Convenience store	14,435	-105	-0.7
Chain store total	52,257	+672	+1.3
Vending	35,761	+185	+0.5
Retail	6,225	+109	+1.8
Food service	14,013	+244	+1.8
Others	7,871	-1,088	-12.1
CCW total (excl. Shikoku CCBC)	116,127	+121	+0.1
CCW + Shikoku CCBC total	126,863	+310	+0.2

Volume plan by brand

	2H plan	Vs. PY	
		Diff	%
(Unit: K cases, %)			
Coca-Cola	8,353	+191	+2.3
Coca-Cola Zero	3,463	-38	-1.1
Fanta	4,246	-41	-1.0
Georgia	23,696	+582	+2.5
Sokenbicha	5,740	+172	+3.1
Aquarius	11,377	+400	+3.6
Ayataka	9,825	-174	-1.7
I-Lohas	8,471	+686	+8.8
Subtotal	75,172	+1,777	+2.4
Other	20,834	-182	-0.9
RTD* ¹ Total	96,006	+1,595	+1.7
Syrup, powder	20,121	-1,474	-6.8
CCW total (excl. Shikoku CCBC)	116,127	+121	+0.1
CCW + Shikoku CCBC total	126,863	+310	+0.2

* RTD: Packaged products

Commercial strategies- Evolution of RGM in supermarket

WSP increase



Product mix improvement



Sales volume growth

Continued reinforcement of sales activities based on price guideline

- Stronger package lineup and making use of sub flavors
 - In addition to Coca-Cola and Aquarius, improve Revenue per-case of non-sugar tea with multi-serve PET.

Coca-Cola Aquarius Non-sugar tea

Stronger package lineup

Making use of sub flavors



Cultivation of highly value-added products (more coverage)

Non-price promotions



Rio 2016 Olympic promotion



Reinforced portfolio at checkout (highly value-added products)

[2H Plan]

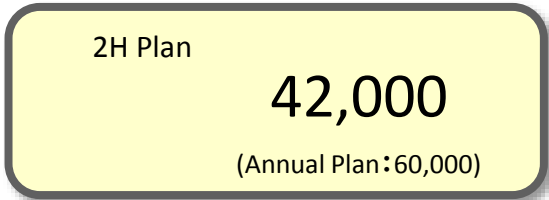
	Growth from PY (%)		
	Sales volume	Revenue	Revenue per-case
Supermarket	+ 1.9%	+ 4.0%	+ 2.0%
Drug store/Discounter	+ 2.4%	+ 4.6%	+ 2.2%
Total	+ 2.1%	+ 4.2%	+ 2.1%

Commercial strategies-Transformation of Vending business

Revenue growth

Promotion leveraging smartphone apps

[# of VM implemented]



- Distribute new product information, sampling coupons and campaign notices through smartphone app “Coke On”.



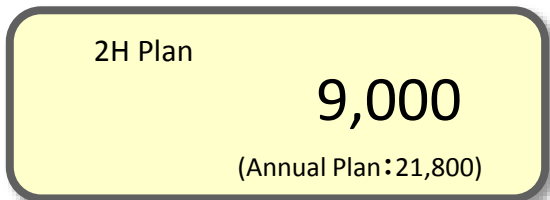
Sampling coupon (Coca-Cola)



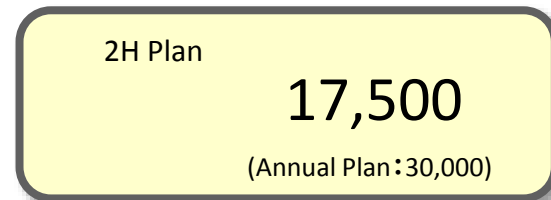
W Stamp campaign (highly value-added products)

Capturing prime locations

[Number of new placement]



[Number of new vending machine placement]



Commercial strategies-Transformation of Vending business

For profitability enhancement

Improvement of unprofitable locations

[Number of withdrawal and unprofitable value improvements]

2H Plan
2,800 VM, 190 MM JPY
 (Annual Plan: 11,300 VM, 290 MM JPY)

Review of trade terms with customers

[Profit contributions through revisions of trade terms]

2H
+ α

Per-case revenue growth with variety of packages per locations

[Per-case revenue]

2H Plan
+ 16 yen v. PY

For efficiency

Quick wins

- Testing of a new model with reviewed processes from operations on the ground to sites underway



Assessment & validation of the new model by the end of this year

Building up of business model mid- to long-term

Joint creation workshops with external partners



Drawing up of attractive vending business models foreseeing consumers after 10 years down the road

Commercial strategies-Stronger brand competitiveness

■ In line with Rio Olympic, introduce “Rio 2016 exclusive design bottle” and launch promotions targeting key brands to maximize sales in peak season.

Products

RIO 2016 exclusive design bottle



“Coca-Cola” gold bottle (PET)



Olympic year design “Coca-Cola” slim bottle (aluminum can)



Promotions



Supermarket



Ice bottle holders



Waterproof portable DTB & DVD player



Olympic host nation design aluminum tumbler



Brazilian BBQ set



Tokyo 2020 Olympic Spectator rights

Vending machines



Original button badge

Commercial strategies

- Reinforce home-shopping business and product development to drive revenue and profit growth after 2H.

Reinforcement of home-shopping business

Gain new consumers

- Improvement of consumer attraction efficiency with home-shopping programs
- Stronger WEB marketing

Raise repeat customers and per-case revenue

- Stronger cross sales (combination of products)

Collaborations with Coca-Cola business

Launch of collaboration products (beverages)

- Final coordination underway to identify concrete spec, while making steady progress of product development.
- For sales at appropriate pricing matched with the value of products, 2 channels of Coca-Cola business(vending machines etc) and Healthcare & skincare business (home-shopping etc) have been considered.

[2H & full-year Revenue Plan]

	2H plan	Vs. PY	
		Diff	%
Healthcare products	117	+9	+9.3
Skincare products	62	+6	+11.3
Others	1	-0	-39.0
Total	181	+15	+9.4

(Unit: 100MMJPY, %)

Full-year plan	Vs. PY	
	Diff	%
217	+3	+1.6
124	+14	+13.0
3	-0	-15.3
345	+17	+5.2

2H(July-Dec) & Full-year (Jan-Dec) — Performance Plan(Consolidated)

- Full-year consolidated operating profit plan shall be revised upward by 4.5 Billion JPY from the initial plan to be 20.5 Billion JPY. (v. PY +6.2 Billion JPY)

Consolidated

[Full-year (Jan-Dec)]

(unit: MM JPY, %)

	2016 Full-year Plan	Vs. PY		Vs. Initial Plan	
		Diff	Diff %	Diff	Diff %
Revenue	460,200	+19,723	+4.5	+5,000	+1.1
Gross profit	239,800	+15,848	+7.1	+4,200	+1.8
Operating income	20,500	+6,237	+43.7	+4,500	+28.1
Ordinary profit	18,800	+5,076	+37.0	+3,800	+25.3
Current net income (attributable to shareholders)	10,800	+829	+8.3	+2,000	+22.7

[2H(July-Dec)]

(unit: MM JPY, %)

	2H 2016 Plan	Vs. PY	
		Diff	Diff %
Revenue	240,900	+1,418	+0.6
Gross profit	126,300	+3,600	+2.9
Operating income	11,600	-231	-2.0
Ordinary profit	10,200	-1,227	-10.7
Current net income (attributable to shareholders)	6,200	+5,087	+457.2

2H(July-Dec) & Full-year (Jan-Dec) — Performance Plan(by business)

Coca-Cola business (CCW group + Shikoku CCBC)

[Full-year (Jan-Dec)]

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

	2016 Full-year Plan	Vs. PY		Vs. Initial Plan	
		Diff	Diff %	Diff	Diff %
Volume	239,383	+4,764	+2.0	+2,750	+1.2
Revenue	425,600	+17,964	+4.4	+5,900	+1.4
Of which, Strategic channels	417,279	+24,527	+6.2	+3,618	+0.9
Operating income	17,100	+5,890	+52.5	+4,100	+31.5

[2H(July-Dec)]

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

	2H 2016 Plan	Vs. PY	
		Diff	Diff %
Volume	126,863	+310	+0.2
Revenue	222,800	-132	-0.1
Of which, Strategic channels	219,744	+3,072	+1.4
Operating income	10,100	+58	+0.6

Healthcare & skincare business

[Full-year (Jan-Dec)]

(Unit: MMJPY, %)

	2016 Full-year Plan	Vs. PY		Vs. Initial Plan	
		Diff	Diff %	Diff	Diff %
Revenue	34,600	+1,759	+5.4	-900	-2.5
Operating income	3,400	+347	+11.4	+400	+13.3

[2H(July-Dec)]

(Unit: MMJPY, %)

	2H 2016 Plan	Vs. PY	
		Diff	Diff %
Revenue	18,100	+1,550	+9.4
Operating income	1,500	-289	-16.2

Full-year (Jan-Dec) — Drivers of operating profit growth (v. PY)

Aim to deliver consolidated operating profit of 20.5 Billion JPY, up 6.2 Billion JPY from prior year.

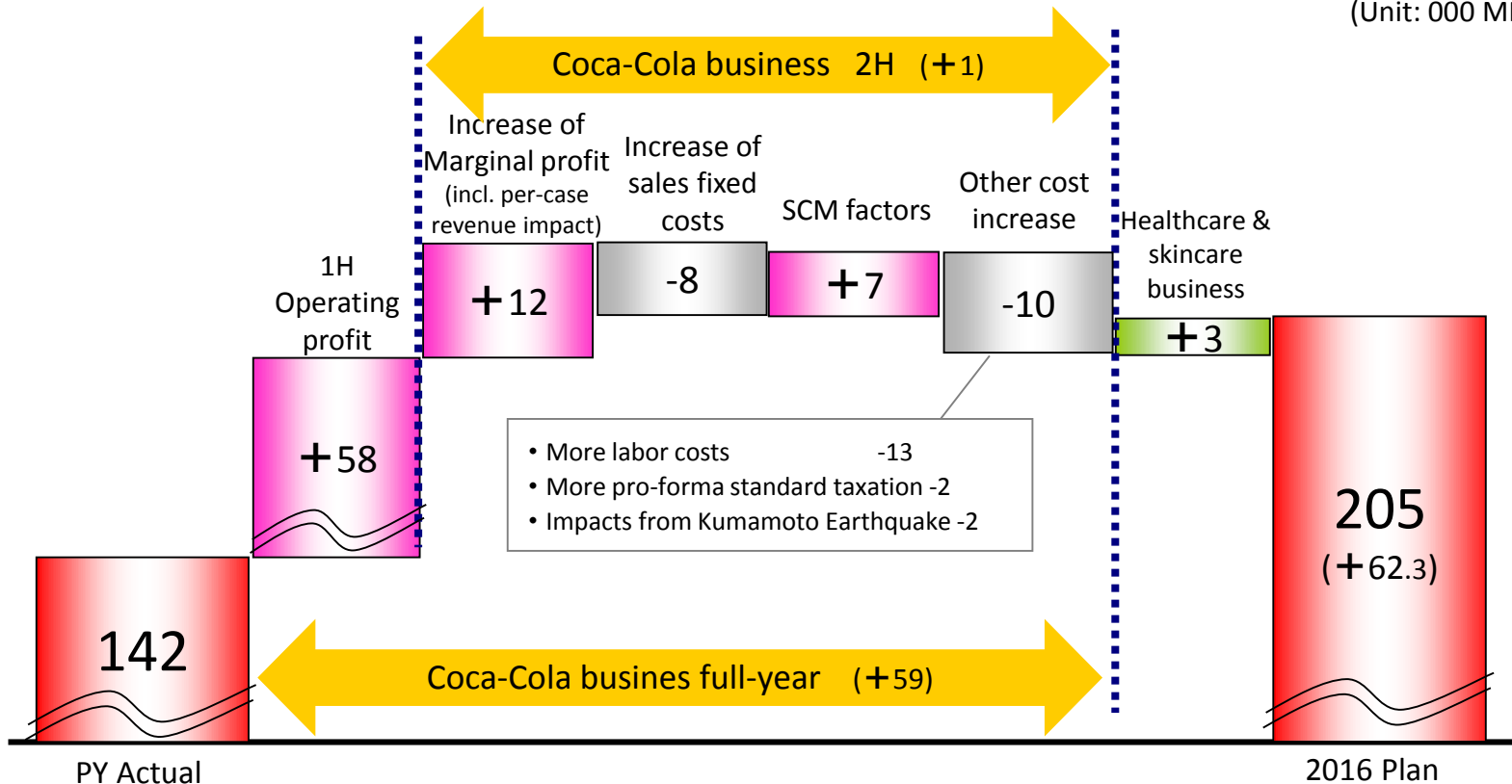


- Sales related +400 MM JPY: Further drive profitable revenue growth in Chain store & Vending
- SCM factors +700 MM JPY: Work on improving productivity & efficiency to generate solid SCM impacts
- Other -1 Billion JPY: In addition to incorporating external factors, invest for future growth



+300 MM JPY: Strengthen home-shopping business to gain more revenue and profits

(Unit: 000 MM JPY)



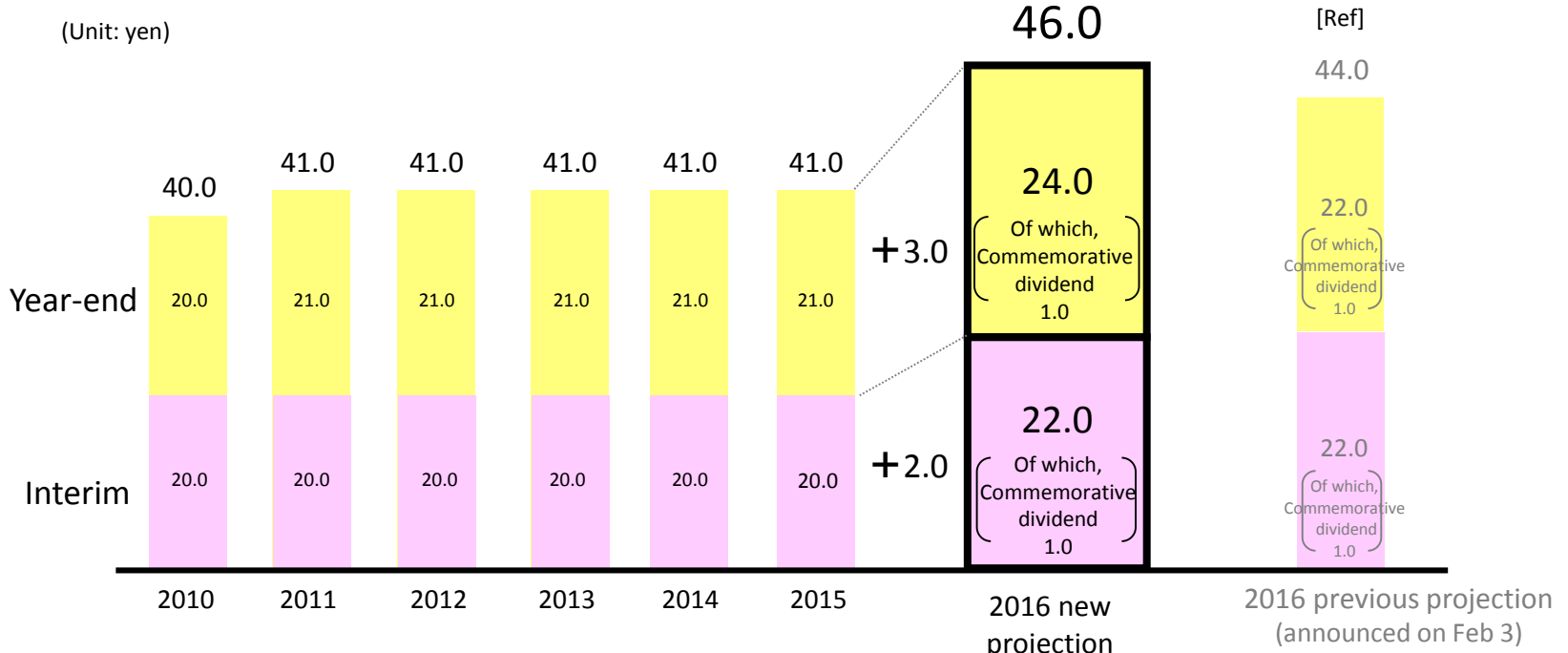
Dividends

Dividends per share (projection) shall be revised based on the upward revision of 2016 performance forecast.

[Per share]		
Ordinary dividend		
Interim dividend	21 yen	(+1 yen)
Year-end dividend	23 yen	(+2 yen)
Commemorative dividend *2	2 yen	(+2 yen)
Total	46 yen	(+5 yen)

Difference from PY indicated in ()
 *Provide Commemorative dividend to celebrate 2016 to mark the milestone of 10th. Anniversary since the business integration of former Coca-Cola West Japan and former Kinki Coca-Cola.

Trend of Annual dividend



- 1H closed with Operating profit exceeding the plan by 4.3 billion JPY, delivering major profit gain of 6.4 billion JPY versus prior year.
 - Good progress of RGM initiatives in Supermarket in Coca-Cola business as a key task and activities in Vending for greater revenue and profits have started to generate impacts.
 - Fundamental review of all kinds of activities enabled us to save costs and contributed to the growth of Operating profit.
 - We are making investments for future growth according to the plan.
- The business plan for 2H is assumed with the solid investments for future growth upon the plan set at the beginning of the year as a base.
- Not just delivering full-year Operating profit of 20.5 billion JPY, we will try to generate more profits by further driving the initiatives we engaged in 1H and successively delivering impacts in 2H exceeding the plan.

[References]

Account settlement for Q2 (April-June)

(unit: MM JPY, %)

	2016 Q2 actual
Revenue	118,761
Gross profit	61,409
Operating income	6,673
Ordinary profit	6,561
Current net income (attributable to shareholders)	3,680

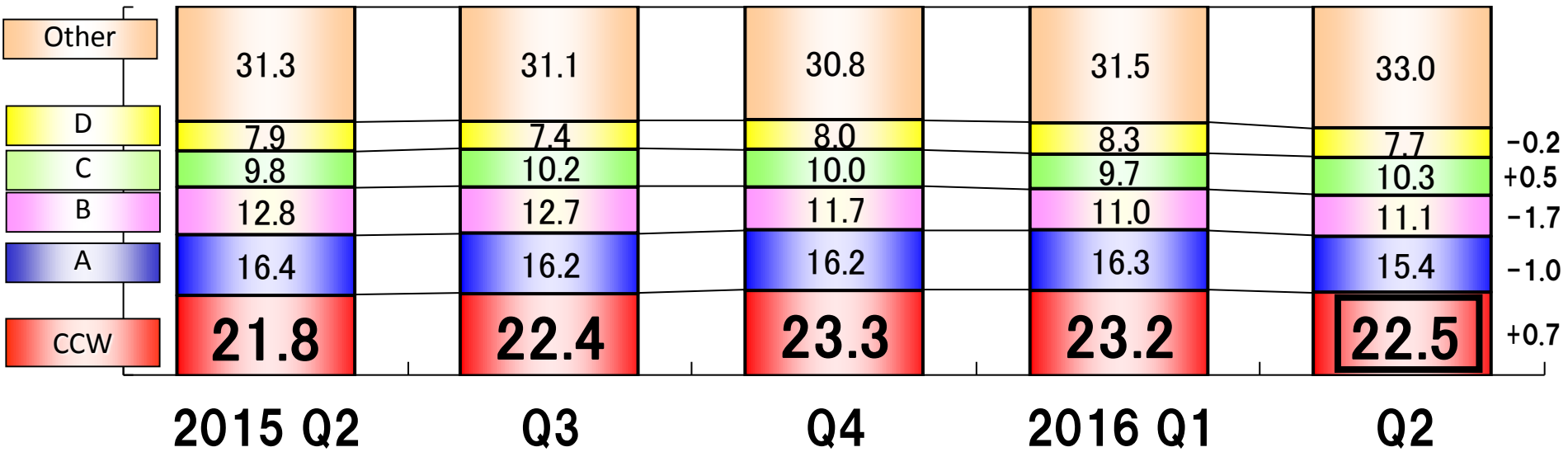
Plan	Vs. Plan	
	Diff	Diff %
116,400	+2,361	+2.0
60,000	+1,409	+2.3
4,800	+1,873	+39.0
4,700	+1,861	+39.6
2,800	+880	+31.4

2015 Q2 actual	Vs. PY*	
	Diff	Diff %
109,878	+8,883	+8.1
55,074	+6,334	+11.5
3,677	+2,995	+81.5
3,586	+2,974	+82.9
10,110	-6,430	-63.6

* PY actual does not include actual performances of Shikoku CCBC

OTC market share trends (excl. VM)

(Unit: %, pts)



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

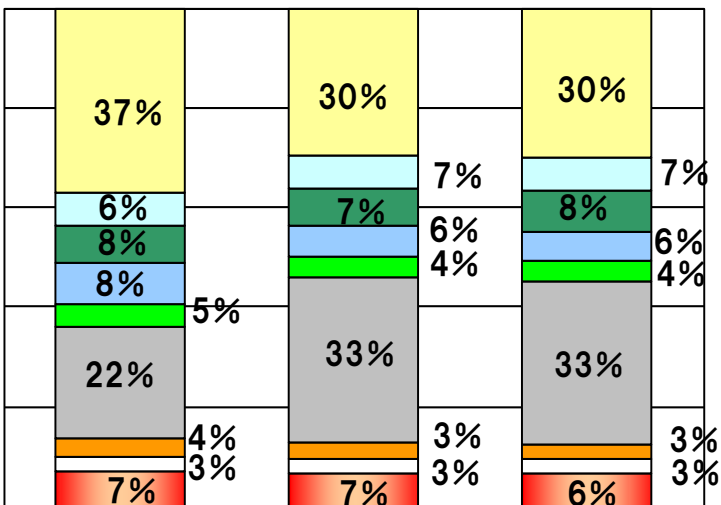
(Source: Intage)

1H (Jan – June) – Mix by brand/channel

Brand

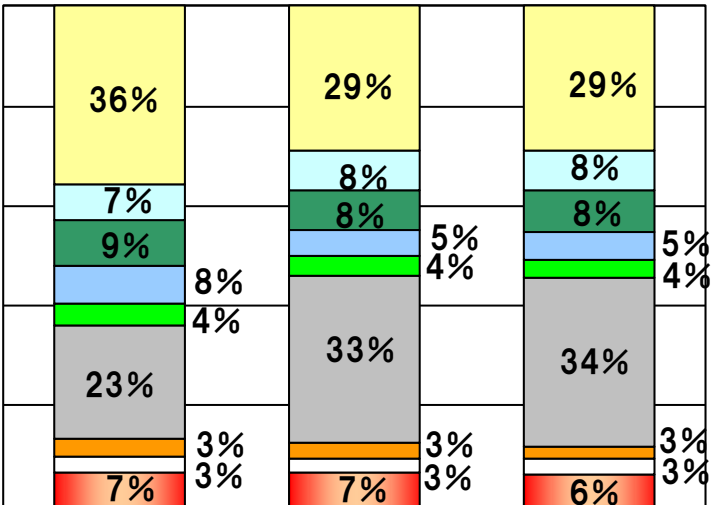
- Others
- I LOHAS
- Ayataka
- Aquarius
- Soukenbicha
- Georgia
- Fanta
- Coca-Cola Zero
- Coca-Cola

2015



Sales Vol. Revenue Gross profit

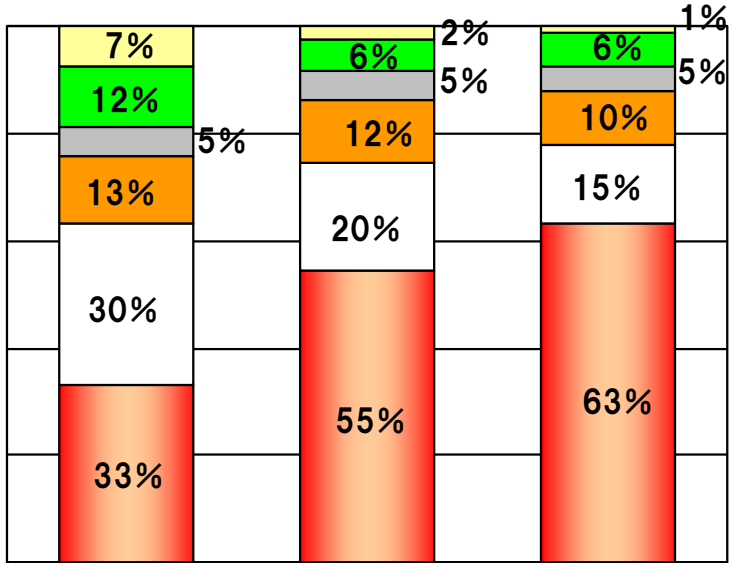
2016



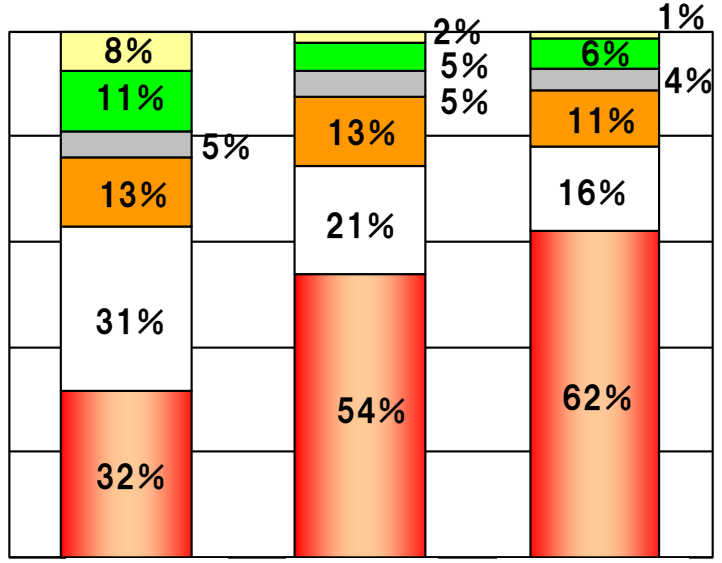
Sales Vol. Revenue Gross profit

Channel

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



Sales Vol. Revenue Gross profit



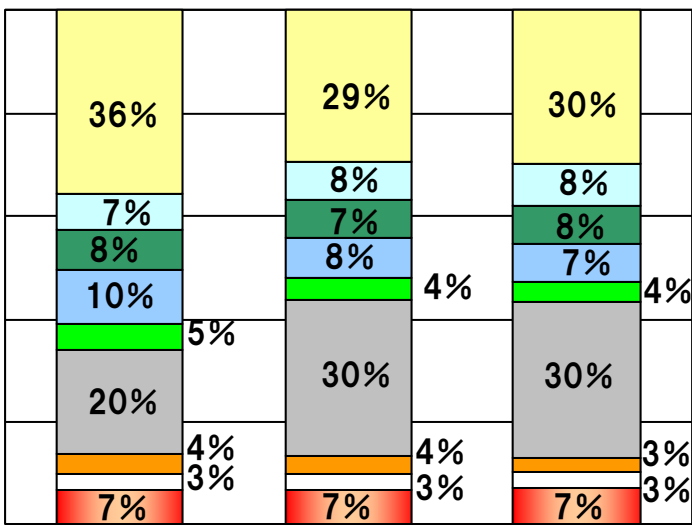
Sales Vol. Revenue Gross profit

Q2 (April – June) – Mix by brand/channel

Brand

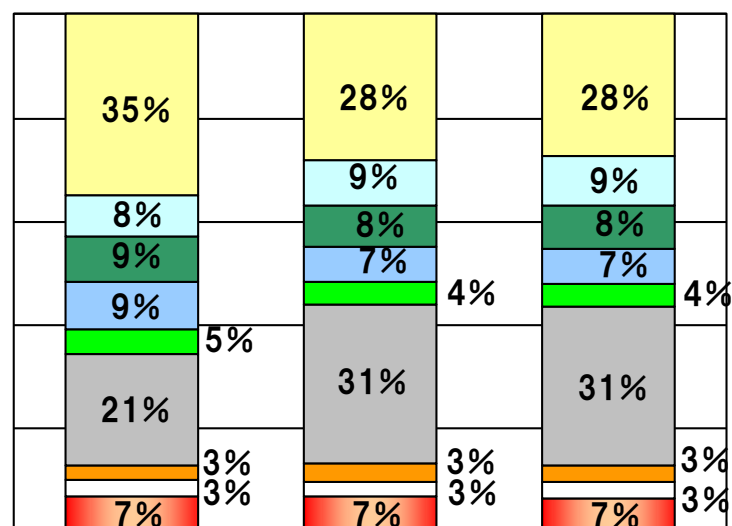
- Others
- I LOHAS
- Ayataka
- Aquarius
- Soukenbicha
- Georgia
- Fanta
- Coca-Cola Zero
- Coca-Cola

2015



Sales Vol. Revenue Gross profit

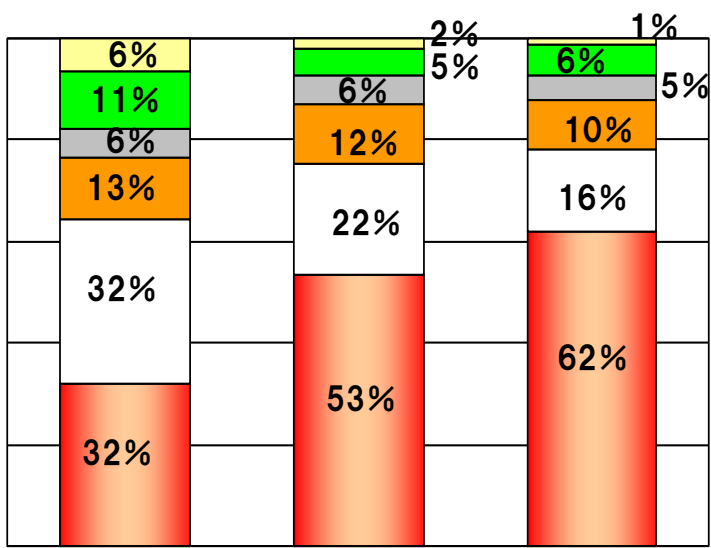
2016



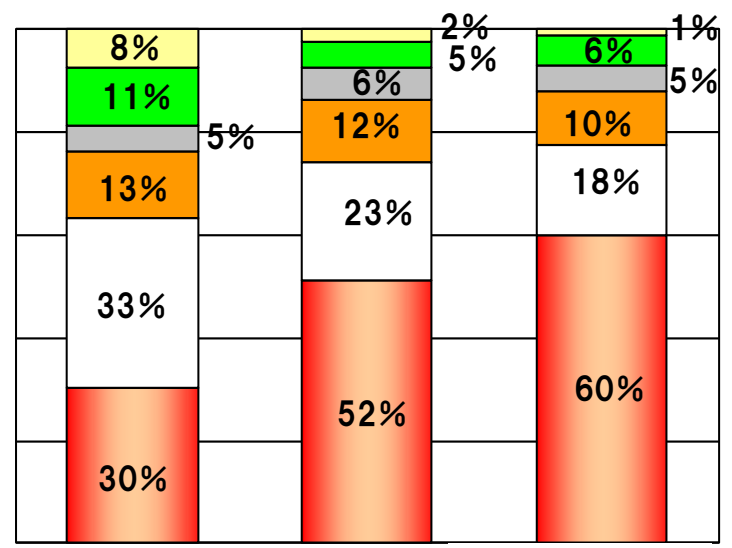
Sales Vol. Revenue Gross profit

Channel

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



Sales Vol. Revenue Gross profit



Sales Vol. Revenue Gross profit

Sales update on vending machines by cluster

Vending machine full service CAN VPM* V. PY

[CCW Area]

	Vs. PY (%)						
	Jan	Feb	Mar	April	May	June	YTD total
At-work (office)	-2.2	+2.1	+0.0	-2.5	-1.6	-1.4	-1.0
At-work (plant)	-2.8	+1.9	+1.8	-3.0	-2.5	-1.4	-1.0
Mass retailer	-2.4	+1.6	-2.6	-4.2	-2.2	-2.9	-2.2
Transportation	+1.2	+3.8	+1.3	+1.1	-0.8	+0.6	+1.1
School	-0.8	+5.7	+3.2	-1.1	-1.6	+3.3	+1.2
Leisure	-3.7	+0.6	-3.4	-4.6	-1.3	-9.1	-3.6
Pachinko	-5.8	-1.8	-6.8	-5.8	-0.9	-3.6	-4.2
Sports	-4.2	+0.6	-1.0	-1.4	-0.9	-4.0	-1.9
Hospital	-3.0	+3.0	+1.1	-1.4	-1.6	-0.6	-0.5
Accommodation	-4.2	+2.8	-1.9	-4.6	-5.2	-2.9	-2.8
Other (Indoor)	-2.7	+0.9	+0.8	-2.3	-3.8	-0.6	-1.4
Outdoor	-1.6	+1.3	+2.6	-0.9	-3.9	-2.1	-0.9
Total	-2.5	+1.5	-0.1	-2.4	-2.3	-1.9	-1.4

*Sales Vol. per vending machine

1H (Jan – June) – Sales Volume by channel/package

Chain store (Unit: K cases, %)	2016 1H actual	Vs. Plan		Vs. PY	
		Diff	%	Diff	%
SS PET (smaller than 850ml)	16,558	+387	+2.4	+1,067	+6.9
Midi PET (less than 1,500ml)	1,157	+285	+32.7	+559	+93.5
LS PET (1,500ml or larger)	19,133	+761	+4.1	+852	+4.7
Can (incl. bottle CAN)	8,526	+422	+5.2	+1,123	+15.2
Other	634	+104	+19.6	+24	+4.0
CCW total (excl. Shikoku CCBC)	46,009	+1,960	+4.4	+3,626	+8.6

Vending (Unit: K cases, %)	2016 1H actual	Vs. Plan		Vs. PY	
		Diff	%	Diff	%
SS PET (smaller than 850ml)	10,555	+59	+0.6	+672	+6.8
LS PET (1,500ml or larger)	73	+6	+9.4	-3	-4.2
Can (incl. bottle CAN)	16,463	+604	+3.8	-648	-3.8
Other	4,359	-175	-3.9	+219	+5.3
Syrup/Powder	1,296	+121	+10.3	-259	-16.7
CCW total (excl. Shikoku CCBC)	32,745	+614	+1.9	-20	-0.1

Retail & Food service (Unit: K cases, %)	2016 1H actual	Vs. Plan		Vs. PY	
		Diff	%	Diff	%
SS PET (smaller than 850ml)	2,726	+142	+5.5	-19	-0.7
Midi PET (less than 1,500ml)	72	+8	+13.1	+11	+18.7
LS PET (1,500ml or larger)	1,304	-7	-0.6	+75	+6.1
Can (incl. bottle CAN)	1,637	+116	+7.6	-15	-0.9
Other	893	-136	-13.2	+34	+3.9
Syrup/Powder	10,305	+38	+0.4	+122	+1.2
CCW total (excl. Shikoku CCBC)	16,937	+162	+1.0	+209	+1.2

Q2 (April-June) –Volume by channel

	Q2 actual	Vs. Plan		Vs. PY*	
		Diff	Diff %	Diff	Diff %
(unit: K c/s, %)					
Super market/Drug/Discounter	18,969	+695	+3.8	+1,360	+7.7
Convenience store	7,352	+92	+1.3	+551	+8.1
Chain store total	26,321	+787	+3.1	+1,912	+7.8
Vending	17,204	+195	+1.1	-381	-2.2
Retail	3,020	+134	+4.6	+2	+0.1
Food service	6,211	-109	-1.7	-31	-0.5
Others	4,312	+225	+5.5	+750	+21.1
CCW total (excl. Shikoku CCBC)	57,068	+1,232	+2.2	+2,252	+4.1
CCW + Shikoku CCBC total	62,040	+1,159	+1.9	+7,223	+13.2

* PY actual does not include actual performances of Shikoku CCBC. And sales volume in 2015 is revised retroactively due to changes of calculation method in the affiliated company.

Q2 (April – June) – Sales Volume by brand

(unit: K c/s, %)		Q2 actual	Vs. Plan		Vs. PY ^{*1}	
			Diff	Diff %	Diff	Diff %
Core 8	Coca-Cola	3,958	-60	-1.5	+119	+3.1
	Coca-Cola Zero	1,841	+86	+4.9	+164	+9.8
	Fanta	2,008	-103	-4.9	-33	-1.6
	Georgia	11,999	+357	+3.1	+844	+7.6
	Sokenbicha	2,689	+63	+2.4	+11	+0.4
	Aquarius	5,386	-118	-2.1	-309	-5.4
	Ayataka	4,971	+504	+11.3	+703	+16.5
	I LOHAS	4,498	+70	+1.6	+599	+15.4
	Sub total	37,350	+799	+2.2	+2,099	+6.0
Others	9,843	+233	+2.4	-210	-2.1	
RTD ^{*2} Total		47,193	+1,032	+2.2	+1,889	+4.2
Syrup & powder		9,875	+200	+2.1	+364	+3.8
CCW total (excl. Shikoku CCBC)		57,068	+1,232	+2.2	+2,252	+4.1
CCW + Shikoku CCBC total		62,040	+1,159	+1.9	+7,223	+13.2

*1 PY actual does not include actual performances of Shikoku CCBC. And sales volume in 2015 is revised retroactively due to changes of calculation method in the affiliated company.

*2 Packaged products

Q2 (April – June) – Sales Volume by package

(unit: K c/s, %)		Q2 actual	Vs. Plan		Vs. PY*	
			Diff	Diff %	Diff	Diff %
PET	Small (less than 850ml)	16,567	-107	-0.6	+757	+4.8
	Medium (less than 1,500ml)	864	+226	+35.3	+462	+115.2
	Large (less than 1,500ml)	12,071	+388	+3.3	+413	+3.5
	Total	29,502	+506	+1.7	+1,632	+5.9
Can (incl. bottle can)		14,049	+638	+4.8	+163	+1.2
Other		3,643	-112	-3.0	+94	+2.7
Syrup & powder		9,875	+200	+2.1	+364	+3.8
CCW total (excl. Shikoku CCBC)		57,068	+1,232	+2.2	+2,252	+4.1
CCW + Shikoku CCBC total		62,040	+1,159	+1.9	+7,223	+13.2

* PY actual does not include actual performances of Shikoku CCBC. And sales volume in 2015 is revised retroactively due to changes of calculation method in the affiliated company.

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

■ Chain store

(Unit: K cases, %)	Q2 actual	Vs. Plan		Vs. PY	
		Diff	Diff %	Diff	Diff %
SS PET (smaller than 850ml)	9,124	-117	-1.3	+400	+4.6
Midi PET (less than 1,500ml)	816	+217	+36.2	+453	+124.5
LS PET (1,500ml or larger)	11,251	+370	+3.4	+367	+3.4
Can (incl. bottle CAN)	4,693	+246	+5.5	+670	+16.7
Other	438	+71	+19.2	+21	+5.1
CCW total (excl. Shikoku CCBC)	26,321	+787	+3.1	+1,912	+7.8

■ Vending

(Unit: K cases, %)	Q2 actual	Vs. Plan		Vs. PY	
		Diff	Diff %	Diff	Diff %
SS PET (smaller than 850ml)	5,857	-10	-0.2	+383	+7.0
LS PET (1,500ml or larger)	43	+5	+13.7	+2	+3.9
Can (incl. bottle CAN)	8,464	+302	+3.7	-527	-5.9
Other	2,296	-170	-6.9	+29	+1.3
Syrup/Powder	543	+68	+14.4	-267	-32.9
CCW total (excl. Shikoku CCBC)	17,204	+195	+1.1	-381	-2.2

■ Retail & Food service

(Unit: K cases, %)	Q2 actual	Vs. Plan		Vs. PY	
		Diff	Diff %	Diff	Diff %
SS PET (smaller than 850ml)	1,585	+18	+1.2	-28	-1.7
Midi PET (less than 1,500ml)	46	+7	+18.7	+9	+26.1
LS PET (1,500ml or larger)	773	+8	+1.0	+39	+5.4
Can (incl. bottle CAN)	884	+83	+10.3	+15	+1.7
Other	494	-71	-12.6	+19	+4.0
Syrup/Powder	5,450	-20	-0.4	-84	-1.5
CCW total (excl. Shikoku CCBC)	9,231	+25	+0.3	-29	-0.3

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

		2H Plan	Vs. PY*	
			Diff	Diff %
(unit: K c/s, %)				
PET	Small (less than 850ml)	34,803	+1,792	+5.4
	Medium (less than 1,500ml)	1,278	+438	+52.2
	Large (less than 1,500ml)	25,249	-171	-0.7
	Total	61,330	+2,060	+3.5
Can (incl. bottle can)		26,973	-880	-3.2
Other		7,703	+415	+5.7
Syrup & powder		20,121	-1,474	-6.8
CCW total (excl. Shikoku CCBC)		116,127	+121	+0.1
CCW + Shikoku CCBC total		126,863	+310	+0.2

* Sales volume in 2015 is revised retroactively due to changes of calculation method in the affiliated company.

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

Chain store (Unit: K cases, %)	2H Plan	Vs. PY	
		Diff	%
SS PET (smaller than 850ml)	18,298	+511	+2.9
Midi PET (less than 1,500ml)	1,184	+422	+55.4
LS PET (1,500ml or larger)	23,448	-289	-1.2
Can (incl. bottle CAN)	8,643	+63	+0.7
Other	683	-34	-4.8
CCW total (excl. Shikoku CCBC)	52,257	+672	+1.3

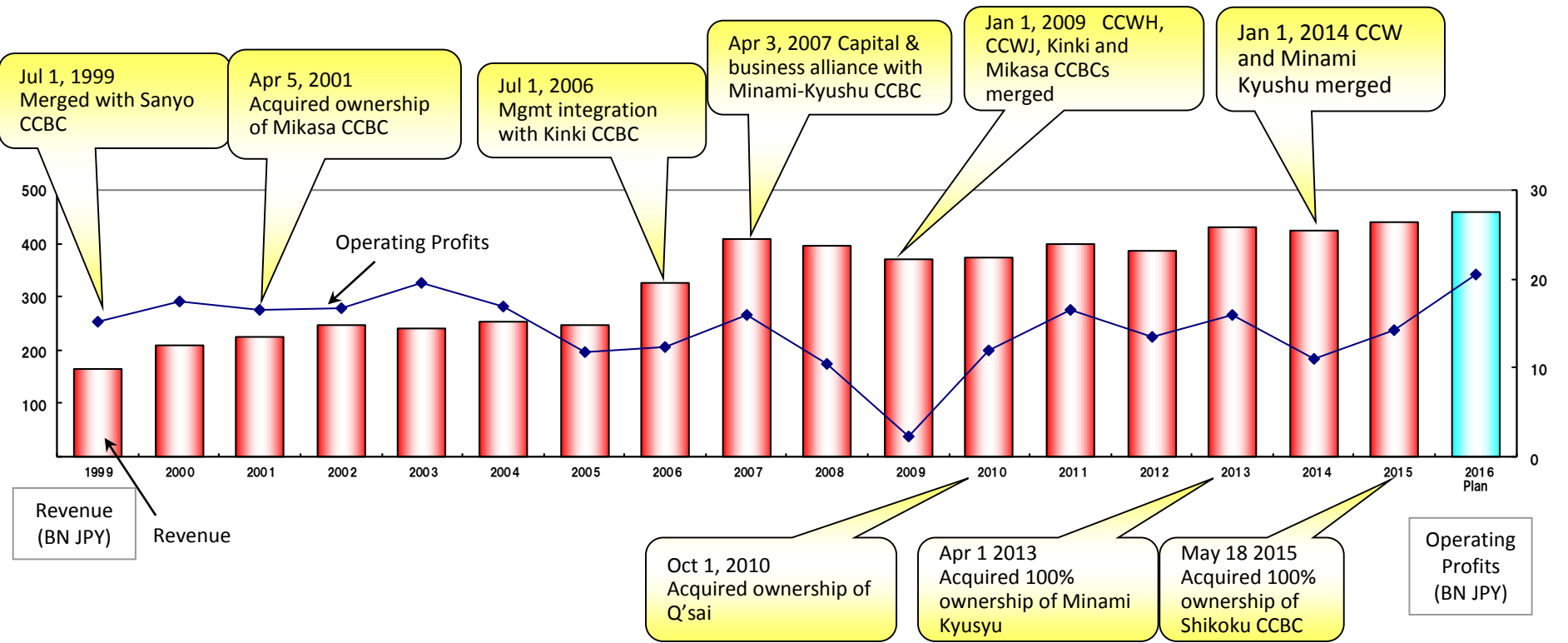
Vending (Unit: K cases, %)	2H Plan	Vs. PY	
		Diff	%
SS PET (smaller than 850ml)	13,209	+1,317	+11.1
LS PET (1,500ml or larger)	101	-22	-17.7
Can (incl. bottle CAN)	16,510	-906	-5.2
Other	5,060	+499	+10.9
Syrup/Powder	881	-703	-44.4
CCW total (excl. Shikoku CCBC)	35,761	+185	+0.5

Retail & Food service (Unit: K cases, %)	2H Plan	Vs. PY	
		Diff	%
SS PET (smaller than 850ml)	3,296	-32	-1.0
Midi PET (less than 1,500ml)	92	+18	+24.8
LS PET (1,500ml or larger)	1,700	+147	+9.5
Can (incl. bottle CAN)	1,820	-24	-1.3
Other	1,236	+231	+23.0
Syrup/Powder	12,095	+12	+0.1
CCW total (excl. Shikoku CCBC)	20,238	+353	+1.8

Performance Trend

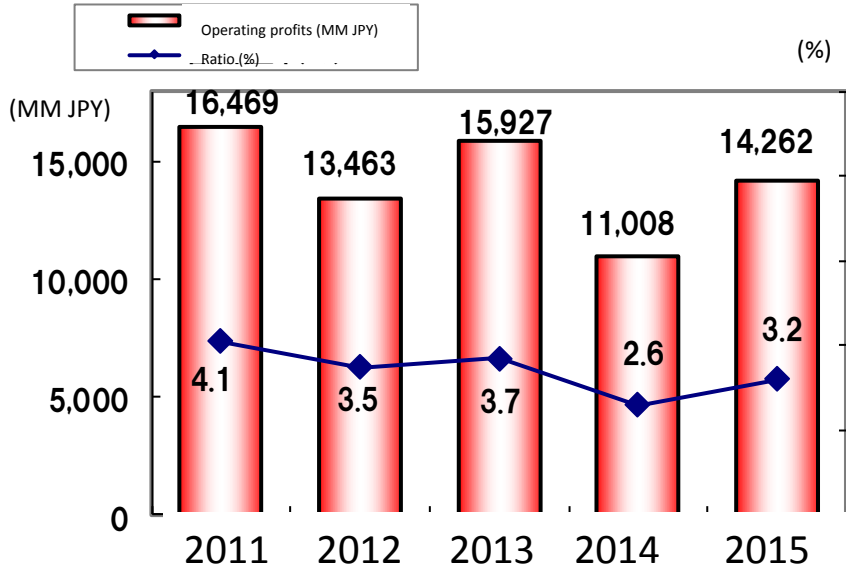
(Unit: MM JPY)

	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	460,200
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	20,500
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	18,800
Net Profit	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	9,970	10,800

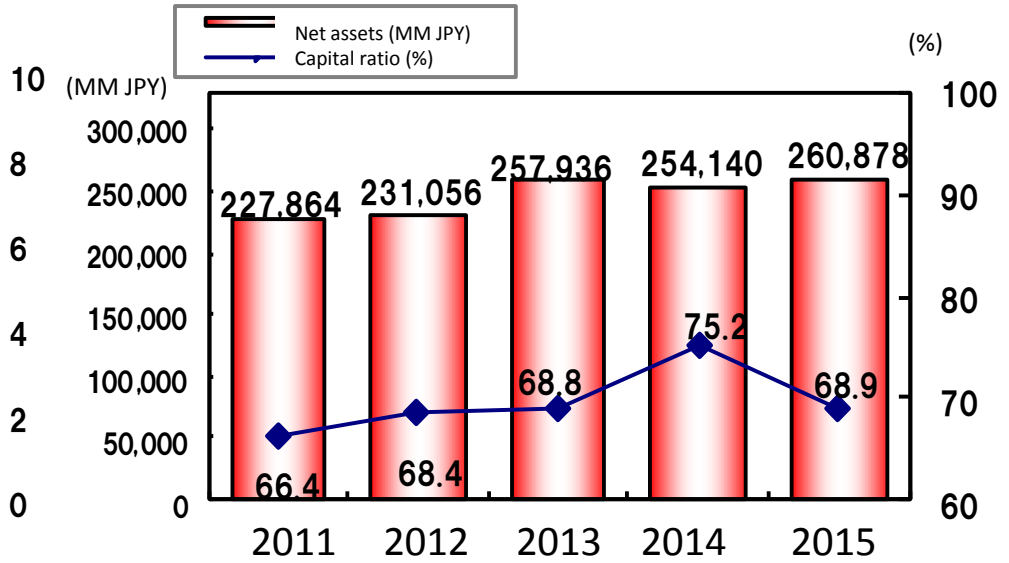


KBI Trend

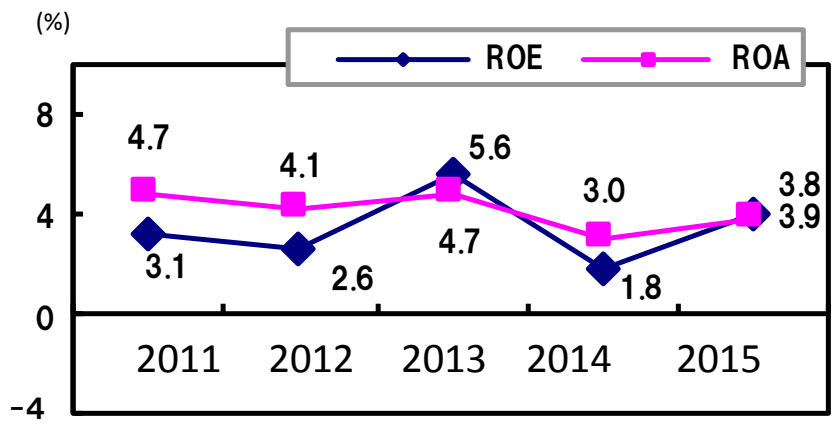
<Operating income & its ratio>



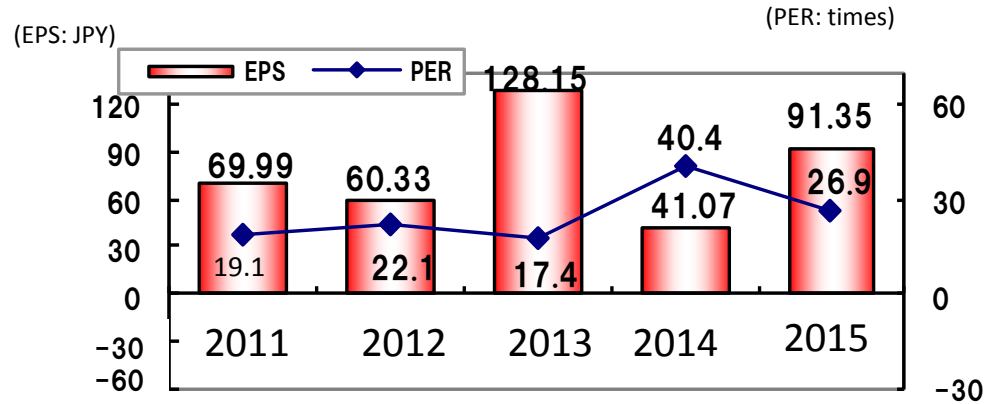
<Net asset/capital ratio>



<ROA/ROE>



<EPS/PER>

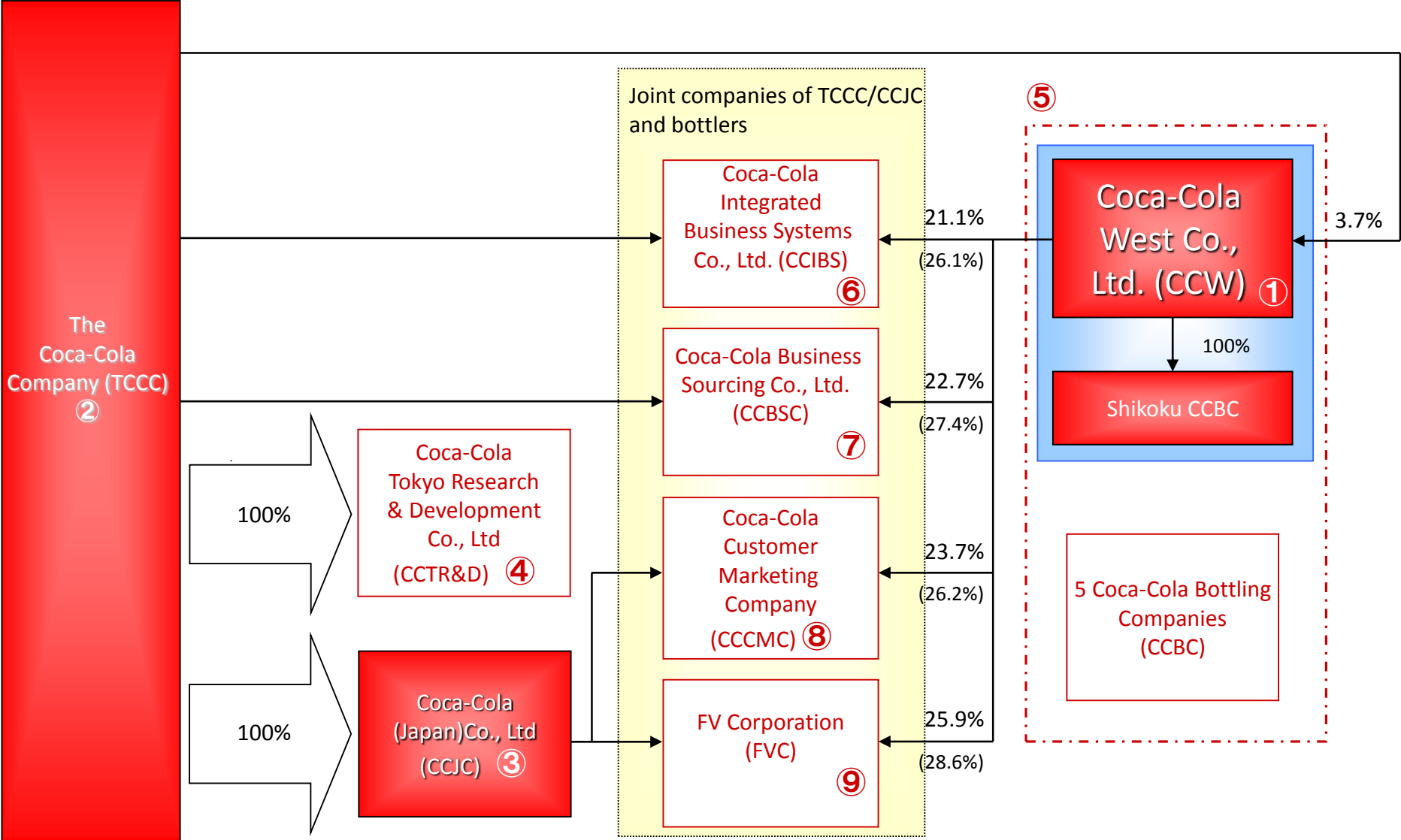


EPS= net profit for the year/average # of shares in the term
 PER = term-end stock price/EPS

Coca-Cola System in Japan – Capital Relationship

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

(As of Jan 1, 2016)



Coca-Cola 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
Business (segment)	
• Coca-Cola business (soft drink business)	Business to manufacture and sell soft drink beverages including Coca-Cola
• Healthcare & skincare business	Business to manufacture and sell health food and cosmetics operated by Q'sai and their 5 subsidiaries
Channel	
• Vending	Business to deliver products to customers & consumers via vending machines (retail)
• Supermarket/Drug store/Discount store	Business with Supermarket, Drug store and Discount store (wholesale)
• Convenience store (CVS)	Business with Convenience chain store (wholesale)
• Chain store	Collective term for Supermarket, Drug store, Discount store and Convenience store
• Retail	Business with general grocery and liquor stores (wholesale)
• Food service	Business to offer syrup etc. in E&D market (wholesale)
Vending related	
• VPM (Volume Per Machine)	Volume sold per vending machine
• Indoor (market)	Indoor vending machines (whose users are relatively specific)
• Outdoor (market)	Outdoor vending machines (whose users are relatively unspecific)
Other	
• RGM (Revenue Growth Management)	(Initiatives) to raise profits through revenue growth ahead of sales volume
• OBPPC	Occasion, Brand, Package, Price, Channel
• HORECA	Business format of Hotel, Restaurant and Café

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