

December 2004
3rd Quarter Financial Results Briefing

October 29, 2004



Coca-Cola West Japan Co., Ltd.

(2579)

Inquiries: PR Division

TEL +81 (0)92-641-8591 FAX +81 (0)92-632-4304

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

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I. Q1 to Q3, 2004 Overview and Full Year Projections

1. Q1 to Q3, 2004 Results in Summary



(1) Sales volume

After a good run from January to July, bad weather (especially typhoons), hit demand in August and September. This resulted in a 1.4% shortfall against the plan, but a 2.8% rise over the previous year's figures.

(2) Consolidated results for Q1 to Q3

Net sales: -0.8% (-¥1.5bn) below management plan; +6.4% (+¥11.6bn) over previous year

Operating income: -1.6% (-¥0.2bn) below management plan; -3.8% (-¥0.5bn) below previous year

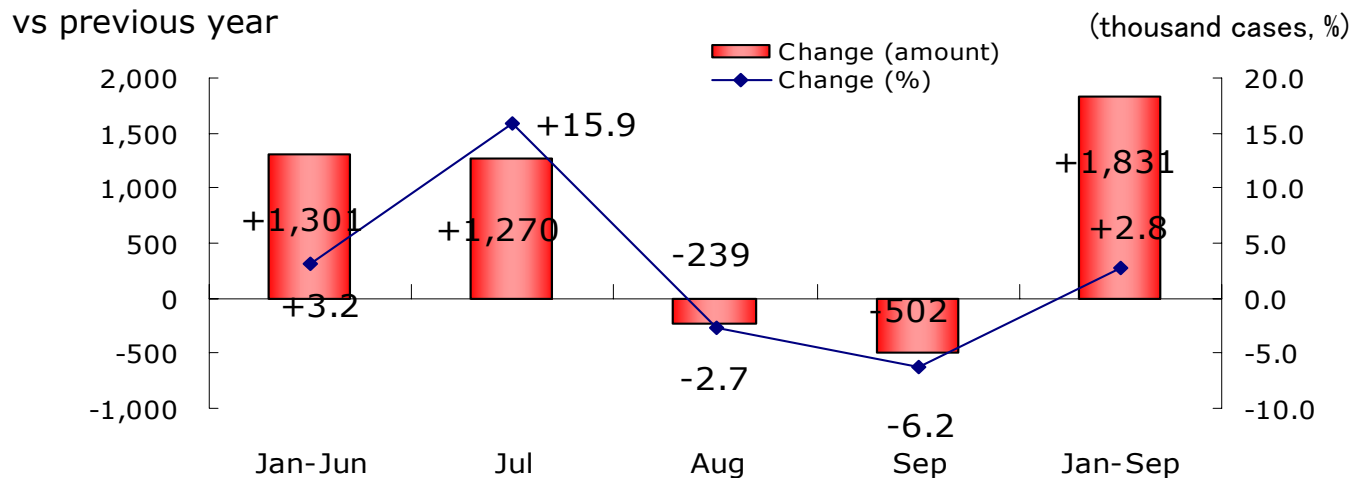
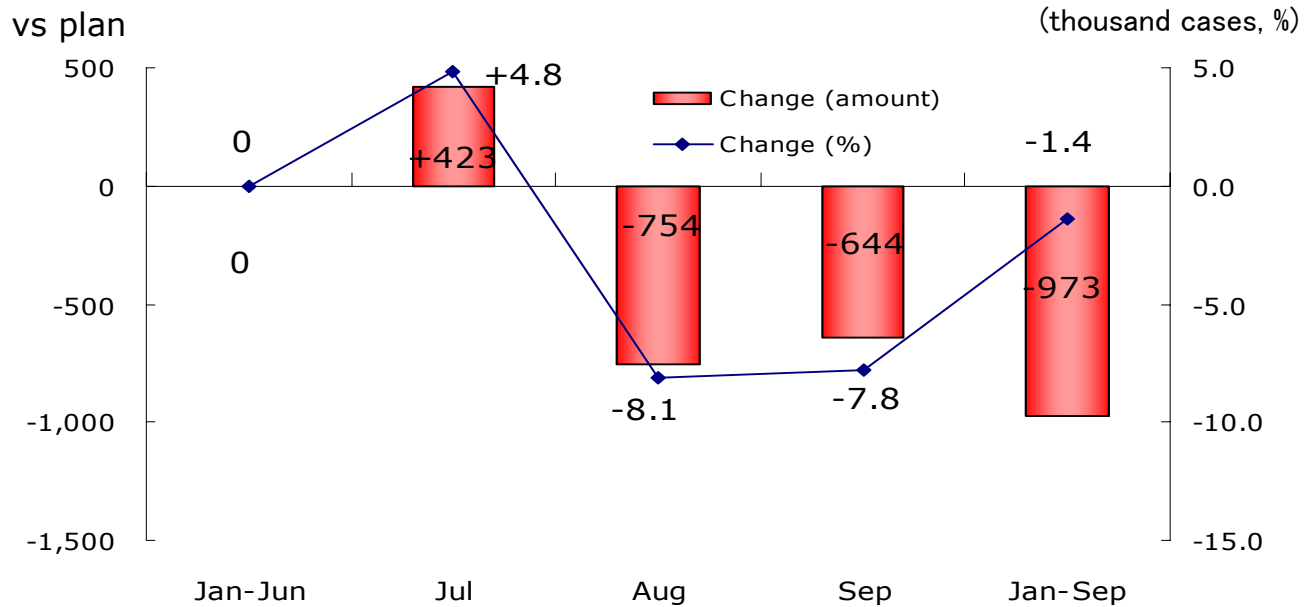
(3) Mikasa CCBC fared well

Sales volume: +1.4% over management plan; +6.4% over previous year

Operating income: +¥240mn over management plan; +¥900mn over previous year

2. Financial Summary and Analysis

(1) Monthly sales volumes in the home area market



(2) Consolidated results for Q1 – Q3, 2004

(million yen, %)

	Q1-Q3 Fiscal 2003	Q1-Q3, fiscal 2004					
		Plan *	Results	vs plan		vs Q1-Q3, fiscal 03	
				Amount	Ratio	Amount	Ratio
Net sales	180,716	193,900	192,305	-1,594	-0.8	11,588	6.4
Operating income	14,929	14,600	14,364	-235	-1.6	-564	-3.8
Recurring profit	15,164	14,700	14,533	-166	-1.1	-630	-4.2
Net income	8,283	8,200	8,094	-105	-1.3	-189	-2.3

*Plan: Based on the full-year projections announced on August 2, 2004

(3) Non-consolidated results for Q1 – Q3, 2004

(million yen, %)

	Q1-Q3 Fiscal 2003	Q1-Q3, fiscal 2004					
		Plan *	Results	vs. plan		vs. Q1-Q3, fiscal 03	
				Amount	Ratio	Amount	Ratio
Net sales	139,242	150,400	147,923	-2,476	-1.6	8,681	6.2
Operating income	13,568	13,200	12,508	-691	-5.2	-1,060	-7.8
Recurring profit	14,024	13,600	12,962	-637	-4.7	-1,062	-7.6
Net income	7,848	7,800	7,279	-520	-6.7	-569	-7.3

*Plan: Based on the full-year projections announced on August 2, 2004

Sales results

(thousand cases, %)

Incl. other bottlers	70,525	75,451	74,709	-742	-1.0	4,184	5.9
Home market	65,072	67,876	66,903	-973	-1.4	1,831	2.8

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

	(million yen)	
Net sales -1,600	• Sales volume decrease	-1,800
	• Sales mix, etc.	-700
	• Transfer from Mikasa CCBC	+600
	• Transfer from affiliates	+300
Operating profit -200	Cost of sales	-900
	• Sales volume decrease	-1,000
	• Sales mix, etc.	-400
	• Transfer from Mikasa CCBC	+300
	• Transfer from affiliates	+200
	Selling, general & administrative	-500
	• Personnel expenses	-400
• Others	-100	
Recurring profit -200	Non-operating income	-
	Non-operating expenses	-
Net income -100	Extraordinary income	-
	Extraordinary losses	+100
	• Damage from typhoons	+100
	Income taxes	-300
	Minority shareholder profit	+100

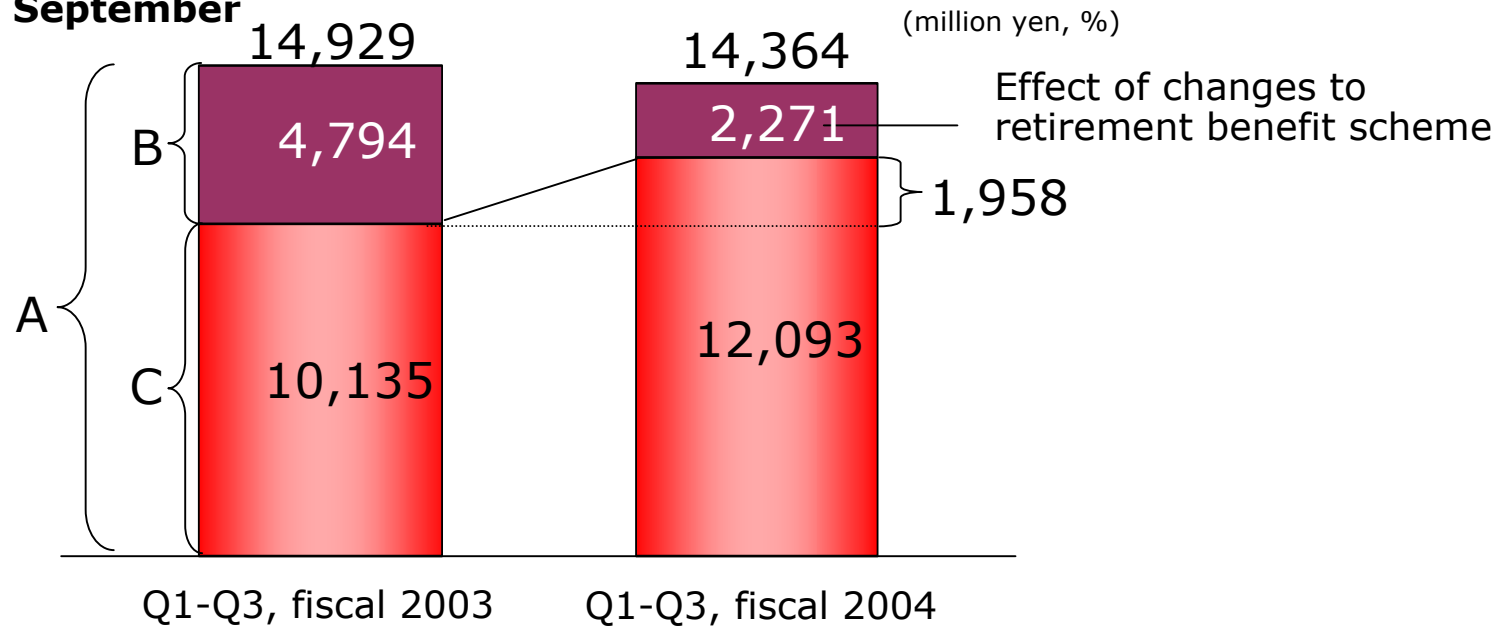
(5) Major reasons for divergence from Q1-Q3, fiscal 2003 (consolidated)

(million yen)

Net sales + 11,600	• Sales volume increase	+7,600
	• Sales mix, etc.	+1,600
Operating profit -500	• Income from consigned orders	+100
	• Transfer from Mikasa CCBC	+2,000
	• Transfer from affiliates	+300
	Cost of sales + 6,400	
	• Sales volume increase	+5,400
Recurring profit -600	• Sales mix, etc.	-100
	• Cost of consigned orders	+200
	• Transfer from Mikasa CCBC	+1,100
	• Transfer from affiliates	-200
	Selling, general & administrative +5,700	
	• Personnel expenses (increased by changes in retirement benefit scheme etc.)	+2,900
	• Sales commissions	+1,400
	• Advertising expenses	+800
	• Outsourcing expenses	+600
	Non-operating income	-
Non-operating expenses	+100	
Net income -200	Extraordinary income	-200
	Extraordinary losses	-400
	• Loss on disposal of products	-300
	• Expenses to adjust to new bank bills	+300
	• Damage from typhoons	+100
	• Consolidation of subsidiaries, etc.	-500
	Income taxes	-500
Minority shareholder profit	+300	

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

January to September



	Q1-Q3, fiscal 03	Q1-Q3, fiscal 04	Change	
			Amount	Ratio
A: Operating income	14,929	14,364	-564	-3.8
B: Effect of changes to retirement benefit scheme	4,794	2,271	-2,523	-52.6
C: A - B	10,135	12,093	1,958	19.3

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

Cost Reduction Program breakdown and achievements

(million yen)

		Results for Jan-Sep	Annual plan
Fall in supply cost of former toll products		948	500
Joint procurement	FC product ¹ materials	390	300
	Sales machine ² purchases	91	200
	Sub-total	481	500
Total		1,429	1,000

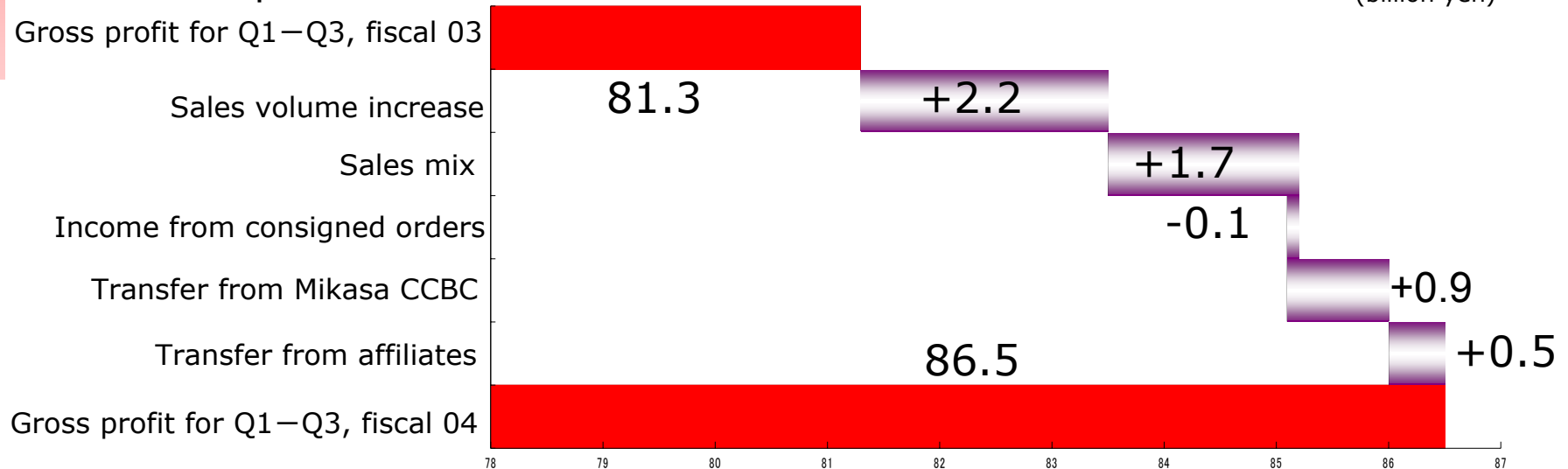
1 Cans, PET bottles, bottle caps, cardboard, etc.

2 All types of machine, including can vending machines, CVM equipment, and syrup dispensers.

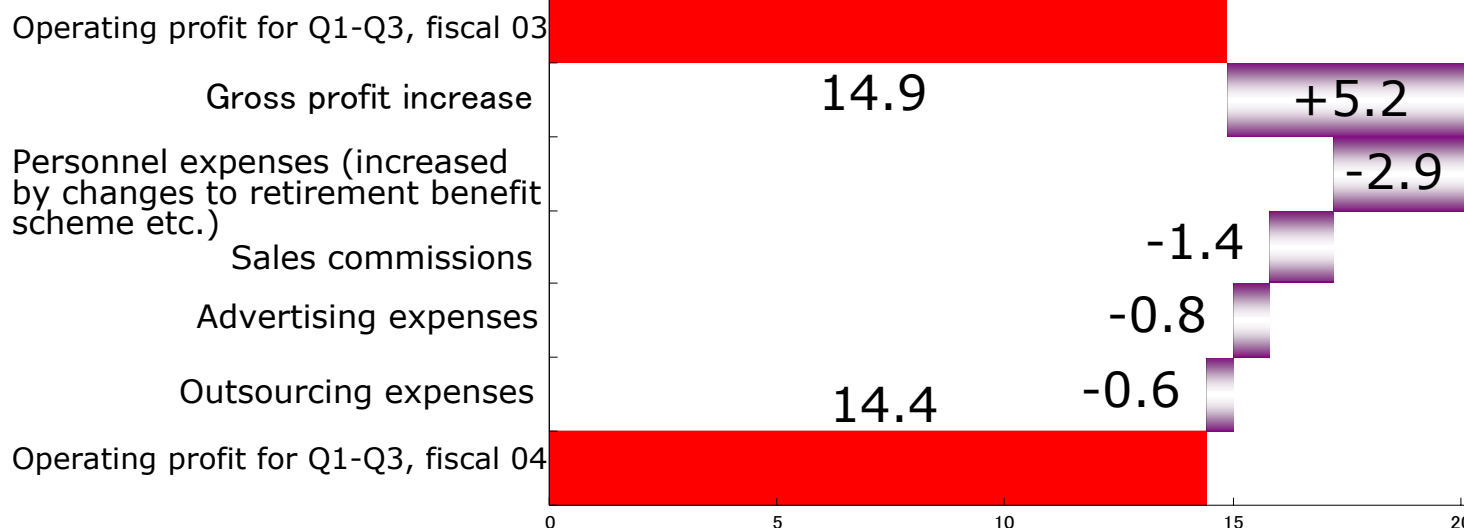
Reference 3: Consolidated gross profit & operating income

<Gross profit>

(billion yen)



<Operating profit>



3. Full-year Projections



(1) Consolidated

(million yen, %)

	Fiscal 2003 Results	Fiscal 2004		
		Forecast	vs fiscal 2003	
			Amount	Ratio
Net sales	240,825	255,000	14,174	5.9
Operating income	19,638	18,000	-1,638	-8.3
Recurring profit	19,895	18,300	-1,595	-8.0
Net income	9,380	10,000	619	6.6

(2) Non-consolidated

(million yen, %)

	Fiscal 2003 Results	Fiscal 2004		
		Forecast	vs fiscal 2003	
			Amount	ratio
Net sales	186,176	199,000	12,823	6.9
Operating income	17,881	16,300	-1,581	-8.8
Recurring profit	18,323	16,700	-1,623	-8.9
Net income	10,259	9,200	-1,059	-10.3

Sales plan

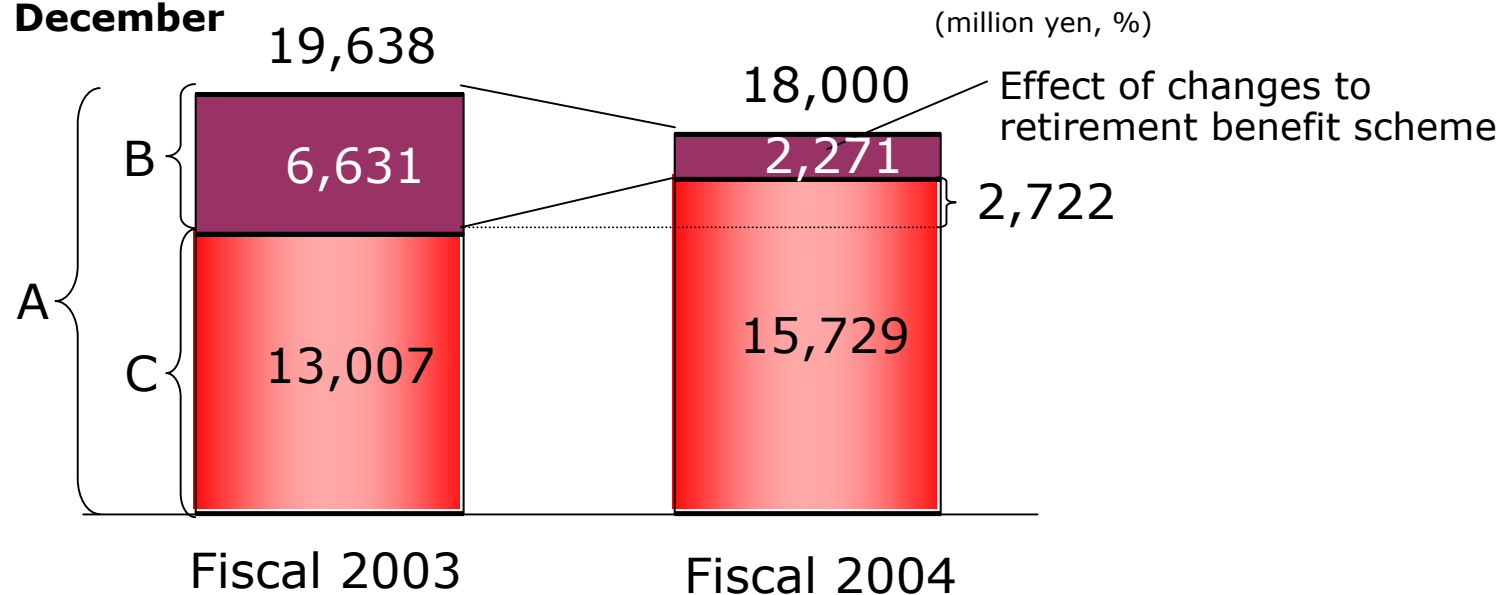
(thousand cases, %)

Incl. other bottlers	94,219	99,117	4,898	5.2
Home area market	86,025	88,978	2,953	3.4

Reference 1: Consolidated operating income

(excluding effect of changes to retirement benefit scheme)

January to December



	Fiscal 2003 Results	Fiscal 2004 Forecast	Change	
			Amount	ratio
A: Operating income	19,638	18,000	-1,638	-8.3
B: Effect of changes to 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



Consolidated results

(1) January to September, fiscal 2004

(million yen, %)

	Q1-Q3 2003	Q1-Q3, 2004					
		Plan	Results	vs. plan		vs. Q1-Q3, fiscal 2003	
				Amount	Ratio	Amount	Ratio
Net sales	22,899	24,336	24,951	615	2.5	2,051	9.0
Operating income	-344	316	555	239	75.6	900	-
Recurring profit	-354	323	563	240	74.2	918	-
Net income	-182	183	339	155	84.8	522	-

Sales results

(thousand cases, %)

Home area market	11,566	12,130	12,305	175	1.4	739	6.4
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(2) Forecast for 2004

(million yen, %)

	2003 Full-year results	Fiscal 2004		
		Forecast	vs fiscal 2003	
			Amount	Ratio
Net sales	30,014	31,670	1,656	5.5
Operating income	-443	266	709	-
Recurring profit	-451	260	711	-
Net income	-1,432	105	1,537	-

Sales results

(thousand cases, %)

Home area market	15,220	15,803	583	3.8
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II. Marketing Activities

1. Market Conditions



(1) Nationwide

*Source: Inryo Soken

Change from 2003 by manufacturer (%)

	<u>Whole market</u>	<u>Coca-Cola</u>	<u>Suntory</u>	<u>Kirin</u>	<u>Itoen</u>	<u>Asahi</u>	<u>Otsuka</u>
Jul-Sep	+10%	+8%	+19%	+10%	+14%	+14%	+9%
Jan-Sep	+6%	+5%	+12%	+8%	+14%	+9%	+4%

(2) CCWJ's home area market

	<u>vs 2003 (estimate)</u>	<u>CCWJ's share</u>
Jul-Sep	+9.4%	26.9% (- 1.9 percentage points)
Jan-Sep	+7.0%	28.5% (- 1.8 percentage points)

*Source: Store Audit, Intage, Inc. (see p.38)

(3) Best-selling brands (July to September)

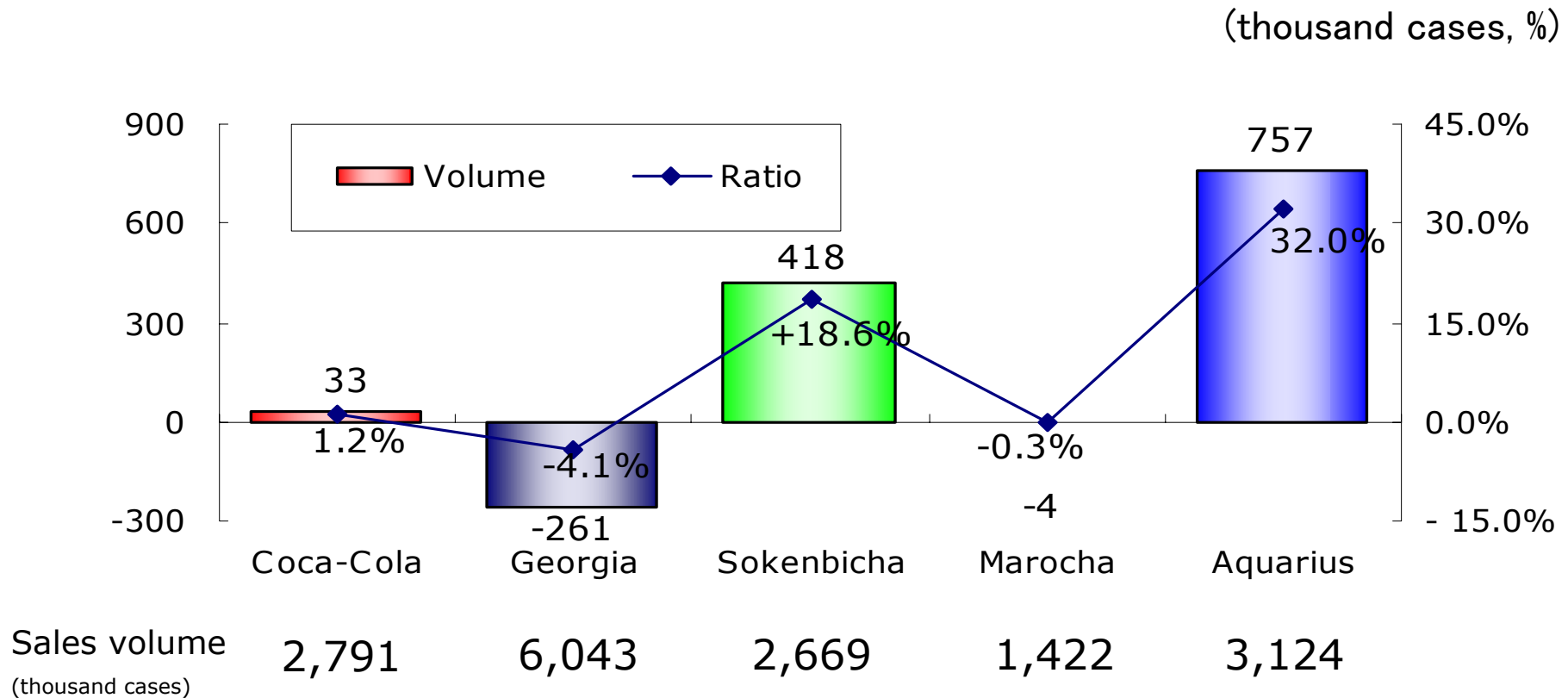
(percentage points)

	Supermarkets	Convenience stores	Retailers	Drugstores
Suntory	Iuemon +2.0	Iuemon +3.0		Amino-shiki +2.1
	Tennensui +0.4	Gatorade +0.5		Catechin-shiki +1.0
	Gatorade +0.3	Tennensui +0.1		Iuemon +0.8
	Amino-shiki +0.1	Oolong-cha +0.1		Tennensui +0.7
Itoen	Oio-cha Ryokucha +0.3		Oio-cha Ryokucha +0.7	Oio-cha Ryokucha +5.0
	Kinno Oolong Cha+0.1		Kinno Oolong Cha+0.1	Kinno Oolong Cha+1.3
Asahi	Tocho Oolong +0.3	Mitsuya Cider +0.4	Tocho Oolong +0.4	
	Mitsuya Cider +0.4	Bireley's +0.2	Mitsuya Cider +0.7	
	Dodekamin +0.1	Dodekamin +0.1	Fukigen +0.1	
	Wonda +0.1	Tocho-oolong +0.1	Dodekamin +0.1	
Calpis	Blendy +0.6		Blendy +0.2	Amino V Water +0.6
	Calpis Soda +0.1		Calpis +0.1	Calpis Soda +0.3
			Calpis-soda +0.1	Blendy +0.3
DyDo	Fukkokudo (lactic acid) +0.1	Fukkokudo +0.1	Fukkokudo +0.1	
	Demidasu +0.1	Cho-nodogoshi Sweety +0.1	Demidasu +0.1	
	Demidasu +0.1	Kajitusde-bihappou+0.1	Cho-nodogoshi Sweety +0.3	
Kao		Healthier Ryokucha+1.8		
Others	PB Ryokucha +0.2	Ukon no Chikara +0.4	Snow brand coffee+0.4	
	PB Oolong Cha +0.6	Sawayaka Lemon Sui+0.3	Sujata coffee +0.2	
		Glico Kaju +0.2	Nokyo Kaju +0.2	
*Marocha	1.8% ▶ 1.6% (-0.2)	1.4% ▶ 1.1% (-0.3)	3.4% ▶ 3.2% (-0.2)	0.9% ▶ 0.8% (-0.1)

2. Flagship Brands (July to September)

(1) Flagship sales trends

- Change over the same period in fiscal 2003 (volume/ratio)

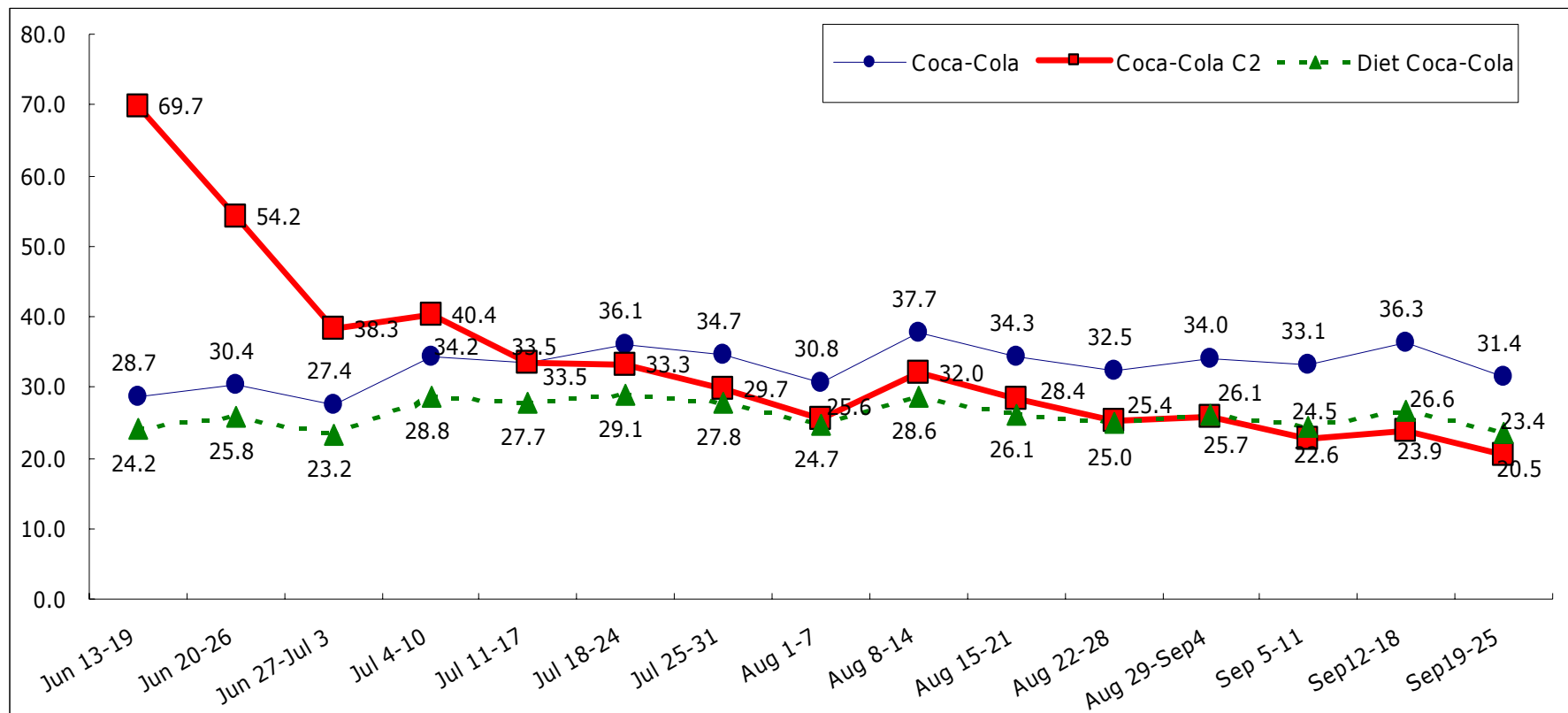


(2) New Product Topics

A. Coca-Cola C2

Weekly sales of 300ml Coca-Cola branded bottle cans per vending machine

(cans)



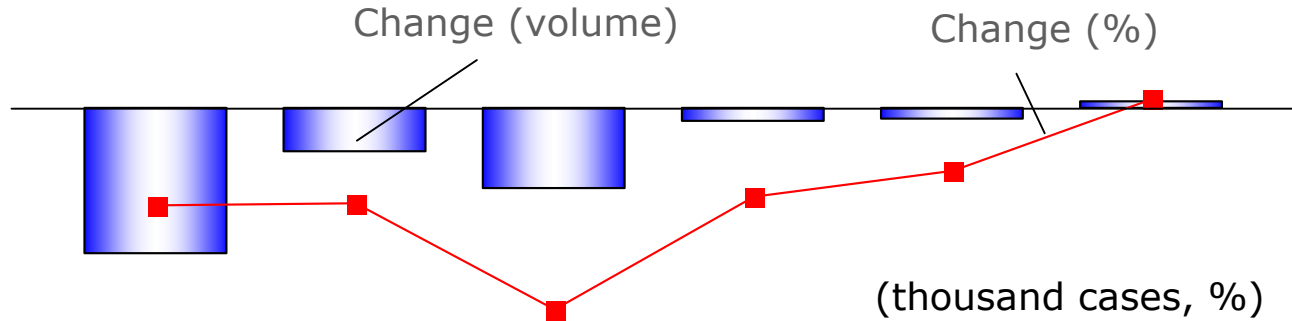
B. New area products

	Sales volume (thousand cases)										September (per machine)
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Q1-Q3	
Haruno-mint-shukan (hay fever remedy)	16	5	2	1						23	—
Sky Malt (beer taste)			5	9	2	1	2	2	1	23	610
Soka Happo (chu-hi taste)					9	2	1	1		14	370
Morning Deli (jelly-type drink)				37	46	23	24	26	21	178	3,480
Body Style Water (fragrant diet drink developed in collaboration with Shiseido)				21	9	3	1			34	160
Sasso (blood glucose controlled /health maintenance drink)					35	19	15	10	7	85	10,730
theWellness (packs of 3 mini bottle (calcium supplement/beauty /health-care)					49	8	4	5	1	67	470
Power Aid (soybean peptide)							14	12	8	34	3,410

3. Distribution Channels (July to September)

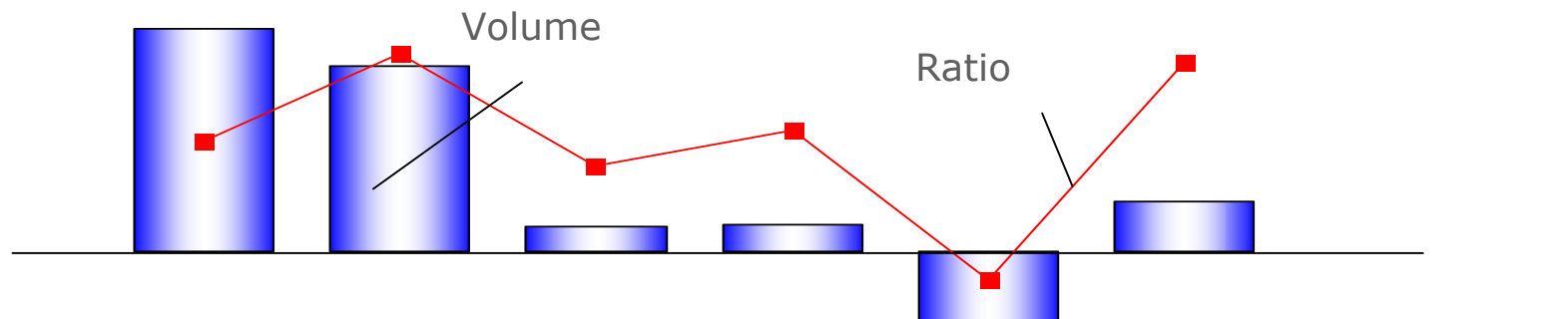


(1) Sales volume vs plan



	Overall	Vending machines	Chain stores	Convenience stores	Retailers	Food services
Volume	-974	-301	-537	-89	-86	37
Ratio	-3.7%	-3.6%	-8.9%	-3.3%	-2.0%	1.6%

Change since Q3, fiscal 03



	Overall	Vending machines	Chain stores	Convenience stores	Retailers	Food service
Volume	530	444	58	65	-165	119
Ratio	2.1%	5.8%	1.1%	2.6%	-3.7%	5.4%

(2) Chain stores

Breakdown by package

- ▶ A new type of 1-liter PET square bottle launched

	Fiscal 2002 Results	Fiscal 2003 Results	Jan to Sep 04 Results	Fiscal 2004 Target
2L PET	43%	42%	42%	37%
1.5L PET	21%	20%	19%	18%
1.0L PET	-	-	1%	3%
500ml PET	14%	15%	17%	16%
Others	22%	23%	21%	26%
Total	100%	100%	100%	100%

4. Action Plan



(1) A full-scale, comprehensive, aggressive campaign for the autumn/winter season

(1) Promote Georgia campaign for a winter triumph in the canned coffee war

Vending machines, convenience stores, and retailers

- Rapidly develop new and renewal items
- Strengthen established products
 - Improve delivery efficiency (adapt products for the target area)
 - Place Georgia in 50% of vending machine columns
- Promote comprehensive consumer campaigns
 - Number Challenge (Nov 1-Jan 31)
 - Lucky Cap Promotion (from Nov 29)

Supermarkets

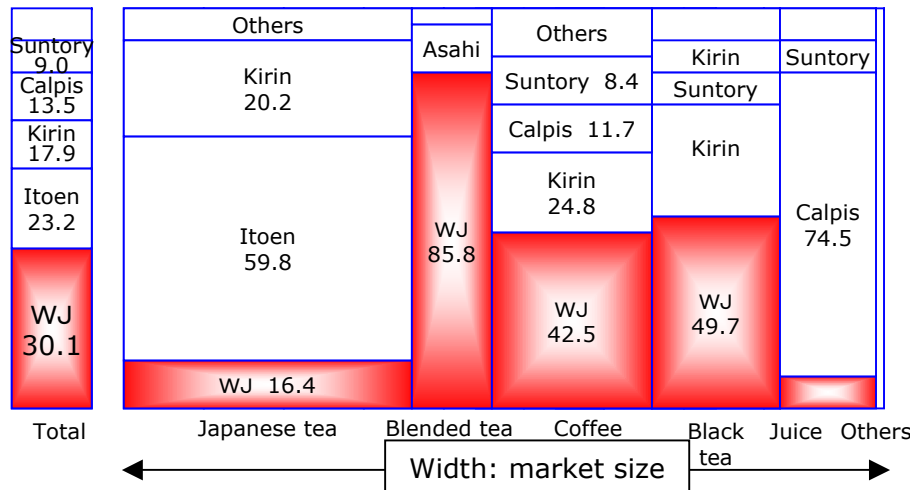
- Strengthen product lineup
 - Increase key sales bases by introducing “warmers” (small show cases)
- Promote bulk sales
 - Give free tote bag with each case and strengthen case-volume sales

(2) Promote small PET bottles (heated)

A. Home market share of hot PETs

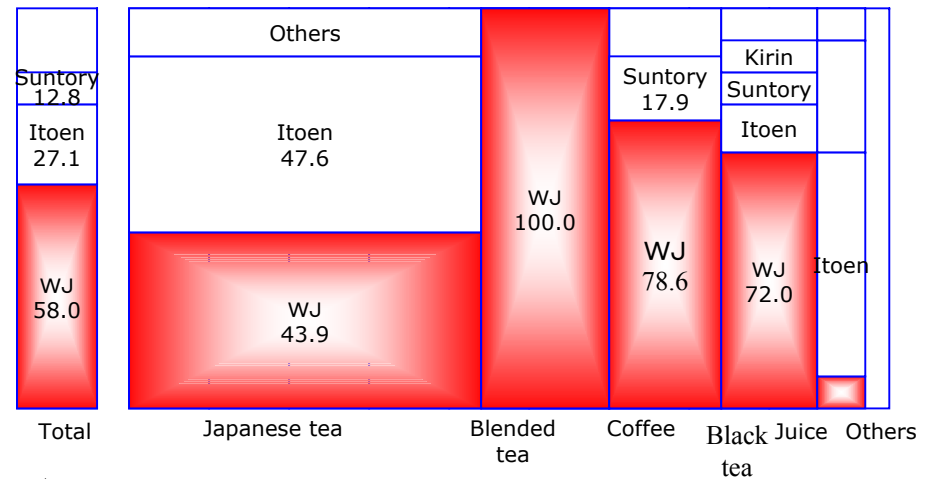
◆ Overall (Sep 03-Mar 04)

*Data: Intage, Inc.

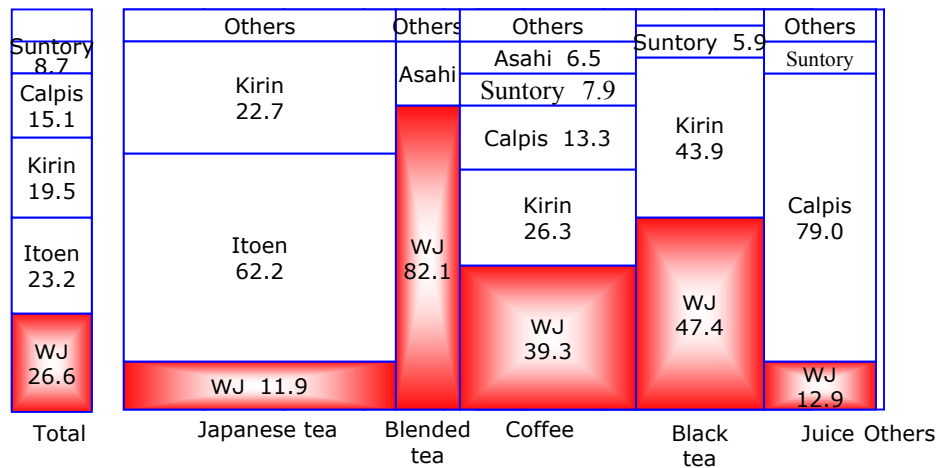


◆ Supermarkets

*Data: Intage, Inc.

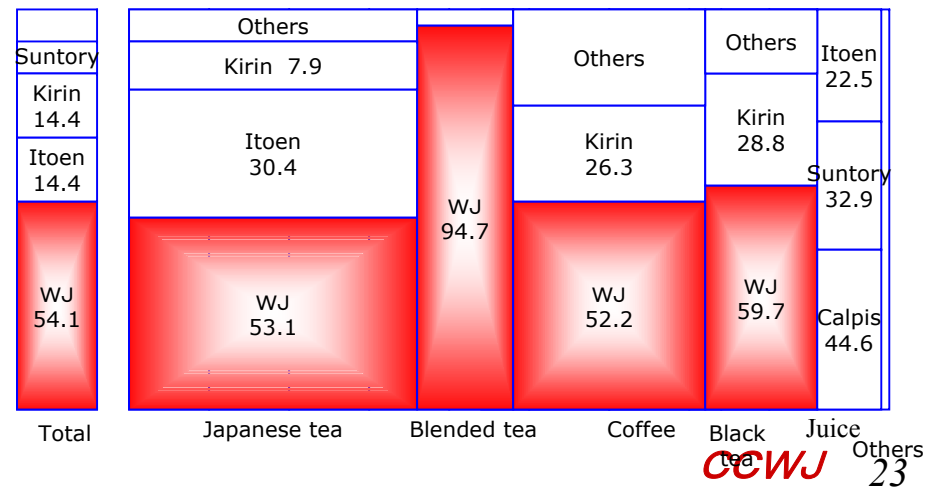


◆ Convenience stores



◆ Retailers

*Data: Intage, Inc.



B. Promotion plan

	Supermarkets	Convenience stores	REG retailers (face-to-face)	Vending machines (REG+FS)
Product varieties	Sales expansion of new Sokenbicha and Marocha products			
	5 varieties (4 in fiscal 03)	7 varieties (6 in fiscal 03)	5 varieties (5 in fiscal 03)	4 varieties (2 in fiscal 03)
Change in sales channels (from Q1-Q3, fiscal 2003)	900 stores (no change from fiscal 03)	4,000 stores (no change from fiscal 03)	2,000 stores (no change from fiscal 03)	33,000 machines (12,000 machines in fiscal 03)
Sales plan (Q4, fiscal 2004)	60,000 cases (40,000 for Q3, 03)	350,000 cases (270,000 for Q3, 03)	80,000 cases (60,000 for Q3, 03)	210,000 cases (70,000 for Q3, 03)
Total: 700,000 cases (440,000 for Q3, fiscal 03)				



(3) Coca-Cola C2

- Reposition 3 Coca-Cola brands (Coca-Cola, Coca-Cola C2 and Diet Coca-Cola)

(4) New product categories

- Readjust product lineup and marketing strategy

(5) Review approaches to chain stores and supermarkets

- Maintain profitable sales activities
- Take initiatives to build new business models, including:

Strengthening and expanding cost structures, sales (delivery price) operations, administration, organization, and innovative proposals.

Appendix

1. Financial Statements



(1) Consolidated statement of income for Q1-Q3, fiscal 2004

(million yen, %)

	Q1 - Q3 (Jan - Sep)				Q3 (Jul - Sep)			
	Fiscal 2003		Fiscal 2004		Fiscal 2003		Fiscal 2004	
	Results	Ratio to net sales	Results	Ratio to net sales	Results	Ratio to net sales	Results	Ratio to net sales
Net sales	180,716	100.0	192,305	100.0	67,599	100.0	72,455	100.0
Cost of sales	99,403	55.0	105,829	55.0	37,093	54.9	39,792	54.9
Gross profit	81,312	45.0	86,476	45.0	30,505	45.1	32,662	45.1
Selling, general & admin. exp.	66,383	36.7	72,111	37.5	23,235	34.4	26,592	36.7
Operating income	14,929	8.3	14,364	7.5	7,270	10.8	6,070	8.4
Non-operating income	833	0.5	828	0.4	233	0.3	265	0.4
Non-operating expenses	599	0.3	660	0.3	187	0.3	189	0.3
Recurring profit	15,164	8.4	14,533	7.6	7,316	10.8	6,145	8.5
Extraordinary income	231	0.1	64	0.0	0	0.0	0	0.0
Extraordinary losses	940	0.5	548	0.3	119	0.2	337	0.5
Income before income taxes	14,455	8.0	14,049	7.3	7,197	10.6	5,808	8.0
Income taxes	6,233	3.4	5,747	3.0	3,048	4.5	2,246	3.1
Minority interests (profit/loss)	-62	0.0	207	0.1	17	0.0	193	0.3
Net income	8,283	4.6	8,094	4.2	4,131	6.1	3,368	4.6

(2) Consolidated statement of income (full year)

(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 & 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 (profit/loss)	-695	-0.3	130	0.1
Net income	9,380	3.9	10,000	3.9

(3) Consolidated balance sheets: assets

(million yen)

	Dec 31, 2003	Sep 30, 2004	Change	Reasons for changes
Current assets	57,134	58,397	1,263	
Cash and deposits	15,295	15,363	68	
Trade notes & a/c receivable	13,175	13,129	-46	
Marketable securities	7,141	6,628	-512	
Inventories	12,570	12,061	-509	Stock reduced
Other current assets	9,069	11,299	2,229	
Allowance for doubtful a/c	-118	-85	33	
Fixed assets	147,045	148,720	1,674	
Property, plant, and equipment	86,982	87,975	992	
Buildings and other structures	18,852	18,051	-800	
Machinery, equipment, & vehicles	14,674	14,669	-5	
Sales equipment	17,740	18,893	1,152	More machinery purchased
Land	34,722	34,793	70	
Other property, plant, & equipmet	992	1,568	576	
Intangible assets	2,718	2,494	-223	
Goodwill on consolidation	118	55	-62	
Other intangible assets	2,599	2,438	-160	
Investments & other assets	57,344	58,250	905	
Investment securities	40,636	38,189	-2,446	Bond trust disposal
Prepaid pension expenses	13,306	16,630	3,324	} Reversal of retirement benefit expenses related to past service obligations in accordance with new retirement benefit scheme adopted in Apr 2003
Other assets	3,666	3,615	-51	
Allowance for doubtful a/c	-264	-186	78	

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



(million yen)

	Dec 31, 2003	Sep 30, 2004	Change	Reasons for changes
Current liabilities	23,853	24,101	248	
Notes and a/c payable	8,950	8,034	-916	
LT debt due within 1 year	203	203	-	
Income tax payable	2,924	2,827	-96	
Other a/c payable	5,426	5,683	257	
Notes payable for equipment	667	30	-637	
Other current liabilities	5,681	7,322	1,641	
Long-term liabilities	10,595	11,757	1,162	
Liabilities for retirement benefits	3,394	3,166	-227	
Liabilities for directors' retirement	323	330	6	
Other long-term liabilities	6,877	8,260	1,382	
Total liabilities	34,449	35,859	1,410	
Minority interests	4,276	4,489	212	
Common stock	15,231	15,231	-	
Additional paid-in capital	35,399	35,400	0	
Retained earnings	122,372	127,379	5,006	
Net unrealized gains on securities	411	644	233	
Treasury stock	-7,960	-11,887	-3,927	Treasury stock repurchased
Total shareholders' equity	165,454	166,768	1,313	
Total liabilities, minority interests, and shareholders' equity	204,180	207,117	2,937	

(4) Consolidated statement of cash flows

(million yen)

	Q1-Q3 fiscal 2003	Q1-Q3 fiscal 2004	Projection fiscal 2004
Net cash provided by operating activities	13,382	16,509	24,143
Net cash used in investing activities	-15,177	-10,944	-16,354
Net cash used in financing activities	-11,103	-6,984	-6,977
Cash and cash equivalents at the end of period	22,507	20,450	22,681

2. Sales Volumes



(1) By brand

(thousand cases, %)

	Q1-Q3			Q3		
	2003	2004	'04/'03	2003	2004	'04/'03
Georgia	6,801	6,973	2.5	2,758	2,791	1.2
Coca-Cola	19,434	19,263	-0.9	6,304	6,043	-4.1
Sokenbicha	5,123	5,968	16.5	2,251	2,669	18.6
Aquarius	5,253	6,068	15.5	2,367	3,124	32.0
Marocha	3,280	3,557	8.4	1,426	1,422	-0.3
Fan	1,012	790	-22.0	458	290	-36.7
Fanta	3,174	3,585	12.9	1,310	1,469	12.1
Canada Dry	697	746	7.1	278	300	7.9
Real Gold	936	947	1.2	380	383	0.8
Qoo & Hi-C	1,461	1,553	6.3	572	634	10.8
Mori no Mizu Dayori	1,513	1,662	9.9	722	670	-7.2
Kochakaden	1,416	1,500	5.9	401	449	12.0
Others	3,326	2,485	-25.3	1,330	778	-41.5
Subtotal	53,426	55,097	3.1	20,557	21,022	2.3
Syrup, powder, food, etc.	11,646	11,806	1.4	4,299	4,364	1.5
Total	65,072	66,903	2.8	24,856	25,386	2.1

Note: Excludes sales from other bottlers

(2) By package

(thousand cases, %)

		Q1-Q3			Q3		
		2003	2004	'04/'03	2003	2004	'04/'03
Bottles	Returnable	438	442	1.0	165	165	0.0
	One-way	427	339	-20.6	126	123	-2.4
	Subtotal	865	781	-9.6	291	288	-1.0
PET	350ml	2,468	3,497	41.7	989	1,440	45.6
	500ml	8,299	9,189	10.7	3,578	3,994	11.6
	1000ml	320	440	37.5	168	228	35.7
	1500ml	3,181	3,181	0.0	1,173	1,166	-0.6
	2000ml	6,786	6,986	3.0	3,120	3,102	-0.6
	Subtotal	21,054	23,293	10.6	9,029	9,931	10.0
Cans	200ml	16,799	18,047	7.4	5,617	5,803	3.3
	250ml	1,904	1,726	-9.4	702	626	-10.8
	280ml	5,436	2,947	-45.8	1,958	677	-65.4
	350ml	2,395	1,414	-41.0	741	479	-35.4
	500ml	1,375	1,323	-3.8	537	573	6.7
	Subtotal	27,909	25,457	-8.8	9,555	8,159	-14.6
Bottle cans		3,235	4,990	54.3	1,514	2,384	57.5
Others		363	576	58.6	168	260	54.8
Syrup, power, food		11,646	11,806	1.4	4,299	4,364	1.5
Total		65,072	66,903	2.8	24,856	25,386	2.1

Note: Excludes sales from other bottlers

(3) By channel

(thousand cases, %)

	Q1-Q3		
	2003	2004	'04/'03
Vending machines	20,344	21,797	7.1
Chain stores	12,886	13,363	3.7
CVS & retailers	18,989	18,582	-2.1
CVS	7,153	7,440	4.0
Retailers	11,835	11,142	-5.9
Food services	5,475	5,841	6.7
Distributors	1,304	1,362	4.4
Others	6,074	5,958	-1.9
Total	65,072	66,903	2.8

Q3		
2003	2004	'04/'03
7,600	8,044	5.8
5,451	5,509	1.1
6,958	6,858	-1.4
2,508	2,573	2.6
4,450	4,285	-3.7
2,200	2,319	5.4
499	542	8.6
2,148	2,114	-1.6
24,856	25,386	2.1

Note: Excludes sales from other bottlers

(4) New/renewal product sales

(1) No. of product types

(thousand cases)

	Q1-Q3 2003	Q1-Q3 2004	Q3 2003	Q3 2004
New products	83	93	13	16
Renewals	44	83	2	14
Total	127	176	15	30
Sales volume	15,004	23,783	552	1,128

(2) New products and renewals for 2004

Q1-Q3

(thousand cases)

	Product	Launch	Sales vol
1	Georgia Emerald Mountain 190g can	Feb	2,318
2	Aquarius 2,000ml PET	Feb	2,309
3	Sokenbicha 500ml PET	Feb	1,836
4	Sokenbicha 2,000ml PET	Feb	1,523
5	Marocha Chabanoko 500ml PET	Mar	1,263
6	Aquarius 500ml PET	Feb	1,250
7	Marocha Chabanoko 280ml PET	Mar	693
8	Aquarius 300ml bottle can	Feb	662
9	Georgia Café Latte 190g can	Apr	644
10	Aquarius 500g can	Feb	594

Q3

(thousand cases)

	Product	Launch	Sales vol
1	Georgia European Blend 190g can	Sep	216
2	Georgia Emblem Black 190g can	Aug	203
3	Georgia Milk & Bitter 190g can	Sep	203
4	Georgia Café au Lait 250ml can	Sep	88
5	FRESS 280ml PET	Jul	72
6	Fanta White Strawberry 500ml PET	Aug	43
7	URUN 280ml PET	Jul	37
8	FRESS 500ml PET	Jul	36
9	POWERADE 350ml PET	Jul	34
10	Qoo Grapefruit Blend 1,500ml PET	Sep	27

3. Vending Machine Installation



(1) Vending machines installed

(machines)

		CCWJ		Chugoku region		Kyushu region	
		Dec 31, 2003	Sep 30, 2004	Dec 31, 2003	Sep 30, 2004	Dec 31, 2003	Sep 30, 2004
Under assets	For regular cans	34,165	34,627	17,311	18,194	16,854	16,433
	Full service	89,369	91,593	36,214	37,824	53,155	53,769
	Cup machines	7,562	6,990	5,541	5,157	2,021	1,833
	Subtotal	131,096	133,210	59,066	61,175	72,030	72,035
Machines sold (cans)		4,056	2,885	1,937	1,293	2,119	1,592
Total		135,152	136,095	61,003	62,468	74,149	73,627

(2) Predatory

(machines)

	CCWJ		Chugoku region		Kyushu region	
	Sep 31, 2003	Sep 30, 2004	Sep 31, 2003	Sep 30, 2004	Sep 31, 2003	Sep 30, 2004
Predatory	2,861	3,571	624	1,298	2,237	2,273

(3) Market share

(%)

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

Note: The "in market" share represents the aggregate market share in the cities of Fukuoka, Kita-kyushu, Nagasaki, Hiroshima, Okayama and Matsue. (Source: Nielsen Open Market Vending Machine Survey, conducted annually in June).

(4) Equipment numbers



(machines)

		Dec 31, 2003	Q1-Q3, 2004		Sep 30, 2004
			Installed	Withdrawn	
*1 Regular (free issue)		36,108	2,448	3,929	34,627
FS	*2 UGVCCS	1,370	1,157	4	2,523
	*3 C-mode	310	36	1	345
	*4 CV	35	94	0	129
	Ordinary	87,654	7,162	6,220	88,596
Subtotal		89,369	8,449	6,225	91,593
Regular (sold)		4,056	0	1,171	2,885
Cup machines		7,562	277	849	6,990
Subtotal		137,095	11,174	12,174	136,095
Dispensers		12,187	1,805	1,682	12,310
Total		149,282	12,979	13,856	148,405

*1. The figure as of Dec. 31, 2003 includes 1,943 machines transferred from Nishinon Beverage Co., Ltd.

*2. Upgraded VCCSs: Value-added, sales-supporting vending machines equipped with promotional, remote-controlled heater/cooler, and other functions.

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

*4. Communication vending machine: data supply type.

4. Home Market Share



(1) About Instage Store Audit

Outline

- ◆ A market-wide estimation based on point-of-sale (POS) and stock data collected at sample stores.

Planning outline

- (1) Target business: Home (domestic consumption) market, covering supermarkets, convenience stores, retailers such as liquor shops and grocery stores, and drugstores.
- (2) No. of sample stores: 640 in the CCWJ region.
- (3) Data source: POS data and inventory surveys.
- (4) Data type: sales data, including share, volume, number, amount and average price of product sold.
- (5) Note: The audit covers the home market only, accounting for an estimated 37% of the overall market, inclusive of sales by vending machines.

(2) Home market share by manufacturer (Q1-Q3)

(%)

	CCWJ		Chugoku region		Kyushu region	
	2003	2004	2003	2004	2003	2004
CCWJ	30.3	28.5	28.8	27.2	32.0	29.9
Competitors	69.7	71.5	71.2	72.8	68.0	70.1
Suntory/Pepsi	11.8	12.1	11.7	12.0	11.9	12.2
Kirin	9.2	8.6	9.3	8.7	9.1	8.5
Asahi	4.2	4.6	4.1	4.4	4.4	4.8
Sapporo	0.7	0.7	0.6	0.6	0.8	0.8
Otsuka	4.8	4.4	4.9	4.5	4.7	4.3
Itoen	4.7	5.1	4.4	4.7	5.1	5.5
DyDo	0.7	0.7	1.0	1.0	0.4	0.4
JT	1.0	0.5	1.0	0.5	0.9	0.4
UCC	1.0	0.9	1.5	1.2	0.6	0.5
Calpis	4.4	4.6	4.4	4.8	4.4	4.4
Others	27.2	29.3	28.3	30.4	25.7	28.3

(Source: Intage Store Audits)

Note: The "home market share" is a manufacturer's share of sales at supermarkets, convenience stores, liquor shops, and grocery stores.

(3) Home market share by category (Q1-Q3)

(%)

	CCWJ		Chugoku region		Kyushu region	
	2003	2004	2003	2004	2003	2004
Total	30.3	28.5	28.8	27.2	32.0	29.9
Carbonates	53.7	53.1	53.5	54.0	53.9	52.4
Cola	77.2	79.4	76.3	77.0	78.3	81.9
Carbonic water	6.3	7.1	5.0	6.2	7.6	8.0
Flavored	59.7	61.1	60.9	65.4	58.3	56.5
Fruit juices	11.9	9.0	13.2	10.0	10.4	7.8
Coffees	30.9	27.0	25.0	21.7	38.1	33.4
Canned coffees	68.1	69.0	58.7	59.1	77.8	79.2
Teas	30.7	27.6	31.0	27.9	30.5	27.4
Chinese	15.1	13.4	15.2	13.2	14.9	13.6
Black	17.1	15.6	15.5	14.3	19.6	17.6
Japanese	16.5	12.8	15.4	11.0	17.4	14.4
Blended	77.3	81.6	75.7	80.6	79.2	83.2
Sports drinks	53.2	53.3	54.0	53.6	52.1	52.8
Fitness drinks	10.1	6.3	10.1	6.0	10.0	6.7
Lactic drinks	14.9	5.8	12.8	4.9	18.2	7.6
Mineral water	24.3	25.8	12.2	14.4	33.2	34.8

(Source: Intage Store Audits)

Note: The "home market share" is a manufacturer's share of sales at supermarkets, convenience stores, liquor shops, and grocery stores.

(4) Home market share by industry (Q1-Q3)

(%)

	CCWJ		Chugoku region		Kyushu region	
	2003	2004	2003	2004	2003	2004
Total	30.3	28.5	28.8	27.2	32.0	29.9
Supermarkets	28.0	26.9	26.2	25.7	30.3	28.4
Convenience stores	24.3	23.1	25.1	24.1	23.6	22.2
Liquor stores	47.9	42.9	42.9	37.6	54.2	50.0
Grocery stores	50.7	49.9	50.1	44.8	51.2	53.6
Drug stores	16.8	15.9	10.6	10.7	29.8	26.6

(Source: Intage Store Audits)

Note: The "home market share" is 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)

		01-Oct	Nov	Dec	01-Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
CCWJ	Share	30.7	30.7	32.1	32.1	30.3	30.1	29.5	29.0	27.7	26.9	27.2	26.5
	Change	-2.0	-3.2	-2.5	-2.1	-2.0	-2.9	-1.4	-1.5	-0.9	-1.0	-1.9	-2.7
Chugoku region	Share	29.5	29.6	30.5	30.4	28.6	28.2	27.9	27.8	26.3	26.0	26.5	25.1
	Change	-1.1	-2.6	-3.2	-2.2	-1.9	-3.1	-1.2	-0.8	-0.3	-0.9	-1.7	-2.7
Kyushu region	Share	31.9	32.0	33.7	33.8	32.1	32.1	31.2	30.4	29.2	27.9	28.0	28.1
	Change	-2.9	-3.8	-1.8	-2.0	-2.2	-2.7	-1.6	-2.3	-1.7	-1.1	-2.2	-2.8
Suntory	Share	10.7	10.2	11.4	11.1	11.6	13.2	12.7	11.5	11.6	12.1	12.6	12.3
	Change	-0.3	-1.0	-0.9	-0.5	0.0	+1.8	+0.6	-0.5	-0.4	+0.6	+0.7	+0.5
Kirin	Share	9.7	10.2	9.4	9.0	8.6	8.7	8.9	8.4	8.7	8.1	8.3	9.1
	Change	+1.1	+1.9	+1.5	+0.8	+0.3	-0.8	-1.0	-1.2	-0.6	-1.4	-0.8	+0.2
Asahi	Share	3.9	3.9	4.1	4.1	4.3	4.2	4.5	4.6	4.8	5.0	4.7	4.4
	Change	+0.2	+0.4	+0.5	+0.2	-0.4	-0.6	+0.1	+0.5	+0.9	+0.7	+0.7	+0.3
Otsuka	Share	4.5	4.4	4.3	4.8	5.0	4.2	4.3	4.0	4.2	4.7	4.5	4.1
	Change	+0.3	0.0	-0.6	-0.9	-0.2	-0.4	+0.1	-0.4	-0.4	+0.2	-0.6	-1.1
Itoen	Share	5.1	5.3	5.0	5.0	4.7	4.7	4.8	5.2	5.5	5.2	5.1	5.4
	Change	+0.1	+0.5	+0.8	+0.5	+0.3	+0.7	+0.6	+0.7	+0.3	+0.1	+0.0	+0.4

(Source: Intage Store Audits)

Note: The "home market share" is a manufacturer's share of sales at supermarkets, convenience stores, liquor shops, and grocery stores.

5. Capital Investment and Depreciation



(1) Capital investment and depreciation (consolidated)

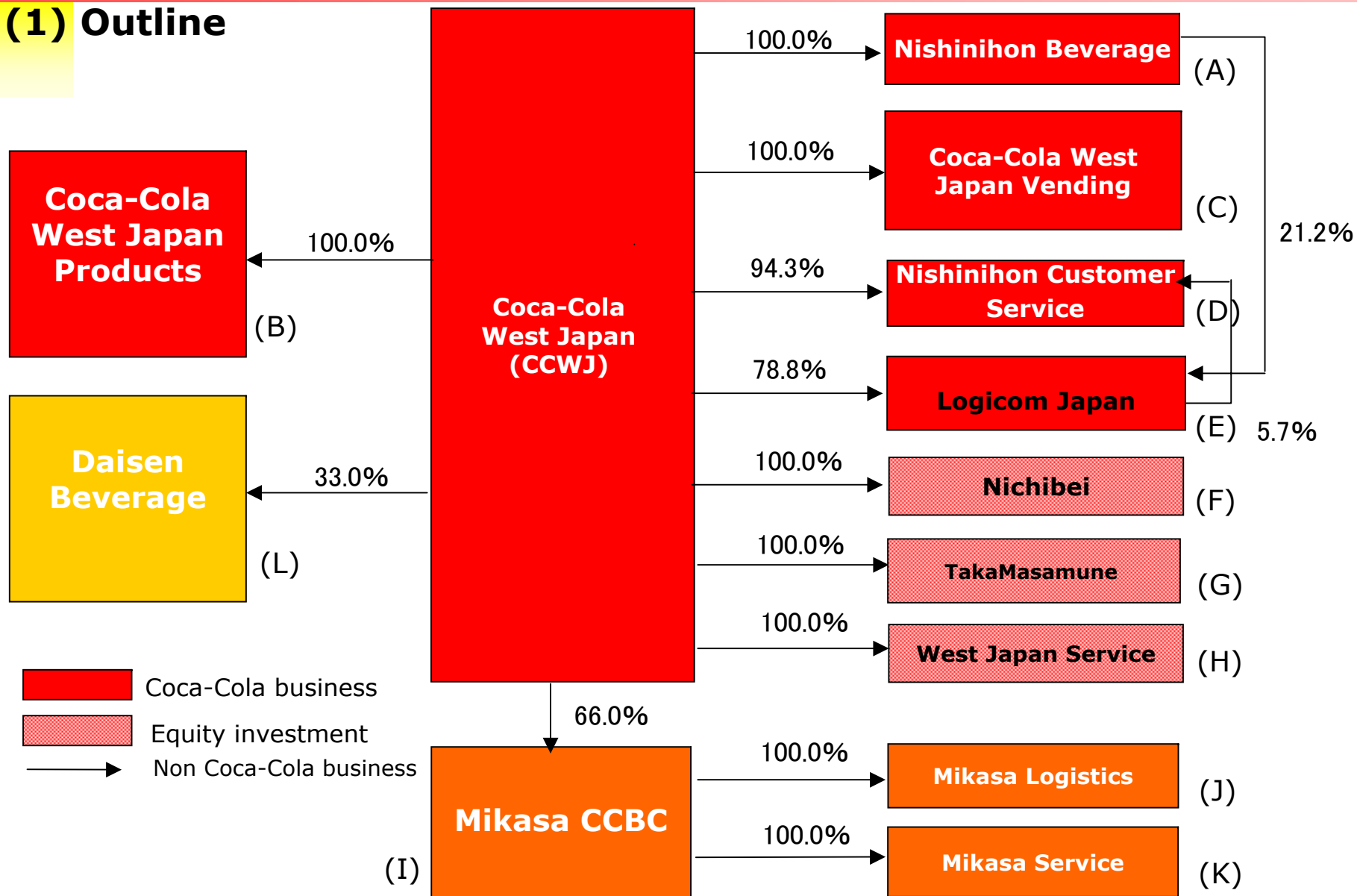
(million yen, %)

		2003 Sep 30	2004	
			Sep 30	Full year (projected)
Capital investment	Land	92	214	1,434
	Buildings and other structures	329	423	1,993
	Machinery, equipment and vehicles	923	1,942	2,546
	Sales equipment	8,273	7,405	8,810
	Others	1,584	2,232	3,126
	Total	11,204	12,218	17,910
Depreciation		11,295	10,911	15,053

6. Coca-Cola Group Affiliates



(1) Outline



- (A) **Nishinihon Beverage Co., Ltd.:** Vending machine operator focusing on Coca-Cola brands
- (B) **Coca-Cola West Japan Products Co., Ltd.:** Beverage producer
- (C) **Coca-Cola West Japan Vending Co., Ltd.:** Vending machine operator
- (D) **Nishinihon Customer Service:** Vending machine maintenance company handling installation, repair and cleaning.
- (E) **Logicom Japan Co., Ltd.:** Freight transport company
- (F) **Nichibei Co., Ltd.:** Food processor
- (G) **TakaMasamune Co., Ltd.:** Liquor brewery and distributor
- (H) **West Japan Service Co., Ltd.:** Insurance agency, leasing, and real estate related businesses
- (I) **Mikasa Coca-Cola Bottling Co., Ltd.:** Food and beverage distributor
- (J) **Mikasa Logistic Co., Ltd.:** Freight transport company
- (K) **Mikasa Service Co., Ltd.:** Vending machine maintenance company handling installation, repair and cleaning.
- (L) **Daisen Beverage Co., Ltd.:** Beverage producer

(2) Results

A. Q1-Q3

(million yen)

	Net sales		Operating income		Recurring profit		Net income	
	Q1-Q3 2003	Q1-Q3 2004	Q1-Q3 2003	Q1-Q3 2004	Q1-Q3 2003	Q1-Q3 2004	Q1-Q3 2003	Q1-Q3 2004
Nishinon Beverage	15,868	15,984	67	-87	85	-98	16	-70
CCWJ Products	5,239	4,898	101	116	103	116	56	61
CCWJ Vending	3,634	4,501	171	89	173	91	95	53
Nishinon Customer Service	5,017	5,218	162	209	163	206	86	114
Logicom Japan	5,875	6,857	155	161	159	162	107	89
Nichibei	259	252	20	22	21	24	10	12
TakaMasamune	3,808	3,783	130	206	121	202	65	114
West Japan Service	1,128	727	63	42	65	45	22	25
Mikasa CCBC	22,571	24,714	-369	499	-347	534	-244	584
Mikasa Logistics	1,034	908	16	45	16	44	8	52
Mikasa Service	1,048	932	21	27	21	27	10	16

Note: The figures above show results prior to adjustment for consolidation.

B. Full year

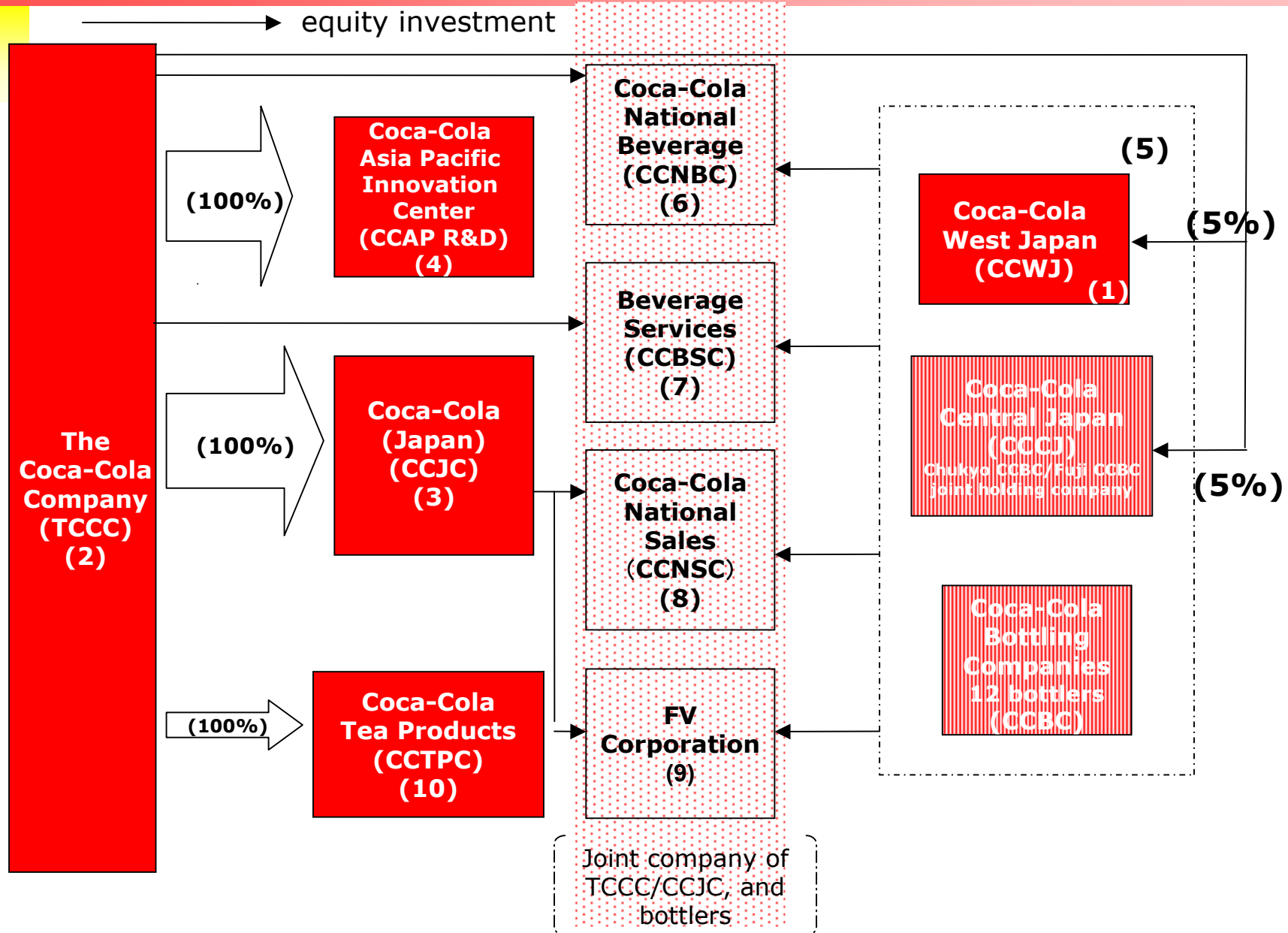
(million yen)

	Net sales		Operating income		Recurring profit		Net income	
	2003	2004※	2003	2004※	2003	2004※	2003	2004※
Nishinohon Beverage	21,096	21,189	192	64	190	34	-253	-25
CCWJ Products	6,907	6,673	266	117	268	115	150	58
CCWJ Vending	5,062	6,110	215	64	218	65	116	25
Nishinohon 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 CCBC	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

Note: Figures for 2004 are estimates

The figures above show results prior to adjustment for consolidation.

7. 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 subsidiaries create bottling contracts with bottlers.

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

Established 1957 in 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, planning, and 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, it 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 by TCCC and the CCBCs in April 2003, with the aim of creating an optimal nationwide supply chain. Operations began in October that year. At CCNBC, 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 in June 1999 as a joint venture of the 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 information systems 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 the CCJC. Carries out sales activities for national chain customers.

9. FV Corporation (FVC)

Established May 2001 as a joint venture between the CCJC and the all 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 manufacture and supply of specific products. Due to the transfer of some of its operations to the CCNBC in October 2003, it currently owns and maintains beverage manufacturing plants and machinery, and leases them to the 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:**

Wholesale business for convenience store chains, grocery stores, liquor stores, 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, cinema theaters, sports arenas, "family restaurants," and theme parks.

- **Agent distributor:**

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

2. Vending Business Unit

- **Regular vending machine**

A vending machine lent free of charge to a handler who takes care of the machine, and sells products purchased from us through it.

- **Full service vending machine**

A vending machine installed and managed directly by us, including supplying products and collecting money from the machines. Location fees are paid to the proprietors of installation spots.

- **Indoor market vending machine**

An indoor vending machine, whose users are relatively easy to identify.

- **Outdoor market vending machine**

An outdoor vending machine, whose users are less easy to identify.

- **Predatory**

To eliminate competitors' vending machines by replacing them with ours.

- **Upgrade**

To replace an existing vending machine with another type that better responds to customer needs and sales trends. Examples might include a different-sized machine or a machine adaptable for PET bottles.

3. Terms Relating to Coca-Cola National Beverage

- **CRP (Cost Reduction Program)**

Action plan to cut costs and save expenses. Sometimes refers to the sum of costs reduced or, inversely, to profits.

- **PPL (Procurement Product Logistics)**

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

- **Toll product**

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 product**

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

4. Others

- **Sales mix**

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

The plans, performance forecasts, and strategies appearing in these materials are based on the judgment of our 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. 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
- Economic trend variations affecting the business climate
- Major rate fluctuations in capital markets
- Various uncertain factors other than the above