

February 24, 2007

Company Name	Coca-Cola West Holdings (KK)	Company Name	Minami Kyushu Coca-Cola Bottling (KK)
Representative	Representative Director, CEO:	Representative	Representative Director and President:
ative	Norio Sueyoshi	ative	Kokichi Honbo
Code Number	2579 (listed on TSE Section 1, OSE Section 1, Fukuoka Securities and Exchange)		
Contact	PR/IR Group Manager: Masahiro Takase	Contact	Director/PR Officer: Katsuya Inoue
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Notice of Capital and Business Alliance

Today, Coca-Cola West Holdings KK (Headquarters: Fukuoka, referred to hereinafter as “CCWH”) and Minami Kyushu Coca-Cola Bottling KK (Headquarters: Kumamoto, referred to hereinafter as “MK”) have made a basic agreement in relation to a capital and business alliance, as mentioned below.

1 . Background and Objective of a Capital and Business Alliance

In light of the establishment of CCWH in July of last year, as a result of the merger of Coca-Cola West Japan KK and Kinki Coca-Cola Bottling KK, CCWH is leading the transformation of the Coca-Cola system in the western Japan (Northern Kyushu to the Kinki area) under the management principle of “Creating the Future of the Beverage Business”, as a Strategic Leading Partner with The Coca-Cola Company (USA) and its wholly owned subsidiary, Coca-Cola (Japan) Company, Limited.

MK, under the management principles of “Refreshing Person to Person, Developing with the Local Community”, has continued to execute a community-based corporate activity in its territory.

As proximate Coca-Cola bottlers, both companies have built a cooperative relationship, with a focus on marketing activities.

In considering the diversification of consumer needs, transformation of distribution channels, and the intensified sales competition in the non-alcoholic beverage market, CCWH and MK have discussed opportunities to further strengthen cooperative measures, and as a result have agreed to mutually strengthen their competitiveness through a capital and business alliance, under the objective of achieving the further growth and accelerating the corporate value of both companies.

With this alliance, both companies will proactively execute marketing activity throughout western Japan areas including the entire Kyushu territory.

2 . Brief Summary of the Business and Capital Alliance

Both parties will attempt to expand and streamline from the perspective of “product / promotion planning / development”, “procurement”, “manufacturing”, “logistics”, “sales”, “after-service”, and “accounting / IT”, while mutually leveraging the expansion of scale.

In order to secure the effectiveness of the business alliance, CCWH will purchase 20% of MK’s outstanding shares, as well as mutually exchange 1 director in order to further and deepen the mutual understanding. (However, it will mutually be under the condition of the acceptance at the annual shareholders meeting, scheduled at the end of March 2007)

【Candidate for Director at CCWH's Annual Shareholders Meeting】

Kokichi Honbo (Minami Kyushu Coca-Cola Bottling, Representative Director, President)

【Candidate for Director at MK's Annual Shareholders Meeting】

Norio Sueyoshi (Coca-Cola West Holdings, Representative Director, CEO)

Based on the share purchase of the capital alliance, MK will be considered an equity method investee of CCWH.

3 . Schedule

February 24, 2007	Basic Agreement of the Capital and Business Alliance
Beginning of March 2007	Capital and Business Alliance Agreement Execution (Plan)
Beginning of April 2007	Share Purchase (Plan)

4 . Business Outlook

The overall impact of this capital and business alliance to CCWH's financial plan for the year ending 2007 will be disclosed as necessary based on the future discussion of the alliance details by both companies.

5 . Overview of the Parties

(as of December 31, 2006)

(1) Trade Name	Coca-Cola West Holdings KK	Minami Kyushu Coca-Cola Bottling KK
(2) Main Businesses	Manufacturing and Sales of Food and Beverages	Manufacturing and Sales of Food and Beverages
(3) Date of Establishment	December 1960	August 1962
(4) Head Office Address	7-9-66 Hakozaiki, Higashi-Ku, Fukuoka City, Fukuoka Prefecture	3-5-1 Minami Takae, Kumamoto City, Kumamoto Prefecture
(5) Representative	Representative Director, CEO: Norio Sueyoshi	Representative Director and President: Kokichi Honbo
(6) Capital	15,231 MM JPY	974 MM JPY
(7) Number of Outstanding shares (excl. Treasury shares)	106,192 thousand	2,548 thousand
(8) Shareholders Equity	243,491 MM JPY	40,513 MM JPY
(9) Total Assets	270,398 MM JPY	51,212 MM JPY
(10) Fiscal Year End	December	December
(11) Number of Employees	268	1,935
(12) Major Shareholders and Equity Percentages	Ricoh Company, Limited 15.11% Kirin Brewery Company, Limited 10.46% The New Technology Development Foundation 4.76% Japan Trustee Services Bank, Limited 4.30% Mellon Bank Treaty Clients Omnibus 3.76%	Satsuma Shuzo KK 27.19% MCA Holdings KK 25.42% Honbo Shuzo KK 10.09% Honbo Shoten KK 7.70%
(13) Main Banks	Nishi-Nippon City Bank, Limited The Sumitomo Trust & Banking Company, Limited Mizuho Corporate Bank, Limited Mitsubishi UFJ Bank, Limited	Mitsubishi UFJ Bank, Limited Higo Bank, Limited Miyazaki Bank, Limited Oita Bank, Limited Kagoshima Bank, Limited Bank of Minami Nippon, Limited
(14) Relationship	Capital	None
	Personal	None
	Trading (Fiscal year ended in December)	MK accounts for 1,156MM JPY of CCWH's total revenues

	December 2006)	CCWH accounts for 2MM JPY of MK's total revenues.
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(Notice)

- 1 . The above is based on a non-consolidated basis
- 2 . MK's figures above has not been approved by its board of directors meeting yet.

6 . Business Performances of the Parties in the last 3 years

(1) CCWH

【Consolidated】

		Year Ended December 2004	Year Ended December 2005	Year Ended December 2006
Revenues	(MM JPY)	253,248	245,874	327,821
Operating Profits	(MM JPY)	16,860	11,830	12,321
Ordinary Profits	(MM JPY)	17,065	12,256	13,225
Net Profits	(MM JPY)	8,564	7,305	7,570
Earnings Per Share	(JPY)	108.80	93.42	82.22
Book Value Per Share	(JPY)	2,149.99	2,228.79	2,358.05

【Non-Consolidated】

		Year Ended December 2004	Year Ended December 2005	Year Ended December 2006
Revenues	(MM JPY)	195,066	186,953	191,632
Operating Profits	(MM JPY)	15,024	11,857	4,581
Ordinary Profits	(MM JPY)	15,545	12,477	5,406
Net Profits	(MM JPY)	8,353	7,938	3,439
Earnings Per Share	(JPY)	106.20	101.73	37.35
Dividends Per share	(JPY)	40.00	40.00	42.00
Book Value Per Share	(JPY)	2,104.59	2,191.59	2,292.91

(2) MK

【Consolidated】

		Year Ended December 2004	Year Ended December 2005	Year Ended December 2006
Revenues	(MM JPY)	111,008	107,201	90,887
Operating Profits	(MM JPY)	6,562	5,435	3,056
Ordinary Profits	(MM JPY)	7,623	7,472	4,081
Net Profits	(MM JPY)	3,548	3,097	(682)
Earnings Per Share	(JPY)	1,667.02	1,453.58	(267.92)
Book Value Per Share	(JPY)	35,244.41	36,416.35	16,742.62

【Non-Consolidated】

		Year Ended December 2004	Year Ended December 2005	Year Ended December 2006
Revenues	(MM JPY)	83,927	80,015	76,757
Operating Profits	(MM JPY)	4,784	3,088	3,436
Ordinary Profits	(MM JPY)	6,154	5,303	4,332
Net Profits	(MM JPY)	2,790	379	1,289
Earnings Per Share	(JPY)	1,314.40	162.77	506.22
Dividends Per Share	(JPY)	320.00	500.00	500.00
Book Value Per Share	(JPY)	32,724.52	32,634.03	15,899.93

(Notice)

1 . MK's figures for December 2006 have not been approved by its board of directors meeting. Additionally, the decrease in book value per share from December 2006 to December 2007 (Consolidated and Non-Consolidated)

for MK is mainly as a result of a de-merger on January 1, 2006. The net losses for December 2006 on a consolidated basis are mainly due to losses from impairments.

2 . Both company's December 2006 dividends per share have not been approved by their annual general shareholders meeting, scheduled in March 2007.

7 . Sales Territory

