

Financial Results Presentation for First Quarter, Fiscal 2005

(Jan. 1 to Mar. 31, 2005)

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I .Fiscal 2005 First-Quarter Financial Results

1. First-Quarter Overview



(1) Sales Volume

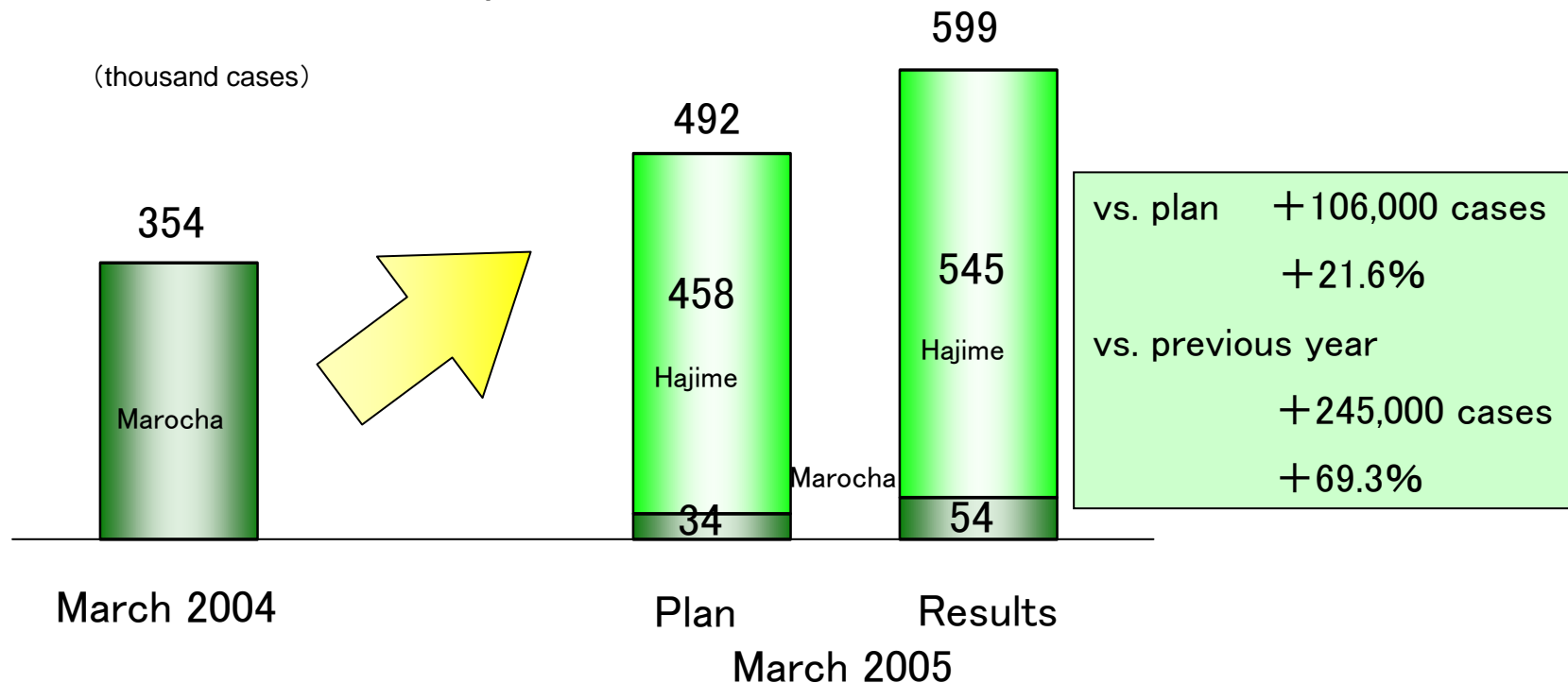
- ◆ Market growth within CCWJ sales territory
 - Overall growth rate of face-to-face market: – 0.8%
(affected by bad weather in February and March)
- ◆ Sales volume
 - Divergence from plan: – 5.1%; change from fiscal 2004: –3.0%
 - Face-to-face market share: 29.6% (1.2% below fiscal 2004)

(2) Consolidated Results

- ◆ Net sales: ¥5.41 billion (¥1.6 billion below plan; ¥900 million yen down on fiscal 2004)
- ◆ Operating income: ¥1.7 billion (¥100 million below plan; ¥2.6 billion down on fiscal 2004)
 - ✕ ¥300 million below corresponding figure for 2004, excluding the effects of changes in the retirement benefit program
- ◆ Steady growth from group companies (operating income)
 - Coca-Cola West Japan Products: ¥150 million up on plan
 - Coca-Cola West Japan Logistics: ¥140 million up on plan

(3) Strong sales from Hajime green tea brand

◆ March 2005: 69% up on March 2004



(4) Coca-Cola National Beverage Company (CCNBC) Status

◆ Integrated nationwide operation for all products launched on January 1

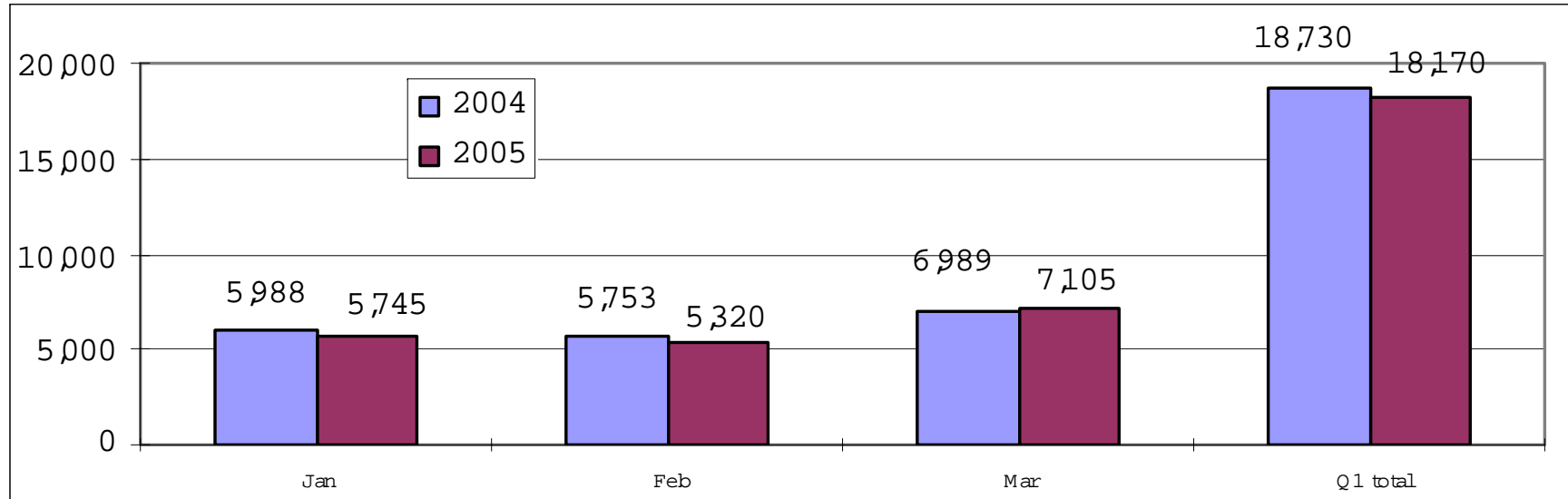
2. First-Quarter Summary of Results



(1) Sales volume

	Q1 2004 Results	Q1 2005 (thousand cases)					
		Plan	Results	vs. plan		vs. Q1 2004	
				amount	ratio (%)	amount	ratio (%)
Jan	5,988	6,026	5,745	-280	-4.6	-242	-4.0
Feb	5,753	5,890	5,320	-570	-9.7	-434	-7.5
Mar	6,989	7,223	7,105	-118	-1.6	116	1.7
Q1 total	18,730	19,138	18,170	-968	-5.1	-560	-3.0

(thousand cases)



(2) Summary of Results



A. Consolidated

(million yen, %)

	Q1 2004	Q1 2005					
		Plan	Results	vs. plan		vs. Q1 2004	
				amount	ratio (%)	amount	ratio (%)
Net sales	55,129	55,800	54,165	-1,634	-2.9	-963	-1.7
Operating income	4,484	1,900	1,789	-110	-5.8	-2,695	-60.1
Recurring profit	4,549	2,000	1,914	-85	-4.3	-2,635	-57.9
Net income	2,626	700	827	127	18.3	-1,798	-68.5

B. Non-consolidated

(million yen, %)

	Q1 2004	Q1 2005					
		Plan	Results	vs. plan		vs. Q1 2004	
				amount	ratio (%)	amount	ratio (%)
Net sales	42,173	43,100	40,944	-2,156	-5.0	-1,229	-2.9
Operating income	4,332	2,600	2,366	-234	-9.0	-1,966	-45.4
Recurring profit	4,681	2,800	2,672	-128	-4.6	-2,009	-42.9
Net income	2,832	1,500	1,495	-5	-0.3	-1,337	-47.2

Sales performance

(thousand cases, %)

Within area	18,730	19,138	18,170	-968	-5.1	-560	-3.0
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(3) Major reasons for divergence from plan (consolidated)

(billion yen)

Net sales -1,6

▪ Sales volume within area	-2.0
▪ Sales mix	-0.2
▪ Income from consigned orders	+0.1
▪ Transfer from other group companies	+0.5

Operating income -0.1

Net sales	-1.6
Cost of sales	-0.6
▪ Sales volume within area	-1.0
▪ Sales mix	+0.3
▪ Transfer from affiliates	+0.1
Selling, general & administrative expenses	-0.9
▪ Personnel expenses	-0.5
▪ Others	-0.4

Recurring profit -0.1

Non-operating income	-
Non-operating expenses	-

Net income +0.1

Recurring profit	-0.1
Extraordinary income	+0.1
Extraordinary losses	-
Corporation tax etc.	-0.1

(4) Major reasons for changes from Q1, 2004 (consolidated)



(billion yen)

Net sales -0.9

▪ Sales volume within area	-1.1
▪ Sales mix	-0.2
▪ CCNBC effect Sales from other bottlers	-1.2
Income from consigned orders	+1.6
▪ Transfer from Mikasa CCBC	-0.3
▪ Transfer from other group companies	+0.3

Operating income -2.6

Net sales	-0.9
Cost of sales	-0.2
▪ Sales volume within area	-0.6
▪ Sales mix	-0.1
▪ CCNBC effect Sales from other bottlers	-1.2
Income from consigned orders	+1.4
▪ Transfer from Mikasa CCBC	-0.2
▪ Transfer from other affiliates	+0.5
Selling, general and administrative expenses	+1.9
▪ Personnel (including effect of changes in retirement plan)	+2.2
▪ Advertising expenses	+0.2
▪ Transport expenses etc.	-0.5

Recurring profit -2.6

Non-operating income	—
Non-operating expenses	—

Net income -1.7

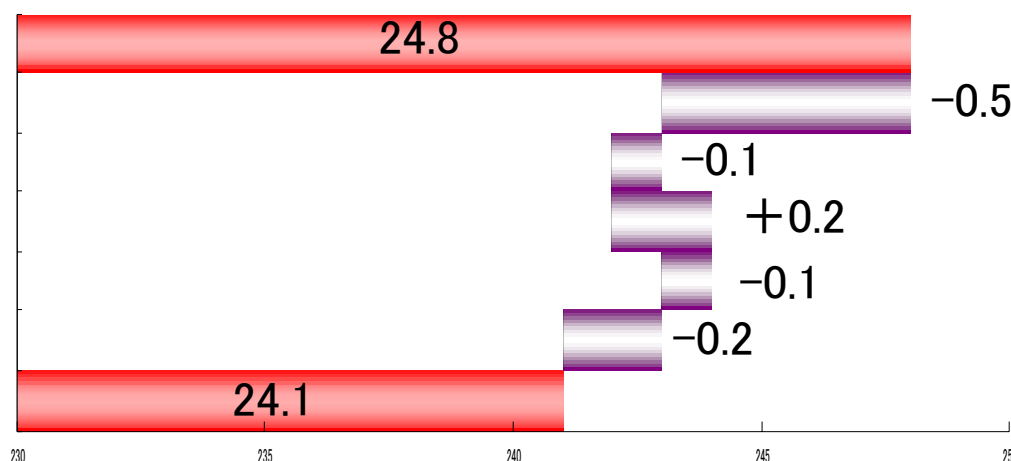
Recurring profit	-2.6
Extraordinary income	+0.1
Extraordinary losses	+0.5
▪ Expense of support for new banknotes etc.	+0.5
Corporation tax	-1.3

Reference 1: Major reasons for changes in gross profit and operating income vs. Q1 2004 (consolidated)

Gross profit

(billion yen)

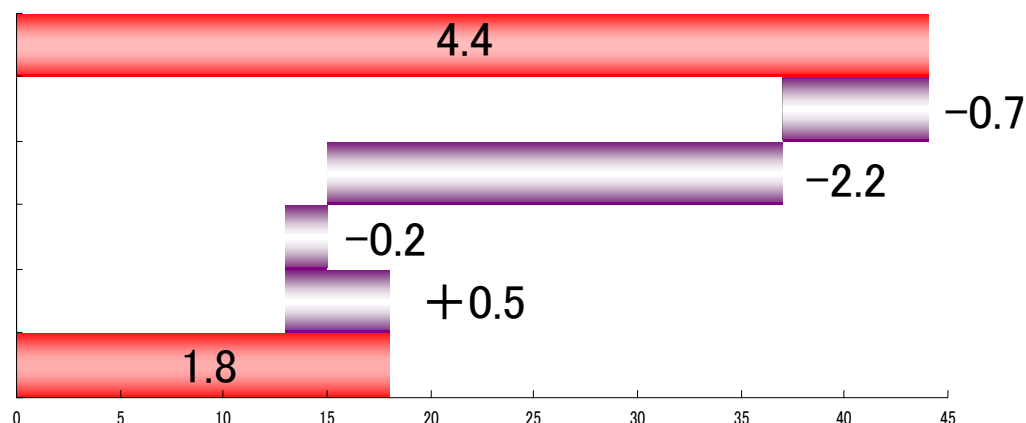
Gross profit for Q1 2004
Sales volume within area
Sales mix
CCNBC effect
(income from consigned orders)
Transfer from Mikasa CCBC
Transfer from other group companies
Gross profit for Q1 2005



Operating income

(billion yen)

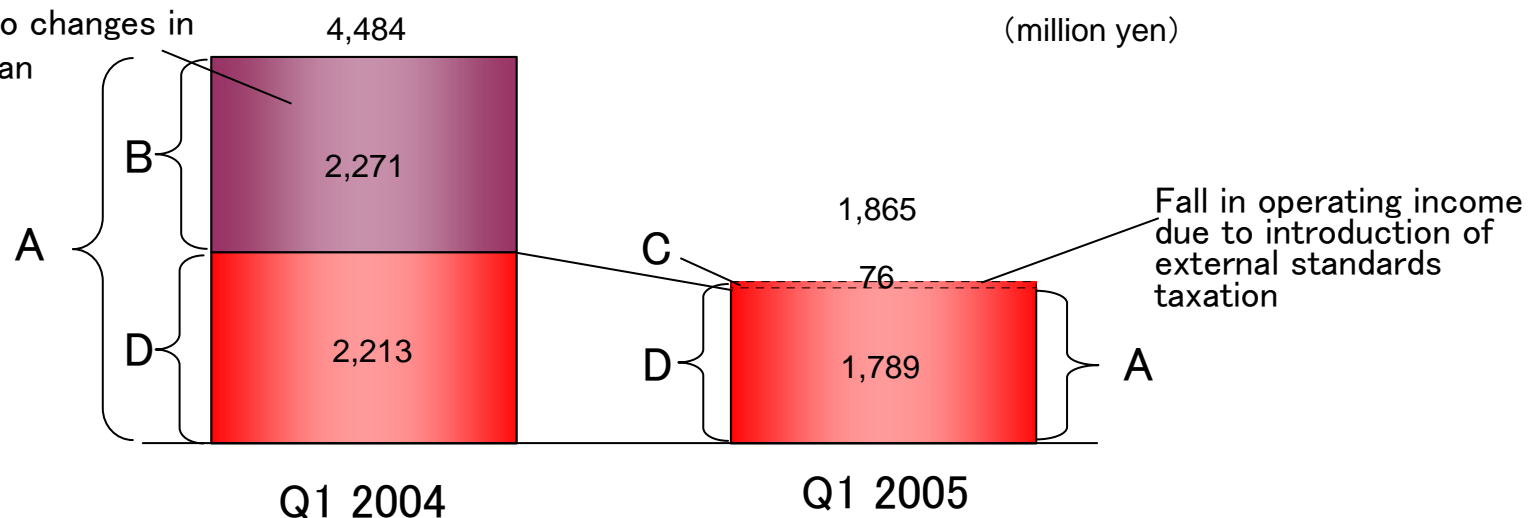
Operating profit for Q1 2004
Gross profit
Personnel expenses (effects of changes in retirement plan etc.)
Advertising expenses
Transportation expenses etc.
Operating profit for Q1 2005



Reference 2: Major reasons for changes in operating income vs. Q1 2004

(excluding effects of changes to retirement benefits scheme and introduction of external standards taxation)

Increase in operating income due to changes in retirement plan



	2004 Q1 results	2005 Q1 results	Y-o-Y change	
			amount	ratio (%)
Operating income (A)	4,484	1,789	-2,695	-60.1
Rise in operating income as a result of changes in retirement plan (B)	2,271	-	-2,271	-
Fall in operating income as a result of introduction of external standards taxation (C)	-	76	76	-
Net operating income (D) = (A) - (B) + (C)	2,213	1,865	-347	-15.7

(5) Mikasa CCBC

Consolidated results

(million yen, %)

	Q1 2004 Results	Q1 2005					
		Plan	Results	vs. plan		vs. Q1 2004	
				amount	ratio (%)	amount	ratio (%)
Net sales	6,748	6,469	6,466	-3	-0.1	-281	-4.2
Operating income	-255	-182	-180	1	-	74	-
Recurring profit	-253	-180	-176	4	-	77	-
Net income	-163	-219	-185	34	-	-22	-

(thousand cases)

Sales volume	3,263	3,307	3,333	26	0.8	70	2.1
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- “Hajime” green tea brand: up 77% vs. plan
- Hajime + Marocha: up138% vs. Q1 2004 (Bottler No. 1)

II . Interim and Full-Year Projections

1. Marketing Themes from Q2 Onward



Comprehensively pursue business themes

- Expand sales and market share
- Enhance profits

Prioritize sales and share recovery for all business units

- (1) Comprehensively strengthen flagship brands
- (2) Invest effectively in new products
(including Coca Cola Lemon and Aquarius Active Diet)
- (3) Strengthen Hajime green tea brand to follow up the good startup
- (4) Comprehensively strengthen vending and chain store sectors

2. Interim and Full-Year Projections



(1) Consolidated

(million yen)

	2004 Full year results	2005	
		Interim	Full year
Net sales	253,248	120,600	254,800
Operating income	16,860	6,100	15,600
Recurring profit	17,065	6,200	15,900
Net income	8,564	3,000	8,600

(2) Non-consolidated

(million yen)

	2004 Full-year results	2005	
		Interim	Full year
Net sales	195,066	93,400	198,300
Operating income	15,024	6,200	14,300
Recurring profit	15,545	6,500	14,800
Net income	8,353	3,600	8,300

III. Review of First-Quarter Marketing Activities

1. Market Status (Jan. to Mar.)



(1) Sales volume (shipping based) measured at point of shipping from manufacturer

(%)

Source: Inryo Soken

		Market total	Coca-Cola	Suntory	Kirin	Itoen	Asahi	Otsuka
Nationwide	Growth rate	+2	+1	+4	+1	+10	+8	-2

- ✓ Market total up 2%, mostly due to major new green tea products and renewal sales

(2) Face-to-face marketing(excluding vending machines)

at point of store sales

(% , percentage points)

Source: Intage Store Audit

		Market total	Coca-Cola	Suntory	Kirin	Itoen	Asahi	Otsuka
Nationwide	Growth rate	-2.3	-2.6	-1.3	-8.5	3.8	8.2	-11.4
	Market share	—	22.8	15.7	9.6	6.2	5.1	3.7
	(vs. Q1 2004)	—	-0.1	0.2	-0.7	0.4	0.5	-0.4
CCWJ	Growth rate	-1.8	-5.7	-1.2	-0.5	+4.2	+16.2	-9.5
	Market share	—	29.6	12.1	8.9	5.1	5.0	4.3
	(vs. Q1 2004)	—	-1.2	+0.1	+0.1	+0.3	+0.8	-0.4

- ✓ Face-to-face and store sale growth rates fell around 2% both nationwide and in CCWJ areas
- ✓ Despite holding a commanding market lead, CCWJ market share is down 1.2% from Q1 2004

2. CCWJ Sales Status (Jan. to Mar.)



(1) Brand status

Q1 2005 sales results

(thousand cases, %)

	Q1 2004 results	Q1 2005 results	vs. Q1 2004	
			amount	ratio (%)
Coca-Cola	1,544	1,319	-225	-14.6
Georgia	6,962	6,873	-89	-1.3
Aquarius	1,026	1,076	50	4.9
Sogenbicha	1,275	1,227	-48	-3.8
Hajime/Marocha	931	1,019	88	9.5
Subtotal	11,738	11,514	-224	-1.9
Others	6,992	6,656	-336	-4.8
Total	18,730	18,170	-560	-3.0

- ✓ **Coca-Cola and other brands posted large falls**
 - Coca-Cola: Sales of cans and 1.5L PETS fell sharply
 - Other brands: Cannot compensate for new products launched in 2004 (including functional products such as Tadasu).
- ✓ **Although the “Hajime” green tea brand grew strongly, it seems to have taken sales away from Sokenbicha.**

A. Coca-Cola

Sales by category: Q1 2005 vs. Q1 2004

(thousand cases)

280ml can	350ml can	500ml PET	1.0L PET	1.5L PET	Bottle can	Other	Total
-189	-34	-4	3	-60	88	-29	-225
Vending -147 Retail 39				Chain Stores -54	Vending +102		

- ✓ 280ml can: Sales fell sharply in vending machine channels because of package switching to bottle cans.

The fall in sales was not covered by the rise in bottle can sales.

- ✓ 1.5L PET: Sales fell at chain stores (supermarkets)

B. Non-sugar tea brands

Sales by package type: Q1 2005 vs. Q1 2004

(thousand cases)

	350ml can	350ml PET	500ml PET	1.0L PET	2.0L PET	Other	Total
Sokenbicha	-44	79	-14	4	-64	-9	-48
	Vending machines	Vending machines			Chain stores -47		
Hajime + Marocha	-67	84	66	8	19	-22	88
	Vending machines	Vending machines Retail +46	Convenience stores +36 Chain stores +26				
Total	-111	163	52	12	-45	-31	40

- ✓ Non-sugar total: Hajime contribution raises Q1 2005 sales 40,000 cases above those for Q1 2004.
- ✓ 2.0L PET: Sales fell at chain stores (supermarkets).

Reference: Status of Hajime

1) Nationwide

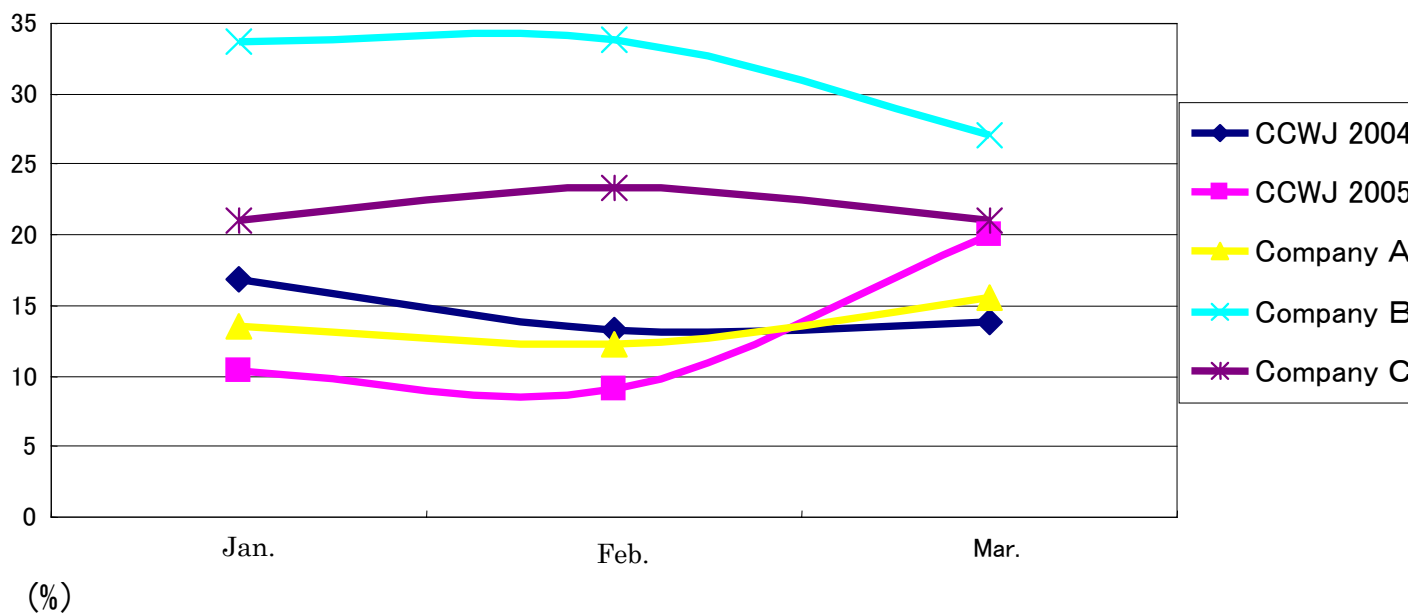
- ✓ Very strong sales from the start. Sales reached 5.2 million cases in the 34 days after launch.

..... The fastest sales base among new green tea products

2) CCWJ

Green tea face-to-face market share

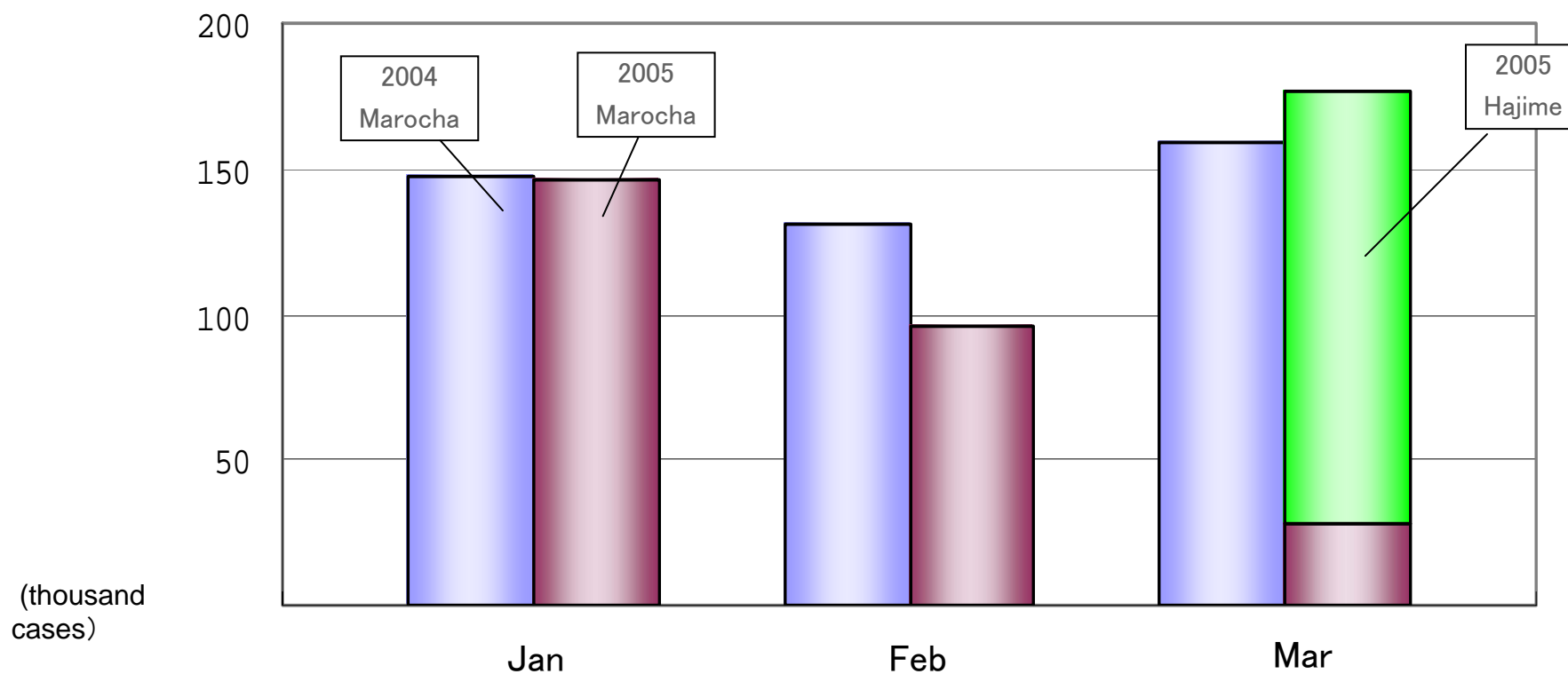
Source: Intage store audit



- ✓ In the months to March, CCWJ market share rose 10 percentage points to put CCWJ in third place

3) Vending machine sales data

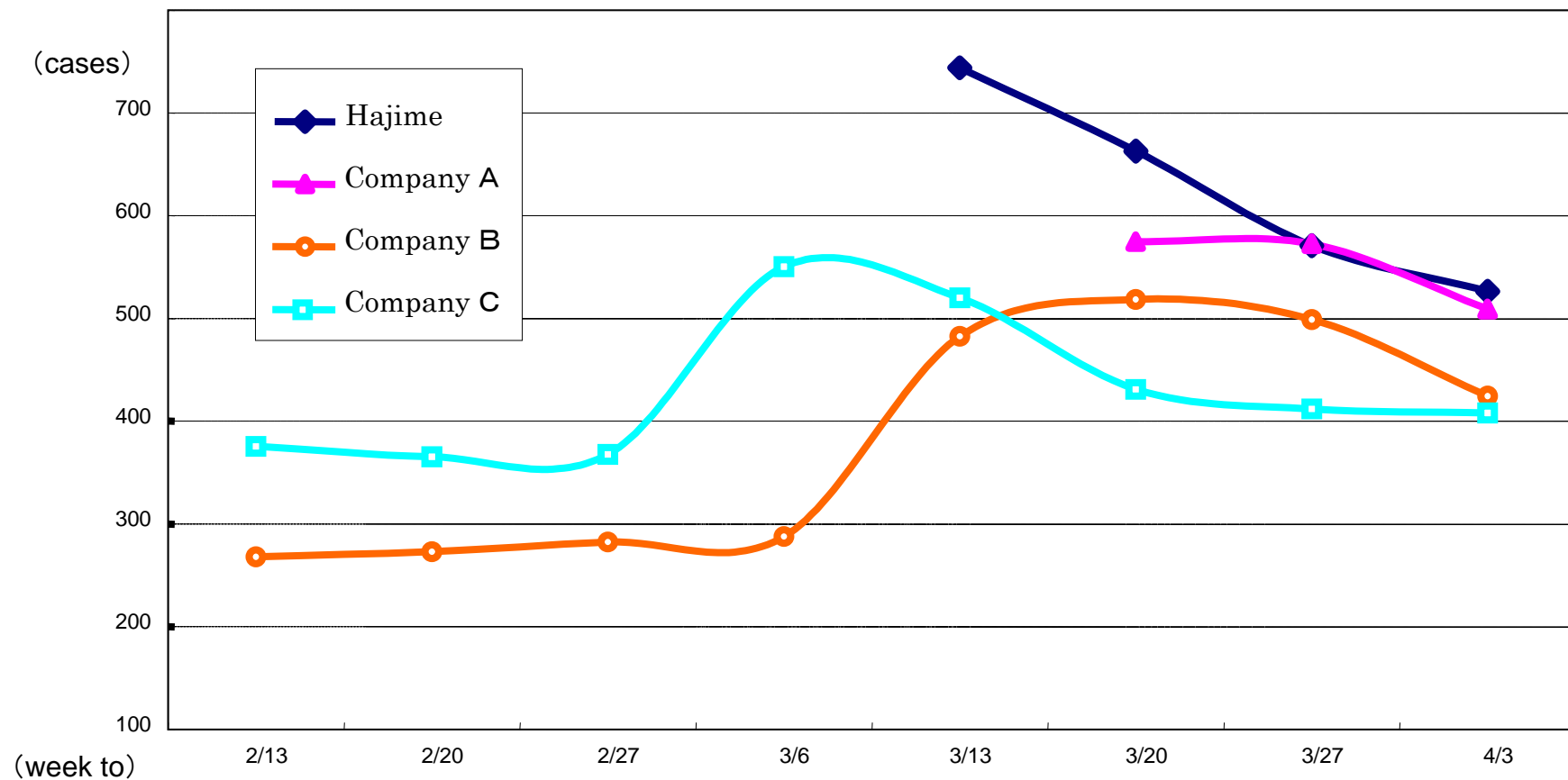
CCWJ sales volumes at vending machines (vending channels)



Source: CCWJ sales data

4) Convenience store POS (point-of-sale) data

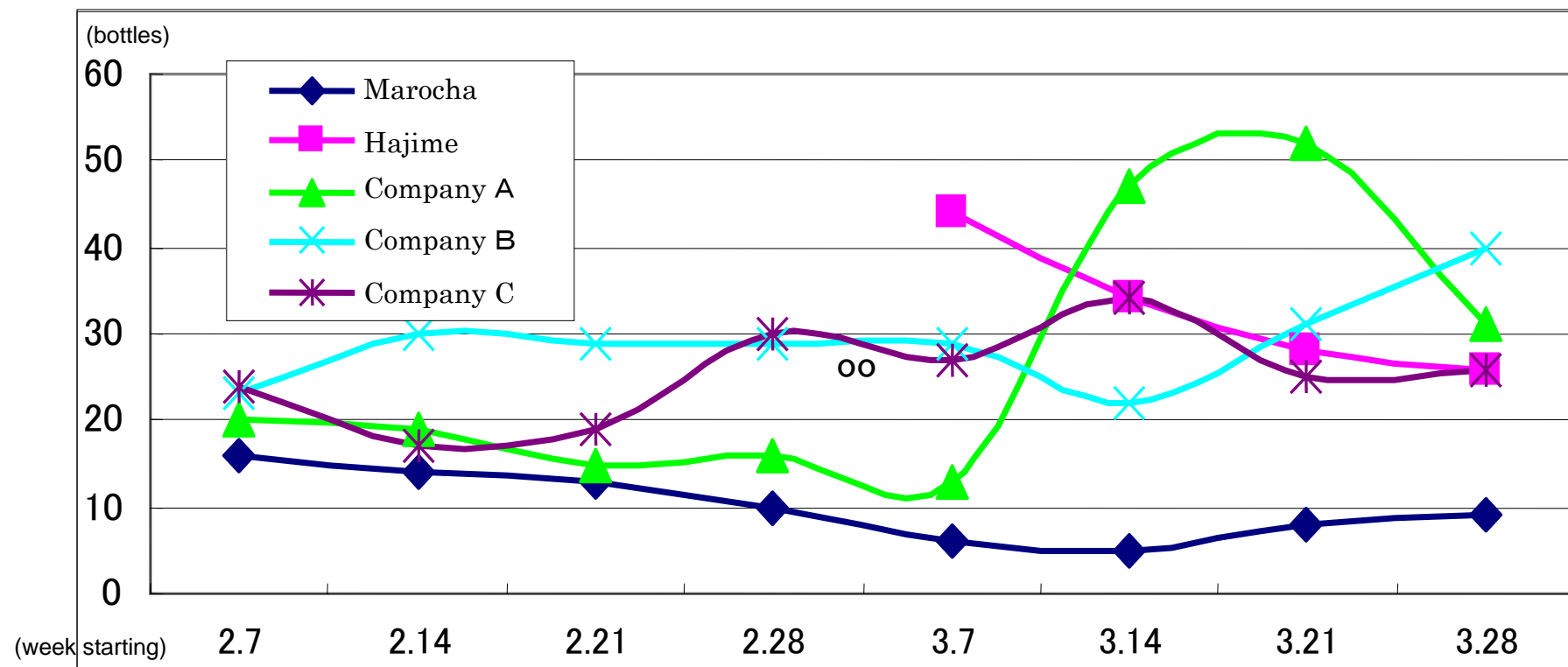
Sales volumes at convenience store chains (nationwide)



Source: CVS POS data

5) Supermarket sales data

2.0 PET sales volumes at supermarkets (CCWJ)



Source: Intage store audit

(2) Distribution channel status

Q1 2005 sales results

(thousand cases)

	Q1 2004 Results	Q1 2005 Results	vs. Q1 2004	
			amount	ratio (%)
Vending	6,455	6,313	-142	-2.2
Chain stores	3,348	3,083	-265	-7.9
Convenience stores	2,395	2,335	-60	-2.5
Retail	2,896	2,826	-70	-2.4
Food services	1,647	1,630	-17	-1.0
Other	1,989	1,983	-6	-0.3
Total	18,730	18,170	-560	-3.0

- ✓ Sales fell in all channels
- ✓ Sales fell especially sharply at vending machines and chain stores

A. Vending

Hot and cold sales: Q1 2005 vs. Q1 2004 * excluding syrups and powders

(thousand cases)

	Q1 2005						vs. Q1 2004					
	Hot		Cold		Total		Hot		Cold		Total	
	volume	dist. ratio (%)	volume	dist. ratio (%)	volume	dist. ratio (%)	amount	ratio (%)	amount	ratio (%)	amount	ratio (%)
Carbonated			575	24.2	575	10.1			-103	- 15.2	-103	- 15.2
Georgia	2,700	81.9	676	28.4	3,376	59.5	230	+9.3	-221	- 24.6	9	+0.3
Teas	560	17.0	594	24.9	1,153	20.3	131	+30.6	22	+3.8	153	+15.3
Other	36	1.1	536	22.5	572	10.1	-29	- 44.5	-121	- 18.5	-150	- 20.8
Total	3,295	100.0	2,381	100.0	5,676	100.0	332	+11.2	-424	- 18.5	-92	- 1.6
Hot/cold distribution ratio (%)		58.1		41.9		100.0		+7		-7		-

- ✓ **Bad weather in February and March led to sharp falls in sales of cold drinks that were not matched by the rise in sales of hot drinks.**

vs. Q1 2004	Fukuoka	Hiroshima	Fukuoka	Hiroshima
Average temp.	-2.9°C	-2.4°C	-1.3°C	-1.6°C
Daylight hrs.	-67	-65	-24	-10

- ✓ **Preparation of hot products focused on Georgia coffee, leaving insufficient stocks of other products, such as cocoa and soup**

4.7% fall in VPM (sales per vending machine) since Q1 2004

B. Chain stores

Sales by package type: Q1 2005 vs. Q1 2004

(thousand cases)

	Q1 2004	Q1 2005	Change	Growth rate (%)
2L PET	1,400	1,181	-219	-15.6
1.5L PET	800	730	-70	-8.8
1L PET	11	45	34	309.1
500ml PET	488	503	15	3.1
Can	546	519	-27	-4.9
Others	103	105	2	1.9
Total	3,348	3,083	-265	-7.9

Sales of large-volume packages fell

Sales by account division: Q1 2005 vs. Q1 2004

(thousand cases)

Account division	Q1 2004	Q1 2005	Change	Growth rate (%)
CCNC	442	472	30	+6.8
NEWKAM	35	38	3	+8.6
Discount accounts	709	523	-185	-26.2
Others	2,162	2,050	-112	-5.2
Total	3,348	3,083	-265	-7.9

Discount accounts slumped

3. Q1 Summary



Market trends

- Hot drink sales rose strongly while cold drink sales slumped
- New tea product launching, renewal of brands, and promotions strengthened at all major players → competition in tea products

Brands

- Unseasonal weather exacerbated the stiff competition in the carbonated drinks category, especially Coca-Cola
- Developed the strongest focus on Hajime, with green teas generally succeeding

Distribution channels

- The main vending and chain store distribution channels slumped
- VPM fell at vending machines
 - ✓ Chain stores: Sales of large-volume packages fell

Discount-type accounts slumped

IV. Second-Quarter Marketing Activities

1. Q2 Marketing Points



**Prioritize sales and market share recovery
for all business units**

- (1) Comprehensively strengthen flagship brands
- (2) Invest effectively in new products
- (3) Strengthen Hajime green tea brand
to follow up the good startup



Brand strategy

- (4) Comprehensively strengthen vending machines
and chain stores



Distribution
strategy

2. Brand Strategy



(1) Comprehensively strengthen flagship brands

Q2 sales plan

(thousand cases)

	Q2 2004 Results	Q2 2005 Plan	vs. Q2 2004	
			amount	ratio (%)
Coca-Cola	2,638	2,452	-186	-7.1
Georgia	6,258	6,445	187	3.0
Sokenbicha	2,024	2,305	281	13.9
Aquarius	1,918	2,212	295	15.4
Subtotal	12,837	13,414	576	4.5
Hajime/Marocha	1,204	1,474	270	22.4
Others	8,745	8,351	-394	-4.5
Total	22,787	23,239	452	2.0

Comprehensively strengthen flagship brands to expand sales and market share

	New products	Promotion campaigns
Coca-Cola	Coca-Cola Lemon Coca-Cola 250ml OWB	<ul style="list-style-type: none"> • Large PET promotion (April) • Early implementation of higher volume can promotion (May) • Coca-Cola on-pack promotion (April to June)
Georgia	Asian Special Kuromame Coffee Ice Coffee Afternoon Au Lait Mocca Latte	<ul style="list-style-type: none"> • Implement 30-year anniversary promotion strategy, stage two (June)
Sokenbicha	500 ml (higher volume)	<ul style="list-style-type: none"> • Large PET promotion (April) • New investment in higher volume can promotion (May) • Non-sugar lucky cap promotion (May) • Non-sugar on-pack promotion (June)
Aquarius	Active Diet	<ul style="list-style-type: none"> • Large PET promotion (April) • Bring forward large-volume can promotion (May) • Active Diet near-pack promotion (May) • Aquarius on-pack promotion (June)

(2) Effective investment in new products

Effective investment in new products to increase sales and market share

Important new products for Q2 2005

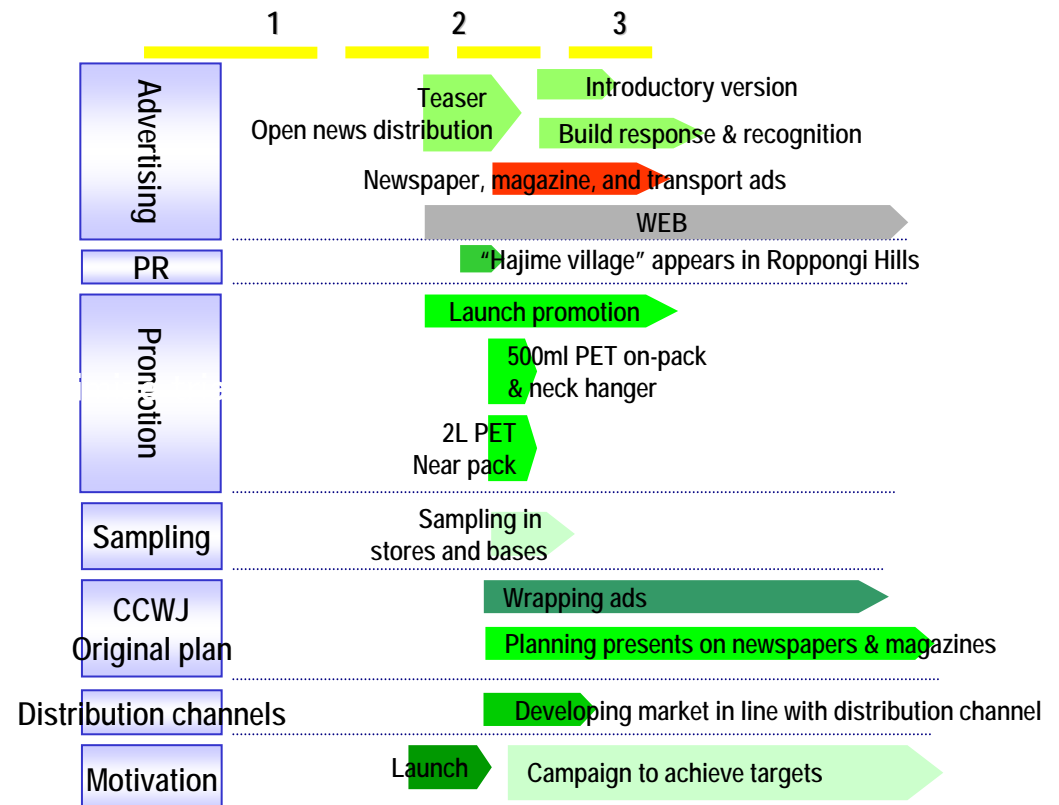
	Package	Aim of launch	Launch date
Coca-Cola Lemon	1.5L PET 500ml PET 300ml bottle can 280ml can	Strengthen Coca-Cola brand for season of greatest demand	May 30
Active Diet	2L PET 500ml PET 300ml bottle can	Gain market share in the diet-type functional soft drinks market	May 9
Nanairo-acha	2L PET 495ml PET 280ml PET	Exploit non-sugar tea drink market to gain sales in new categories	June 6
Daizu-no-susume	1L PET 500ml PET 300ml bottle can	Gain sales share in functional soft drinks market	June 27

(3) Strengthen Hajime green tea brand to follow up the good startup

A. Marketing campaign overview



Conduct integrated marketing activities on launch
Continue marketing efforts to develop brand



B. Marketing campaigns

PR advertising

Fukuoka city subway



Fully decorated vending machine



Fully wrapped urban streetcar



Sampling



Kwik Zip truck



Promotion



Market development



C. Follow-up plan

April

May

June

July

Launch promotion

Summer promotion

Vending

280ml PET lucky cap

Fully decorated vending machines

VM locations 100% loaded

500ml PET
column expansion

Retail

Large PET
promotion

Goody attached 500ml PET

Expand non-sugar
coverage

Hajime mileage

Regional strategic promotion (Club CC / drugstores)

Strengthen
transportation market

Invest in MD materials (CMAT)

Supermarkets

Large PET
promotion

Hand towels
attached

Midi PETs
Near pack

Large display contest

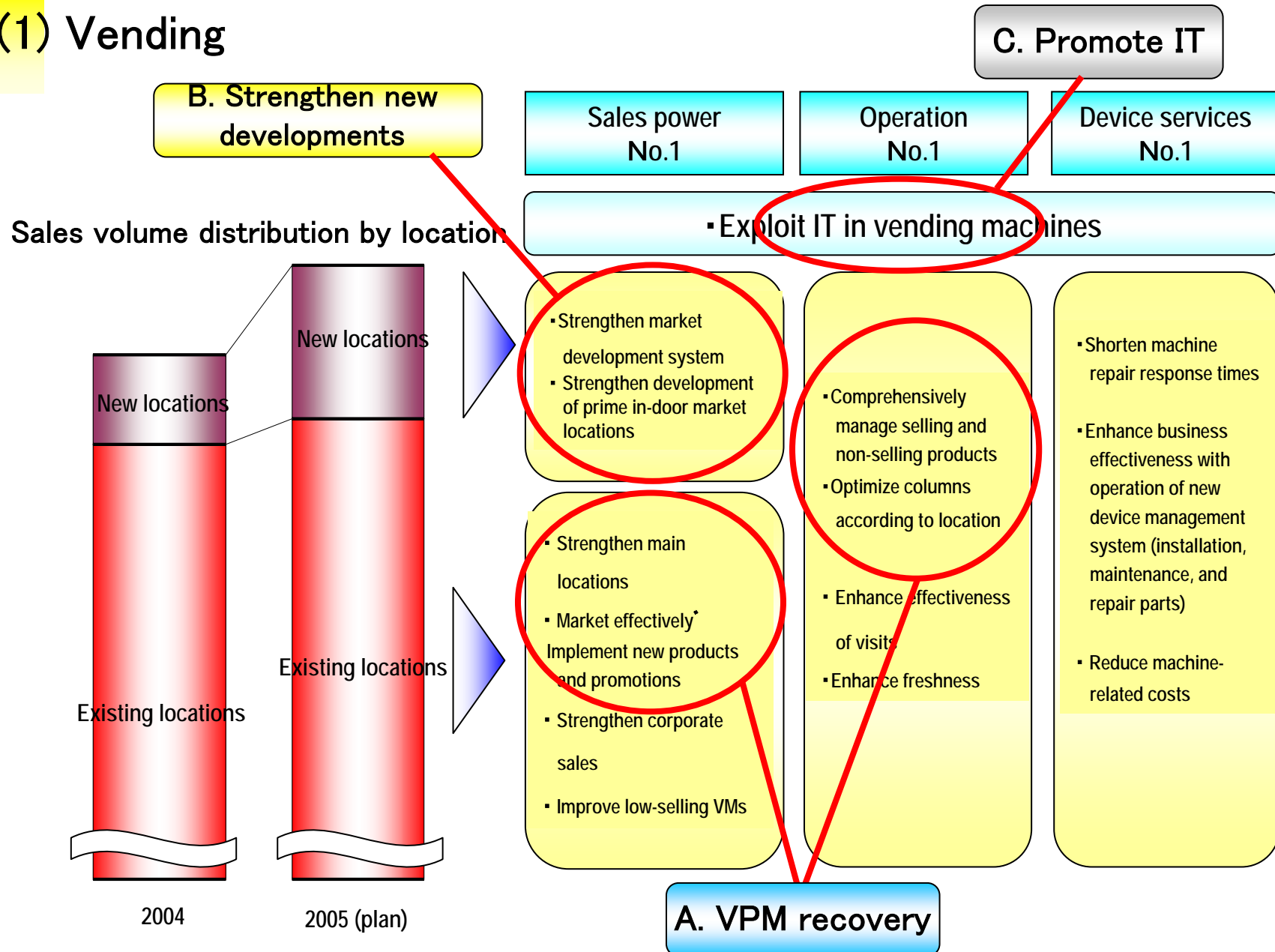
Collection of 500ml PETs for customer choice

Store sampling to win

3. Distribution strategies



(1) Vending



A. Recover strong VPM

Q2 2005 targets

Jan. to Mar. results
(vs. Q2 2004)

95.3%

Apr. to Jun.
(vs. Q2 2004)

100% +

1) Activate product

- Major new products: Aquarius Active Diet / Coca-Cola Lemon
Daizu-no-susume / Nanairo-acha
- Reinforce variation: Georgia Asian special /
Kochakaden Lemon Tea / POWERADE
- Competitive handling: Expand loading of carbonated 280ml cans

2) Actively develop promotion campaigns

Second campaign for Georgia's 30th anniversary
Lucky cap
Higher volume cans
Indoor market time service

3) Develop attractive vending machines

IT vending machines / upgrades

Q2 2005 development targets: 4,400 units (Q1 results: 2,256 units)

1) Develop full-scale, systematic initiatives to create large-scale accounts through specialist groups

- Large-scale corporate development by the market development headquarters
- Promote development through collaboration with the West Japan Beverage Company

2) Develop activities integrating all group companies

- Develop introductory campaign for vending machine installations
Target: 600 units
- Strengthen investment in development crews
Target: 2,000 units

3) Strengthen predatory activities

- Time frame: April to June

C. Promote IT

1) Expand development of operation systems

- On-line system: 1,650 units (5,000 per year)
- New visiting plan system: Introduce to five branches
- Column control system

2) Invest in IT vending machines

- VCCS machine upgrades
- Focus on C-mode 2
- Communication vendors

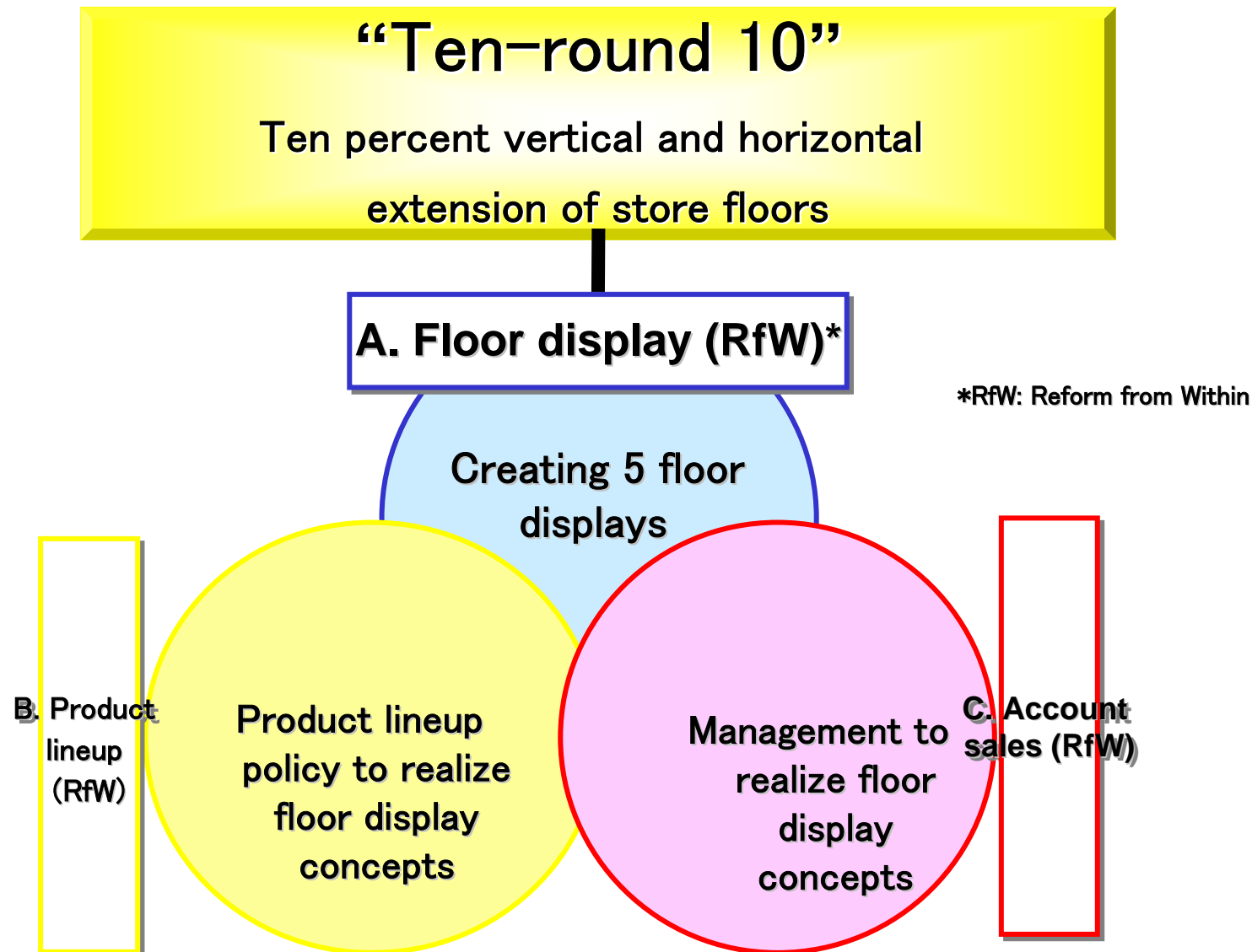
※ Communication vendors:
Data supply type vending machines



※ Cmode vending machines: Vending machines that can sell products and seasonal content by mobile phone order



(2) Chain stores



A. Floor display (RfW)

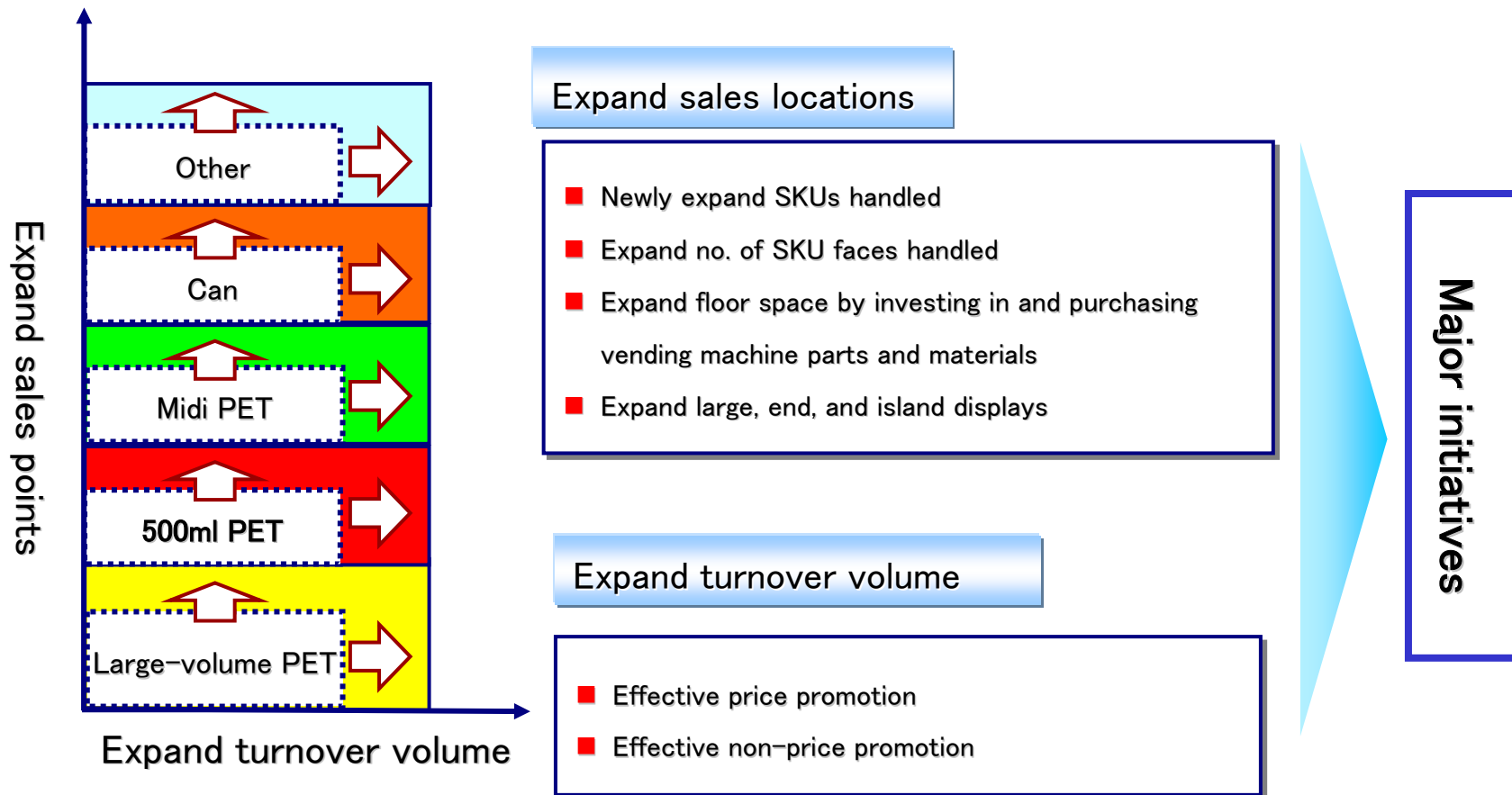
Q1 2005 display acquisition

		SKU	Face	Machinery & materials	Sales locations
Permanent space	Refrigerated products	53	6		Midi PET 166 Assembled choice 36
	Room temperature products	196	413		
	Spaces next to cash register and delicatessen			457	
Movable space	Large display shelves				380
	End and island display shelves			197	655
		Total: 2,599			

✓ Acquire new displays in 2,599 places by March

Major activities for Q2 2005

Sales (volume + net sales) = “Sales points” × “Turnover volume”



B. Product lineup (RfW)

Theme

Recover volume and market share for large packages

Activities

1) Review price strategies

- A. Establish materials for gaining volume
- B. Adopt flexible pricing policy as basis for volume discount

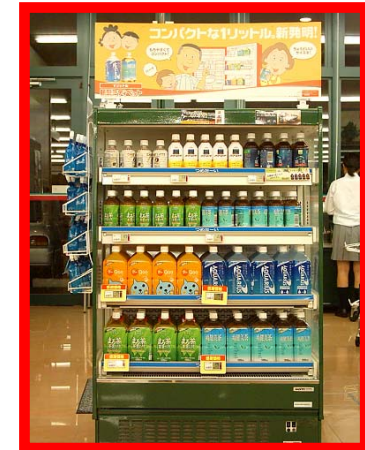
2) Accelerate “Ten-round 10” activities

- Acquire floor displays through activating VMs and materials

3) Expand central products

- A. Strengthen midi-PET
- B. Strengthen choice on collections of small PETs

Strengthen
midi-PETS



Strengthen
assembled
choice



C. Account sales (RfW)



Q1 2005 sales

Activities for Q2 2005

Strengthen initiatives for central accounts

1) V-shaped recovery of discount type 8 accounts

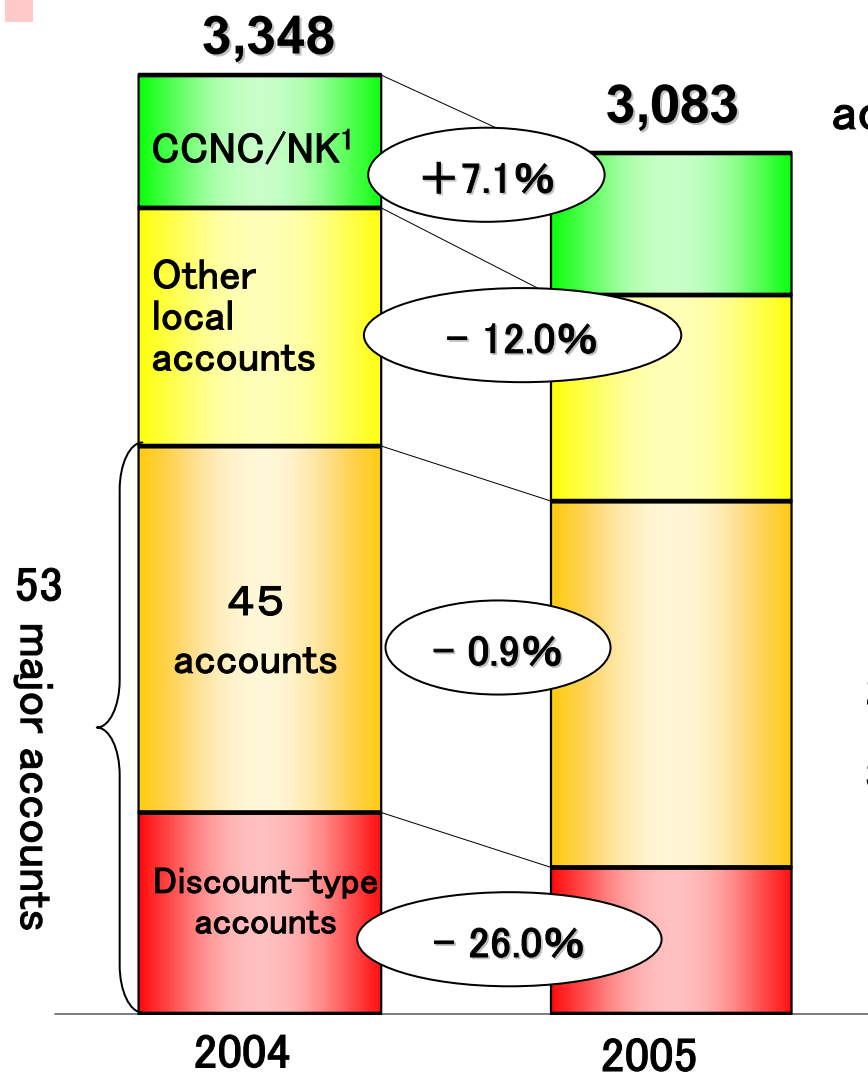
- Reorganize for direct control from head office (May)
- Accelerate support for individual accounts through direct control from head office
- Strengthen relationship with accounts
- Management calling and QCP² activities
- Invest in special materials for discount stores

2) Review pricing system

3) Strengthen central store sales (accounting for 70% in sales)

※ NK¹ : Chain store market jointly handled by CCJC and bottlers

QCP² : Quarterly activity plans decided on and agreed with the customer



3. Q2 Sales Targets



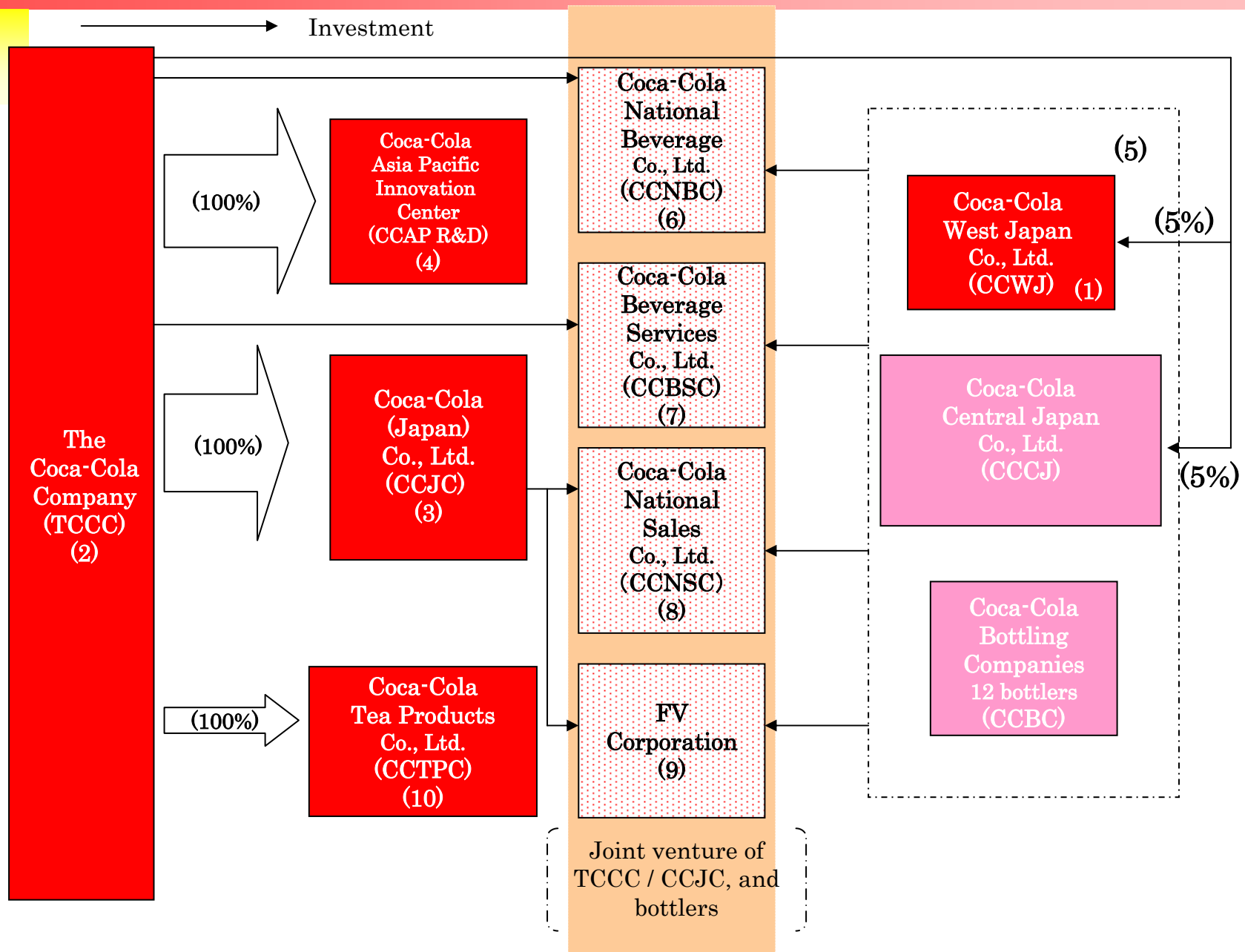
(thousand cases)

	Q2 2004	Q2 2005	vs. Q2 2004	
			amount	ratio (%)
Vending	7,298	7,669	371	5.1
Chain stores	4,507	4,679	172	3.8
Convenience stores	2,472	2,632	160	6.5
Retail	3,961	3,847	-114	-2.9
Food services	1,875	2,010	135	7.2
Other	2,674	2,402	-272	-10.2
Total	22,787	23,239	452	2.0

+ α

Reference

1. 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 promote sales in the respective 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 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 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 all 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.

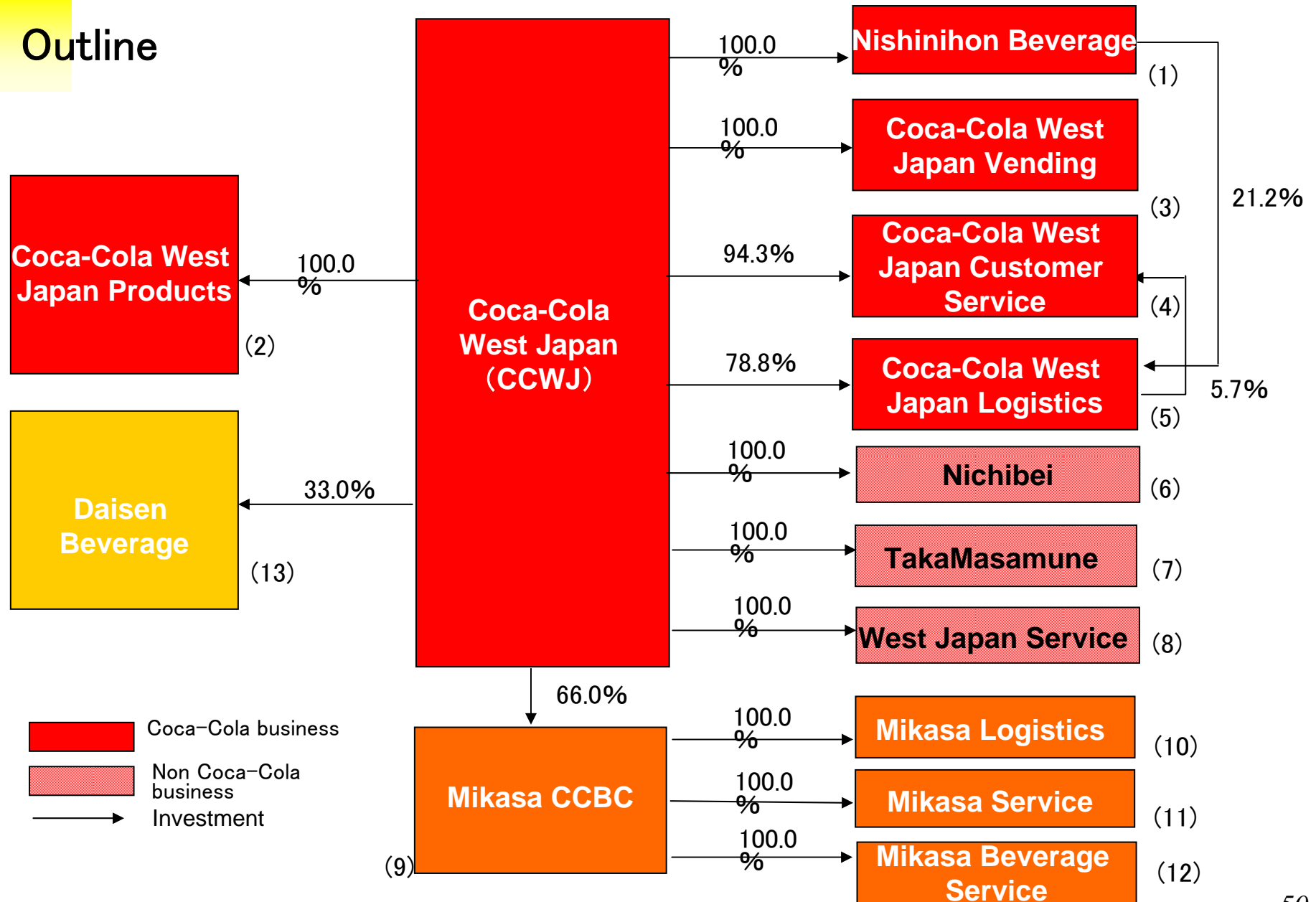
10. Coca-Cola Tea Products Co., Ltd. (CCTPC)

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.

2. Group Affiliates



Outline



- (1) Nishinihon Beverage Co., Ltd.: Vending machine operator business focusing on Coca-Cola products
- (2) Coca-Cola West Japan Products Co., Ltd.: Beverage producer
- (3) Coca-Cola West Japan Vending Co., Ltd.: Vending machine operator
- (4) Coca-Cola West Japan Customer Service Co., Ltd.: Vending machine maintenance company handling installation, repair, and cleaning
- (5) Coca-Cola West Japan Logistics Co., Ltd.: Freight transport company
- (6) Nichibei Co., Ltd.: Food processor
- (7) TakaMasamune Co., Ltd.: Liquor brewer and distributor
- (8) West Japan Services Co., Ltd.: Insurance agent, leasing agent, and realtor
- (9) Mikasa Coca-Cola Bottling Co., Ltd.: Food and beverage distributor
- (10) Mikasa Logistics Co., Ltd.: Freight transport company
- (11) Mikasa Service Co., Ltd.: Vending machine maintenance company handling installation, repair, and cleaning
- (12) Mikasa Beverage Service Co., Ltd.: Vending machine operator focusing on Coca-Cola brands
- (13) Daisen Beverage Co., Ltd.: Beverage producer

9. Glossary



1. Distribution channels

Vending

Retail sales business to distribute products through vending machines to consumers.

Chain store

Wholesale business for supermarket chains.

Convenience Store

Face-to-face sales business for convenience store chains.

Retailer

Face-to-face sales business for grocery stores, liquor shops, and other outlets.

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 facilities, family restaurants, and theme parks.

Agent distributors:

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

A decorative graphic on the left side of the slide, consisting of a red vertical bar, a green square, a blue square, and a yellow square, all overlapping.

2. Vending machines

Regular vending machine

A vending machine lent free of charge to a client who supervises its operation and uses it to sell products purchased wholesale from us.

Full service vending machine

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

Indoor market

Market of vending machines installed indoors. The user types are relatively specific.

Outdoor market

Market of vending machines installed outdoors. The user types are less specific.

Predatory

Eliminating competitors' vending machines by replacing them with ours.

Upgrade

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

VPM

Sales per vending machine.

3. Chain store

National chain

A chain of supermarkets that CCNSC deals with.

NewKAM

A chain of supermarkets that CCJC and bottlers deal with jointly.

Regional chain

A supermarket chain that carries out store development within the territories of two or more bottlers.

Local chain

Chain supermarket carrying out store development with one bottler only.

4. Other

Sales mix

Includes the difference between budget and results due to changes in both a product's unit price and 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 the forecasts may differ materially from actual performance due to risks and uncertain factors including those listed below.

- Intensification of market price competition
- Changes in economic trends affecting the business climate
- Major rate fluctuations in capital markets