

1st Quarter, Fiscal 2004

Financial Results Briefing

April 28, 2004



Coca-Cola West Japan Co., Ltd.
(2579)

Contact: PR Division

TEL 092-641-8591 FAX 092-632-4304

URL <http://www.ccwj.co.jp/> E-mail mtakase@ccwj.co.jp

Contents



1. Q1 Ended March 2004 Overview	····p.2
2. Q1 Ended March 2004 Results in Summary	
(1) Consolidated	····p.3
(2) Non-consolidated	····p.3
(3) Major reasons for differences between planned & actual results (consolidated)	····p.4
(4) Major reasons for changes from Q1, 2003 (consolidated)	···· p.5
3. Marketing Activities for the Period	
(1) Flagship brand products	···· p.8
(2) Performance by business unit	····p.10
4. CCNBC and its Impact on CCWJ	
(1) Purpose of nationwide SCM integration	····p.11
(2) CRP (<i>Cost Reduction Program</i>)	····p.12
(3) Breakdown in CRP and its impact on CCWJ	····p.13
(4) Impact of production method changes for consigned orders	····p.14
5. Mikasa CCBC	····p.15
6. Results Forecast for Interim 2004 & Fiscal 2004	····p.17

Appendix

1. Financial Statements	
(1) Consolidated statement of income	····p.20
(2) Non-consolidated statement of income	····p.21
(3) Balance sheets	····p.22
(4) Consolidated statement of cash flows	····p.24
2. Sales Volume	
(1) Sales volume by brand	····p.25
(2) Sales volume by package	····p.26
(3) Sales volume by business unit	····p.27
(4) New/renewal product sales	····p.28
3. Vending Machine Installation Status	····p.29
4. Market Status	
(1) Market share by manufacturer	····p.30
(2) Market share by category	····p.31
(3) Market share by industry	····p.32
5. Capital Investment and Depreciation	
(1) Capital investment/depreciation (consolidated)	····p.34
6. Japan's Coca-Cola System	····p.35
7. Glossary	····p.37

1. Q1 Ended March 2004 Overview



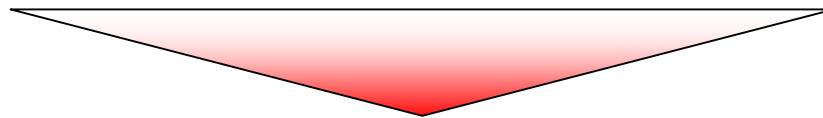
(1) Steady sales volume

- “Georgia,” one of flagship brands for winter, grew 3.3% year-on-year, contributing to the increase in sales volume
- Coca-Cola™ and Sokenbicha also increased their sales volumes due to the renewal and new sales campaigns

(2) Market share* decreased a 2.4% point to 30.7%

- Should retain sales volume sufficient for sound operation and increase market share

(3) Mikasa CCBC increased sales volume and exceeded its target



Increased profits from increased sales. Operating income increased 170.1% annually, 9.4% larger than the target

Good start

“Market share” is defined here as a manufacturer’s share of sales at supermarkets, convenience stores, liquor shops and grocery stores.

2. Q1 Ended March 2004 Results in Summary

(1) Consolidated

(million yen, %)

	Q1 Fiscal 2003	Q1 Fiscal 2004					
		Plan	Results	vs. plan		vs. Q1, fiscal 2003	
				change	ratio	change	ratio
Net sales	51,489	54,000	55,129	1,129	2.1	3,640	7.1
Operating income	1,660	4,100	4,484	384	9.4	2,824	170.1
Recurring profit	1,815	4,100	4,549	449	11.0	2,734	150.6
Net income	900	2,400	2,626	226	9.4	1,726	191.8

(2) Non-consolidated

(million yen, %)

	Q1 Fiscal 2003	Q1 Fiscal 2004					
		Plan	Results	vs. plan		vs. Q1, fiscal 2003	
				change	ratio	change	ratio
Net sales	39,342	41,500	42,173	673	1.6	2,831	7.2
Operating income	2,114	4,300	4,332	32	0.7	2,218	104.9
Recurring profit	2,435	4,400	4,681	281	6.4	2,246	92.2
Net income	1,388	2,500	2,832	332	13.3	1,444	104.0

Sales Performance

(thousand cases, %)

Incl. other bottlers	19,451	20,170	20,713	543	2.7	1,262	6.5
Within area	18,063	18,458	18,730	272	1.5	667	3.7

(3) Major reasons for changes from Q1, 2003 (consolidated)

		(million yen)	
Net sales +1,100	•Sales volume increase		+1,300
	•Sales mix, etc		-500
	•Transfer from Mikasa CCBC		+300
Operating profit +400	Cost of sales	+1,000	
	•Sales volume increase		+700
	•Sales mix, etc.		+100
	•Transfer from Mikasa CCBC		+200
	Selling, general & administrative	+300	
	•Sales commission fees		+200
•Ad expenses		-500	
Recurring profit +400	Non-operating income		-
	Non-operating expenses		-
Net income +200	Extraordinary income		-
	Extraordinary losses		-
	Income taxes	+200	

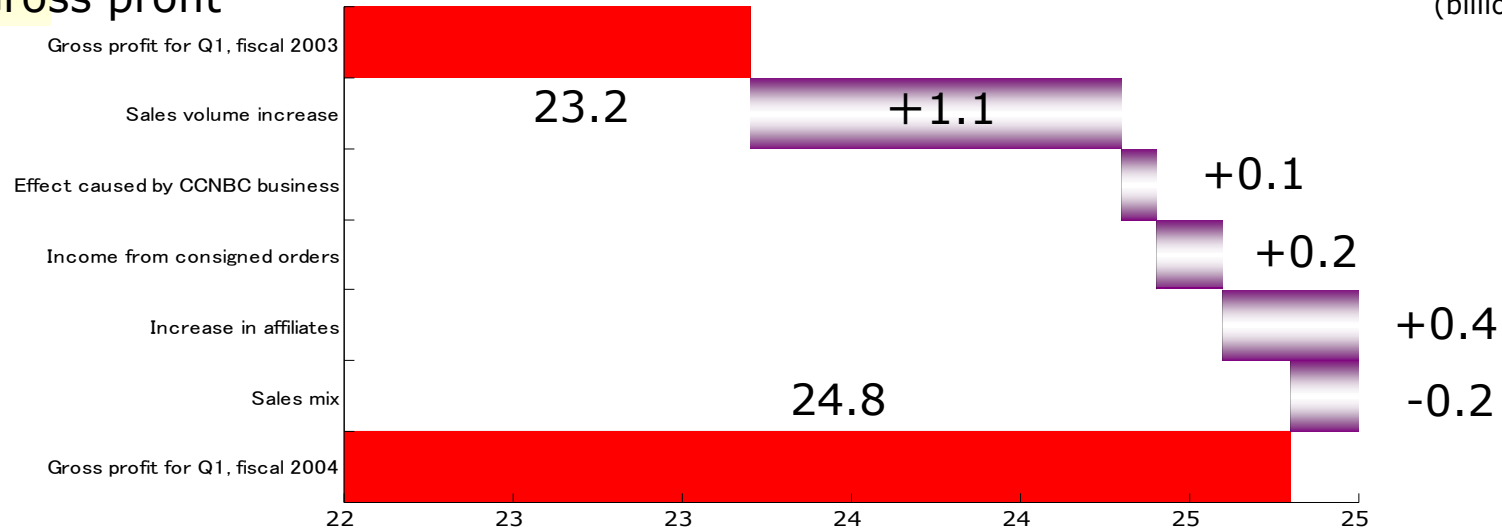
(4) Major reasons for changes from Q1, 2003 (consolidated)

		(million yen)	
Net sales	+3,600	·Sales volume increase	+2,600
		·Income from consigned orders	+300
		·Transfer from Mikasa CCBC	+400
		·Transfer from Nishinihon Beverage	+300
Operating profit	+2,800	Cost of sales	+2,000
		·Sales volume increase	+1,500
		·Sales mix, etc.	+200
		·Effect caused by CCNBC business	-100
		·Cost of consigned orders	+100
		·Transfer from Mikasa CCBC	+200
		·Transfer from Nishinihon Beverage, etc.	+100
		Selling, general & administrative	-1,200
		·Personnel expense	-1,800
		·Sales commission paid	+400
·Outsourcing expense	+300		
·Miscellaneous	-100		
Recurring profit	+2,700	Non-operating income	-100
		Non-operating expenses	-
Net income	+1,700	Extraordinary income	-100
		Extraordinary losses	-300
		·Write-down of investment securities, etc	-300
		Income taxes	+1,200

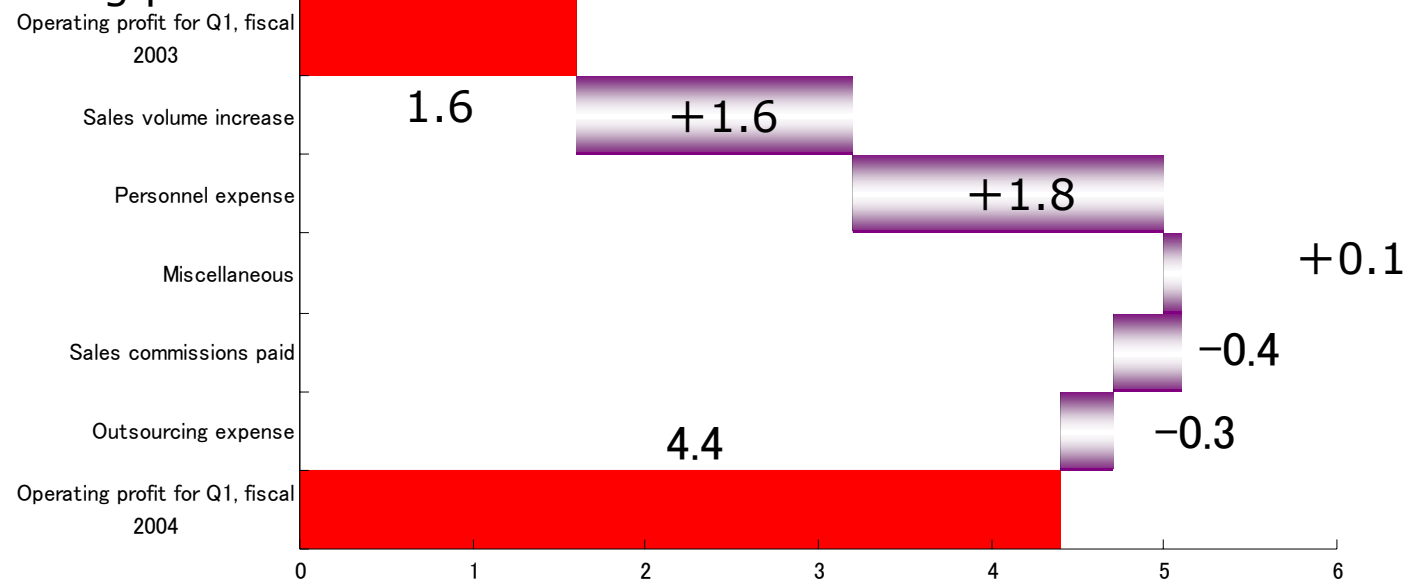
Reference (1): Consolidated Gross Profit & Operating Income

Gross profit

(billion yen)



Operating profit



Reference (2): Effect of Change in Retirement Benefit Scheme

January to March

(million yen, %)

	Fiscal 2003 results	Fiscal 2004 results	Change	
			amount	ratio
A: Operating income	1,660	4,484	2,824	170.1
B: Effect of the change	425	2,271	1,846	434.4
A-B	1,235	2,213	978	79.2

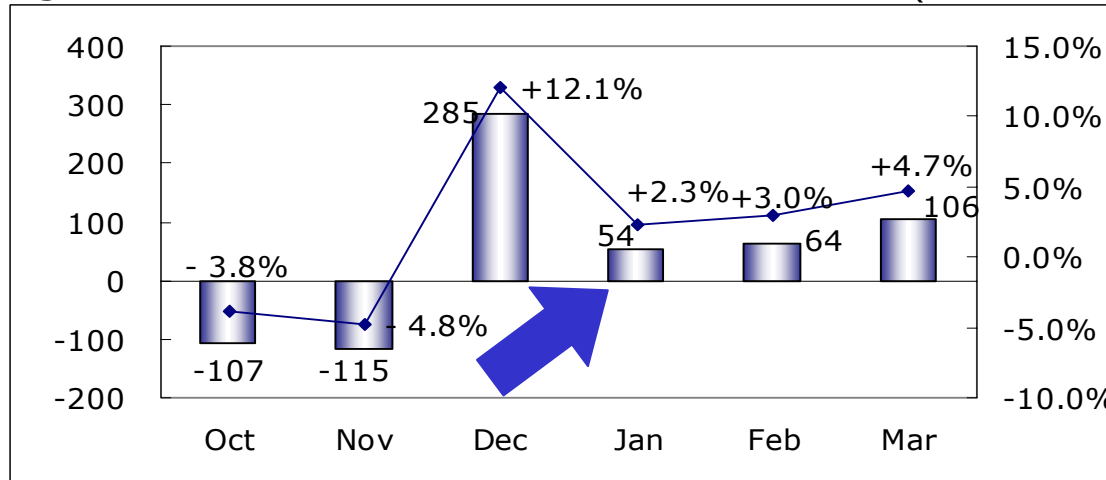
3. Marketing Activities for the Period



(1) Flagship brand products: vs. previous year in volume & ratio

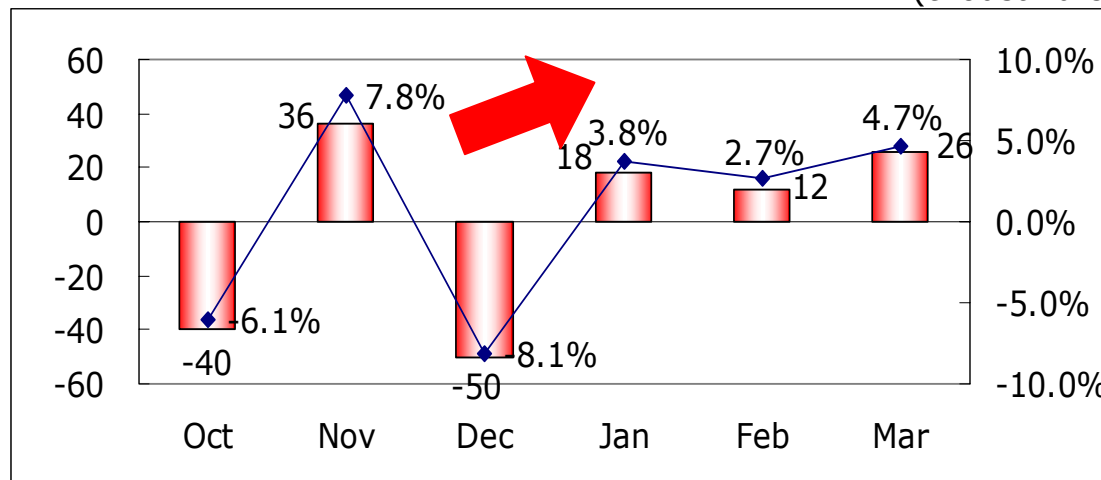
(1) Georgia

(thousand cases, %)



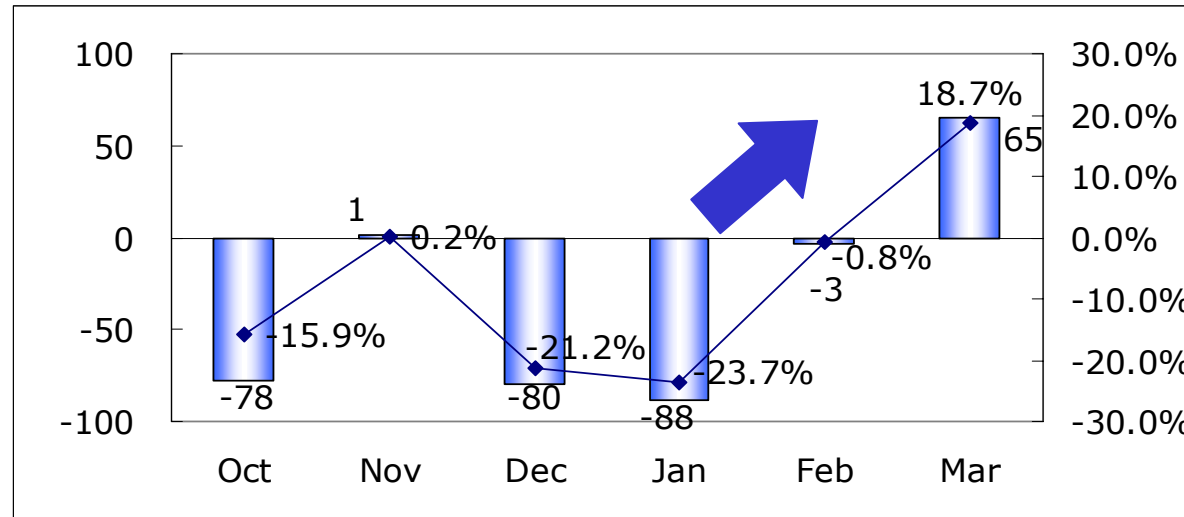
(2) Coca-Cola™

(thousand cases, %)



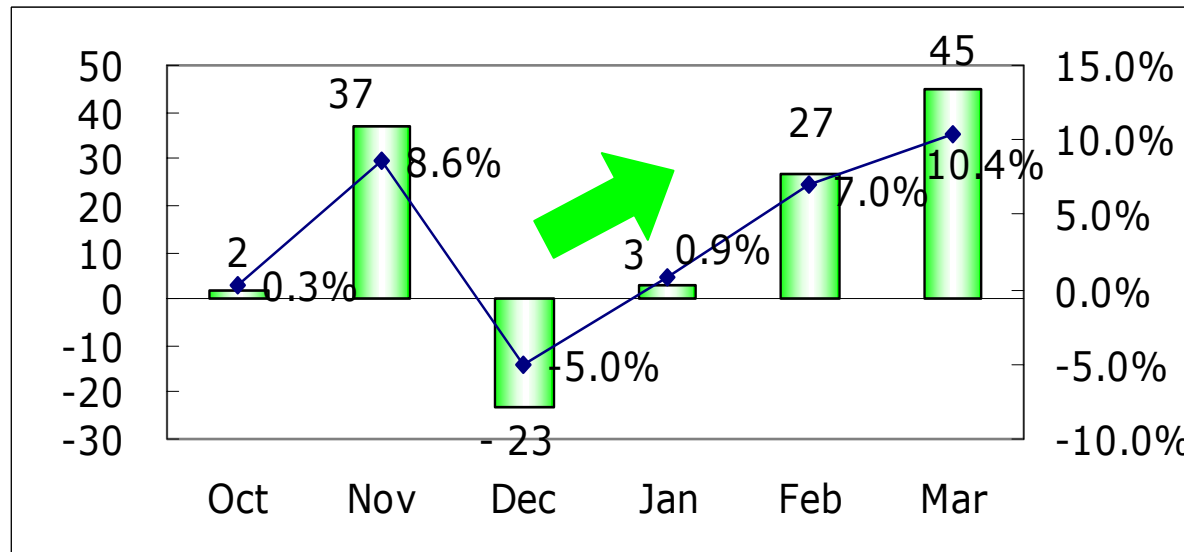
(3) Aquarius

(thousand cases, %)



(4) Sokenbicha

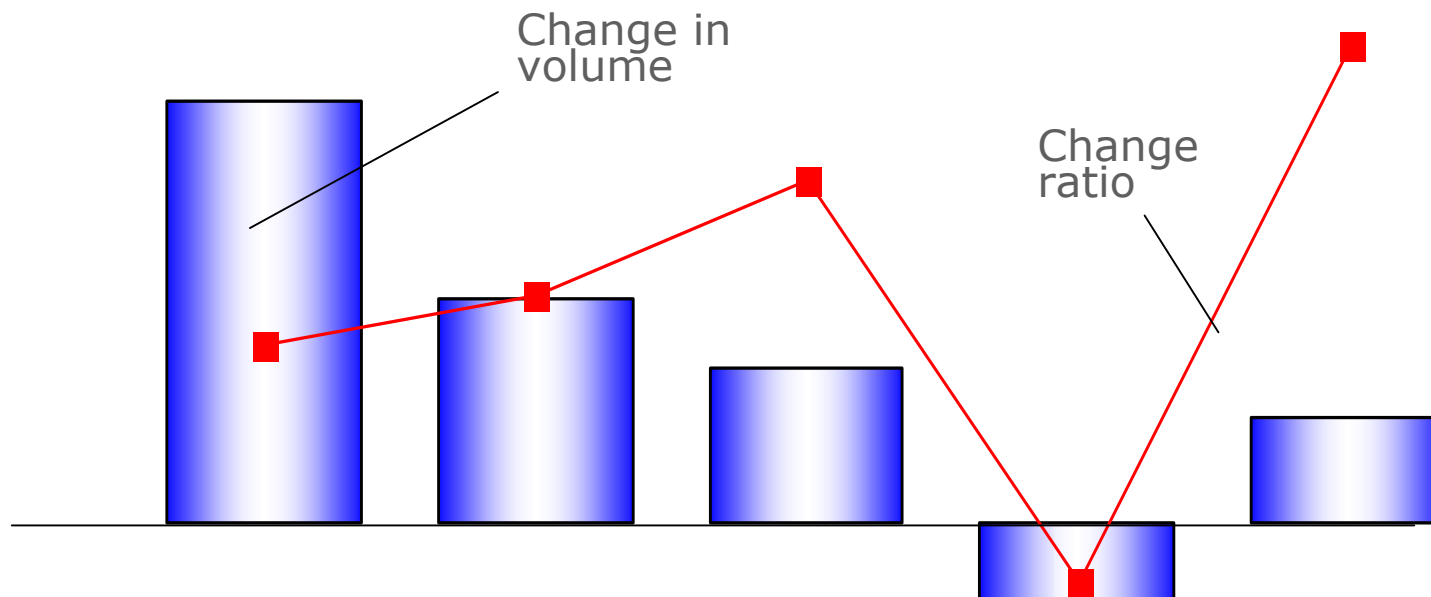
(thousand cases, %)



(2) Performance by business unit

(1) vs. Q1, fiscal 2003

Sales volume

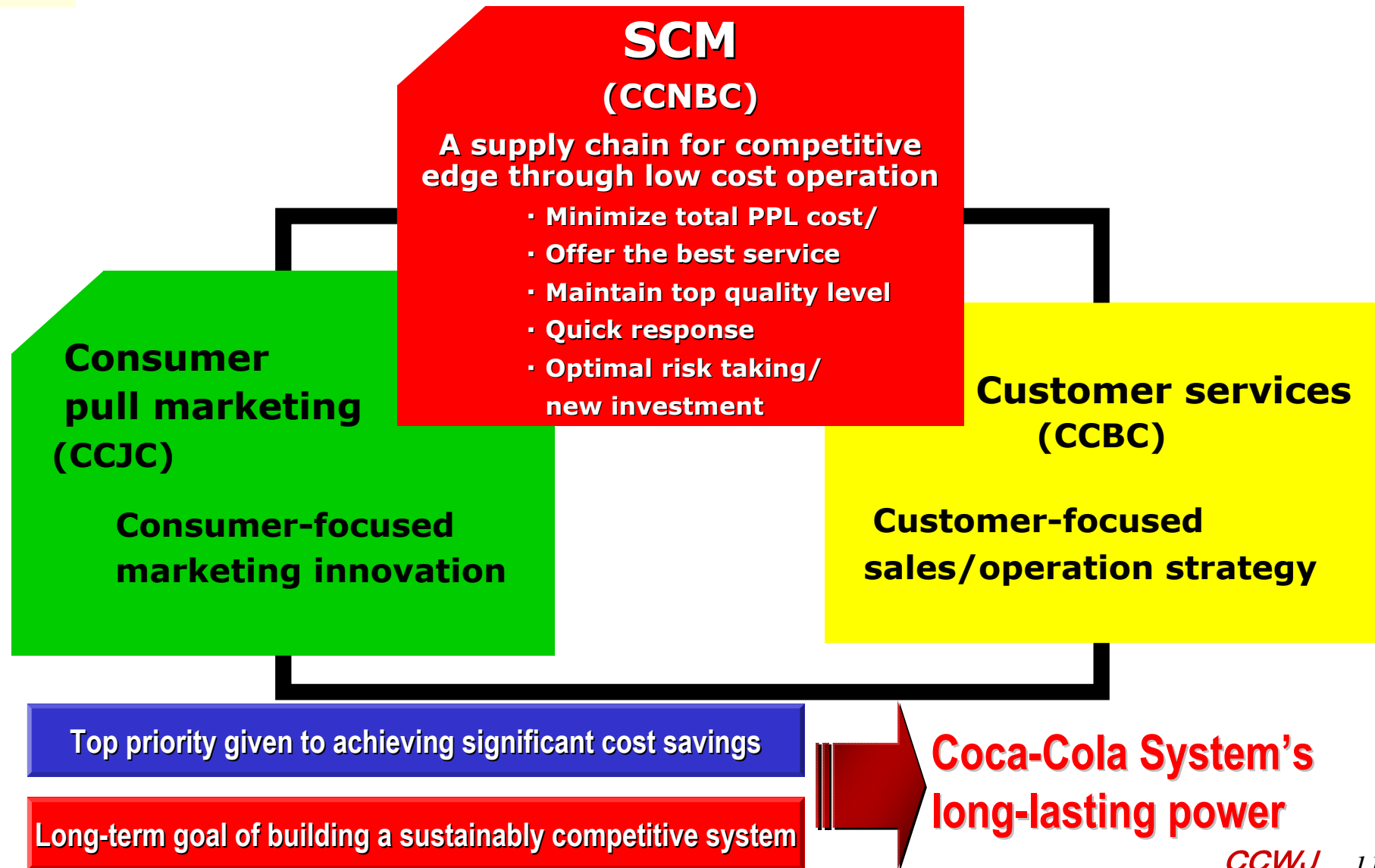


	Total	Vending machines	Chain stores	Convenience & retailers	Food services
By vol. vs. fiscal 03	667	357	245	-123	167
In % vs.fiscal 03	3.7%	5.0%	7.9%	-2.3%	11.3%

4. CCNBC and its impact on CCWJ



(1) Purpose of nationwide SCM integration



(2) CRP (Cost Reduction Program)

- **“Business Strategy Presentation” held February 12, 2004:**

a 10 billion yen cost cut for 15 months from Oct 2003 to Dec 2004

- **CRP achievement and forecast**

(million yen)

	Fiscal 2003 Oct - Dec	Fiscal 2004 full
Nationwide	2,100	8,100
CCWJ	250	1,000

Fiscal 2003: price reduction for supply of previous toll type items

Fiscal 2004: price reduction for supply of previous toll type items and joint procurement of materials for FC items and vending equipment

(3) Breakdown in CRP and its impact on CCWJ for fiscal 2004

(million yen)

		Nationwide	CCWJ	
			Fiscal 2004	Jan - Mar
Previous tall type items		4,900	500	149
Joint procure- ment	FC item materials*	1,800	300	90
	Vending equipment**	1,400	200	25
	Sub-total	3,200	500	115
Total		8,100	1,000	264

* FC item materials: cans, PET bottles, bottle caps, cardboard, etc.

** Vending equipment: all equipment including can vending machines, CVM equipment, and syrup machinery

(4) Impact of production method changes for consigned orders

(million yen)

	fiscal 2004	
	full	Jan - Mar
Decrease in income from consigned orders due to adoption of benchmark pricing	-320	-176
Profit on consigned orders ^{*1}	950	400

*1: Profits created through operating at costs lower than benchmarked consignment and processing prices

5. Mikasa CCBC



(1) Non-consolidated performance

(million yen, %)

	Q1 Fiscal 2003	Q1, fiscal 2004					
		Planned	Results	Difference vs. plan		Change vs. Q1, 2003	
				amount	ratio	amount	ratio
Net sales	6,291	6,346	6,683	337	5.3	392	6.2
Operating income	-378	-297	-233	64	-	145	-
Recurring profit	-368	-297	-222	75	-	146	-
Net income	-248	-270	-201	69	-	47	-

Sales volume

(thousand cases, %)

Area	3,106	3,180	3,263	83	2.6	157	5.1
------	-------	-------	-------	----	-----	-----	-----

(2) Action taken

(i) Management reform

- CCWJ stepped in with top management reshuffle

(ii) New personnel system adopted

- Commenced on April 1, 2004

(iii) Marketing cooperation with Kinki CCBC

- In-depth market development
- Joint administration of used vending machines

(3) Non-consolidated earning projections for fiscal 2004

(million yen, %)

	Fiscal 2003	Proj 2004	increase	ratio
Net sales	29,608	30,476	868	2.9
Operating income	-454	101	555	-
Recurring profit	-430	100	530	-
Net income	-2,091	123	2,214	-

6. Projections for H1 & Full-year, 2004

(1) Consolidated earning projections

(million yen)

	Fiscal 2003 results	Projections 2004	
		H1	full-year
Net sales	240,825	118,900	254,000
Operating income	19,638	7,900	17,700
Recurring profits	19,895	7,900	18,000
Net income	9,380	4,400	10,400

(2) Non-consolidated earning projections

(million yen)

	Fiscal 2003 results	Projections 2004	
		H1	full-year
Net sales	186,176	92,200	198,500
Operating income	17,881	7,600	16,100
Recurring profits	18,323	7,700	16,400
Net income	10,259	4,300	9,100

Sales plan

(thousand cases)

Incl. other bottlers	94,219	45,538	98,548
Within area	86,025	41,449	89,400



Appendix

1. Financial Statements



(1) Consolidated statement of income

(million yen, %)

	Q1 Fiscal 2003	Ratio to net sales	Q1 Fiscal 2004	Ratio to net sales
Net sales	51,489	100.0	55,129	100.0
Cost of sales	28,213	54.8	30,231	54.8
Gross profit	23,276	45.2	24,897	45.2
Selling, general & admin. exp.	21,616	42.0	20,413	37.0
Operating income	1,660	3.2	4,484	8.1
Non-operating income	344	0.7	273	0.5
Non-operating expenses	189	0.4	208	0.4
Recurring profit	1,815	3.5	4,549	8.3
Extraordinary income	148	0.3	—	—
Extraordinary losses	335	0.7	—	—
Income before income taxes	1,628	3.2	4,549	8.3
Income taxes	787	1.5	1,997	3.6
Minority interests	-59	-0.1	-73	-0.1
Net income	900	1.7	2,626	4.8

(2) Non-consolidated statement of income

(million yen, %)

	Q1 Fiscal 2003	Ratio to net sales	Q1 Fiscal 2004	Ratio to net sales
Sales volume	19,452	—	20,713	—
Net sales	39,342	100.0	42,173	100.0
Cost of sales	21,455	54.5	23,037	54.6
Gross profit	17,887	45.5	19,135	45.4
Selling, general & admin. exp.	15,772	40.1	14,802	35.1
Operating income	2,114	5.4	4,332	10.3
Non-operating income	487	1.2	535	1.3
Non-operating expenses	166	0.4	186	0.4
Recurring profit	2,435	6.2	4,681	11.1
Extraordinary income	189	0.5	—	—
Extraordinary losses	214	0.5	—	—
Income before income taxes	2,410	6.1	4,681	11.1
Income taxes	1,021	2.6	1,848	4.4
Net income	1,388	3.5	2,832	6.7

(3) Balance sheets: assets

(million yen)

	as of Dec 31, 2003	as of Mar 31, 2004	Change	Reasons for changes
Current assets	57,134	57,058	-76	
Cash and deposits	15,295	15,150	-144	
Trade notes & a/c receivable	13,175	11,245	-1,930	
Marketable securities	7,141	10,098	2,957	Purchase of MMF and others
Inventories	12,570	11,530	-1,039	Decrease in volume of inventories
Other current assets	9,069	9,120	50	
Allowance for doubtful a/c	-118	-88	29	
Fixed assets	147,045	147,895	849	
Property, plant and equipment	86,982	88,154	1,171	
Building and structures	18,852	18,518	-334	
Machinery, equipment & vehicles	14,674	14,413	-261	
Sales equipment	17,740	19,299	1,558	Purchase of sales equipment
Land	34,722	34,940	217	
Other property, plant & equipment	992	982	-9	
Intangible assets	2,718	2,611	-106	
Goodwill on consolidation	118	97	-20	
Other intangible assets	2,599	2,514	-85	
Investments & other assets	57,344	57,129	-215	
Investment securities	40,636	37,717	-2,918	Disposal of bond investment trust, etc.
Prepaid pension expense	13,306	15,940	2,634	Reversal of retirement benefit expenses related to past service obligation in accordance with new retirement benefit scheme adopted since April 2003
Other assets	3,666	3,738	71	
Allowance for doubtful a/c	-264	-267	-3	
Total assets	204,180	204,953	773	

(3) Balance sheets: liabilities, minority interests & shareholders' equity

(million yen)

	as of Dec 31, 2003	as of Mar 31, 2004	Change	Reasons for changes
Current liabilities	23,853	22,167	-1,686	
Notes and a/c payable	8,950	7,420	-1,529	
LT debt due to mature within 1year	203	203	-	
Other a/c payable	5,426	6,539	1,112	
Notes payable for equipment	667	11	-656	
Other current liabilities	8,605	7,992	-612	
Long-term liabilities	10,595	11,757	1,161	
Liabilities for retirement benefits	3,394	3,279	-114	
Liabilities for directors' retirement	323	312	-11	
Other long-term liabilities	6,877	8,164	1,287	
Total liabilities	34,449	33,924	-524	
Minority interests	4,276	4,210	-66	
Common stock	15,231	15,231	-	
Additional paid-in capital	35,399	35,399	-	
Retained earnings	122,372	123,464	1,092	
Net unrealized gains on securities	411	688	277	
Treasury stock	-7,960	-7,965	-5	
Total shareholders' equity	165,454	166,818	1,364	
Total liabilities, minority interests and shareholders' equity	204,180	204,953	773	

(4) Consolidated statement of cash flows

(million yen)

	Q1 Fiscal 2003	Q1 Fiscal 2004	Full year projt fiscal 2004
Net cash provided by operating activities	2,020	5,702	23,112
Net cash used in investing activities	-5,415	-2,336	-17,807
Net cash used in financing activities	-1,504	-1,509	-3,007
cash and cash equivalents at the end of period	30,505	23,726	24,167

2. Sales Volume



(1) Sales volume by brand

(thousand cases, %)

	Q1 fiscal 2003	Q1 fiscal 2004	'2004/'2003
Georgia	6,738	6,962	3.3
Coca-Cola	1,488	1,544	3.8
Sokenbicha	1,200	1,275	6.3
Marocha	777	931	19.7
Fan	219	230	4.7
Aquarius	1,052	1,026	-2.5
Fanta	684	833	21.9
Canada Dry	186	195	5.2
Real Gold	223	226	1.1
Qoo & Hi-C	383	354	-7.6
Mori no Mizu Dayori	301	445	48.0
Kochakaden	603	626	3.8
Others	794	703	-11.5
Total	14,648	15,350	4.8
Syrup, powder, food, etc.	3,415	3,380	-1.0
Grand total	18,063	18,730	3.7

*excludes sales from other bottlers

(2) Sales volume by package

(thousand cases, %)

		Q1 fiscal 2003	Q1 fiscal 2004	'2004/'2003
Bottles	Returnable	120	122	2.0
	One-way	135	73	-45.8
	Sub-total	255	195	-23.3
PET	~ 350 ml	667	976	46.2
	~ 500 ml	1,852	1,917	3.5
	~ 1,000 ml	60	69	16.0
	~ 1,500 ml	953	968	1.5
	~ 2,000 ml	1,482	1,680	13.4
	Sub-total	5,014	5,610	11.9
Cans	~ 200 ml	5,672	6,277	10.7
	~ 250 ml	579	539	-6.9
	~ 280 ml	1,590	1,380	-13.2
	~ 350 ml	840	478	-43.1
	~ 500 ml	3	6	104.6
	Sub-total	8,684	8,680	0.0
Bottle cans		624	799	27.9
Others		71	66	-7.0
Syrup, powder, food, etc.		3,415	3,380	-1.0
Grand total		18,063	18,730	3.7

*Excludes sales from other bottlers

(3) Sales volume by business unit

(thousand cases, %)

	Q1 fiscal 2003	Q1 fiscal 2004	'2004/' 2003
Vending	7,212	7,569	5.0
Chain stores	3,103	3,348	7.9
Convenience / retailers	5,414	5,291	-2.3
Food services	1,480	1,647	11.3
Distributors	360	358	-0.6
Others	494	517	4.7
Grand Total	18,063	18,730	3.7

*Excludes sales from other bottlers

(4) New / renewal product sales

(i) Sales

	Q1 fiscal 03	Q1 fiscal 04
New products	31	23
Renewals	19	67
Total	50	90
Sales volume	2,658	3,057

(ii) New products & renewals for 2004

(thousand cases)

1	Georgia Emerald Mountain 190g can	Feb	631
2	Sokenbicha 500ml PET	Feb	284
3	Aquarius 2,000ml PET	Feb	281
4	Sokenbicha 2,000ml PET	Feb	216
5	Georgia Feel-Like-Georgia 190g can	Jan	163
6	Aquarius 500ml PET	Feb	134
7	Marocha Tea Leaf Efficacy 500ml PET	Mar	120
8	Marocha Tea Leaf Efficacy 340g can	Mar	100
9	Sokenbicha 340g can	Feb	79
10	Georgia Guarana Black 190g can	Mar	78

3. Vending Machine Installation Status



(1) Vending machines installed

(machines)

		CCWJ		Chugoku region		Kyushu region	
		as of Dec 31, 2003	as of Mar 31, 2004	as of Dec 31, 2003	as of Mar 31, 2004	as of Dec 31, 2003	as of Mar 31, 2004
under assets	Regular (cans)	34,165	35,296	17,311	18,723	16,854	16,573
	Full service (cans)	89,369	89,756	36,214	36,921	53,155	52,835
	Cup machines	7,562	7,368	5,541	5,414	2,021	1,954
	Sub-total	131,096	132,420	59,066	61,058	72,030	71,362
Machine sold (cans)		4,056	3,625	1,937	1,709	2,119	1,916
Grand total		135,152	136,045	61,003	62,767	74,149	73,278

(2) Predatory

(machines)

		CCWJ		Chugoku region		Kyushu region	
		as of Dec 31, 2003	as of Mar 31, 2004	as of Dec 31, 2003	as of Mar 31, 2004	as of Dec 31, 2003	as of Mar 31, 2004
Predatory		656	767	152	273	504	494

(3) Share

(%)

		CCWJ		Chugoku region		Kyushu region	
		fiscal 2003	fiscal 2004	fiscal 2003	fiscal 2004	fiscal 2003	fiscal 2004
Share		52.9	52.6	47.1	46.9	59.7	59.2

*Survey for this year will be conducted in June.

(source: Nielsen Open market Vending Machine Survey, conducted annually in June)

4. Market Share



(1) Market share by manufacturer

(%)

	CCWJ		Chugoku region		Kyushu region	
	Q1 fiscal 03	Q1 fiscal 04	Q1 fiscal 03	Q1 fiscal 04	Q1 fiscal 03	Q1 fiscal 04
CCWJ	33.1	30.7	31.4	28.9	34.9	32.5
Total for competitors	66.9	69.3	68.6	71.1	65.1	67.5
Suntory / Pepsi	11.5	12.0	11.5	12.3	11.5	11.7
Kirin	8.7	8.8	8.8	9.1	8.5	8.5
Asahi	4.5	4.2	4.2	4.0	4.8	4.5
Sapporo	0.6	0.8	0.6	0.7	0.6	0.9
Otsuka	5.2	4.7	5.1	4.9	5.3	4.5
Itoen	4.3	4.8	3.8	4.5	4.8	5.1
DyDo	0.7	0.7	1.1	1.0	0.3	0.4
JT	1.2	0.7	1.3	0.7	1.1	0.6
UCC	0.8	0.7	1.1	1.0	0.5	0.5
Calpis	3.6	3.8	3.8	4.1	3.3	3.5
Others	25.8	28.0	27.1	28.8	24.4	27.3

(Source: Intage Store Audits)

*“Market share” is defined here as a manufacturer’s share of sales at supermarkets, convenience stores, liquor shops and grocery stores.

(2) Market share by category

(%)

	CCWJ		Chugoku region		Kyushu region	
	Q1 fiscal 03	Q1 fiscal 04	Q1 fiscal 03	Q1 fiscal 04	Q1 fiscal 03	Q1 fiscal 04
total	33.1	30.7	31.4	28.9	34.9	32.5
Carbonates	59.4	58.1	59.4	59.4	60.0	57.6
cola	82.3	81.7	81.3	78.4	83.0	84.9
carbonic water	9.9	7.5	8.5	4.5	11.4	10.5
flavored	65.6	65.2	66.2	69.9	65.6	60.7
Fruit juices	14.9	8.6	16.3	9.4	13.2	7.8
Coffees	41.4	38.2	35.1	32.2	48.9	44.8
canned coffees	70.6	73.0	63.1	64.2	78.2	81.7
Teas	30.7	27.9	31.2	28.1	30.4	27.9
Chinese	14.5	14.0	15.4	13.8	14.0	14.6
Black teas	21.0	21.2	19.1	19.8	24.3	23.9
Japanese	16.4	14.5	15.6	12.7	17.1	16.0
blended	77.1	79.2	77.0	78.6	77.9	79.9
Sports drinks	50.8	50.8	51.9	50.2	49.5	51.6
Fitness drinks	7.8	7.9	7.5	7.4	8.3	8.4
Lactic drinks	3.5	6.9	1.4	5.6	7.0	8.1
Mineral waters	24.3	30.7	11.6	18.5	35.2	40.2

(Source: Intage Store audits)

*"Market share" is defined here as a manufacturer's share of sales at supermarkets, convenience stores, liquor shops and grocery stores.

(3) Market share by industry

(%)

	CCWJ		Chugoku region		Kyushu region	
	Q1 fiscal 03	Q1 fiscal 04	Q1 fiscal 03	Q1 fiscal 04	Q1 fiscal 03	Q1 fiscal 04
Total	33.1	30.7	31.4	28.9	34.9	32.5
Supermarkets	30.8	29.1	28.9	27.6	33.4	30.9
Convenience stores	26.7	25.4	27.0	25.9	26.4	25.0
Liquor stores	50.2	43.9	44.0	37.2	57.9	52.3
Grocery stores	53.8	51.2	54.2	45.4	53.5	55.2
Drug stores	18.1	18.3	10.7	11.2	33.4	31.0

(Source: Intage Store Audits)

*"Market share" is defined here as a manufacturer's share of sales at supermarkets, convenience stores, liquor shops and grocery stores.

Reference: Monthly market share and year-on-year change

(%, percentage points)

		Apr '03	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan '04	Feb	Mar
CCWJ	Share	30.7	30.5	28.5	27.8	29.1	29.2	30.6	30.6	32.0	32.0	30.2	30.0
	Change	-1.9	-1.5	-4.2	-2.9	-2.6	-3.3	-2.0	-3.2	-2.5	-2.1	-2.0	-2.9
Chugoku region	Share	29.0	28.5	26.5	26.8	28.1	27.7	29.4	29.4	30.4	30.3	28.5	28.1
	Change	-2.1	-2.0	-5.3	-2.5	-1.8	-2.5	-1.1	-2.6	-3.2	-2.2	-2.0	-3.1
Kyushu region	Share	32.6	32.6	30.8	28.9	30.1	30.8	31.8	31.9	33.6	33.8	32.0	32.0
	Change	-1.5	-0.8	-3.0	-3.3	-3.6	-4.0	-2.9	-3.8	-1.8	-2.0	-2.2	-2.8
Suntory	Share	12.1	12.1	12.0	11.5	12.0	11.9	10.7	10.2	11.5	11.1	11.6	13.2
	Change	-0.8	-0.6	+0.8	-0.5	+0.3	+0.8	-0.3	-1.0	-0.9	-0.5	+0.1	+1.8
Kirin	Share	9.9	9.6	9.3	9.5	9.1	8.9	9.7	10.2	9.4	9.0	8.6	8.7
	Change	+1.8	+1.9	+1.3	+1.6	+1.1	+0.8	+1.1	+2.0	+1.5	+0.8	+3.0	-0.8
Asahi	Share	4.5	4.1	3.9	4.3	4.0	4.1	3.9	3.9	4.1	4.1	4.3	4.2
	Change	-0.1	-0.3	-0.4	+0.0	+0.2	+0.6	+0.2	+0.4	+0.5	+0.2	-0.4	-0.6
Otsuka	Share	4.2	4.4	4.6	4.5	5.1	5.2	4.5	4.4	4.3	4.8	5.0	4.2
	Change	-0.2	-0.3	+0.2	-0.5	+0.1	+0.7	+0.3	0.0	-0.6	-0.9	-0.2	-0.4
Itoen	Share	4.1	4.5	5.1	5.1	5.1	5.0	5.1	5.3	5.0	5.0	4.7	4.7
	Change	+0.1	+0.1	+1.0	+0.5	+0.6	+0.3	+0.1	+0.5	+0.8	+0.6	+0.3	+0.7

(Source: Intage Store Audits)

“Market share” is defined here as a manufacturer’s share of sales at supermarkets, convenience stores, liquor shops and grocery stores.

5. Capital Investment and Depreciation

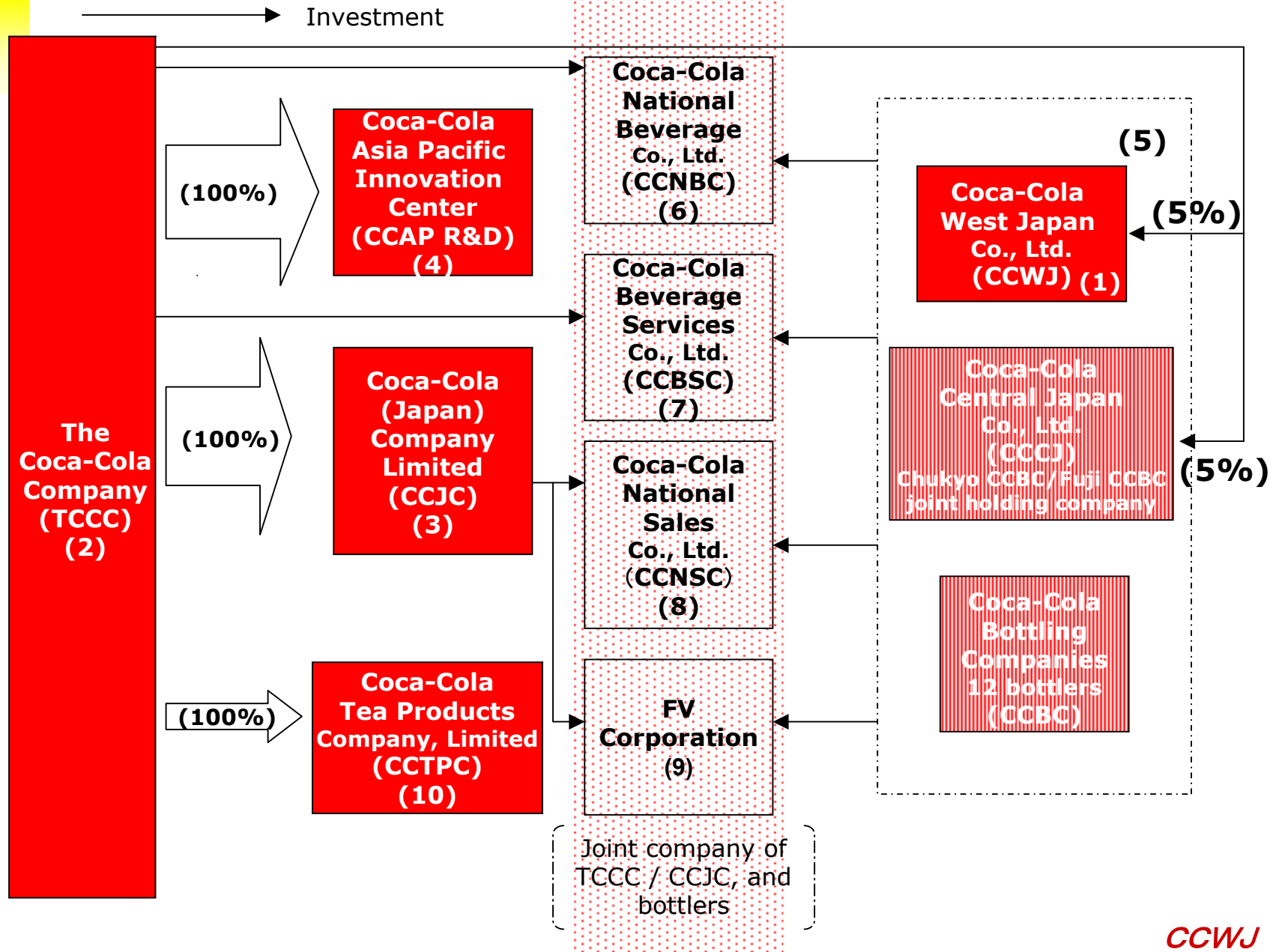


(1) Consolidated capital investment and depreciation

(million yen)

		Fiscal 2003 Q1	Fiscal 2004	
			Q1	Full-year projt
Capital investment	Land	0	213	1,535
	Building and structures	21	63	2,953
	Machinery, equipment and vehicles	363	204	2,701
	Sales equipment	3,879	3,345	8,018
	Others	347	600	2,144
	Total	4,612	4,425	17,351
Depreciation		3,488	3,266	15,280

6. Japan's Coca-Cola System



Coca-Cola group companies and their roles

1. Coca-Cola West Japan Company, Limited (CCWJ)

In July 1999, Sanyo Coca-Cola Bottling Co., Ltd. and Kita Kyushu Coca-Cola Bottling Co., Ltd. merged with a capital injection from The Coca-Cola Company to form Coca-Cola West Japan Company Limited (CCWJ). CCWJ is the first Coca-Cola Anchor Bottler in Japan.

2. The Coca-Cola Company (TCCC)

Established 1919 in Atlanta, Georgia, in the United States. Carries the rights to license manufacturing and sales of Coca-Cola to bottlers. Either TCCC or its subsidiary ties bottling contracts with bottlers.

3. Coca-Cola (Japan) Company, Limited (CCJC)

Established 1957 in Minato-ku, Tokyo, as "Nihon Inryo Kogyo K.K.," a wholly-owned subsidiary of The Coca-Cola Company of the U.S. The company name was changed in 1958 to Coca-Cola (Japan) Company, Limited. The company executes marketing and planning as well as manufacturing and distribution of concentrate in Japan.

4. Coca-Cola Asia Pacific Research & Development Center (CCAP R&D)

Established January 1993 as a wholly-owned subsidiary of The Coca-Cola Company of the U.S. As of January 1995, executes product development and technical support to respond to the needs of the Asian region.

5. Coca-Cola bottlers (CCBCs)

There are 14 bottlers in Japan, which purchase concentrate from the CCJC in different sales regions.

6. Coca-Cola National Beverages Co., Ltd. (CCNBC)

A joint venture established in April 2003 by TCCC and CCBCs, with the aim of creating an optimal nationwide supply chain. It started operation in October 2003. At CCVBC, procurement of raw materials, manufacturing, demand and supply plans, and coordination are integrated on a nationwide basis to supply products to the bottlers.

7. Coca-Cola Beverage Services Co., Ltd (CCBSC)

Established June 1999 as a joint venture of TCCC and the CCBCs. Operations started September 1999. Procurement operations were transferred to Coca-Cola National Beverage Services as of October 2003. Executes promotional activities to reform the information system in Japan's Coca-Cola System.

8. Coca-Cola National Sales Co., Ltd. (CCNSC)

Established October 1995 as a joint venture between the CCBCs and CCJC. Carries out sales activities for national chain customers.

9. FV Corporation (FVC)

Established May 2001 as a joint venture between CCJC and all the CCBCs. Its functions include sales negotiations with national chains for the VM business and procurement of non-corporate (not authorized by CCJC) products.

10. Coca-Cola Tea Products Co., Ltd. (CCTPC)

Established October 1998 as a wholly-owned subsidiary of TCCC for the manufacturing and supply of some products. Due to the transfer of some of its operations to CCNBC in October 2003, it currently owns and maintains beverage manufacturing plants and machinery, and leases them to CCNBC.

1. Business units

- **Vending:**

Retail sales business to distribute products through vending machines to consumers

- **Chain store:**

Wholesale business for supermarket chains

- **Convenience Store and Retailer:**

The wholesale market for convenience store chains, grocery stores, liquor shops, and other outlets selling face-to-face

- **Food Service:**

Syrup sales business for operators of entertainments popular among young people such as fast food restaurants, cinema theaters, sports arenas, "family restaurants," and theme parks.

- **Distributor:**

Middlemen who work for Coca-Cola to handle our products in remote areas and islands.

2. Vending Business Unit

- **Regular vending machine**

A vending machine lent free of charge to a client 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, including supplying products and collecting the proceeds. Fees are paid to the proprietors of installation spots.

- **In-market vending machine**

An indoor machine whose users are relatively specific

- **Out-market vending machine**

An outdoor vending machine whose users are relatively unspecific

- **Predatory**

To replace or hold exclusively the spots occupied by competitors' vending machines

- **Upgrade**

To replace an existing vending machine with another type which better meets its customers' needs and responds to changes in demand. For example, the replacement might fit better or be adaptable for PET bottles.

3. Terms Relating to Coca-Cola National Beverages

- **CRP (Cost Reduction Program)**

An action plan to cut costs. Sometimes refers to the sum of costs reduced or profits created by such a plan.

- **PPL (Procurement Product Logistic)**

The collective name for the three Supply Chain Management (SCM) function areas of procurement, manufacturing, and distribution.

- **Toll products**

A functionally shared system for specific products manufactured by Coca-Cola Tea Products and purchased and sold by the CCBCs. Tea, mineral water and new category items were originally launched using this method. The system was adopted to answer the need for planning of production and equipment investment as well as risk management on a nationwide basis. It responds to new, fast-growing products requiring production line investment or for which accurate sales forecasting is difficult.

- **Franchise products**

A bottler purchases concentrate from CCJC to manufacture and sell products of its own. Coca-Cola, Georgia, Fanta and others are offered to markets on this basis.

The plans, performance forecasts, and strategies appearing in these materials 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
- Changes in economic trends affecting the business climate
- Major rate fluctuations in capital markets