



Coca-Cola West Japan Company, Limited

December 21, 2005

Company name	Kinki Coca-Cola Bottling Company, Ltd.
Representative	Masakazu Morito, President
	Stock code No: 2576, listed on the Tokyo Stock Exchange (First Section) and Osaka Securities Exchange (First Section)
Inquiry	Reiji Goh, Public Relations Manager (Phone: 06-6330-2191)
Company name	Coca-Cola West Japan Company, Ltd.
Representative	Norio Sueyoshi, President and CEO
Stock code No:	2579, listed on the Tokyo Stock Exchange (First Section), Osaka Securities Exchange (First Section), and Fukuoka Stock Exchange
Inquiry	Hijiri Morita, Executive Corporate Officer Administration Division Manager (Phone: 092-641-8588)

**Announcement of Business Tie-up between
Kinki Coca-Cola Bottling and Coca-Cola West Japan**

Kinki Coca-Cola Bottling Co., Ltd. (headquartered in Osaka) and Coca-Cola West Japan Co., Ltd. (headquartered in Fukuoka) are pleased to announce that we have reached basic agreement today to tie up their business in the below-mentioned manner, with a view of possible management integration in the future.

The two companies, in cooperation with Coca-Cola (Japan) Co., Ltd., will work hand-in-hand to jointly promote specific projects to maximize synergy effects arising from their cooperative relations closer than heretofore, so as to strengthen our market development power and improve our customer and consumer services. At the same time, we plan to join forces to strengthen our operational systems and IT infrastructures for market research, etc., from a long-term standpoint.



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1. Purpose of the tie-up

Also in the past, the two companies have been cooperating beyond the bounds of bottler territories by setting up a variety of joint projects to increase competitiveness in our respective markets. However, after witnessing drastically changing soft drink market environments in recent years, including diversifying distribution channels, decreasing retail prices, and intensifying competition, we have realized urgent need to reform ourselves, deciding to establish more comprehensive business ties in order to sustain our current growth.

Through this business tie-up, both companies plan to expand strategic options, improve the quality of management, and get the best out of the synergy of functional cooperation.

2. Contents of the tie-up

(1) Upgrading customer services

The two companies will collaborate to upgrade and reinforce services to extensively-operating chain-store customers as well as local customers in our respective territories by standardizing operations and reforming sales and distribution capabilities to bolster proposition-type marketing and store-front sales.

(2) Reinforcing supply chain

We will also work together to reinforce manufacturing technologies, increase beverage freshness, and streamline distribution in collaboration with the integrated supply chain strategy for the entire Coca-Cola system being propelled by Coca-Cola National Beverages Co., Ltd. At the same time, we will study on consolidating our subsidiaries in manufacturing and distribution areas.

(3) Upgrading operational information system

The two companies will consolidate and streamline the operational information system, one of the most important business infrastructures, to sort out information systems requiring continued investment and to deal with the so-called year 2007 problem when a large number of highly skilled employees of both companies will reach their retirement age.

(4) Increasing consumer satisfaction

We will also collaborate to create even higher values to consumers and increase CSR focusing on consumer satisfaction. In addition, we will begin joint efforts to expand our vending machine networks to provide consumers with new and useful vending opportunities.

3. Timetable

December 21, 2005: Basic business tie-up agreement concluded

4. Impact on future business performance

How this business tie-up is expected to affect the future business performances of the two companies will be disclosed as soon as it has been studied and defined.



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5. Outlines of the two companies

(As of June 30, 2005)

(1) Company name	Kinki Coca-Cola Bottling Co.	Coca-Cola West Japan Co.
(2) Major business description	Manufacture and sale of beverages and foods	Manufacture and sale of beverages and foods
(3) Date of foundation	September, 1960	December, 1960
(4) Head office address	7-9-31 Senrigaoka, Settsu City, Osaka	7-9-66 Hakozaki, Higashi Ward, Fukuoka City, Fukuoka Pref.
(5) Representative	Masakazu Morito, President	Norio Sueyoshi, President & CEO
(6) Capital	10,948 million yen	15,231 million yen
(7) No of shares outstanding	62,591,000 shares	82,898,000 shares
(8) Equity	72,009 million yen	165,034 million yen
(9) Total assets	106,349 million yen	184,788 million yen
(10) Fiscal closing	December	December
(11) Number of employees	938	1,819
(12) Major Shareholders and ratios	Kirin Brewery: 41.19% Mitsubishi Foods & Packaging Machinery: 13.86% Japan Trustee Services Bank: 3.64% Master Trust Bank of Japan: 3.50% Company employees: 2.71%	Ricoh: 20.26% New Technology Development Foundation: 6.39% Coca-Cola Holdings West Japan: 4.92% Chase Manhattan Bank NA London: 4.56% Nishi-Nippon City Bank: 4.47%



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6. Business results of the two companies in the past three years (consolidated)

(1) Kinki Coca-Cola Bottling Company

(In million yen)

	Fiscal year ended in December 2002	Fiscal year ended in December 2003	Fiscal year ended in December 2004
Sales	183,349	182,862	193,082
Current profit	5,475	5,323	7,808
Net profit or loss	161	-8,934	3,638
Net profit/loss per share (in yen)	2.58	-144.38	56.27
Dividend per share (in yen)	18.00	18.00	21.00
Shareholders' equity per share (in yen)	1,324.74	1,264.36	1,203.94

(2) Cola-Cola West Japan Company

(In million yen)

	Fiscal year ended in December 2002	Fiscal year ended in December 2003	Fiscal year ended in December 2004
Sales	247,737	240,825	253,248
Current profit	17,005	19,895	17,065
Net profit or loss	7,086	9,380	8,564
Net profit/loss per share (in yen)	85.48	116.25	108.80
Dividend per share (in yen)	34.00	36.00	40.00
Shareholders' equity per share (in yen)	2,009.39	2,089.94	2,149.99