

Fiscal 2004 Interim Account Settlement Meeting

August 4, 2004



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I . Financial Results for Interim Ended June 2004 and Full-year Projections

1. Overview for Interim Ended June 2004



Steady progress on the medium-term management plan ("Reform from Within")

(1) Sales volume

- ◆ +0.2% over the management plan

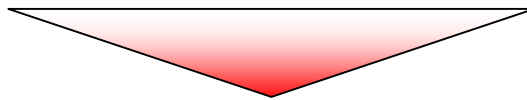
- ◆ +3.2% over the previous year

- Contribution from flagship brands

- New products: Coca-Cola C2 (368,000 cases sold in June)

(2) Good results (up 9.2% from previous year) from the earnings mainstay vending section.

(3) Good sales results from Mikasa Co., Ltd. (up 1.3% from the management plan and up 4.3% from the previous year).



**Higher revenues and profits. Profits from sales up 5.0%
from the management plan and 8.3% over the previous year.**

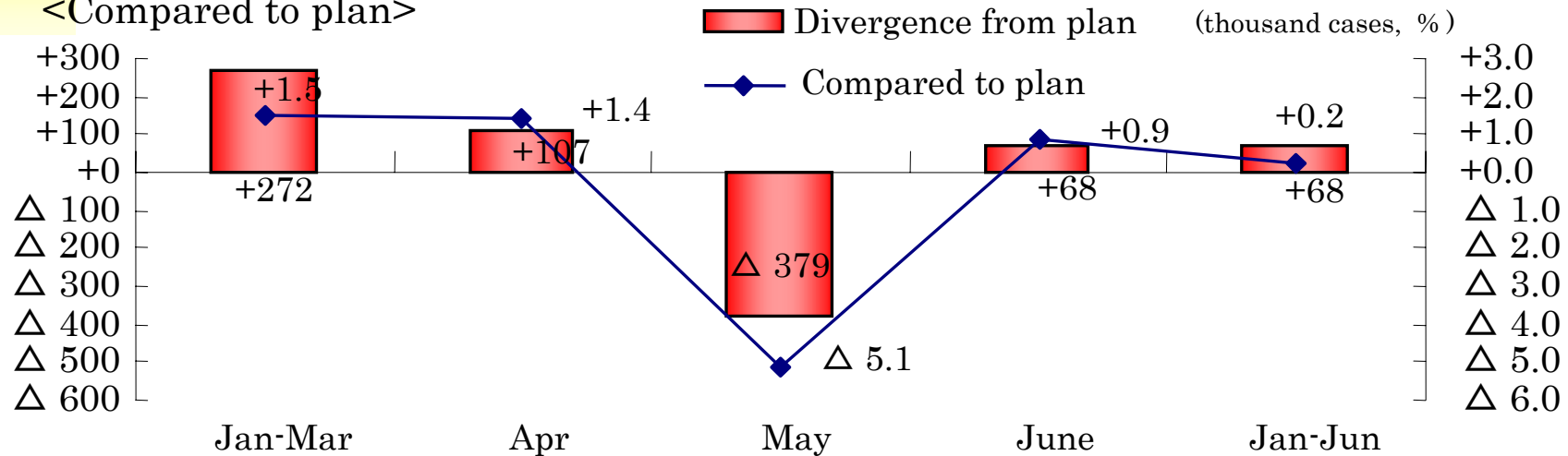
Share dividend plan for 2004: ¥40 (original plan for ¥36)

2. Summary of Results for Interim Ended June 2004

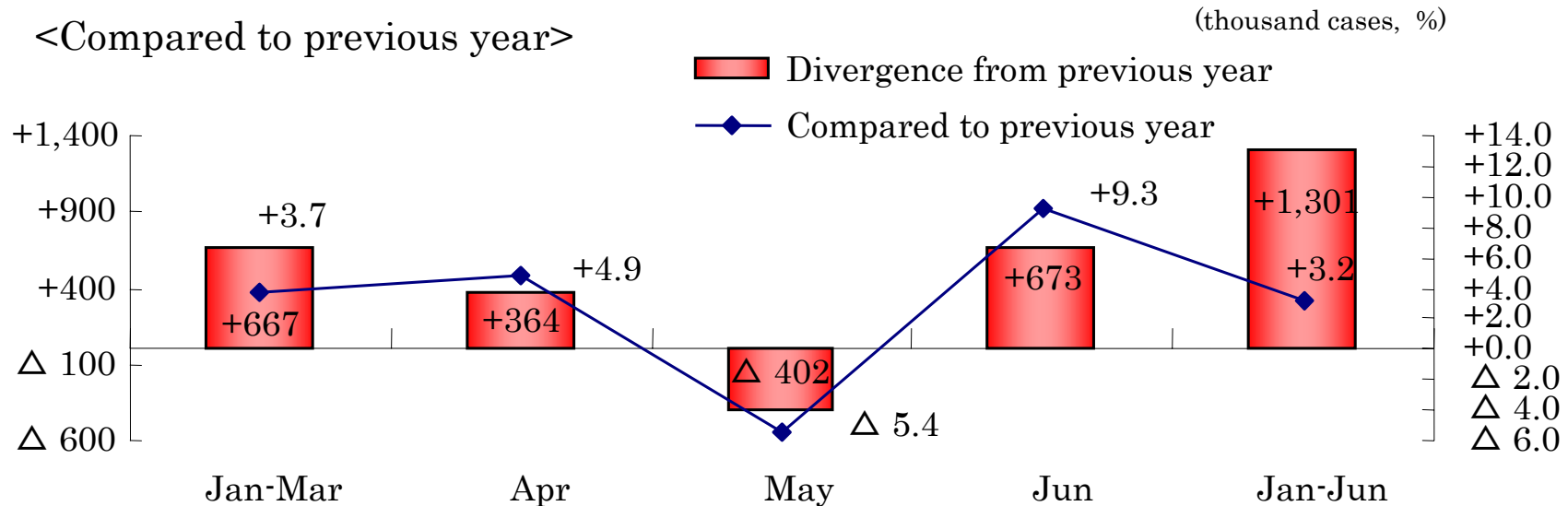


(1) Monthly sales volumes (within area)

<Compared to plan>



<Compared to previous year>



(2) Interim Results (Consolidated)

(million yen, %)

	H1 Fiscal 2003	H1 Fiscal 2004					
		Plan *	Results	vs. plan		vs. H1 fiscal 2003	
				change	ratio	change	ratio
Net sales	113,117	118,900	119,850	950	0.8	6,732	6.0
Operating income	7,658	7,900	8,294	394	5.0	635	8.3
Recurring profit	7,847	7,900	8,387	487	6.2	540	6.9
Net income	4,152	4,400	4,726	326	7.4	573	13.8

* Plan: Figures released Feb. 6, 2004

(3) Interim Results (Non-consolidated)

(million yen, %)

	H1 Fiscal 2003	H1 Fiscal 2004					
		Plan *	Results	vs. plan		vs. H1 fiscal 2003	
				change	ratio	change	ratio
Net sales	86,768	92,200	92,047	△ 152	△ 0.2	5,278	6.1
Operating income	7,666	7,600	7,753	153	2.0	86	1.1
Recurring profit	8,056	7,700	8,123	423	5.5	66	0.8
Net income	4,459	4,300	4,712	412	9.6	252	5.7

* Plan: Figures released Feb. 6, 2004

<Sales performance>

(thousand cases, %)

Inc. other bottlers	43,475	45,538	46,057	519	1.1	2,582	5.9
Within area	40,216	41,449	41,517	68	0.2	1,301	3.2

(4) Major reasons for changes from plan (consolidated)

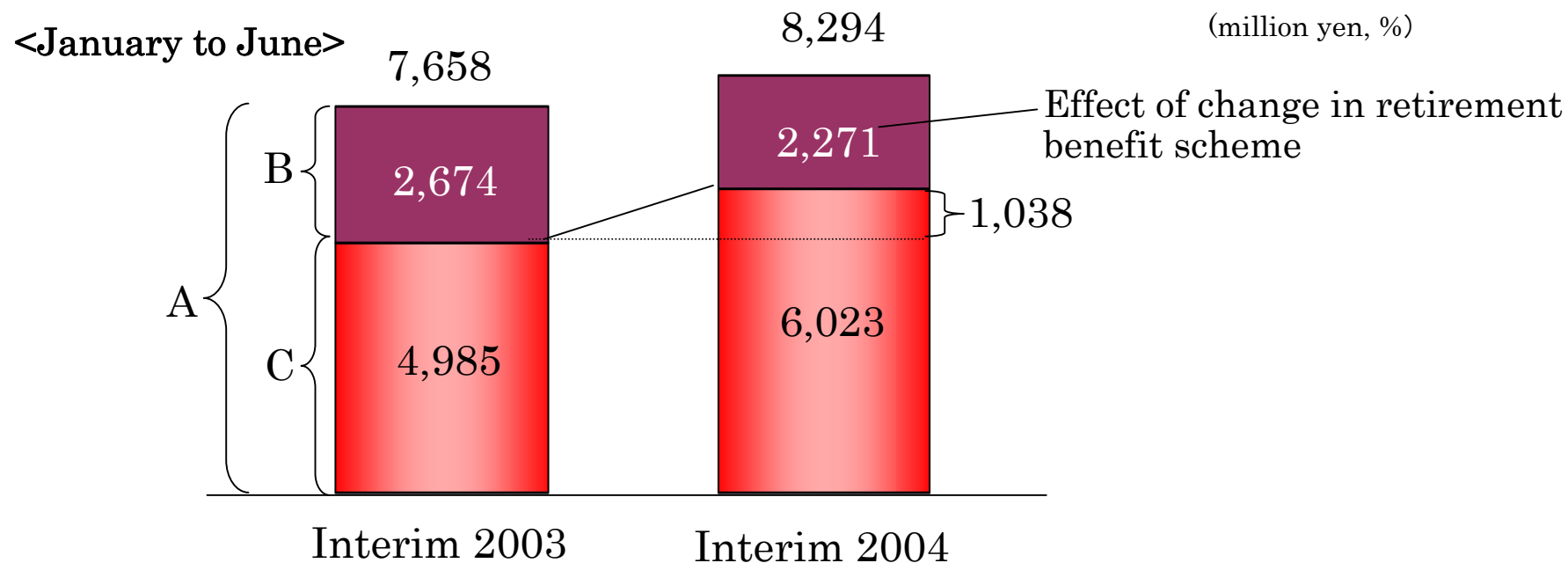
(million yen)

Net sales +1,000	-Sales volume increase	+1,000
	-Sales mix etc.	Δ900
Operating income +400	-Income from consigned orders	+200
	-Transfer from Mikasa CCBC	+700
	-Transfer from TakaMasamune	+300
	-Transfer from affiliates	Δ300
	Cost of sales	+ 900
	-Sales volume increase	+600
-Sales mix etc.	Δ300	
-Expenses from consigned orders	+200	
-Transfer from Mikasa CCBC	+300	
-Transfer from TakaMasamune	+200	
-Transfer from affiliates	Δ100	
Selling, general & administrative	Δ 300	
-Sales commission fees	+400	
-Personnel expenses etc.	Δ700	
Recurring profit +500	Non-operating income	+ 100
	Non-operating expenses	-
Net income +300	Extraordinary income	+ 100
	Extraordinary losses	-
	Income taxes etc.	+ 200
	Minority shareholder profit	+ 100

(5) Major reasons for change from Interim, 2003 (consolidated)

	(million yen)	
Net sales +6,700	-Sales volume increase	+4,500
	-Sales mix	+800
	-Income from consigned orders etc.	+300
	-Transfer from Mikasa CCBC	+900
	-Transfer from affiliates	+200
Operating income +600	Cost of sales	+ 3,700
	-Sales volume increase	+3,000
	-Cost of consigned orders	+200
	-Transfer from Mikasa CCBC	+600
	-Transfer from affiliates	△100
	Selling, general and administrative	+ 2,400
	-Sales commissions	+900
	-Advertising expenses	+600
	-Increase in personnel expenses (changes in the retirement benefit scheme etc.)	+500
	-Outsourcing expenses	+400
Recurring profit +500	Non-operating income	-
	Non-operating expenses	+ 100
Net income +600	Extraordinary income	△ 100
	Extraordinary losses	△ 600
	Income taxes etc.	+ 300
	Minority shareholder profit	+ 100

Reference 1: Consolidated operating income (excluding effect of changes in retirement benefit scheme)



	Fiscal 2003 Interim results	Fiscal 2004 Interim results	Change	
			amount	ratio
A: Operating income	7,658	8,294	635	8.3
B: Effect of change in retirement benefit scheme	2,674	2,271	△ 403	△ 15.1
C: A-B	4,985	6,023	1,038	20.8

Reference 2: Coca-Cola National Beverage Company (CCNBC) contributions to CCWJ

CRP(Cost Reduction Program) breakdown and contributions

(million yen)

		Interim results	Annual plan
Fall in supply cost of former toll products		453	500
Joint procurement	FC product materials	200	300
	Sales machine purchases	79	200
	Subtotal	279	500
Total		732	1,000

- * Franchise product materials: cans, PET bottles, caps, cardboard etc.
- * Sales machines: All types of machine, including can vending machines, CVM equipment, and syrup dispensers.

Reference 3: Consolidated Gross Profit & Operating Income

<Gross profit>

Gross profit for H1, fiscal 2003

(million yen)

Sales volume increase

50,800

+1,500

Sales mix

+800

Income from consigned orders

+100

Transfer from Mikasa CCBC

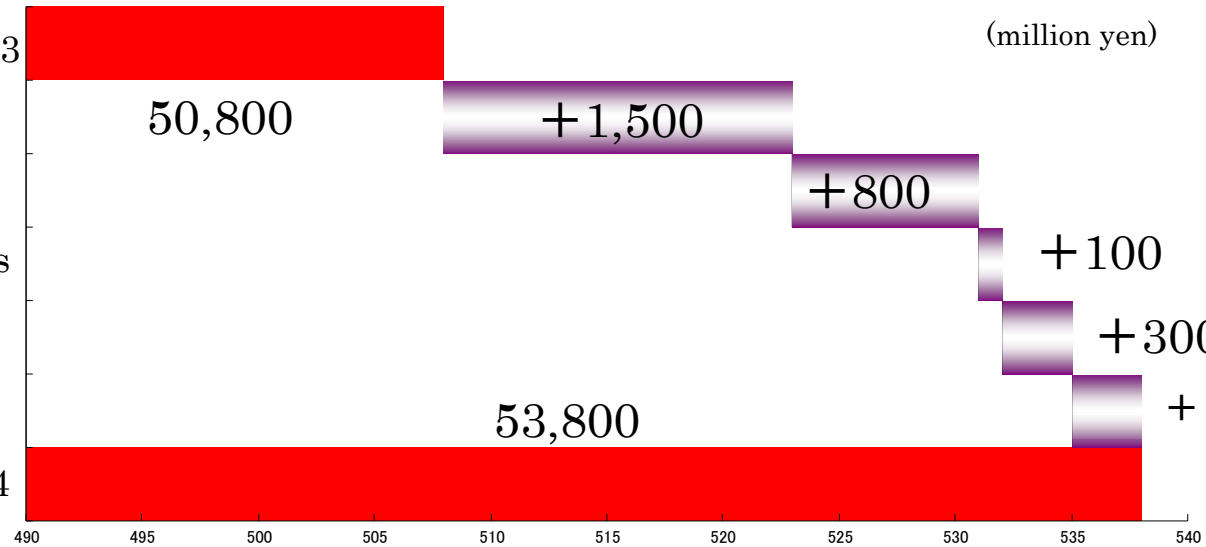
+300

Increase in affiliates

+300

Gross profit for H1, fiscal 2004

53,800



<Operating profit>

Operating profit for H1, fiscal 2003

Increase in gross sales profit

7,600

+3,000

Sales commissions

Δ900

Advertising expenses

Δ600

Personnel expenses (changes to retirement benefit scheme etc.)

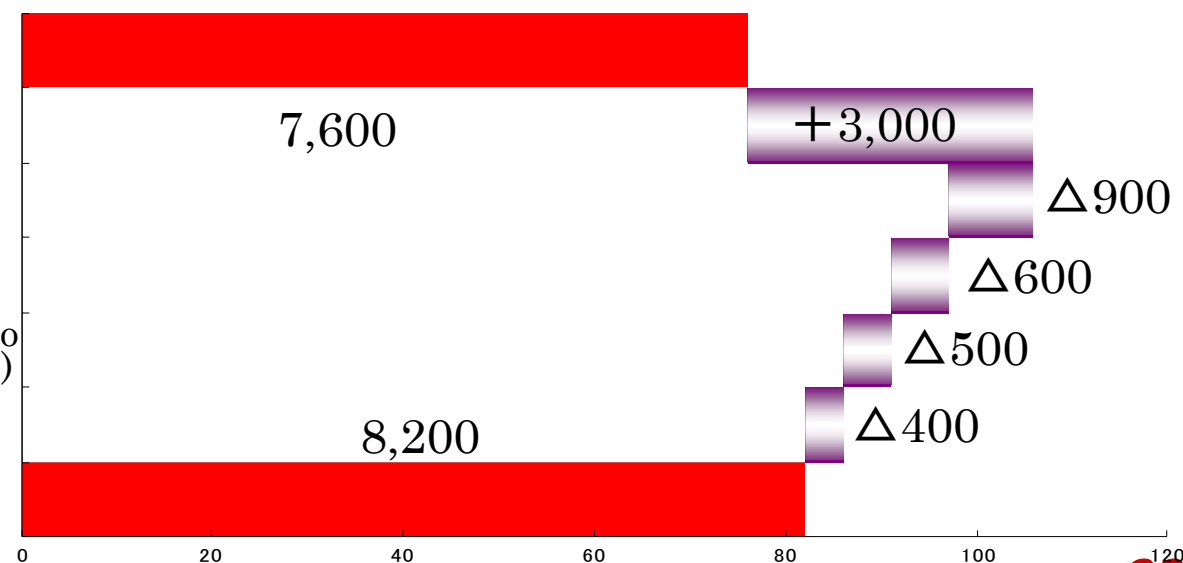
Δ500

Outsourcing expenses

Δ400

Operating profit for Interim, fiscal 2004

8,200



3. Full-Year Projections



(1) H2 sales volume plan

(thousand cases)

<Reference>

	Original plan	Revised plan	Divergence	Interim Divergence of plan and results
Vending	15,431	15,807	376	371
Chain store	10,493	10,007	△ 486	△ 290
Convenience store	5,169	5,164	△ 5	6
Retailer	7,777	7,732	△ 45	64
Food service	4,222	4,242	20	144
Distributor	968	971	3	3
Other	3,891	3,539	△ 352	△ 230
Total	47,951	47,462	△ 489	68

*Chain store figures were revised downwards after factoring in profit-making activities

*Vending was revised upwards.

*Excludes the impact of good weather in summer.

(2) Full-year Projections

1: Consolidated

(million yen, %)

	Fiscal 2003 Results	Fiscal 2004					
		Original plan *	Revised projections	vs. plan		vs. interim 2003	
				change	ratio	change	ratio
Sales	240,825	254,000	255,000	1,000	0.4	14,174	5.9
Operating income	19,638	17,700	18,000	300	1.7	△ 1,638	△ 8.3
Recurring profit	19,895	18,000	18,300	300	1.7	△ 1,595	△ 8.0
Net income	9,380	10,400	10,000	△ 400	△ 3.8	619	6.6

*Plan figures released on Feb. 6, 2004

2: Non-consolidated

	Fiscal 2003 Results	Fiscal 2004					
		Original plan *	Revised projection	vs. plan		vs. interim, 2003	
				change	ratio	change	ratio
Sales	186,176	198,500	199,000	500	0.3	12,823	6.9
Operating income	17,881	16,100	16,300	200	1.2	△ 1,581	△ 8.8
Recurring profit	18,323	16,400	16,700	300	1.8	△ 1,623	△ 8.9
Net income	10,259	9,100	9,200	100	1.1	△ 1,059	△ 10.3

* Plan figures released on Feb. 6, 2004

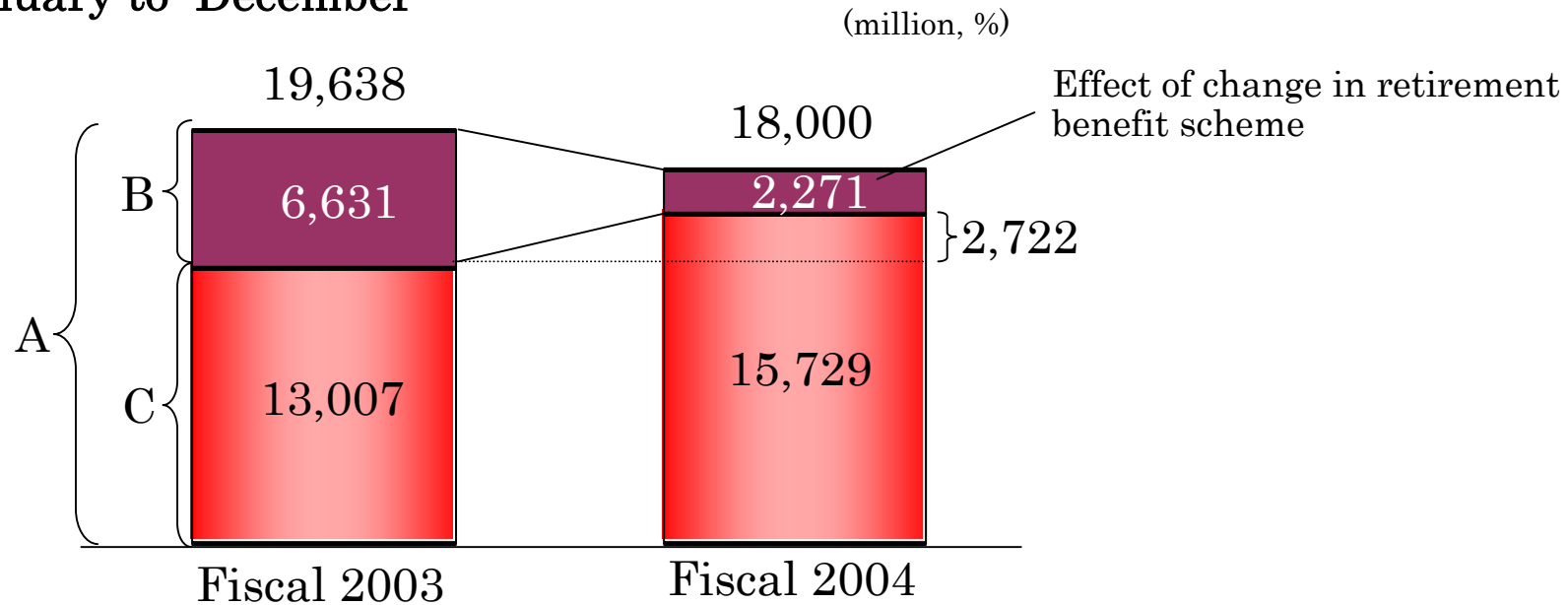
<Sales plan>

(thousand cases, %)

Inc. other bottlers	94,219	98,548	99,117	569	0.6	4,898	5.2
Within area	86,025	89,400	88,978	△ 422	△ 0.5	2,953	3.4

Reference 1: Consolidated Operating Income (excluding effect of changes in retirement benefit scheme)

January to December



	2003	2004	Change	
	Full-year results	Full-year projection	amount	ratio
A: Operating income	19,638	18,000	△ 1,638	△ 8.3
B: Effect of change in retirement benefit scheme	6,631	2,271	△ 4,360	△ 65.8
C: A - B	13,007	15,729	2,722	20.9

4. Mikasa CCBC



(1) Non-consolidated performance

1: Interim

(million yen, %)

	H1 Fiscal 2003	H1 2004					
		Original plan	Results	vs. plan		vs. H1 2003	
				change	ratio	change	ratio
Sales	14,398	14,607	15,293	686	4.7	895	6.2
Operating income	△ 407	△ 244	△ 7	237	-	400	-
Recurring profit	△ 410	△ 261	3	264	-	413	-
Net income	△ 195	△ 191	△ 15	176	-	180	-

<Sales performance>

(thousand cases, %)

Within area	7,154	7,365	7,464	99	1.3	310	4.3
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2: Full-year

(million yen, %)

	Fiscal 2003 Full-year results	Fiscal 2004 (full year)					
		Original plan	Full-year projection	vs. plan		vs. fiscal 2003	
				change	ratio	change	ratio
Sales	30,014	30,819	31,670	851	2.8	1,656	5.5
Operating income	△ 443	△ 36	266	302	-	709	-
Recurring profit	△ 451	△ 72	260	332	-	711	-
Net income	△ 1,432	183	105	△ 78	△ 42.6	1,537	-

<Sales results>

(thousand cases, %)

Within area	15,220	15,690	15,803	113	0.7	583	3.8
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II . Marketing Activities

1. Market Conditions (January to June)



(1) Japan

- Market up 4% overall as a result of good weather and strong sales of new products from manufacturers.
- Change from fiscal 2003 by manufacturer

Whole market	Coca-Cola	Suntory	Kirin	Itoen	Asahi	Otsuka
+4%	+3%	+8%	+7%	+13%	+4%	+1%

*Source: Inryo Soken (general beverage research)

(2) CCWJ area

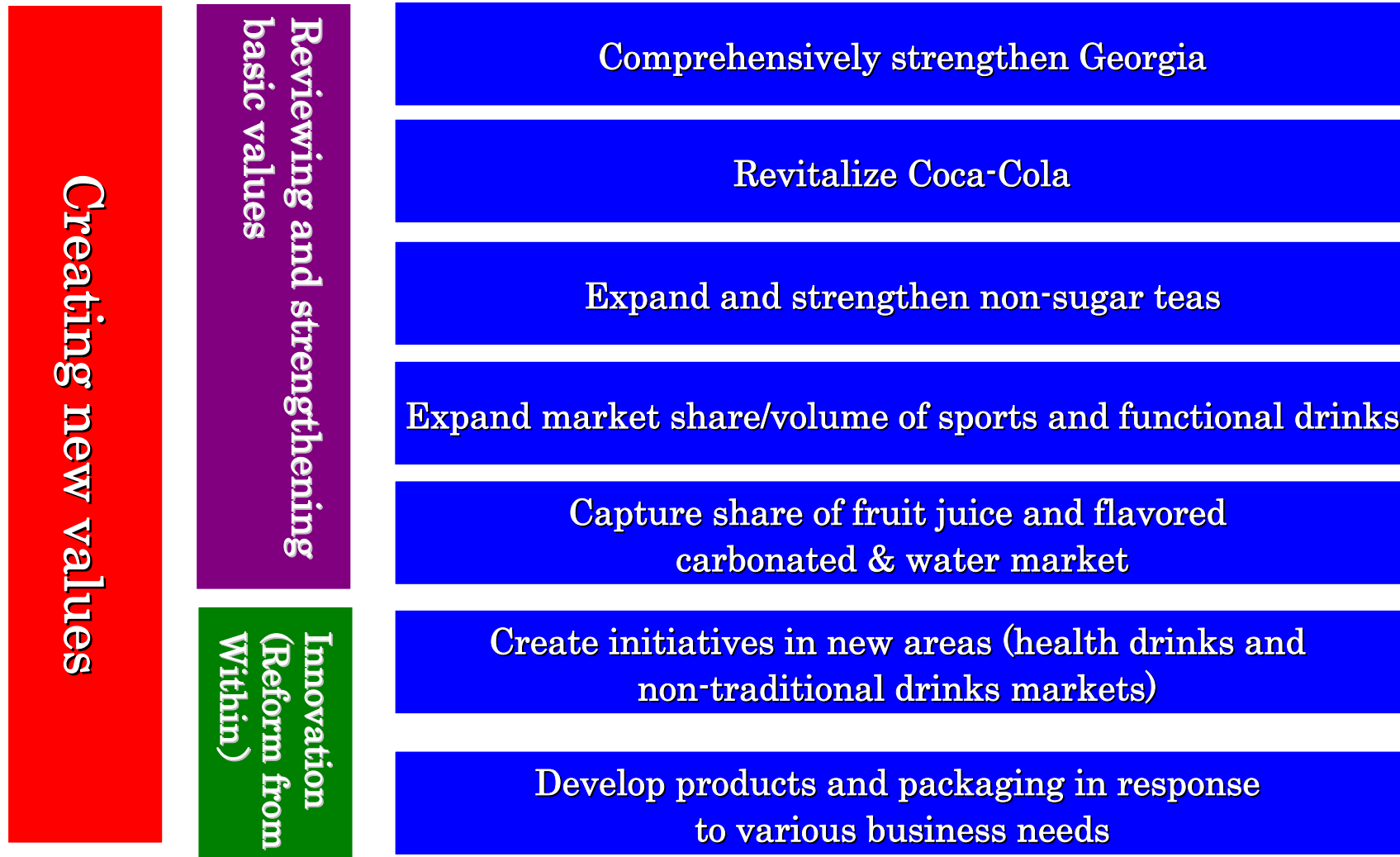
- Home market estimate vs. H1 2003 +5.3%
- Home market share 29.6% (Δ 1.7 percentage points)

* Source: Intage store audit (see page 52)

2. Brand Status

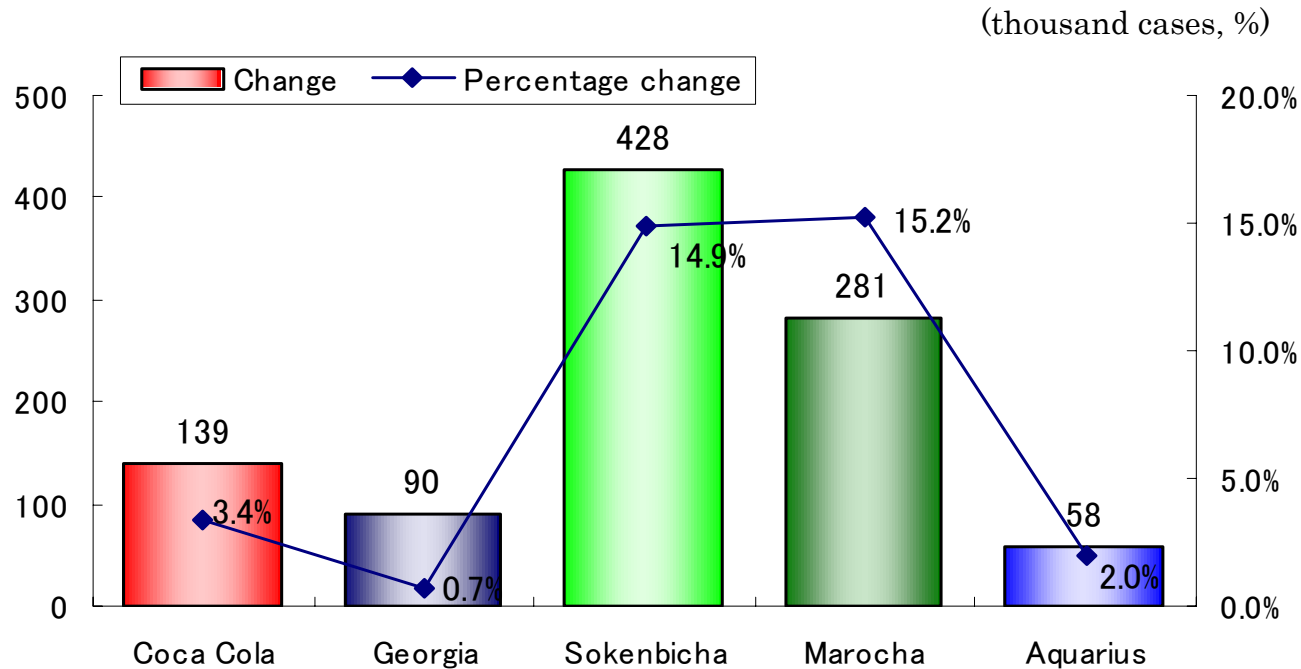


(1) Basic strategy



(2) Flagship Brands

◆ vs. January to June, 2003 by volume and ratio



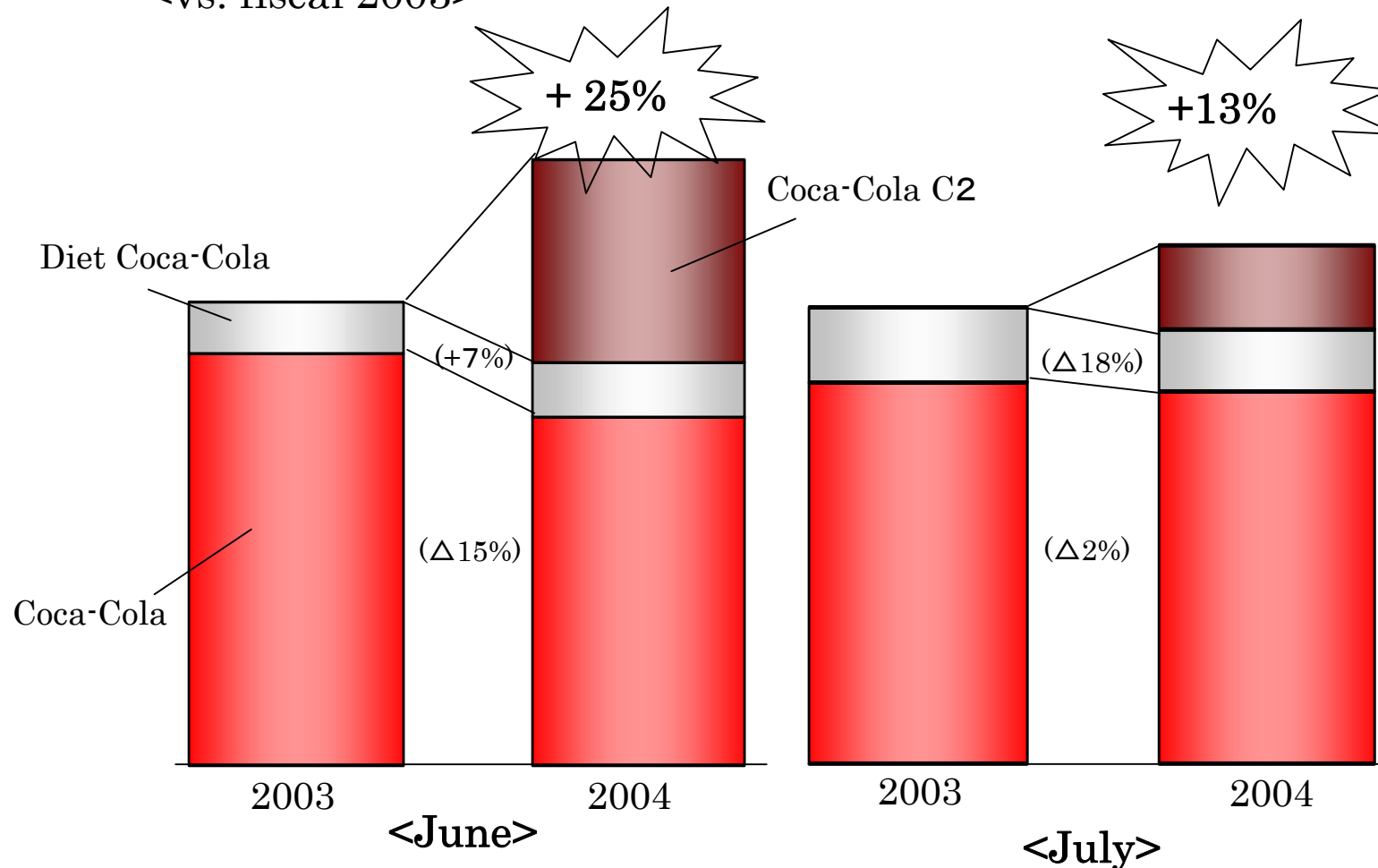
Share	81.0%	72.1%	80.6%	13.5%	50.8%
vs. H1 2003	(+1.9)	(+2.9)	(+5.0)	(Δ3.4)	(Δ1.4)
	No.1	No.1	No.1	No.3	No.1

*Source: Intage Store audit

(3) New Product Topics

1: Coca-Cola C2

<vs. fiscal 2003>



*Figures for July valid as of July 27, 2004

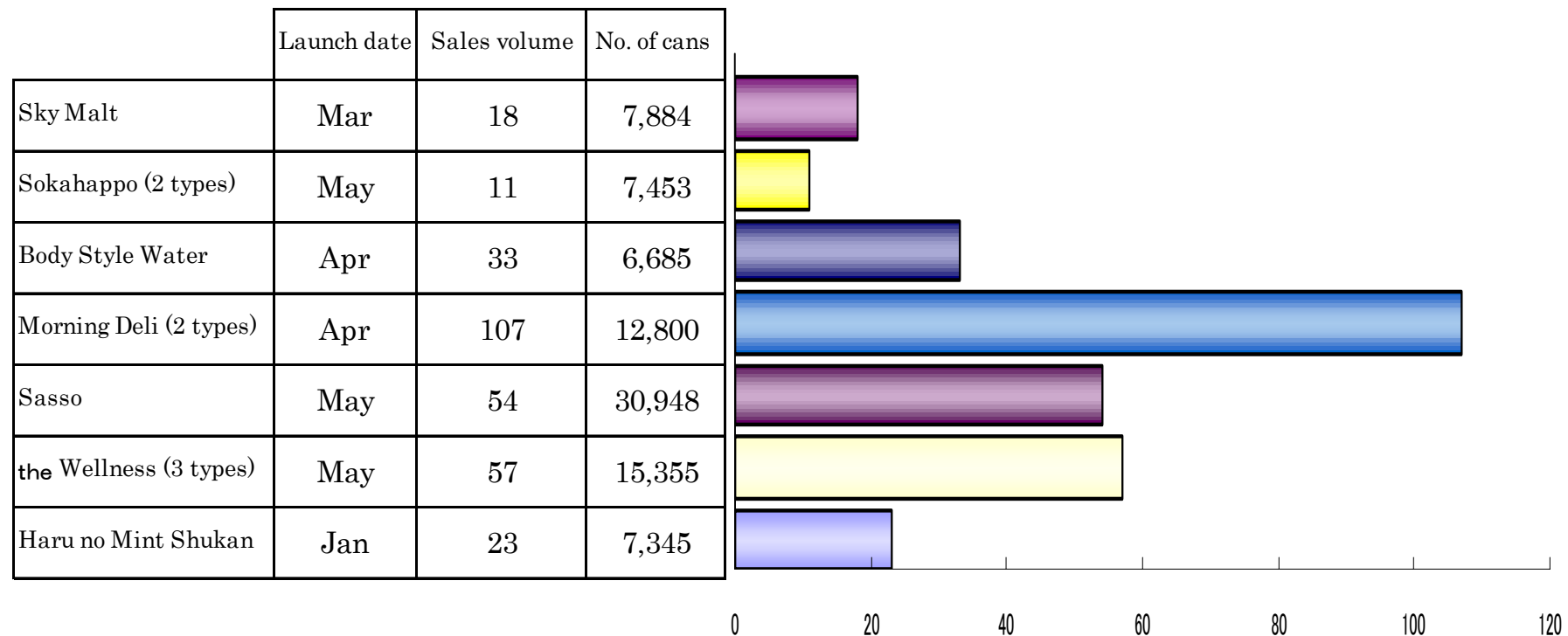
2: New-area Products

[Sky Malt/Body Style Water/Morning Deli/Sasso/the Wellness/Sokahappo]

- ◆ Product features contributing to a net increase in sales, without creating compromising other products.
- ◆ Going forward, investigating and promoting new sales methods.

<H1 sales>

(thousand cases)

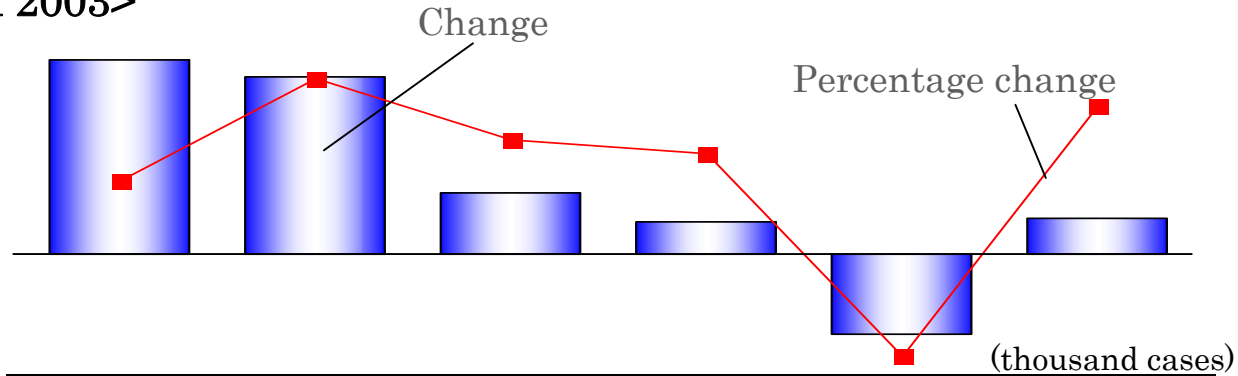


3. Channels



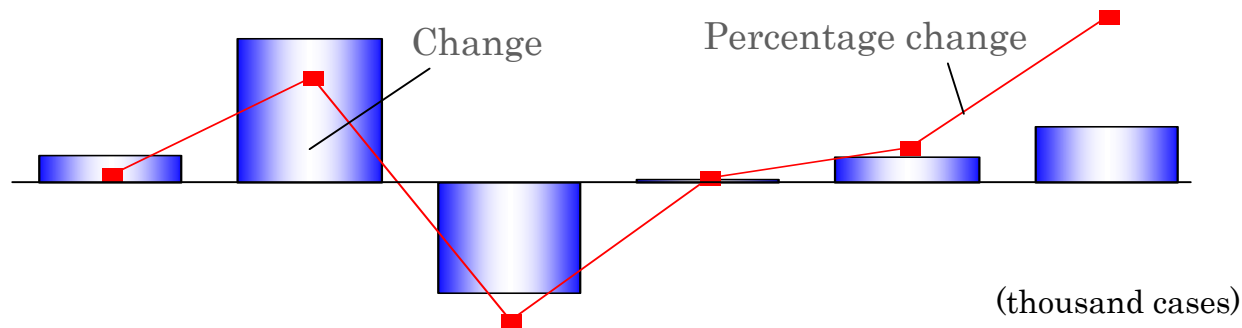
(1) Sales volumes

<vs. H1 fiscal 2003>



	Total	Vending	Chain store	Convenience store	Retailer	Food Service
Amount	+1,301	+1,189	+420	221	△ 529	+248
Ratio	+3.2%	+9.2%	+5.6%	+4.8%	△ 7.2%	+7.6%

<vs. plan>



	Total	Vending	Chain Store	Convenience store	Retailer	Food service
Amount	+68	+371	△ 290	6	64	+144
Ratio	+0.2%	+2.7%	△ 3.6%	+0.1%	+0.9%	+4.3%

(2) Vending

◆ Policy development by sales rank

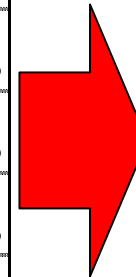
: Sales increase from rise in A & B rank numbers

: Withdrawal of low-sales machines



5C/S increase in sales per vending unit

		December 31, 2003	
		Unit composition	Sales per vending unit
A	501C/S and above	14%	873C/S
B	201C/S~500C/S	38%	314C/S
C	101C/S~200C/S	29%	148C/S
D	51C/S~100C/S	14%	77C/S
	50C/S and below	5%	35C/S
Total		100%	300C/S



		May 31, 2004	
		Unit composition	Sales per vending unit*
		15%	870C/S
		39%	315C/S
		29%	149C/S
		13%	77C/S
		4%	36C/S
		100%	305C/S

* Annual estimate

(3) Chain stores

- ◆ Developing mixed packages to meet consumer demand.

<Package composition>

	Fiscal 2002 Results	Fiscal 2003 Results	Fiscal 2004 Jan-Jun results	Fiscal 2004 Target
2L PET	43%	42%	41%	37%
1.5L PET	21%	20%	21%	18%
1.0L PET	-	-	1%	3%
500ml PET	14%	15%	17%	16%
Other	22%	23%	20%	26%
Total	100%	100%	100%	100%

4. H2 Marketing Program



(1) Vending

- ◆ Promote vending machine IT
 - Expand online vending machines
- ◆ Improve or withdraw low-sales vending machines
 - Improve asset efficiency (for annual sales of 100 cases or less)

(2) Chain store

- ◆ Comprehensive strategy based on accounts analysis
 - Strengthen activity planning for each store in the chain
- ◆ Develop product packages to meet consumer demands
 - Promote shift from large to small packages
 - Expand sales of 350 ml can products
 - Establish loading vending machine with resealable cans, and send 350 ml cans to supermarkets

A decorative graphic consisting of a vertical red line on the left, a horizontal red line at the top, and a yellow square at their intersection. To the left of the yellow square are a green square and a blue square, partially overlapping the red line.

(3) Brand strategy

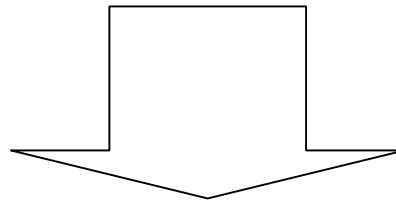
<Georgia>

- In February 2005, Georgia celebrated the 30th anniversary of its sales launch
- Marketing themes: “On to the next stage. The 30th Georgia.”
- Advertising campaigns, new product launches, market development



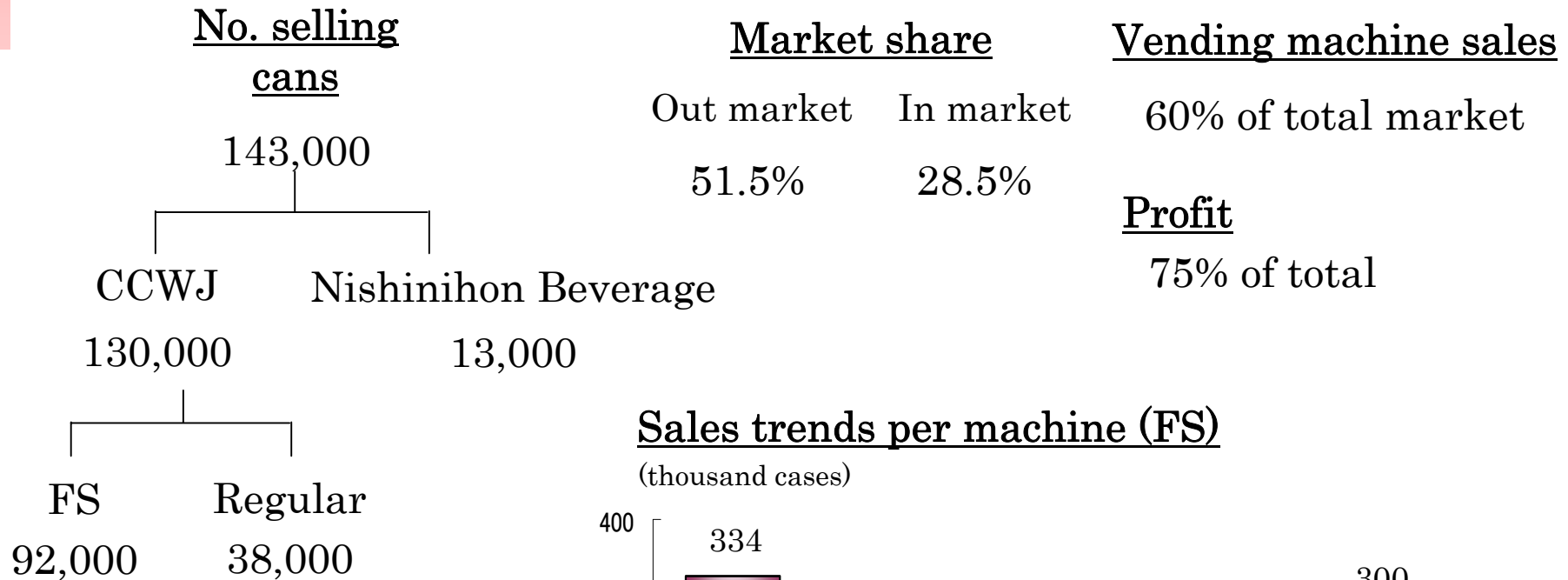
III. Developing Vending Machine IT

Vending machines: The lifeblood of the Coca-Cola business



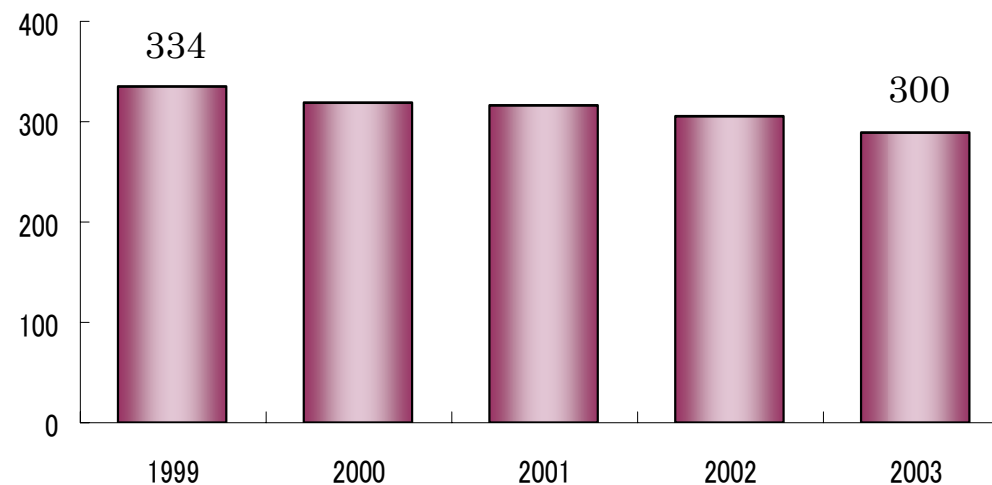
- ☆ Maximize profit through vending machines
- ☆ Stay No. 1 in Japan

2. The Vending Machine Market (CCWJ area)



Sales trends per machine (FS)

(thousand cases)



3. Future Initiatives for the Vending Machine Business



Management and effective use of 3.4 million columns

(1) Operate to stay No. 1 in Japan

1) Freshness, sellout

- Freshness: 90% of customer complaints arise from vending machines
- Sellout: Product sellout rate of 3.7% in fiscal 2003

2) Operation and service

- Salesperson who says little → Salesperson who gives explanations

(2) Maximize profits

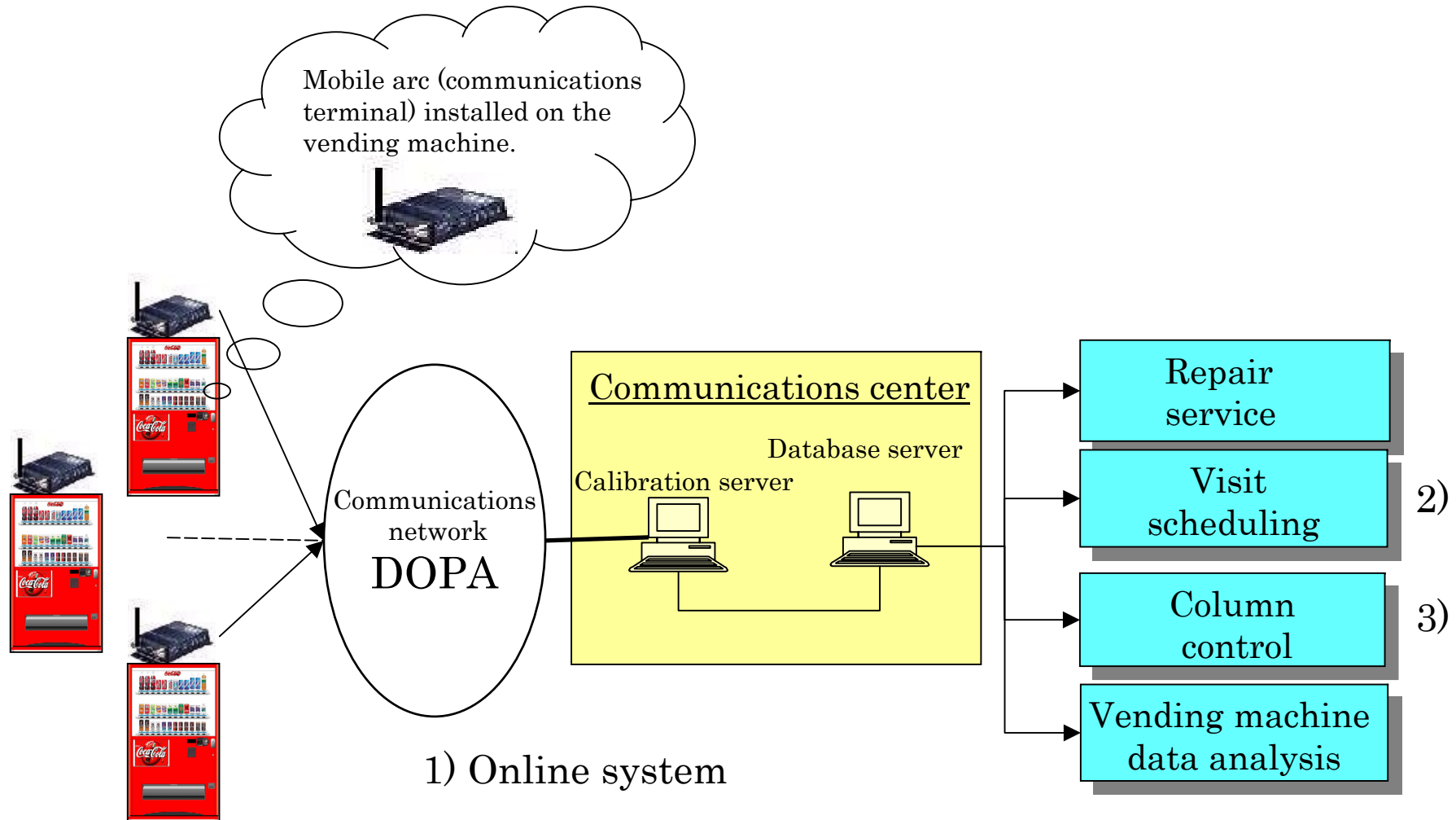
1) Create sales locations: Determining which products sell and which don't

2) Improve sales per machine

4. Outline of Vending Machine IT Development



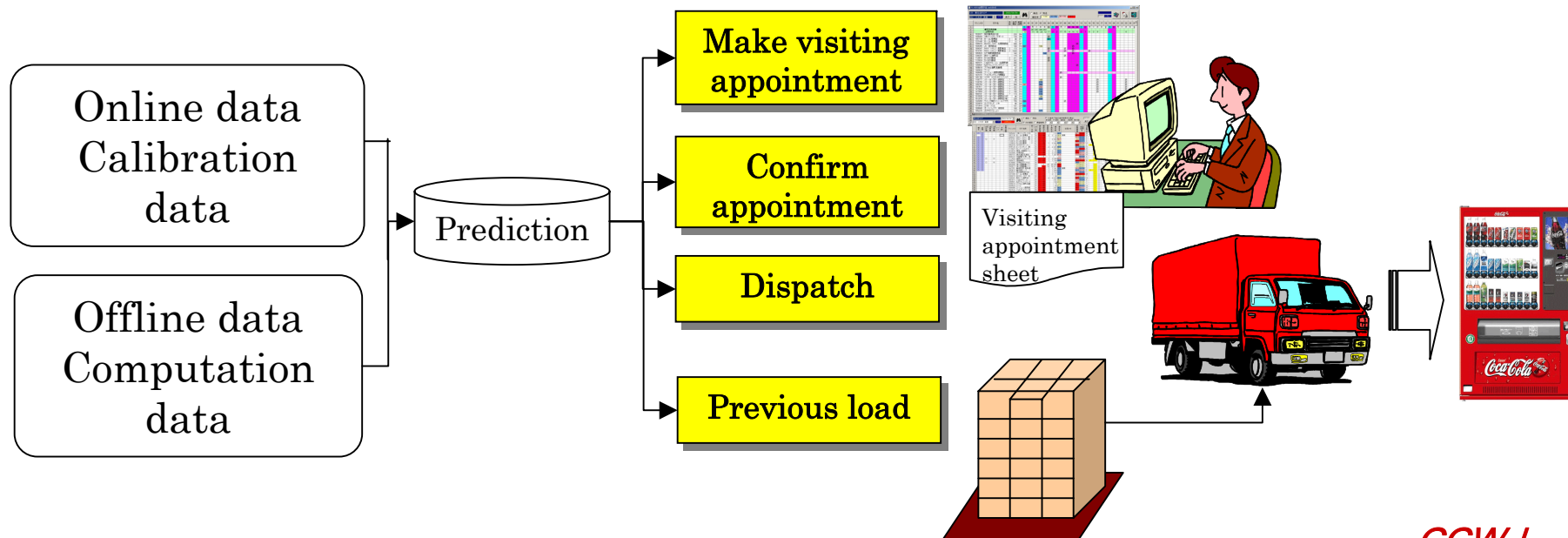
An system that deploys a telecommunications device attached to the vending machine and an NTT DoCoMo service to gather and sales and breakdown data



2) Visit Scheduling System

The current system enables the creation of monthly visiting schedules, in addition to using online data to assist predictions.

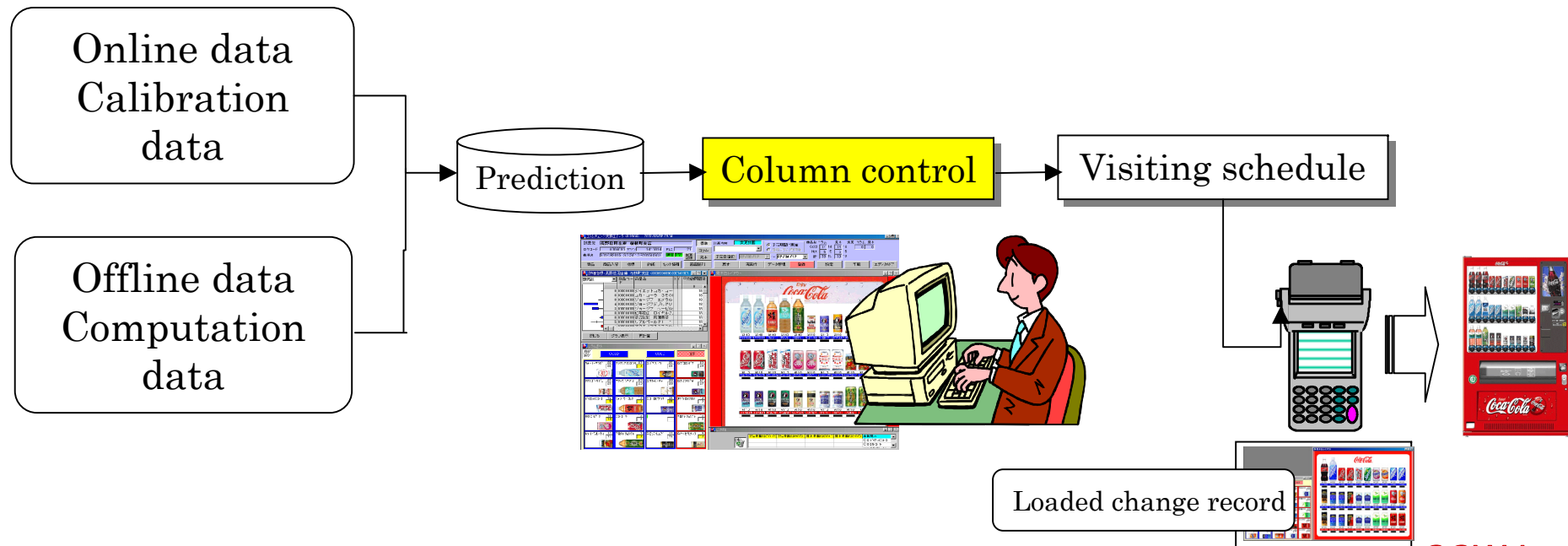
- Improves the accuracy of predictions using online data.
- Function added to create monthly and weekly visiting schedules.
- Can create schedules for loading new products and recording event-related data.
- Function added to predict when products will sell out.
- Can schedule visits and future appointments through simple PC operation .



3) Column Control System

The system enables prior PC scheduling for loading of new and established products, column arrangements, and distribution of dummy cans.

- Can make adjustments while referring to brand data.
- Can rapidly verify predicted effects of the column adjustments.
- Can make column and dummy can adjustments through migration of image data.
- Can deliver adjusted data to portable devices.
- Adjusted brand data reflects previously loaded data on the day of the visit.



5. Pilot Location and Assessment

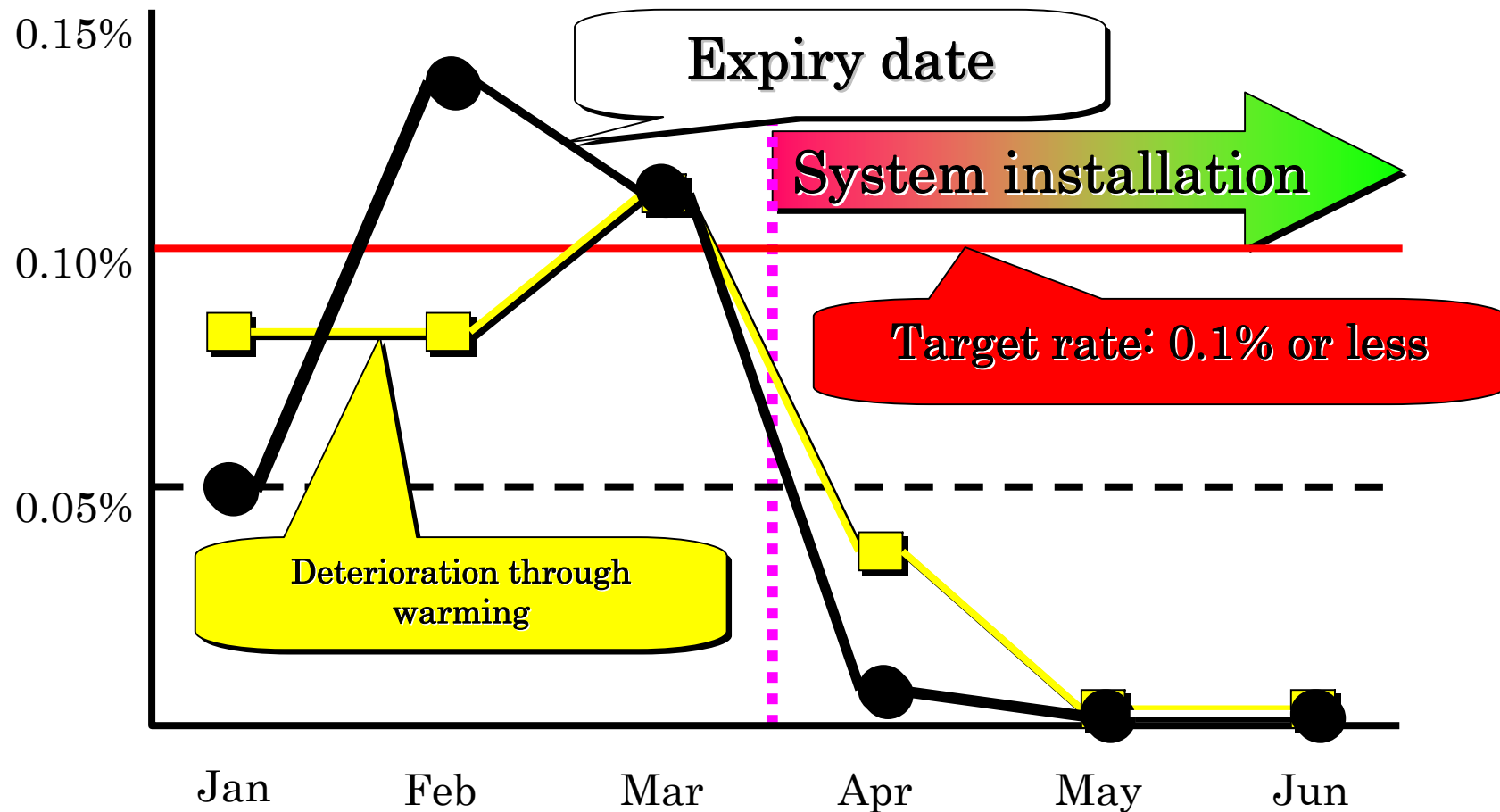
(1) Pilot location

- Date: From March 2004
- Place: One location in Fukuoka city.
- Development status: 2,000 online machines
(Total number at location: 3,400)
- Assessment items:
 - 1) System operation stability and extent of employee use
 - 2) Effects of operation
 - Improve freshness of products inside vending machine and reduce sellout rate
 - Breakdown countermeasures
 - Improve operations
 - 3) Improve sales per machine

(2) Assessment

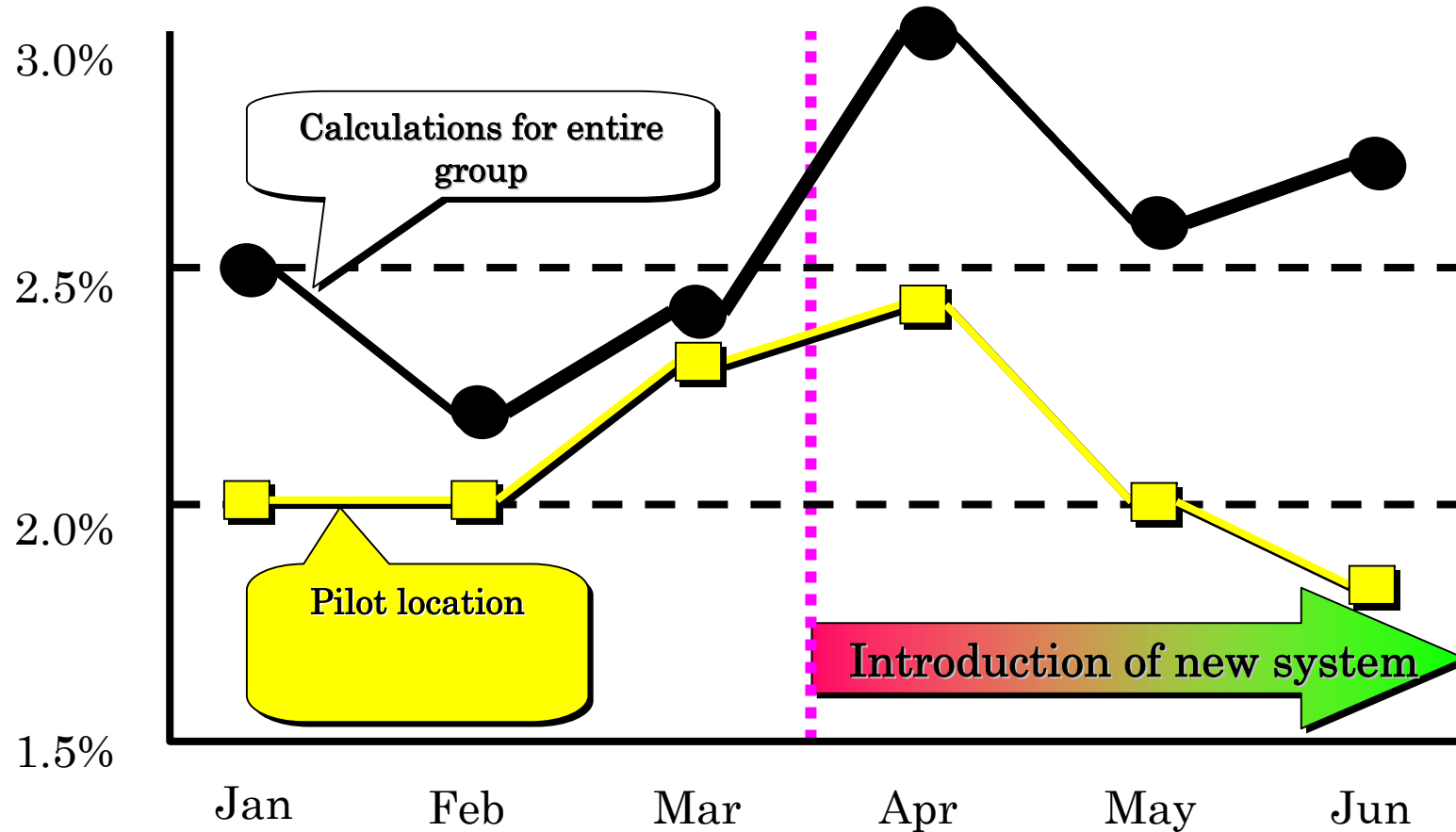
1) Freshness

-- Discarded product rate (%): No. of discarded products/sales results



2) Preventing sellout

--Rate of brands selling out: No. of sold-out products/no. of loaded products



3) Breakdown repair time

-- The time taken from the start of breakdown to end of repair

(hours)

Online machines	1.8
Regular machines	45.6

4) Visiting schedule system

-- Predicted freshness

(prediction accuracy rate is a proportion of 81% to 119% range)

(%)

	~80	81~119	120~
Online machines	4	91	5
Regular machines	9	56	35

5) Sales status

< Sales per machine (vs. January to May, fiscal 2003) >

(%)

Online machines	+4.7	+ 5.1 percentage points
Regular machines	△ 0.4	

< Sales target achievement rate >

(%)

	Jan-Mar	Apr-Jun
Pilot location	6.8	4.2
Entire company	2.4	△ 1.2
Difference	4.2	5.4

6) Results of investment

< Investment >

(total for each machine)

Software development costs

Around ¥5,000/yr

Machine-related investment (mobile arc etc.)

Running costs (telecommunications etc.)

Around ¥7,000/yr

Total

Around ¥12,000/yr

< Results >

-- Improved sales per machine

Able to handle average sales of 300 cases per machine (5% improvement)

Sales per machine increase 5% if each vending machine sells one more bottle per day (365 bottles ÷ 24 bottles=15 cases)

-- Improves operational efficiency

Lowers personnel costs through higher productivity on each route.

6. Future Developments

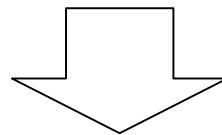
(1) Within the company

- Within a year: 5,000 machines to go online in 4 locations in Fukuoka city
- Looking ahead: Online connection of more than half of the full-service equipment within five years (around 45,000 units)

Annual sales of 300 cases or more from all vending machines

(2) Nationwide bottlers

- Establish and expand new vending machine business system through collaboration with Coca-Cola Japan



Creating online business standards for Japan's vending machines

Appendix

1. Consolidated Statement of Income



(1) Statement of profit and loss (interim, consolidated)

(million yen, %)

	H1 Fiscal 2003	Ratio to net sales	H1 2004	Ratio to net sales
Net Sales	113,117	100.0	119,850	100.0
Cost of sales	62,310	55.1	66,036	55.1
Gross profit	50,807	44.9	53,814	44.9
Selling, general & admin. exp.	43,148	38.1	45,519	38.0
Operating income	7,658	6.8	8,294	6.9
Non-operating income	599	0.5	563	0.5
Non-operating expenses	411	0.4	471	0.4
Recurring profit	7,847	6.9	8,387	7.0
Extraordinary income	231	0.2	64	0.1
Extraordinary losses	820	0.7	210	0.2
Income before income taxes	7,257	6.4	8,241	6.9
Income taxes etc.	3,184	2.8	3,501	2.9
Minority interests (Δ)	Δ 79	Δ 0.1	13	0.0
Net income	4,152	3.7	4,726	3.9

(2) Statement of profit and loss (full year, consolidated)

(million yen, %)

	Fiscal 2003	Ratio to net sales	Fiscal 2004 (predicted)	Ratio to net sales
Net sales	240,825	100.0	255,000	100.0
Cost of sales	132,995	55.2	139,500	54.7
Gross profit	107,829	44.8	115,500	45.3
Selling, general and admin. exp.	88,191	36.6	97,500	38.2
Operating income	19,638	8.2	18,000	7.1
Non-operating income	1,100	0.5	1,100	0.4
Non-operating expenses	843	0.4	800	0.3
Recurring profit	19,895	8.3	18,300	7.2
Extraordinary income	231	0.1	100	0.0
Extraordinary losses	2,141	0.9	700	0.3
Income before income taxes	17,985	7.5	17,700	6.9
Income taxes	9,300	3.9	7,570	3.0
Minority interests (△)	△ 695	△ 0.3	130	0.1
Net income	9,380	3.9	10,000	3.9

(3) Consolidated balance sheets: assets

	Dec. 31 2003	Jun 30 2004	Change	Reasons for changes
Current assets	57,134	58,147	1,013	
Cash and deposits	15,295	13,872	△ 1,422	
Trade notes and a/c receivable	13,175	13,321	145	
Marketable securities	7,141	7,401	260	
Inventories	12,570	11,987	△ 583	Decrease in volume of inventories
Other current assets	9,069	11,663	2,594	
Allowance for doubtful a/c	△ 118	△ 99	19	
Fixed assets	147,045	149,857	2,811	
Property, plant, and equipment	86,982	89,897	2,914	
Buildings and structures	18,852	18,339	△ 513	
Machinery, equipment, and vehicles	14,674	15,234	560	
Sales equipment	17,740	20,263	2,523	Increase in purchases of sales equipment
Land	34,722	34,793	70	
Other property, plant, and equipment	992	1,266	274	
Intangible assets	2,718	2,500	△ 217	
Goodwill on consolidation	118	76	△ 41	
Other intangible assets	2,599	2,424	△ 175	
Investments and other assets	57,344	57,458	113	
Investment securities	40,636	37,905	△ 2,731	Disposal of bond investment trust, etc.
Prepaid pension expenses	13,306	16,275	2,969	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	3,547	△ 118	
Allowance for doubtful a/c	△ 264	△ 269	△ 4	
Total assets	204,180	208,005	3,825	

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



	Dec 31 2003	Jun 30 2004	Change	Reasons for changes
Current liabilities	23,853	26,857	3,004	
Notes and a/c payable	8,950	8,341	△ 609	
LT debt due to mature within 1 year	203	203	—	
Income tax payable	2,924	2,447	△ 476	
Other a/c payable	5,426	7,515	2,089	
Notes payable for equipment	667	197	△ 470	
Other current liabilities	5,681	8,151	2,470	
Long-term liabilities	10,595	11,738	1,143	
Liabilities for retirement benefits	3,394	3,215	△ 178	
Liabilities for directors' retirement	323	315	△ 8	
Other long-term liabilities	6,877	8,207	1,330	
Total liabilities	34,449	38,596	4,147	
Minority interests	4,276	4,300	24	
Common stock	15,231	15,231	—	
Additional paid-in capital	35,399	35,399	0	
Retained earnings	122,372	125,564	3,192	
Net unrealized gains on securities	411	791	380	
Treasury stock	△ 7,960	△ 11,879	△ 3,918	Increase due to acquisition of treasury stock
Total shareholders' equity	165,454	165,108	△ 346	
Total liabilities, minority interests and shareholders' equity	204,180	208,005	3,825	

(4) Consolidated statement of cash flows

(million yen)

	H1 Fiscal 2003	H1 Fiscal 2004	Fiscal 2004, full- year projection
Net cash provided by operating activities	7,694	9,755	24,143
Net cash used in investing activities	△ 8,591	△ 6,753	△ 16,354
Net cash used in financing activities	△ 9,754	△ 5,422	△ 6,977
Cash and cash equivalents at the end of the period	24,754	19,449	22,681

2. Sales Volume Trends



(1) By brand

(thousand cases, %)

	H1 Fiscal 2003	H1 Fiscal 2004	04/'03
Coca-Cola	4,043	4,182	3.4
Georgia	13,130	13,220	0.7
Sokenbicha	2,871	3,300	14.9
Marocha	1,853	2,135	15.2
Fan	554	499	△ 9.9
Aquarius	2,886	2,943	2.0
Fanta	1,864	2,116	13.5
Canada Dry	419	446	6.5
Real Gold	556	563	1.3
Qoo & Hi-C	889	918	3.3
Mori no Mizu Dayori	791	992	25.5
Kochakaden	1,016	1,050	3.4
Others	1,996	1,711	△ 14.3
Subtotal	32,868	34,075	3.7
Syrup, powder, food etc.	7,348	7,442	1.3
Total	40,216	41,517	3.2

* Excludes sales from other bottlers

(2) By package

(thousand cases, %)

		H1 Fiscal 2003	H1 Fiscal 2004	04/'03
Bottle	Returnable	273	277	1.5
	One-way	301	216	△ 28.2
	Subtotal	574	493	△ 14.1
PET	~ 350 ml	1,478	2,056	39.1
	~ 500 ml	4,721	5,195	10.0
	~ 1,000 ml	152	212	39.9
	~ 1,500 ml	2,008	2,015	0.4
	~ 2,000 ml	3,666	3,884	6.0
	Subtotal	12,025	13,362	11.1
Can	~ 200 ml	11,181	12,262	9.7
	~ 250 ml	1,202	1,100	△ 8.5
	~ 280 ml	3,478	2,270	△ 34.7
	~ 350 ml	1,654	935	△ 43.5
	~ 500 ml	839	750	△ 10.6
	Subtotal	18,354	17,317	△ 5.7
Bottle cans		1,720	2,587	50.4
Others		195	316	61.6
Syrup, powder, food etc.		7,348	7,442	1.3
Total		40,216	41,517	3.2

* Excludes sales from other bottlers

(3) By channel

(thousand cases, %)

	H1 Fiscal 2003	H1 Fiscal 2004	04/'03
Vending	12,991	14,180	9.2
Chain stores	7,435	7,855	5.6
Convenience stores/retailers	12,031	11,724	△ 2.6
Convenience stores	4,646	4,867	4.8
Retailers	7,386	6,857	△ 7.2
Food services	3,274	3,522	7.6
Distributors	805	820	1.9
Others	3,680	3,416	△ 7.2
Total	40,216	41,517	3.2

* Excludes sales from other bottlers

(4) New/renewal product sales

1) Sales

(thousand cases)

	H1 Fiscal 2003	H1 Fiscal 2004
New products	70 brands	75 brands
Renewals	44 brands	65 brands
Total	114 brands	140 brands
Sales volume	8,568	11,959

2) New products and renewals for 2004

(thousand cases)

Product/item name	Launch	Sales volume
Georgia Emerald Mountain 190g can	Feb	1,516
Aquarius 2,000ml PET	Feb	1,044
Sokenbicha 500ml PET	Feb	953
Sokenbicha 2,000ml PET	Feb	753
Marocha Tea Leaf Efficacy 500ml PET	Mar	626
Aquarius 500ml PET	Feb	563
Marocha Tea Leaf Efficacy 280ml PET	Mar	344
Georgia Café Latte 190g can	Apr	341
Aquarius 500g can	Feb	325
Aquarius 300ml bottle can	Feb	266

3. Vending Machine Installation Status



(1) Vending machines installed

(machines)

		CCWJ		Chugoku region		Kyushu region	
		Q1 2004	H1 2004	Q1 2004	H1 2004	Q1. 2004	H1 2004
Under assets	Regular (can)	35,296	34,922	18,723	18,394	16,573	16,528
	Full service (can)	89,756	91,590	36,921	37,744	52,835	53,846
	Cup machine (can)	7,368	7,147	5,414	5,289	1,954	1,858
	Subtotal	132,420	133,659	61,058	61,427	71,362	72,232
Machines sold (cans)		3,625	3,231	1,709	1,491	1,916	1,740
Total		136,045	136,890	62,767	62,918	73,278	73,972

(2) Predatory

(machines)

	CCWJ		Chugoku region		Kyushu region	
	H1 2003	H1 2004	H1 2003	H1 2004	H1 2003	H1 2004
Predatory	1,514	2,531	379	902	1,135	1,629

(3) Market share

(%)

	CCWJ		Chugoku region		Kyushu region	
	Fiscal 2003	Fiscal 2004	Fiscal 2003	Fiscal 2004	Fiscal 2003	Fiscal 2004
Out market	52.6	51.5	46.9	46.1	59.2	57.6
In market	28.3	28.5	—	—	—	—

*The “In market” share is the total share from the six leading cities (Fukuoka, Kitakyushu, Nagasaki, Hiroshima, Okayama, Matsue).

(Source: Nielsen Open Market Vending Machine Survey, conducted annually in June)

(4) Equipment numbers

(machines)

		Dec. 31, 2003	Jan-Jun 30, 2004		Jun 30 2004
			Issued	Withdrawn	
* 1	Regular (free issue)	36,108	2,247	3,433	34,922
FS	* 2 UGVCCS	1,370	909	81	2,198
	* 3 C-mode	310	36	0	346
	* 4 CV	35	71	5	101
	Ordinary	87,654	6,204	4,913	88,945
Total		89,369	7,220	4,999	91,590
Regular (sold)		4,056	0	825	3,231
Cup machines		7,562	226	641	7,147
Subtotal		137,095	9,693	9,898	136,890
Dispensers		12,187	1,302	1,330	12,159

*1 Includes 1,943 machines transferred from control of Nishinohon Beverages at the end of 2003.

*2 Upgrade VCCS: Sales-support type vending machine (equipped with remote switches for promotion, hot/cold status, etc.).

*3 Vending machines enabling product and content purchase from mobile phones.

*4 Communication vending machines: data supply type.

4. Market Share



(1) About Intage Store Audit

< Outline >

- ▼ Store audit data are broad estimates based on sales data taken from sample store POS data and inventory adjustments.

< Planning outline >

- | | |
|---------------------------|--|
| (1) Target business: | Home market (supermarkets, convenience stores, general stores [liquor/grocery stores], drugstores)

* Home market = Markets targeting domestic consumption |
| (2) No. of sample stores: | 640 in the CCWJ region |
| (3) Data source: | POS data + inventory adjustments |
| (4) Data level: | Sales data (market share, sales volumes [capacity/unit numbers/sums of money], average sales price) |
| (5) Note: | Adjusted for the domestic market only. Does not cover the whole market, but includes sales from vending machines. (Cover is estimated at around 37% of the whole). |

(2) Market share by manufacturer

(%)

	CCWJ		Chugoku region		Kyushu region	
	H1 Fiscal 2003	H1 Fiscal 2004	H1 Fiscal 2003	H1 Fiscal 2004	H1 Fiscal 2003	H1 Fiscal 2004
CCWJ	31.3	29.6	29.5	28.1	33.3	31.3
Competitors	68.7	70.4	70.5	71.9	66.7	68.7
Suntory/Pepsi	11.8	12.0	11.7	12.1	11.9	11.8
Kirin	9.2	8.7	9.3	8.9	9.1	8.6
Asahi	4.3	4.5	4.1	4.3	4.5	4.7
Sapporo	0.7	0.8	0.6	0.7	0.7	0.9
Otsuka	4.7	4.4	4.8	4.5	4.6	4.2
Itoen	4.5	5.0	4.1	4.7	4.9	5.4
DyDo	0.8	0.7	1.1	1.0	0.4	0.4
JT	1.1	0.5	1.2	0.6	0.9	0.5
UCC	1.0	0.9	1.3	1.2	0.5	0.5
Calpis	4.1	4.3	4.1	4.5	4.1	4.0
Others	26.5	28.6	28.2	29.4	25.1	27.7

(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.

(3) Market share by category

(%)

	CCWJ		Chugoku region		Kyushu region	
	H1 Fiscal 2003	H1 Fiscal 2004	H1 Fiscal 2003	H1 Fiscal 2004	H1 Fiscal 2003	H1 Fiscal 2004
Total	31.3	29.6	29.5	28.1	33.3	31.3
Carbonates	56.0	56.2	55.5	56.5	56.6	55.7
Cola	79.2	81.0	78.9	78.8	79.6	83.3
Carbonic water	7.2	8.2	6.1	6.6	8.3	9.5
Flavored carbonate	63.2	65.0	63.0	68.6	63.5	60.6
Fruit juices	13.2	8.9	14.4	9.8	11.7	8.0
Coffees	35.6	32.1	29.4	26.4	43.1	38.7
Canned coffee	69.2	72.1	60.5	62.9	78.2	81.4
Teas	29.6	27.9	29.5	28.0	29.9	27.8
Chinese	14.4	14.9	14.5	14.3	14.3	15.3
Black	19.2	18.0	17.5	16.8	22.2	20.0
Japanese	16.9	13.5	15.4	11.5	18.2	15.1
Blended	75.6	80.6	74.5	79.8	76.9	81.7
Sports drinks	52.2	50.8	52.8	51.0	51.4	50.4
Fitness drinks	9.4	7.8	9.2	7.6	9.9	8.0
Lactic drinks	15.5	6.9	12.5	5.4	19.8	8.3
Mineral waters	24.7	28.1	11.6	16.2	35.0	37.5

(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.

(4) Market share by industry

(%)

	CCWJ		Chugoku region		Kyushu region	
	H1 Fiscal 2003	H1 Fiscal 2004	H1 Fiscal 2003	H1 Fiscal 2004	H1 Fiscal 2003	H1 Fiscal 2004
Total	31.3	29.6	29.5	28.1	33.3	31.3
Supermarkets	28.6	27.8	26.6	26.4	31.3	29.5
Convenience stores	25.7	24.5	26.2	25.4	25.3	23.7
Liquor stores	49.1	44.4	43.6	38.7	56.1	51.8
Grocery stores	52.1	50.9	51.6	44.8	52.4	55.3
Drugstores	17.3	16.4	10.5	10.8	31.5	27.7

(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.

Reference: Monthly market share and year-on-year change (%, percentage points)

		Jul '03	Aug	Sep	Oct	Nov	Dec	Jan '04	Feb	Mar	Apr	May	Jun
CCWJ	Share	27.9	29.2	29.3	30.7	30.7	32.1	32.1	30.3	30.1	29.5	29.0	27.7
	Change	▲ 2.9	▲ 2.6	▲ 3.3	▲ 2.0	▲ 3.2	▲ 2.5	▲ 2.1	▲ 2.0	▲ 2.9	▲ 1.4	▲ 1.5	▲ 0.9
Chugoku region	Share	26.9	28.3	27.8	29.5	29.6	30.5	30.4	28.6	28.2	27.9	27.8	26.3
	Change	▲ 2.5	▲ 1.8	▲ 2.5	▲ 1.1	▲ 2.6	▲ 3.2	▲ 2.2	▲ 1.9	▲ 3.1	▲ 1.2	▲ 0.8	▲ 0.3
Kyushu region	Share	29.0	30.2	30.9	31.9	32.0	33.7	33.8	32.1	32.1	31.2	30.4	29.2
	Change	▲ 3.3	▲ 3.6	▲ 4.0	▲ 2.9	▲ 3.8	▲ 1.8	▲ 2.0	▲ 2.2	▲ 2.7	▲ 1.6	▲ 2.3	▲ 1.7
Suntory	Share	11.5	11.9	11.9	10.7	10.2	11.4	11.1	11.6	13.2	12.7	11.5	11.6
	Change	▲ 0.5	+0.3	+0.8	▲ 0.3	▲ 1.0	▲ 0.9	▲ 0.5	0.0	+1.8	+0.6	▲ 0.5	▲ 0.4
Kirin	Share	9.5	9.0	8.9	9.7	10.2	9.4	9.0	8.6	8.7	8.9	8.4	8.7
	Change	+1.6	+1.1	+0.8	+1.1	+1.9	+1.5	+0.8	+0.3	▲ 0.8	▲ 1.0	▲ 1.2	▲ 0.6
Asahi	Share	4.3	4.0	4.1	3.9	3.9	4.1	4.1	4.3	4.2	4.5	4.6	4.8
	Change	+0.0	+0.2	+0.6	+0.2	+0.4	+0.5	+0.2	▲ 0.4	▲ 0.6	+0.1	+0.5	+0.9
Otsuka	Share	4.5	5.1	5.2	4.5	4.4	4.3	4.8	5.0	4.2	4.3	4.0	4.2
	Change	▲ 0.6	+0.1	+0.7	+0.3	0.0	▲ 0.6	▲ 0.9	▲ 0.2	▲ 0.4	+0.1	▲ 0.4	▲ 0.4
Itoen	Share	5.1	5.1	5.0	5.1	5.3	5.0	5.0	4.7	4.7	4.8	5.2	5.5
	Change	+0.5	+0.6	+0.3	+0.1	+0.5	+0.8	+0.5	+0.3	+0.7	+0.6	+0.7	+0.3

(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.

5. Shareholder Status



(1) Shareholder and share numbers

(people, thousand shares, %)

	December 31, 2003				June 30, 2004			
	Shareholders	Distribution ratio	No. of shares	Distribution ratio	Shareholders	Distribution ratio	No. of shares	Distribution ratio
Financial institutions	80	0.5	15,749	19.0	80	0.6	15,368	18.5
Domestic corporations (securities companies)	365	2.5	37,721	45.5	357	2.6	33,019	39.8
Foreign corporations etc.	190	1.3	15,427	18.6	209	1.5	19,736	23.8
Private and other	14,166	95.7	10,256	12.4	13,179	95.3	9,557	11.5
Stocks held in own name	1	0.0	3,746	4.5	1	0.0	5,219	6.3
Total	14,802	100.0	82,899	100.0	13,826	100.0	82,899	100.0

(2) Dividends and payout ratio

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (projected)
Net income per share (yen)	194.12	145.61	139.21	123.08	116.02	124.84	74.99	31.22	64.75	127.18	118.44
Shareholder's equity per share (yen)	2,184.43	1,800.97	1,916.18	1,838.60	1,758.75	2,063.53	2,104.58	1,921.02	1,958.60	2,048.22	2120.29
Annual dividend per share (yen)	17.50	20.00	25.00	27.00	30.00	32.00	32.00	34.00	34.00	36.00	40.00
(Interim) (yen)	0.00	10.00	12.50	13.50	15.00	15.00	16.00	16.00	17.00	17.00	20.00
(End of period) (yen)	17.50	10.00	12.50	13.50	15.00	17.00	16.00	18.00	17.00	19.00	20.00
Payout ratio (%)	9.2	13.7	18.0	21.9	25.9	26.7	42.7	108.9	52.1	28.3	33.8
Effective payout ratio (%)	11.9	13.7	19.7	24.1	25.9	26.7	46.9	108.9	52.1	28.3	33.8

(3) Shareholder stock split

1:1.3 as of Dec. 31, 1994 (recorded on Feb. 15, 1995)

1:1.1 as of Dec. 31, 1996 (recorded on Feb. 20, 1997)

1:1.1 as of Dec. 31, 1997 (recorded on Feb. 20, 1998)

1:1.1 as of Dec. 31, 2000 (recorded on Feb. 20, 2001)

6. Capital Investment and Depreciation



(1) Consolidated capital investment and depreciation

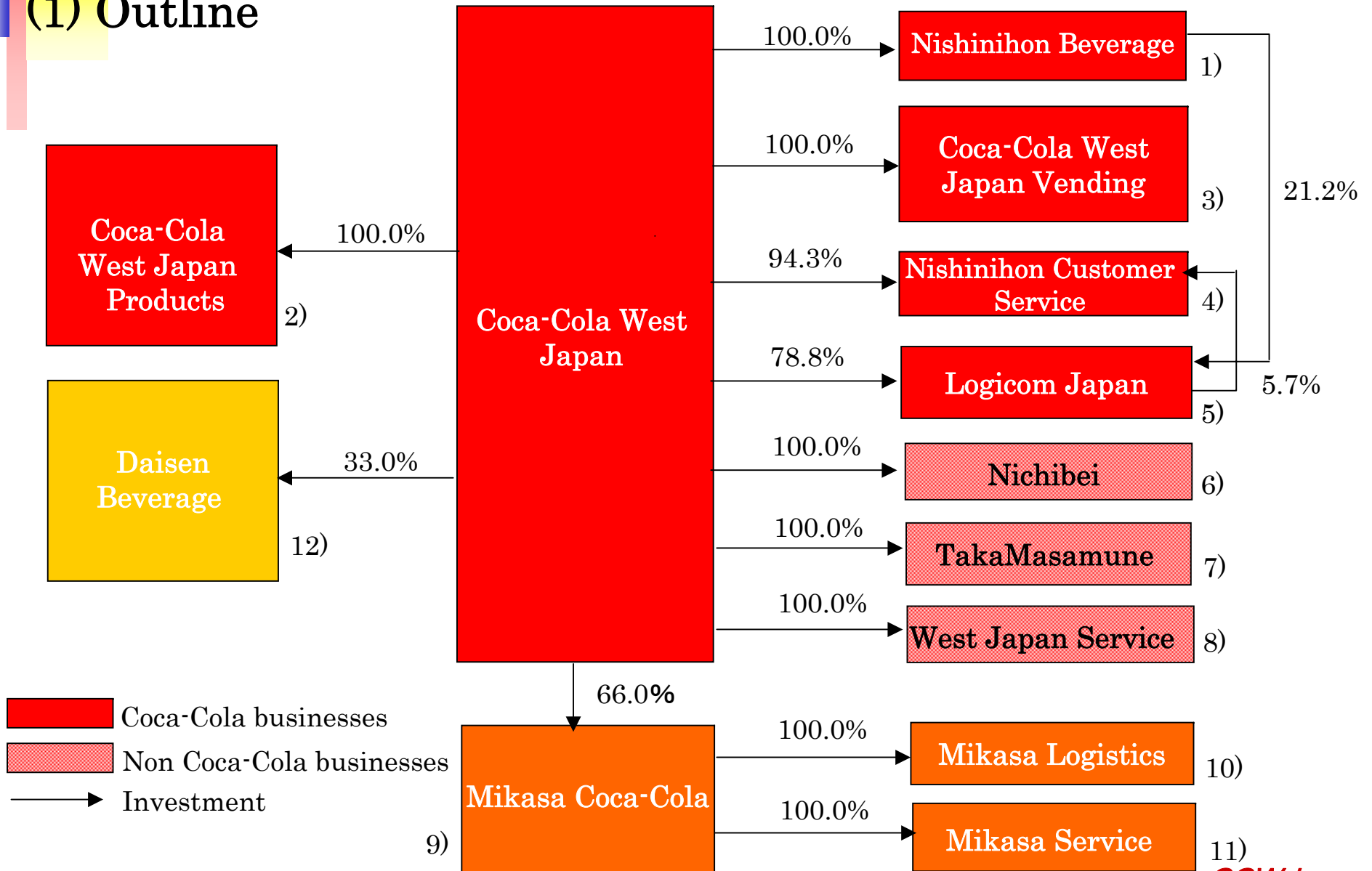
(million yen)

		H1 Fiscal 2003	Fiscal 2004	
			H1	Full-year (projected)
Capital investment	Land	92	214	1,434
	Building and structures	158	314	1,993
	Machinery, equipment and vehicles	832	1,715	2,546
	Sales equipment	6,670	6,484	8,810
	Others	1,108	1,417	3,126
Total		8,863	10,146	17,910
Depreciation		7,261	6,983	15,053

7. Coca-Cola Group Affiliates



(1) Outline



Coca-Cola businesses
 Non Coca-Cola businesses
 —> Investment

- 1) Nishinohon Beverage Co., Ltd.: Vending machine operator business focusing on Coca-Cola products
- 2) Coca-Cola West Japan Products Co., Ltd.: Beverage production
- 3) Coca-Cola West Japan Vending Co., Ltd.: Vending machine operation business.
- 4) Logicom Japan Co., Ltd.: Truck transport business
- 5) Nishinohon Customer Service Co., Ltd.: Vending machine-related business including equipment & breakdown handling and hygiene management
- 6) Nichibei Co., Ltd.: Food processing
- 7) TakaMasamune Co., Ltd.: Liquor production and sales
- 8) West Japan Services Co., Ltd.: Insurance agency, leasing, and real estate related businesses.
- 9) Mikasa Coca-Cola Bottling Co., Ltd.: Food and beverage sales.
- 10) Mikasa Logistics Co., Ltd.: Truck transport business
- 11) Mikasa Service Co., Ltd.: Vending machine-related business including equipment & breakdown handling and hygiene management
- 12) Daisen Beverage Co., Ltd.: Beverage production

(2) Results

1) Interim

(million yen)

	Net sales		Operating income		Recurring profit		Net income	
	H1 Fiscal 2003	H1 Fiscal 2004	H1 Fiscal 2003	H1 Fiscal 2004	H1 Fiscal 2003	H1 Fiscal 2004	H1 Fiscal 2003	H1 Fiscal 2004
Nishinohon Beverage	10,163	10,236	8	△ 85	33	△ 89	△ 7	△ 53
Coca-Cola West Japan Products	3,378	3,030	△ 297	△ 193	△ 296	△ 196	△ 174	△ 119
Coca-Cola West Japan Vending	2,019	2,873	61	14	62	16	33	4
Nishinohon Customer Service	3,295	3,387	120	138	119	135	64	75
Logicom Japan	3,444	4,181	△ 26	△ 21	△ 20	△ 19	3	△ 14
Nichibei	172	167	16	15	17	16	8	8
TakaMasamune	2,480	2,537	70	152	69	151	36	86
West Japan Service	791	517	41	27	43	29	25	16
Mikasa Coca-Cola Bottling	14,176	15,148	△ 412	△ 11	△ 399	18	△ 266	67
Mikasa Logistics	676	542	△ 3	16	△ 3	15	△ 2	21
Mikasa Service	695	608	11	4	11	4	5	3

* Shows each company's business results prior to adjustment for consolidation.

2) Full year

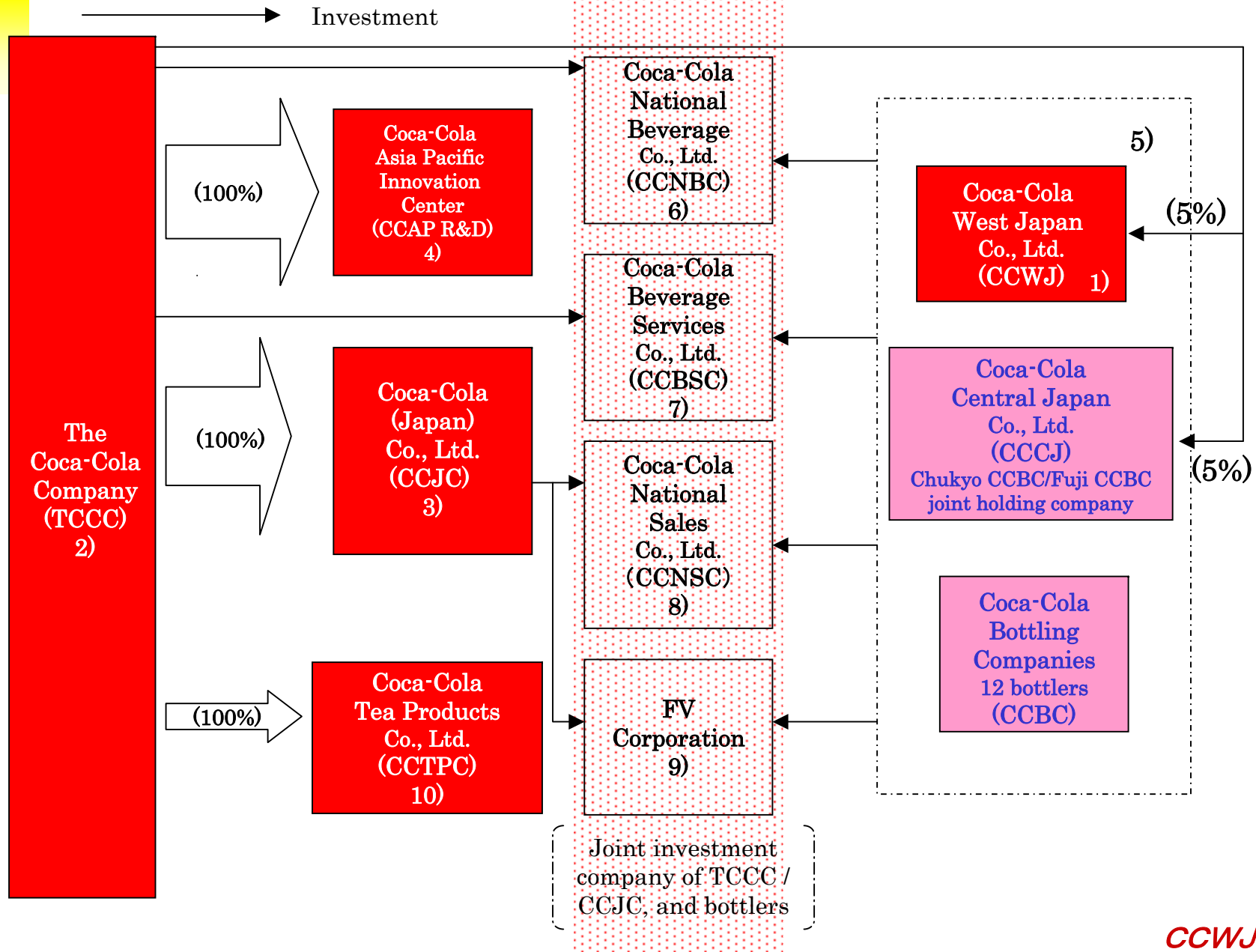
(million yen)

	Net sales		Operating income		Recurring profit		Net Income	
	Fiscal 2003	Fiscal 2004 *	Fiscal 2003	Fiscal 2004 *	Fiscal 2003	Fiscal 2004 *	Fiscal 2003	Fiscal 2004 *
Nishinon Beverage	21,096	21,189	192	64	190	34	△ 253	△ 25
Coca-Cola West Japan Products	6,907	6,673	266	117	268	115	150	58
Coca-Cola West Japan Vending	5,062	6,110	215	64	218	65	116	25
Nishinon Customer Service	6,454	6,773	100	210	100	207	52	107
Logicom Japan	7,883	8,838	158	232	162	234	111	129
Nichibei	366	373	35	48	38	50	20	26
TakaMasamune	5,128	4,733	111	216	102	210	44	117
West Japan Service	1,401	898	59	37	62	41	17	22
Mikasa Coca-Cola Bottling	29,608	31,345	△ 454	255	△ 430	285	△ 2,091	308
Mikasa Logistics	1,297	1,175	5	45	4	44	△ 1	47
Mikasa Service	1,311	1,221	4	30	4	30	△ 19	18

* Figures for 2004 are estimates

* Shows each company's business results prior to adjustment for consolidation.

8. Japan's Coca-Cola System



Coca-Cola group companies and their roles

1. Coca-Cola West Japan Co., Ltd. (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) Co., Ltd. (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 carries out marketing and planning as well as manufacturing and distribution of concentrate in Japan.

4. Coca-Cola Asia Pacific Innovation 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, carries out 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. Carries out promotional activities to reform Japan’s Coca-Cola information 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 vending machine 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 specific 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 (the future core target) such as fast food restaurants, movie theaters, sports arenas, “family restaurants,” and theme parks.

Distributor:

Middleman 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 (product supply, collection of proceeds etc.). 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 customer 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, manufacture, 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.

4. Other

Sales mix

Includes the difference between budget and results because of changes in a product's unit price or brand composition.

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 rate fluctuations in capital markets
- Uncertain factors other than those above