Third Quarter 2008 Results Presentation

October 31, 2008

Coca-Cola West Holdings (2579)

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Highlight

【3Q (7-9) Results】

- Sales volume declined reflected unfavorable weather and short supply of products by CCNBC.
  - August sales (vs. plan): -2,179,000C/S → 3Q sales (vs. plan): -2,157,000C/S
- Operating income was down 21.9% vs. plan, down 10.4% vs. last year on a comparable basis.

【4Q (10-12) Business plan】

- Sales volume target is changed from +4.8% to +0.3%.
- The company revises down the earnings forecast for 4Q and the fiscal year of 2008.
- Share buy back: 1.3 million shares (upper limit), 3,250 million yen (upper limit)

【CCW group reorganization plan】

- Basic ideas: establish new structure that makes additional integration efficiency
  - ①reform and integration of marketing structure
  - ②reform of SCM structure
  - ③reform of cost structure
  - ④efficient of assets
- New SCM system: establish new system centered in CCW in order to attend to consumer needs or upcoming changes in the beverage market

Ⅰ. 3Q Results

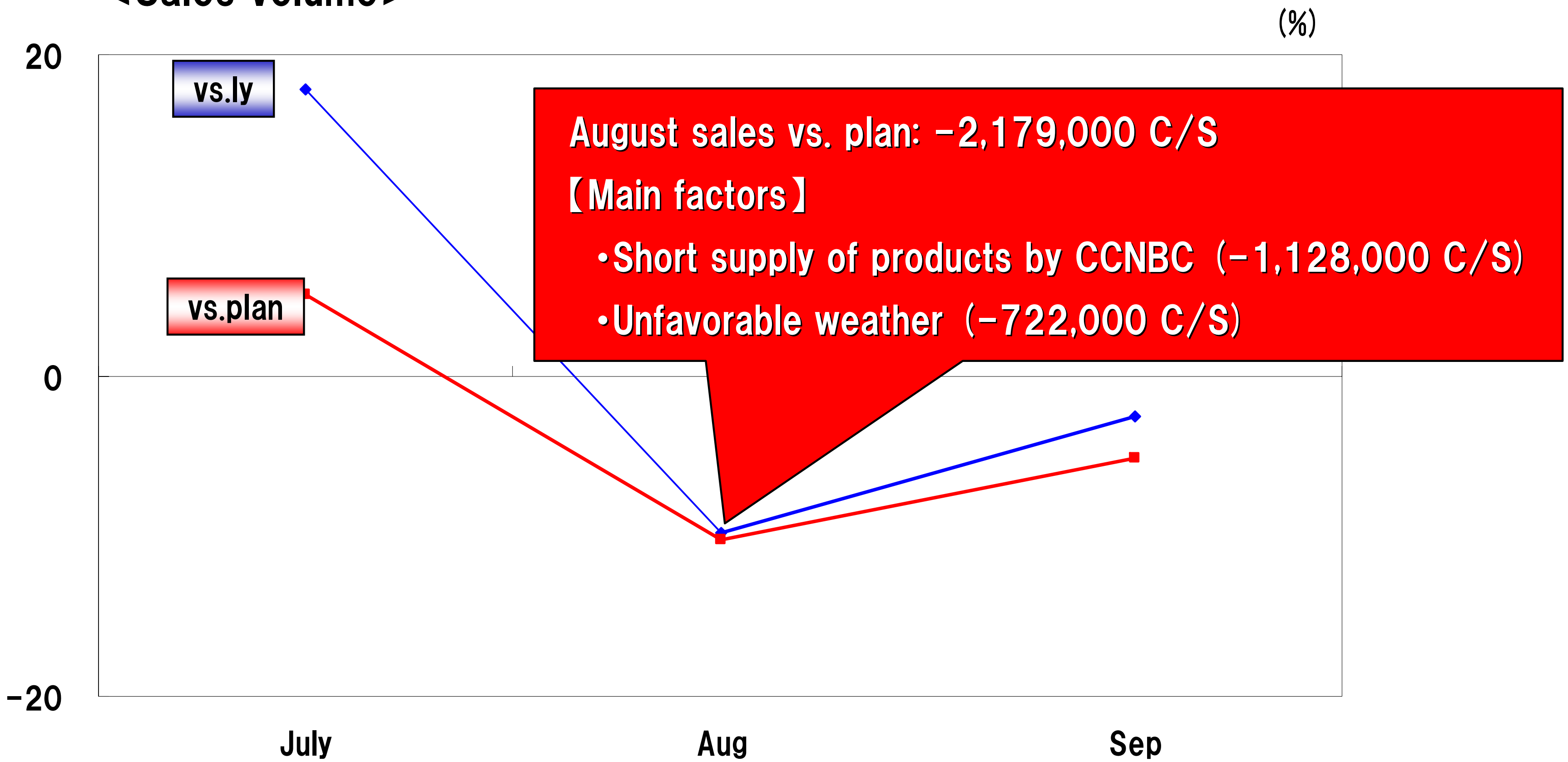
3Q results（7-9） － Sales volume

(thousand cases)

	Actual	vs. plan ＊1		vs. last year	
		change	%	change	%
3Q（7-9）	55,894	-2,157	-3.7	+480	+0.9

＊1） The above plan is based on the performance forecast announced as of August 4, 2008.

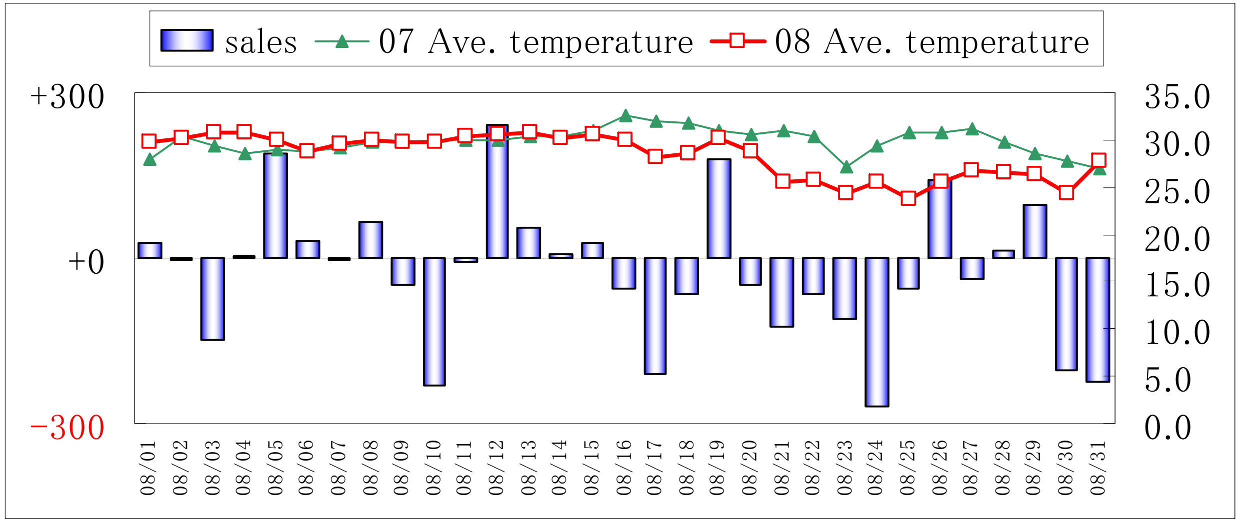
＜Sales volume＞



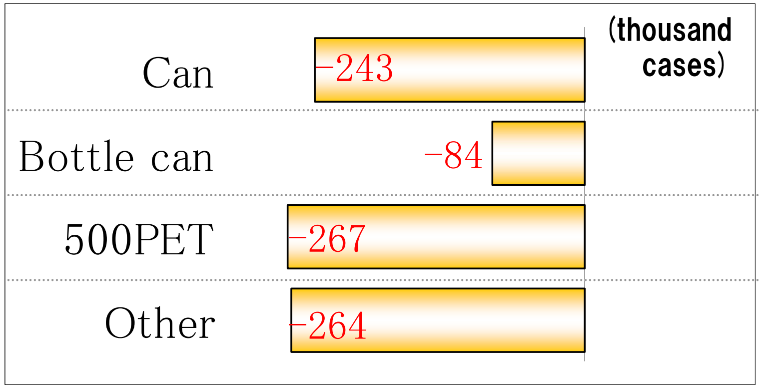
3Q results（7-9） － August sales

➢ August sales: -2,179,000 C/S vs. plan（3Q sales: -2,157,000 C/S vs. plan）
Main factors: Short supply of products by CCNBC -1,128,000 C/S, weather -722,000 C/S

Daily sales vs. ly and average temperature（Kinki）

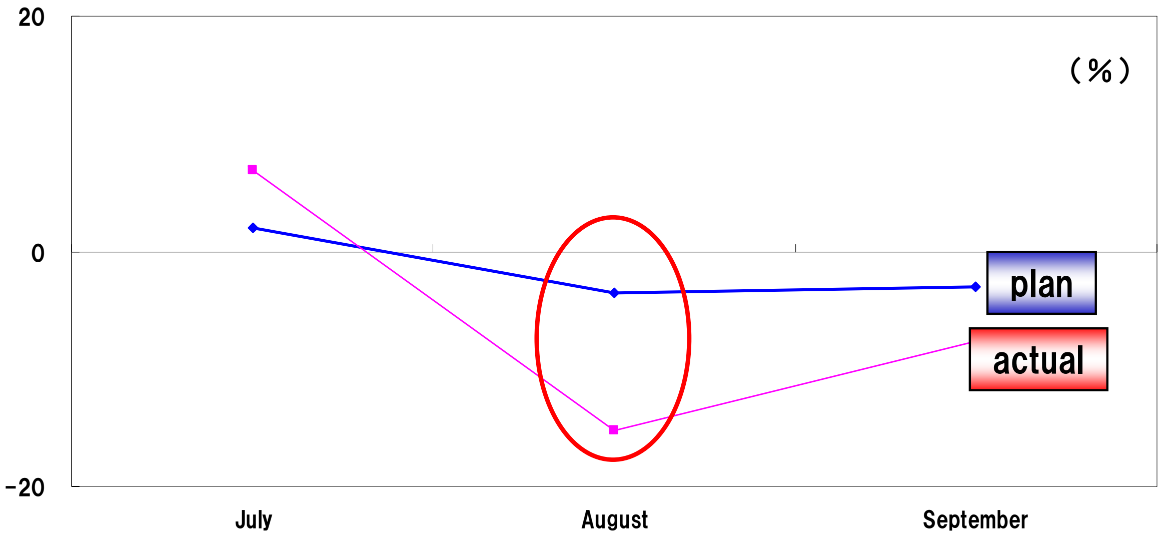


Vending channel sales By package vs. plan

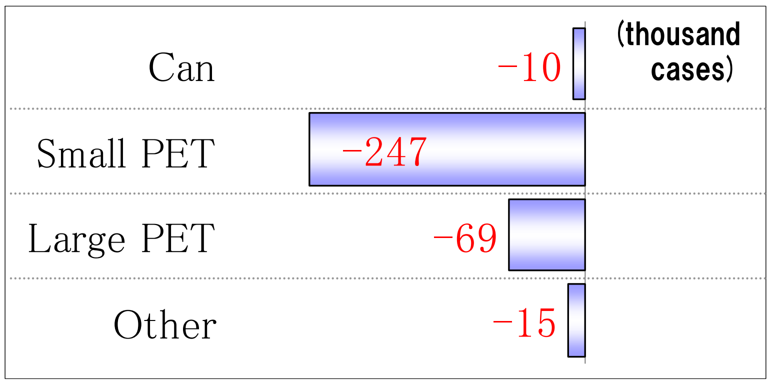


Volume per machine vs. ly（Kinki）

*exclude cup machines



Chain store channel sales By package vs. plan



3Q results – Sales volume by brand

Sales volume by brand

(thousand cases)

		3Q 2008 (7-9)				
		actual	vs. plan		vs. last year	
			change	%	change	%
Core	Coca-Cola	6,197	-101	-1.6	+384	+6.6
	Georgia	9,655	-929	-8.8	+39	+0.4
	Soukenbicha	4,881	-591	-10.8	-507	-9.4
	Aquarius	8,421	+12	+0.1	+146	+1.8
	sub-total	29,154	-1,609	-5.2	+61	+0.2
Priority		9,175	+184	+2.0	+908	+11.0
Other		17,564	-732	-4.0	-489	-2.7
Total		55,894	-2,157	-3.7	+480	+0.9

*Priority brand :Hajime/Ayataka, Fanta, Minute Maid,
Water (Minaqua, Morino-Mizudayori)

Review

■Coca-Cola
•Lost sales due to the short supply of products by CCNBC
•Eighth consecutive quarter of growth

■Georgia
•Start on a recovery trend centered in core flavors

■Soukenbicha
•Decline due to the dull of seasonable flavors

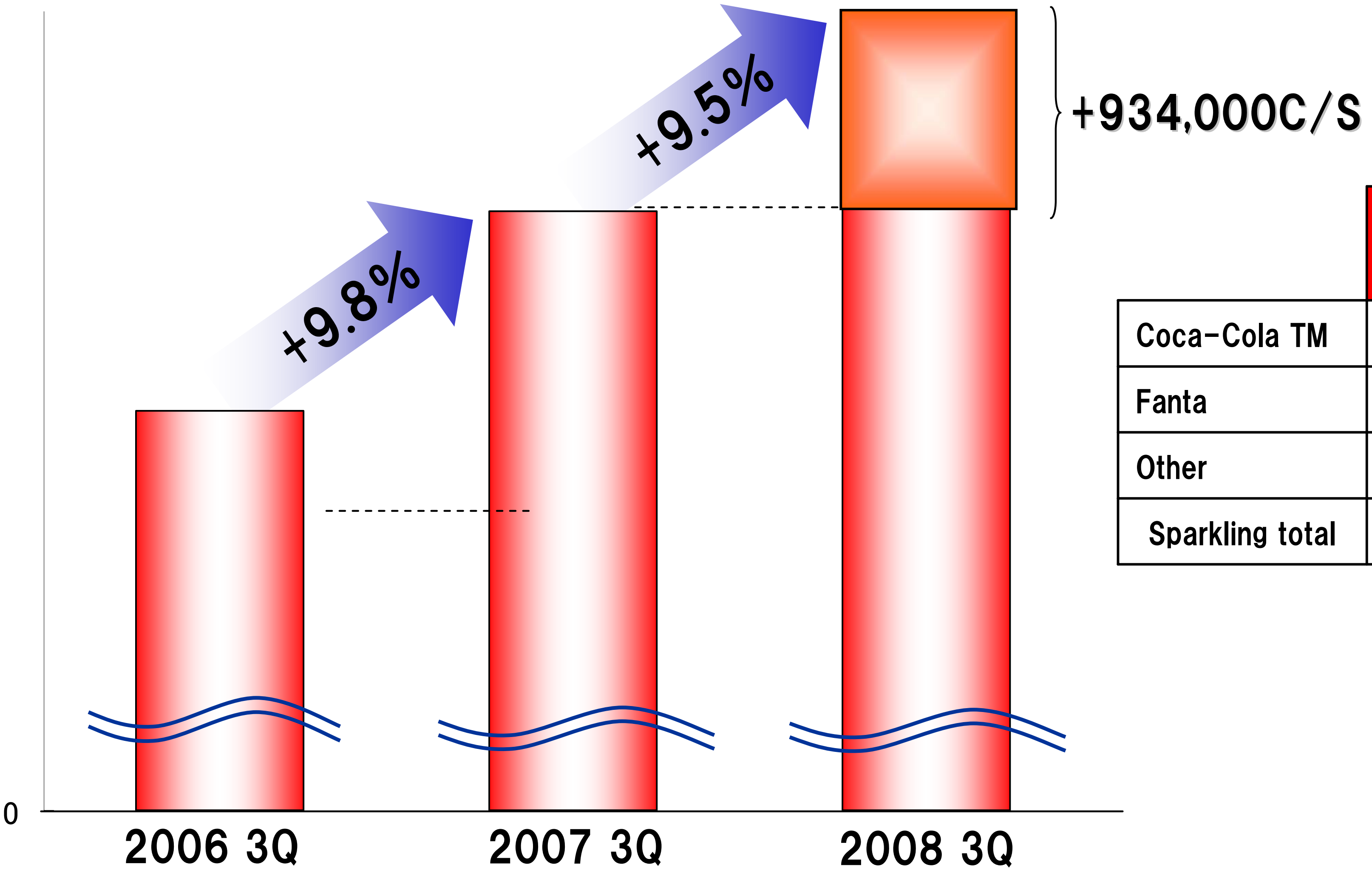
■Aquarius
•Lost sales due to the short supply of products by CCNBC

■Priority
•Fanta: up 5.4% vs. plan, up 25.4% vs. ly by the continued success of FURU FURU shaker)

3Q results - Sparking brands

- Growth mainly Coca-Cola TM and Fanta
  (+0.4% vs. plan, +9.5% vs. last year)

＜Sparkling brands 3Q sales volume (2006～2008)＞



(thousand cases)

	change	%
Coca-Cola TM	+384	+6.6
Fanta	+643	+25.4
Other	-93	-6.1
Sparkling total	+934	+9.5

3Q results -Georgia

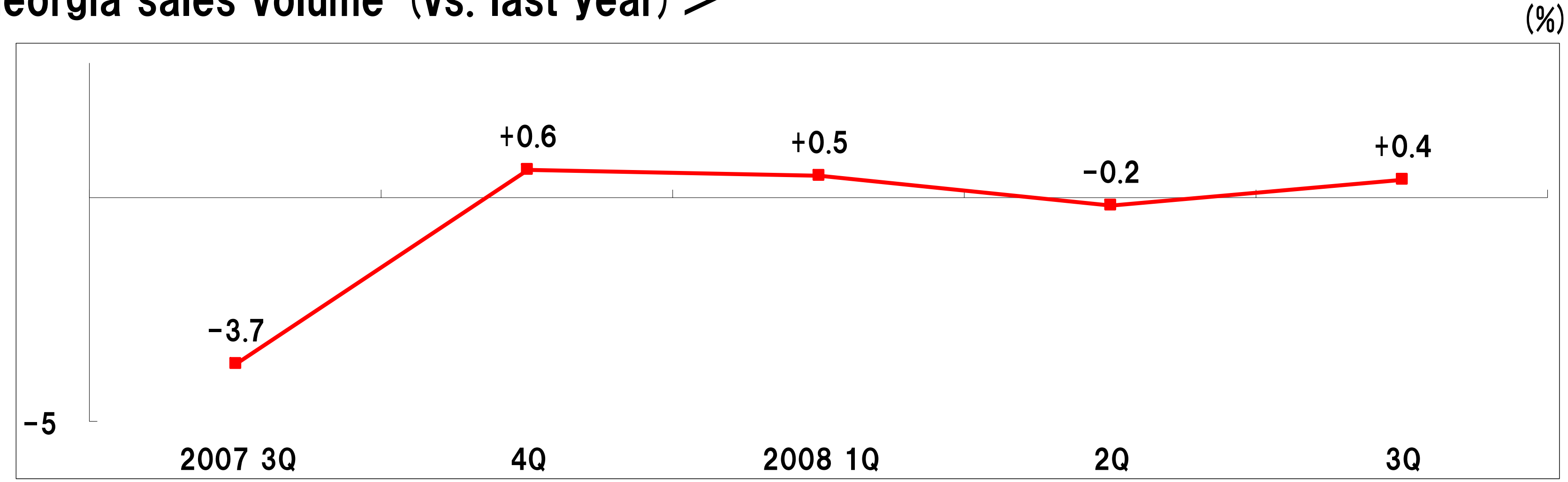
➢Start on a recovery trend centered in core flavors.
(Georgia sales volume: -8.8% vs. plan, +0.4% vs. last year)

<Sales volume by flavors>

(thousand cases)

	Sales	change	%
European	1,763	+32	+1.8
Emerald Mountain Blend (Standard)	1,538	+152	+11.0
〃 (Café Au Lait)	633	+633	–
〃 (Black)	574	+574	–
Other	5,147	-1,352	-20.8
Georgia total	9,655	+39	+0.4

<Georgia sales volume (vs. last year)>



3Q results – Sales volume by Channel

Sales volume by channel

(thousand cases)

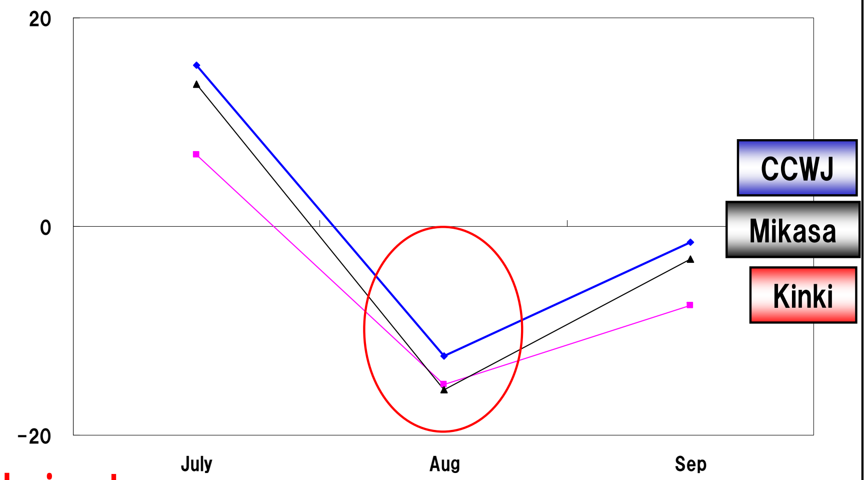
	3Q 2008 (7-9)				
	actual	vs. plan		vs. last year	
		change	%	change	%
Vending	16,547	-1,321	-7.4	-188	-1.1
Chain store	14,816	+210	+1.4	+980	+7.1
CVS	5,467	-7	-0.1	+251	+4.8
Retail	7,252	-334	-4.4	-409	-5.3
Food service	5,356	-228	-4.1	+41	+0.8
Other	6,455	-479	-6.9	-195	-2.9
Total	55,894	-2,157	-3.7	+480	+0.9

Review

■Vending

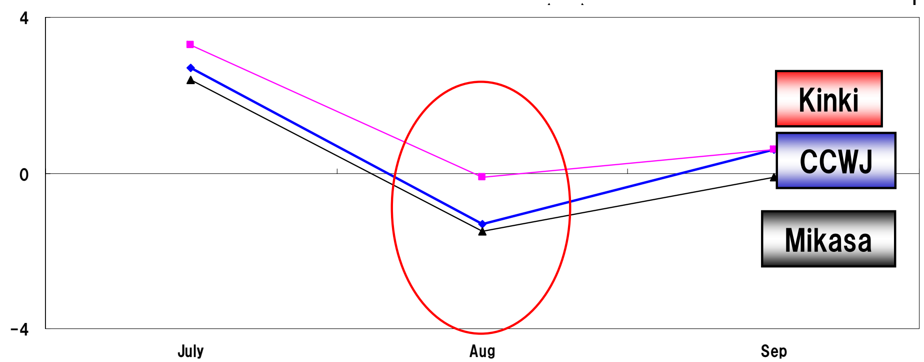
•VPM declined reflected unfavorable weather and short supply of products by CCNBC

<Full service VPM vs. ly (%)> exclude cup machine

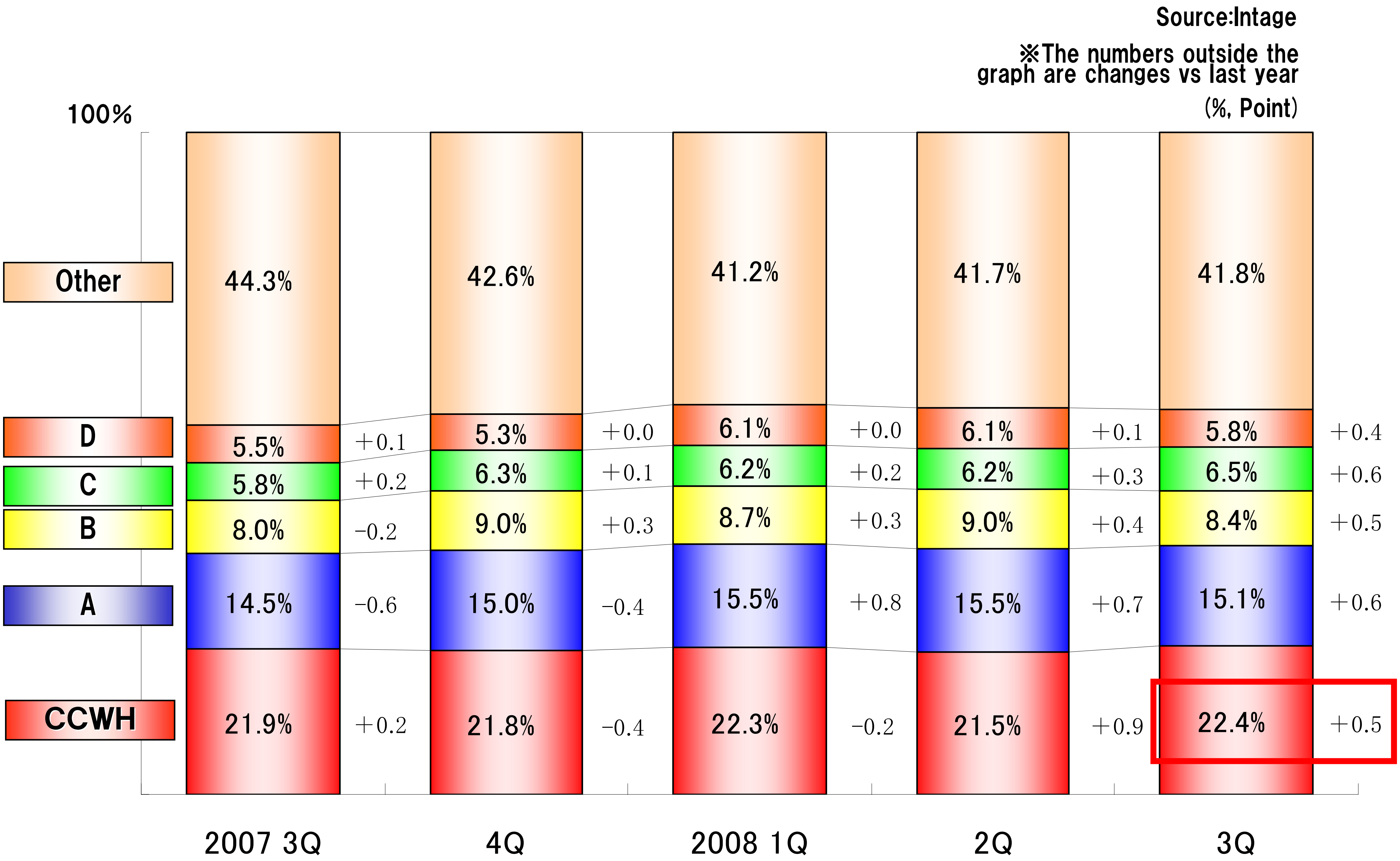


■Chain store

•Share down in August due to the product shortage, but recovered in September.



3Q results - OTC Market Share (Exclude vending machine)



3Q results - Consolidated P/L (7-9)

(million yen)

	2008		vs. plan		2007 *2	vs. last year		2007	vs. last year	
	plan *1	actual	change	%	actual	change	%	actual	change	%
Sales volume	58,051	55,894	-2,157	-3.7	55,413	480	0.9	55,413	480	0.9
Revenues	122,000	114,632	-7,367	-6.0	117,653	-3,021	-2.6	117,653	-3,021	-2.6
Gross profit	51,600	47,517	-4,082	-7.9	49,541	-2,024	-4.1	49,541	-2,024	-4.1
Operating income	8,400	6,562	-1,837	-21.9	7,328	-765	-10.4	7,360	-798	-10.8
Recurring income	8,900	6,804	-2,095	-23.5	7,725	-921	-11.9	7,758	-954	-12.3
Net income	4,500	3,022	-1,477	-32.8	4,583	-1,561	-34.1	4,602	-1,580	-34.3

*1) The above plan is based on performance projections announced as of August 4, 2008.

*2) The actual of 2007 is revised as below in order to compare with same accounting method. (We changed accounting method in 2007)

Items

Review of the advanced payment depreciation method of Kinki : added 32 million yen as cost

3Q results – Change factors vs. plan

(billion yen)

	2008 3Q plan	2008 3Q actual	2008 3Q change	main factors for increase/decrease	change
Revenues	122.0	114.6	-7.4	Impact on products shortage by CCNBC	-2.1
				Decrease in sales volume	-2.0
				Decrease by sales mix	-2.8
				Increase in profit from toll fee	+ 0.3
				Other	-0.9
Gross profit	51.6	47.5	-4.1	Impact on products shortage by CCNBC	-0.9
				Decrease in sales volume	-0.9
				Decrease by sales mix	-2.1
				Increase in profit from toll fee	+ 0.4
				Other	-0.6
Operating income	8.4	6.5	-1.9	<COGS>	
				Decrease in sales commission	+ 0.8
				Decrease in advertising cost	+ 0.7
				(used as a discount)	(+0.3)
				Decrease in service fee	+ 0.3
				Decrease in personnel cost	+ 0.3
				Other	-0.1
Recurring income	8.9	6.8	-2.1		
Net income	4.5	3.0	-1.5	Extraordinary losses	-0.2
				Income taxes	+ 0.8

3Q results – Sales volume/Revenues/Operating income

(thousand cases, million yen)

	Sales volume			Revenues			Operating income		
	plan	actual	change	plan	actual	change	plan	actual	change
July	18,845	19,811	966	40,115	40,920	804	2,312	2,494	182
August	21,374	19,194	−2,179	43,807	38,586	−5,220	3,765	2,029	−1,735
September	17,832	16,888	−945	38,078	35,126	−2,952	2,323	2,039	−284
Total	58,051	55,894	−2,157	122,000	114,632	−7,368	8,400	6,562	−1,837

*Main factors for decrease in August

Main factors	Sales volume (000 cases)	Revenues (million yen)	Operating income (million yen)
Impact on products shortage by CCNBC	−1,128	−2,098	−474
Impact on unfavorable weather	−722	−1,343	−303
Change of sales mix	—	−900	−412
Subtotal	−1,850	−4,341	−1,189

■Composite of products by channel (decrease of vending, increase of chain store)

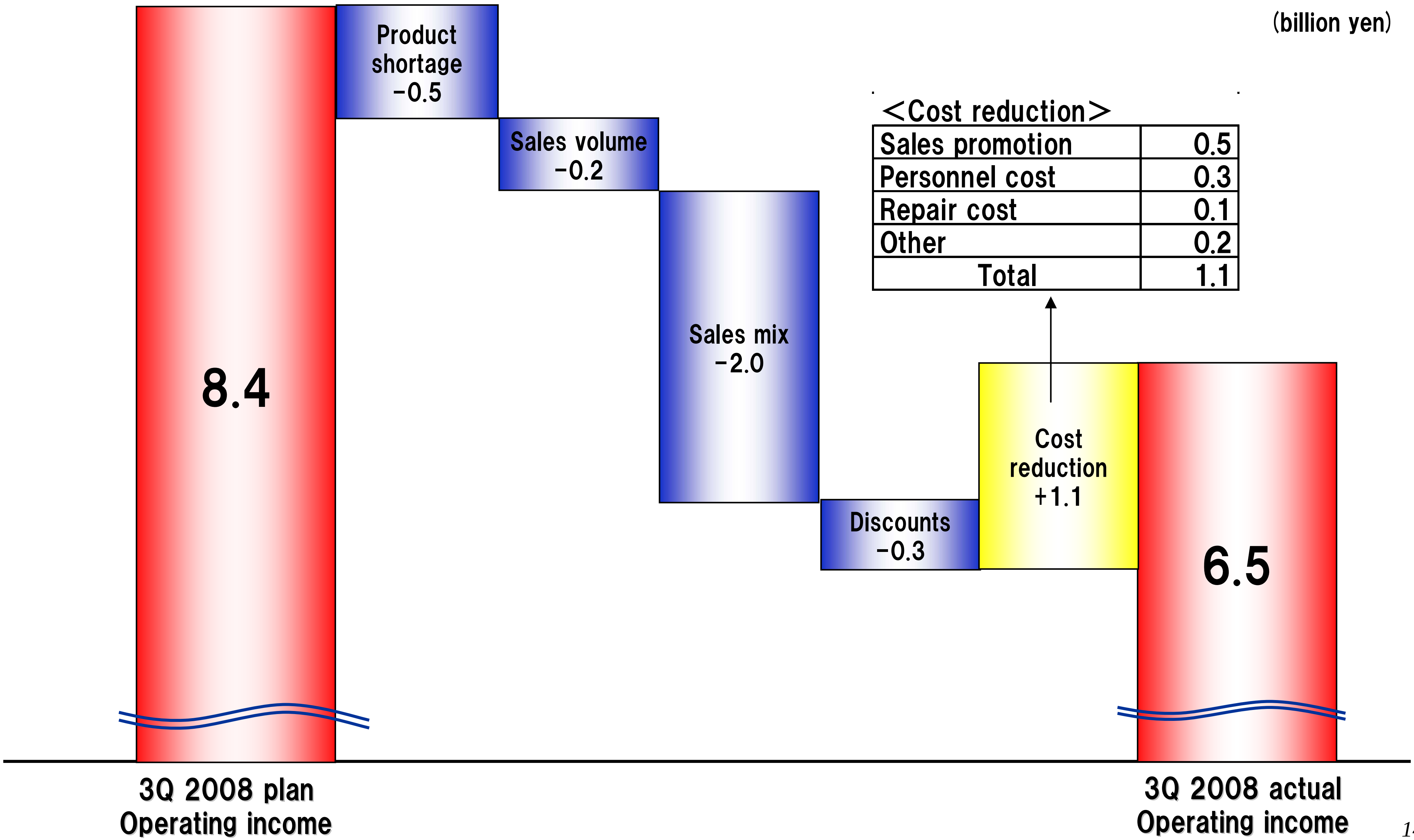
Revenues: −346 million yen, OP: −200 million yen

■Composite of products by package (decrease of small PET & can, increase of large PET)

Revenues: −554 million yen, OP: −212 million yen

3Q results – Operating income change factors vs. plan

(billion yen)



<Cost reduction>

Sales promotion	0.5
Personnel cost	0.3
Repair cost	0.1
Other	0.2
Total	1.1

3Q results – Change factors vs. ly（after considering items)

	2007 3Q	2008 3Q	change
Revenues	117.6	114.6	-3.0
Gross profit	49.5	47.5	-2.0
Operating income	7.3	6.5	-0.8
Recurring income	7.7	6.8	-0.9
Net income	4.5	3.0	-1.5

(billion yen)

	main factors for increase/decrease	change
Revenues	Increase in sales volume	+0.9
	Increase in profit from toll fee	+0.8
	(impact on increase in sugar/clude oil price)	(-0.1)
	Sale of consolidated company's stock	-2.3
	Decrease by sales mix	-2.1
	Other	-0.3
Gross profit	Increase in sales volume	+0.4
	Decrease by sales mix	-1.7
	Sale of consolidated company's stock	-0.5
	Decrease in profit from toll fee	-0.1
	(impact on increase in sugar/clude oil price)	(-0.4)
	Other	-0.2
Operating income	<COGS>	
	Sale of consolidated company's stock	+0.4
	Decrease in personnel cost	+0.4
	Decrease in advertising cost	+0.4
	Decrease in sales commission	+0.1
	Increase of fuel cost	-0.1
Recurring income		
Net income	Extraordinary losses	-1.4
	Income taxes	+0.8

3Q results - Consolidated P/L (1-9)

(million yen)

	2008		vs. plan		2007 *2	vs. last year		2007	vs. last year	
	plan *1	actual	change	%	actual	change	%	actual	change	%
Sales volume	144,792	142,635	-2,157	-1.5	141,950	685	0.5	141,950	685	0.5
Revenues	310,500	303,202	-7,297	-2.4	310,520	-7,317	-2.4	310,520	-7,317	-2.4
Gross profit	131,000	126,916	-4,083	-3.1	132,325	-5,409	-4.1	132,325	-5,409	-4.1
Operating income	11,600	9,705	-1,894	-16.3	10,940	-1,234	-11.3	11,498	-1,792	-15.6
Recurring income	12,700	10,580	-2,119	-16.7	12,051	-1,470	-12.2	12,610	-2,029	-16.1
Net income	4,900	3,455	-1,444	-29.5	6,969	-3,513	-50.4	7,293	-3,837	-52.6

*1) The above plan is based on performance projections announced as of August 4, 2008.

*2) The actual of 2007 is revised as below in order to compare with same accounting method. (We changed accounting method in 2007)

Items

Review of the advanced payment depreciation method of Kinki : added 558 million yen as cost

Ⅱ. 4Q Business plan

4Q Sales volume plan

(thousand chases)

	2007 4Q actual	2008 4Q		
		plan *1	vs. last year	
			change	%
CCWH	44,288	44,428	+141	+0.3

*1) The above plan is based on performance projections announced as of October 29, 2008.

Sales volume by channel

		2007 4Q actual	2008 4Q		
			plan	vs. last year	
				change	%
Core	Coca-Cola	3,773	3,806	+33	+0.9
	Georgia	11,632	11,727	+95	+0.8
	Soukenbicha	3,427	3,375	-52	-1.5
	Aquarius	3,332	3,396	+65	+1.9
Priority		5,753	5,831	+78	+1.4
Other		16,371	16,293	-78	-0.5
Total		44,288	44,428	+141	+0.3

*Priority brand :Hajime/Ayataka, Fanta, Minute Maid,
Water (Minaqua, Morino-Mizudayori)

Sales plan by channel

	2007 4Q actual	2008 4Q		
		plan	vs. last year	
			change	%
Vending	14,251	14,428	+176	+1.2
Chain store	8,311	8,767	+456	+5.5
CVS	4,634	4,906	+271	+5.9
Retail	6,084	5,596	-487	-8.0
Food service	4,711	4,716	+5	+0.1
Other	6,296	6,015	-281	-4.5
Total	44,288	44,428	+141	+0.3

4Q Strategy – Point of initiatives

Strengthen Georgia during peak seasons

- Strengthening sales in vending channel
  - Increase the selection (new + core products)

- Implementation of the national promotion

- Strengthening sales in OTC channel
  - Increase coverage

Strengthen Georgia

➢Increase the selection（new + core products)

New products（include renewal)

Core products

➢Implementation of the national promotion

JODEKI RECYCLE
The court that used cloth that considers global environment
GEORGIA

4Q Performance Projections

(million yen)

	2007 4Q actual *1	2008 4Q					
		plan *2	plan *3	vs. plan		vs. last year	
				change	%	change	%
Revenues	99,001	101,800	97,900	-3,900	-3.8	-1,201	-1.2
Gross profit	42,883	44,400	41,100	-3,300	-7.4	-1,783	-4.2
Operating income	4,553	4,400	2,500	-1,900	-43.2	-2,053	-45.1
Recurring income	4,879	4,800	2,900	-1,900	-39.6	-1,979	-40.6
Net income	2,079	2,300	-2,300	-4,600	—	-4,579	—

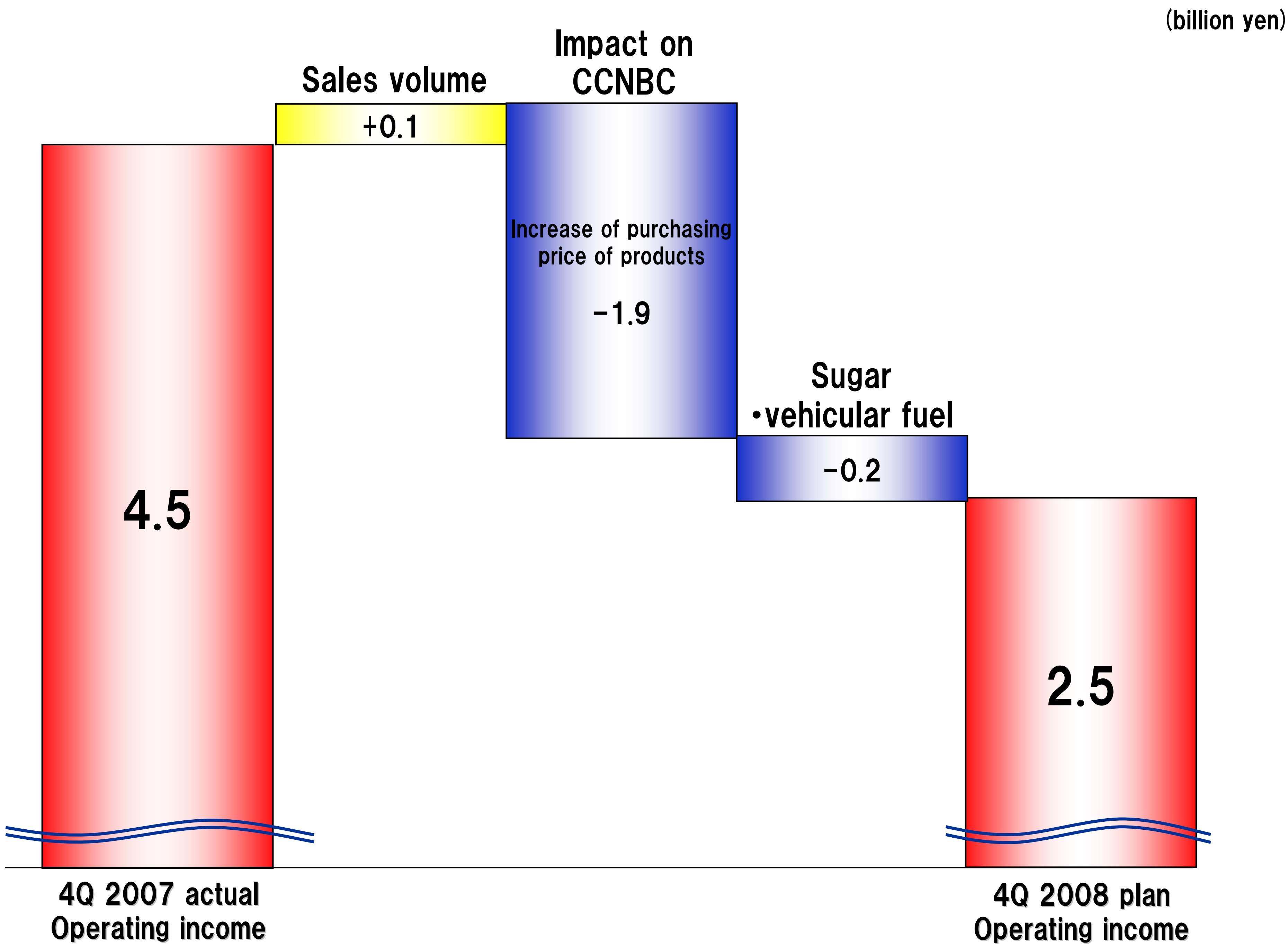
*1) The actual of 2007 is revised as below in order to compare with same accounting method. (We changed accounting method in 2007)

Items: Review of the advanced payment depreciation method of Kinki : added 6 million yen as cost

*2) The plan is based on performance projections announced as of August 4, 2008.

*3) The plan is based on performance projections announced as of October 29, 2008.

4Q Operating income change factors – vs. last year



2008 performance projections（1-12）

(million yen)

	2007 actual *1	2008					
		plan *2	plan *3	vs. plan		vs. last year	
				change	%	change	%
Revenues	409,521	412,300	401,000	-11,300	-2.7	-8,521	-2.1
Gross profit	175,208	175,400	168,000	-7,400	-4.2	-7,208	-4.1
Operating income	15,492	16,000	12,200	-3,800	-23.8	-3,292	-21.3
Recurring income	16,929	17,500	13,500	-4,000	-22.9	-3,429	-20.3
Net income	9,048	7,200	1,000	-6,200	-86.1	-8,048	-88.9

*1) The actual of 2007 is revised as below in order to compare with same accounting method. (We changed accounting method in 2007)

Items: Review of the advanced payment depreciation method of Kinki : added 563 million yen as cost

*2) The plan is based on performance projections announced as of August 4, 2008.

*3) The plan is based on performance projections announced as of October 29, 2008.

Revised factors of performance projections（1-12)

	Revenues	Profit
1. 4Q risk factors 1) Decrease in sales volume（-2,000,000 C/S) 2) Cost reduction	-3.9 bn	-1.5 bn +0.7 bn
2. Impact on CCNBC 1) increase of purchasing price of products 2) Liquidation of CCNBC（extraordinary losses)		-1.1 bn -0.8 bn
3. Impact on decline in stock prices 1) Write-down of domestic investment securities as of 10/24 (extraordinary losses)		-5.0 bn

*Ref: Main extraordinary losses（10.4 billion yen)

	1-9	10-12	1-12
· Integration cost	0.6 bn	0.4 bn	1.0 bn
· Repair cost for sales equipment	1.1 bn	0.7 bn	1.8 bn
· Liquidation of CCNBC	-	0.8 bn	0.8 bn
· Loss on disposals of fixed assets	0.6 bn	-	0.6 bn
· Write-down of investment securities	0.4 bn	5.0 bn	5.4 bn
· Sale of subsidiary company	0.5 bn	-	0.5 bn

Revenues
-3.9 bn

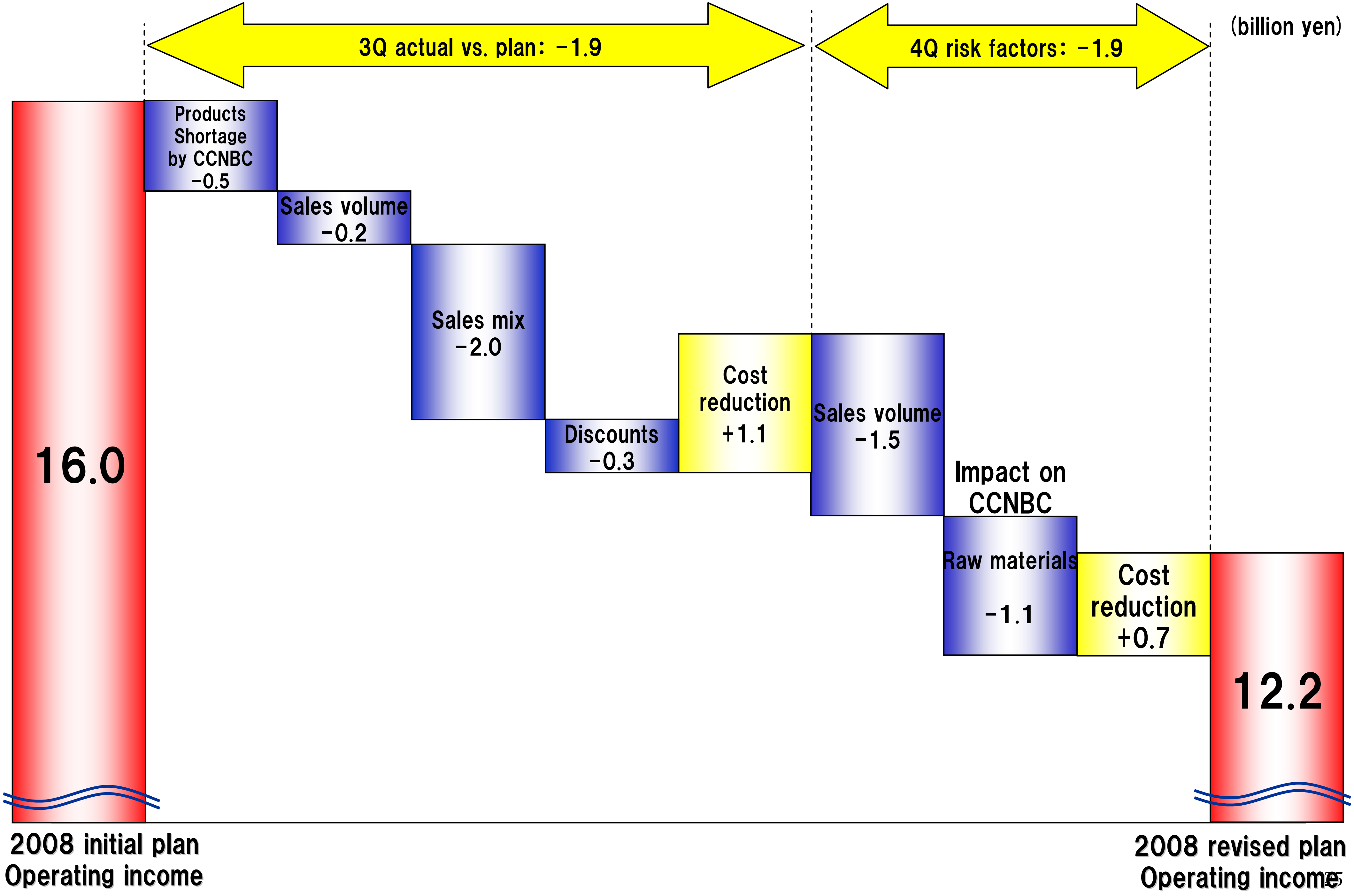
OP
-1.9 bn

EBIT
-7.7 bn

Net income
-4.6 bn

※株式評価損の税金費用について
・株式評価損は、回収の時期がスケジュール不能なものとして税金費用のマイナス(法人税等の減額)を計上できないが、過去の年金信託設定益(2001年)に対して繰延税金負債を計上しているため、それを取り崩すことで税金費用のマイナス(法人税等の減額)を計上している。

2008 Operating income change factors from initial plan



Share buy back

■Objectives : Improvement of capital efficiency to make flexibly capital policy corresponding change of business environment possible

■Acquisition shares : 1.3 million shares (upper limit)   *Composition of shares 1.1%

■Acquisition price : 3,250 million yen (upper limit)

■Term : October 30 to December 31, 2008

<Share buy back in 2008>

	Acquisition shares (000)	Acquisition price (million yen)
No.1 (Feb～Mar)	1,500	3,320
No.2 (Apr～Jun)	1,874	4,779
No.3 (Aug～Sep)	1,491	3,666
Subtotal	4,865	11,766
No.4 (Oct～Dec) plan	1,300 (upper limit)	3,250 (upper limit)
Total (plan)	6,165	15,016

* Number of company shares

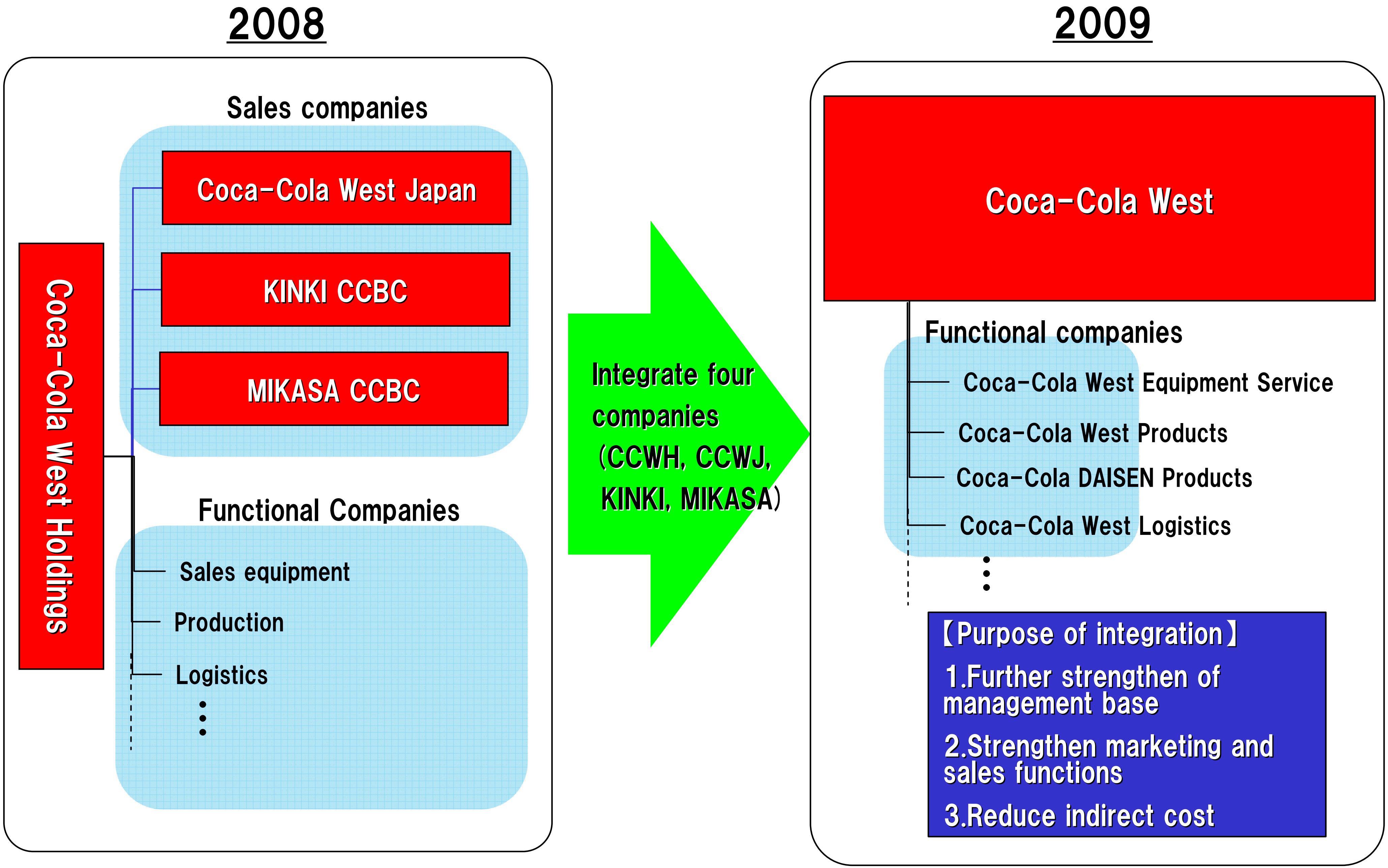
	Company shares (thousand)	Outstanding shares (thousand)
End of September	9,846 (8.9%)	111,125
End of December (plan)	11,146 (10.0%)	

Ⅲ.CCW group reorganization plan

1. CCW management structure from 2009
2. New SCM Structure from 2009

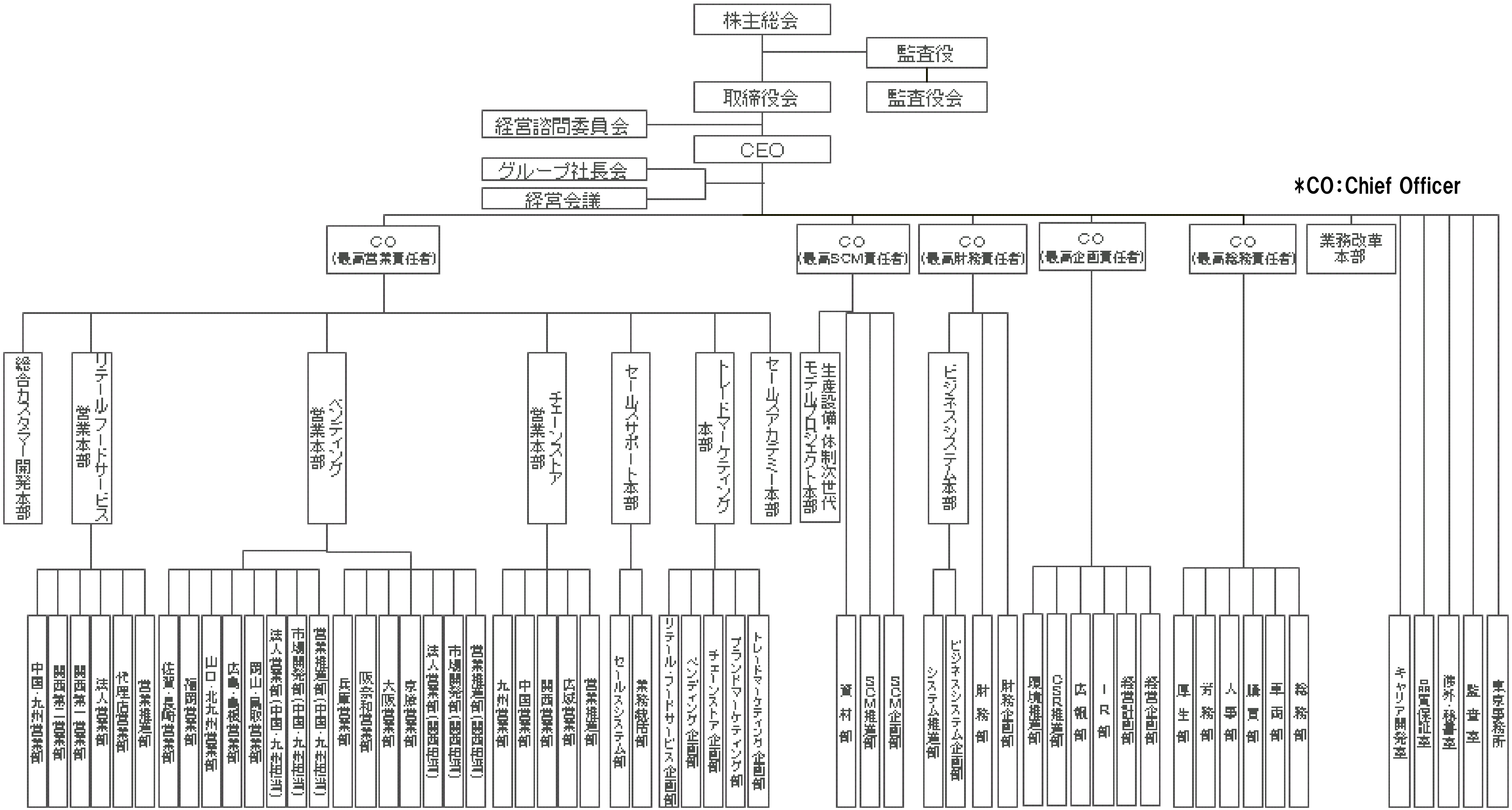
1. CCW management structure from 2009

Integration



Management structure of CCW from 2009

(as of Jan. 2009)



Basic ideas for the fiscal year of 2009

Establish the structure that can create integration effects as soon as possible toward "Leading bottler in the world"

Leading bottler in the world

- Grow significantly faster than our competitors
- Establish a solid earnings base

Basic ideas for the fiscal year of 2009

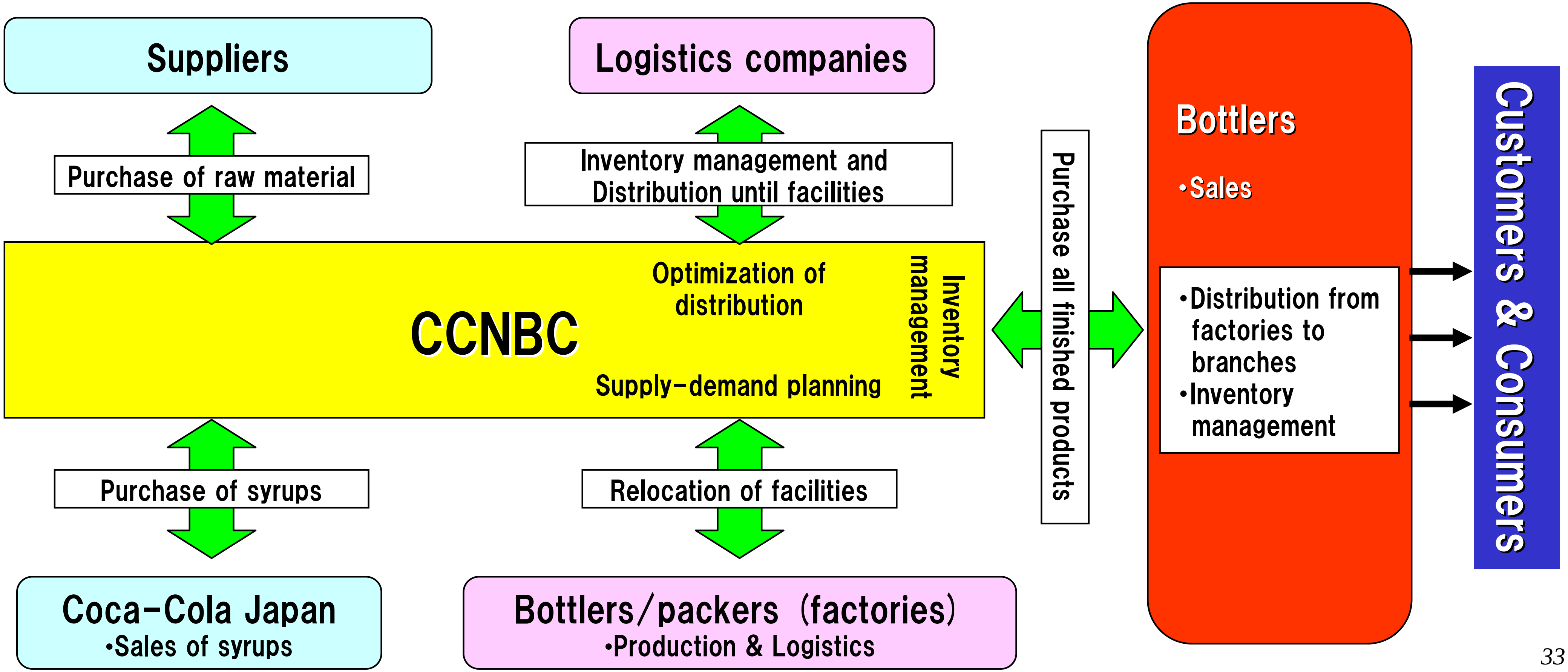
■Reform and integrate the marketing structure	▸ Increase sales and market share by executing a consumer-centric approach ▸ Establish an efficient sales structure
■Reform the SCM structure	▸ Closely coupled with sales activities and establish supply structure that can respond more quickly and flexibly to upcoming changes ▸ Hold down procurement price and reduce cost
■Reform of cost structure	▸ Keep cash free for our continuing growth ▸ Carry out thorough cost control
■Improve efficiency of assets	▸ Eliminate ineffectual assets and utilize fixed assets

2. New SCM Structure from 2009

Current relationship between CCNBC and bottlers

What is CCNBC?

- Established as a joint investment between bottlers and TCCC in 2003.
- Centralized procurement, manufacturing and distribution operations
  - •Procurement: syrups and raw materials
  - •Manufacturing: relocation of facilities to bottlers or packers
  - •Distribution: inventory management and distribution until facilities
- Bottlers purchase all finished products.

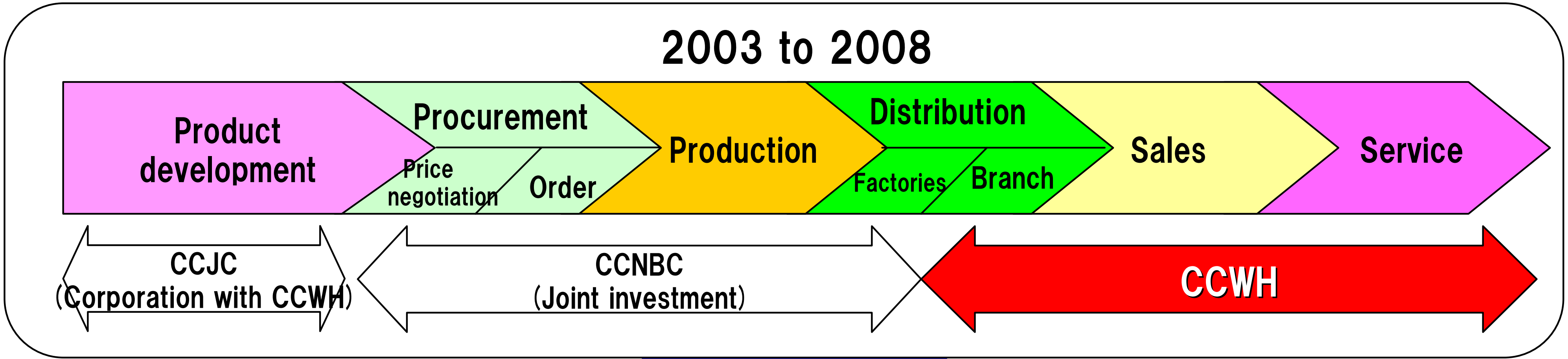


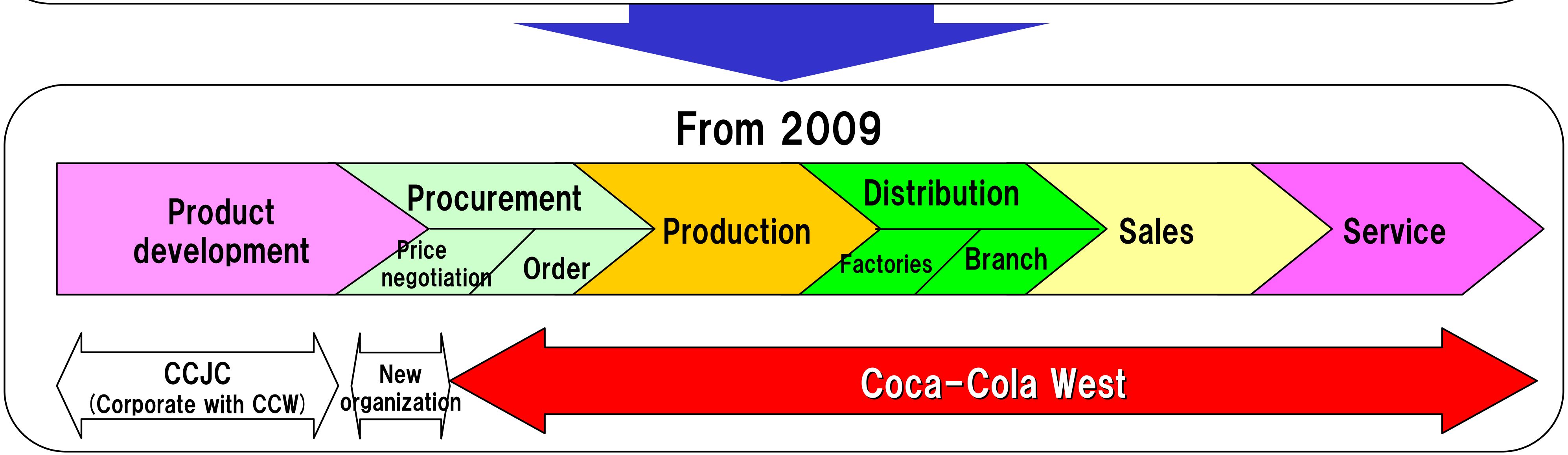
New Supply Chain Structure from Jan. 2009

<Changes>

- Manufacturing and logistics operations of CCNBC will be transferred to bottlers.
- Joint procurement will fundamentally continue leveraging scale advantage through a nationally integrated procurement organization for major packaging and raw materials.
  On the other hand, operation related to the order will be transferred to bottlers.

⇒<u>Realization of the supply chain structure by will of the company.</u>





Our concept

〔Concept〕

- Establish an independent SCM structure by ourselves in accordance with the new SCM concept in the Coca-Cola system.
- Establish a SCM structure centered around Coca-Cola West.

〔Basic thought of new SCM in the Coca-Cola system〕

Structure that management in each company can judge by themselves, and that is integrated combination of risk and return

We have a policy of SCM done by each bottler/multi bottlers, but we establish cooperative alliance based on synergy

〔What we need〕

- A new SCM structure is closely coupled with new commercial organization established from next year
- Effective utilization of our facility and logistics assets
- Enlargement and strengthened function of SCM

Establish an independent SCM structure by ourselves
Establish a SCM structure centered around CCW

Goal for new SCM structure

➢ Strengthen market execution as well as enhancement the partnership between new marketing structure and new SCM structure.

New Marketing Structure

• Strengthen Trade-Marketing function and execution in market

Link

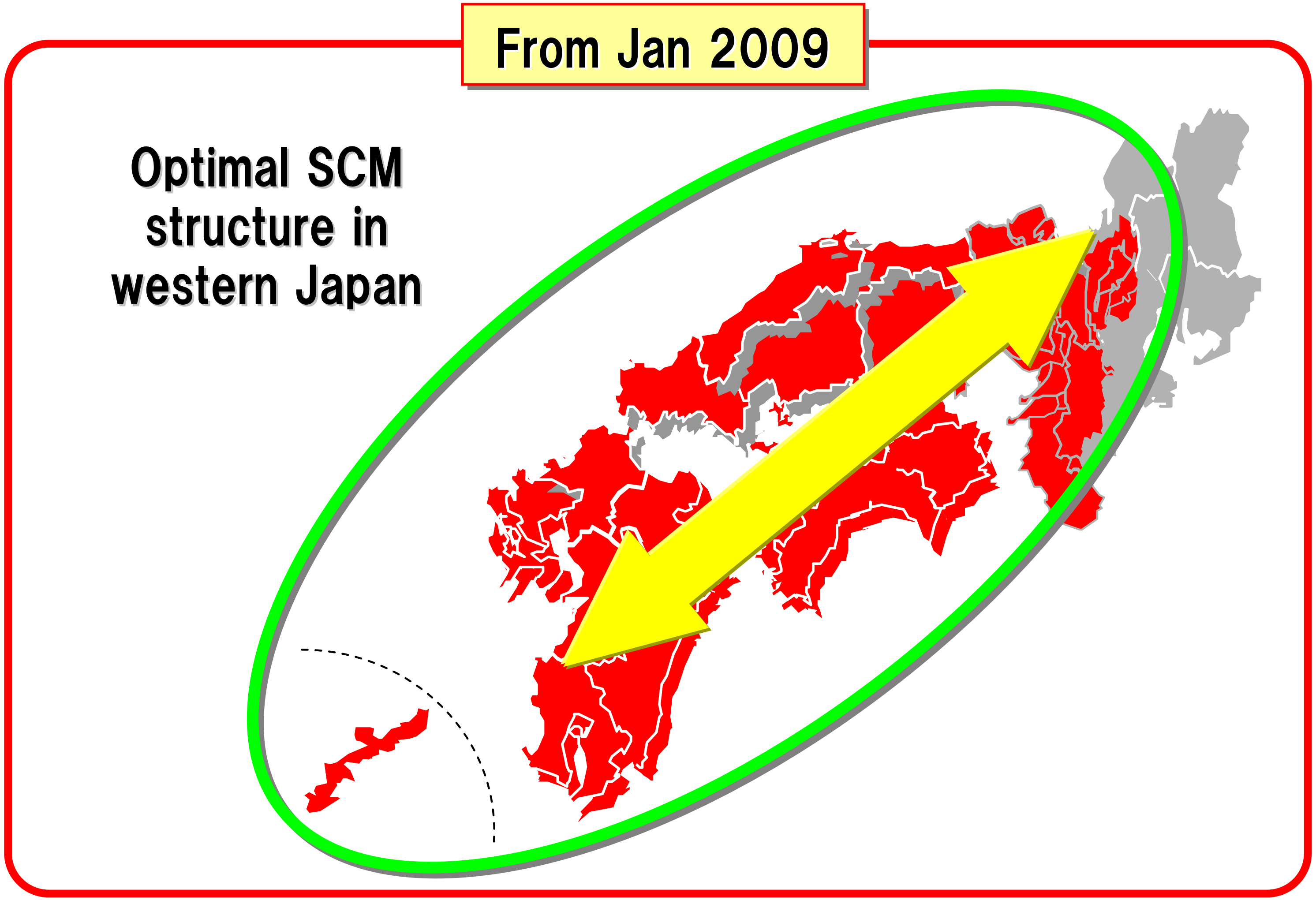
New SCM Structure

• Strengthen SCM function
  - investment for new product
  - new SCM technology
  - high quality products
• Enhance quality of service
  - procurement, manufacturing, logistics

1. Enhancement the partnership between marketing and SCM functions.
   • Participation in product & package development process of CCJC
   • Speedier decision making of investment in SCM facilities
   • Realize high-quality supply operation with faster supply of fresh, high-caliber products
2. Execute the operation more responsive and flexible in western Japan area.
   • Realize a flexible production (inventory reduction)
   • Realize a higher level of productivity and logistics cost reduction

New SCM structure in western Japan area

- Establish new SCM structure centered the company in western Japan area.



[Reference]

Change in accounting method in 2007 (1)

➢Change of sales equipment depreciation method (July, 2007)

≪Item≫

◆The company changed the method from constant percentage method to new constant dollar plan in order to rationalize the correspondence between revenues and cost.

-Adopt new constant dollar plan to all sales equipments held at the beginning of the period.

-Depreciate in three years with constant dollar plan in terms of sales equipment which has already depreciated to 95% of an acquisition price.

≪Impact on the change≫

◆Assets which remaining depreciable life is short (one-two years) at the time, increase depreciation cost.

◆Assets which remaining depreciable life is long (four-five years) decrease depreciation cost.

➢Change of advanced payment depreciation method (January, 2007)

≪Item≫

◆Kinki changed advanced payment depreciation method from one time to time depreciation method in order to unify the accounting method in the group.

≪Impact on the change≫

◆Depreciation cost at the fiscal year of 2007 decreased because the advanced payment cost was depreciated with one time method in 2006.

Change in accounting method in 2007 (2)

<Impact on changing accounting method which the company did in 2007>

(million yen)

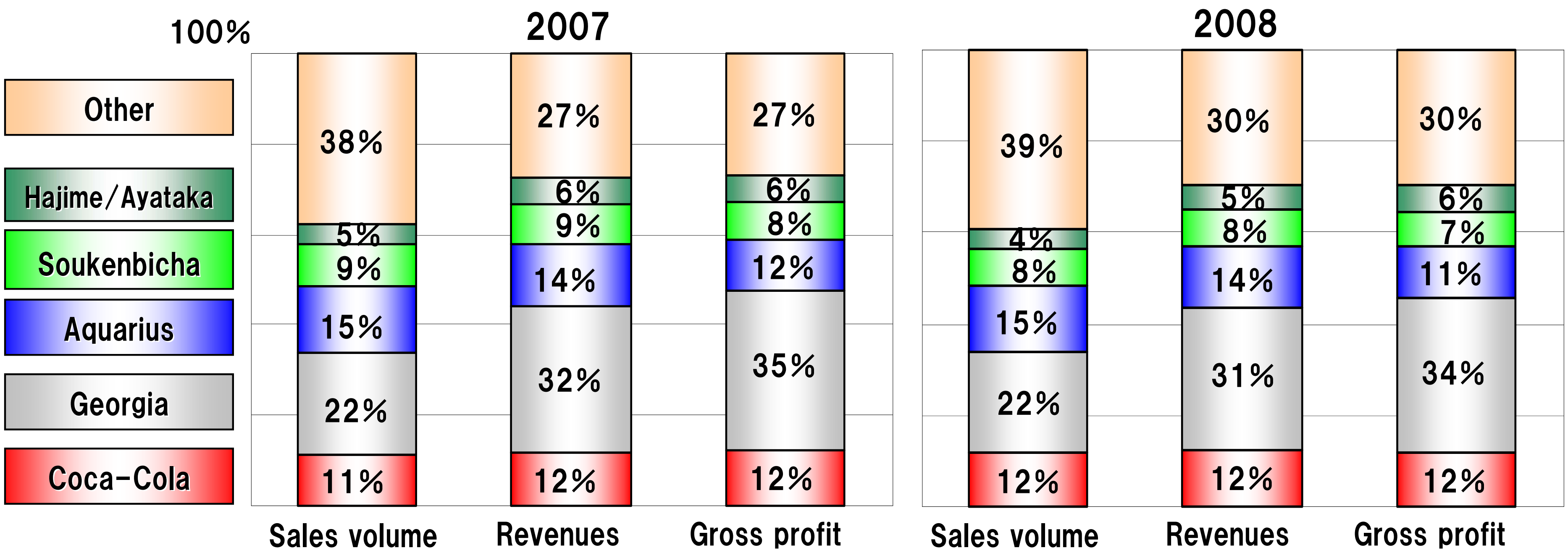
	1H			2H			Total
	1Q	2Q	subtotal	3Q	4Q	subtotal	
Sales equipment depreciation (constant percentage method to new constand dollar plan)	711	-711	0	0	0	0	0
Advanced payment depreciation (one time to time depreciation)	333	192	525	32	6	38	563
Total	1,044	-519	525	32	6	38	563

Sales volume by package

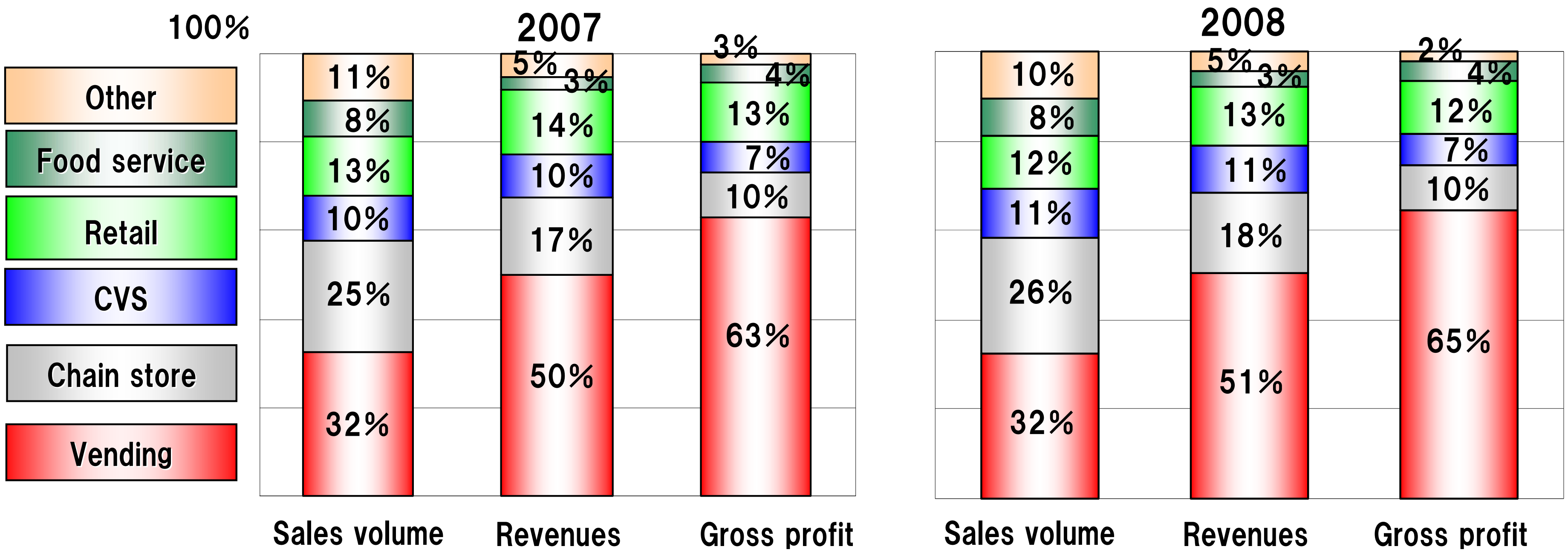
		3Q 2008（7-9）				
		actual	vs. plan		vs. last year	
			change	%	change	%
Bottle		596	+51	+9.4	+19	+3.4
PET	～ 1,000ml	12,827	-1,796	-12.3	-1,182	-8.4
	1,001ml ～	11,657	+708	+6.5	+858	+7.9
	subtotal	24,484	-1,088	-4.3	-323	-1.3
Can（including bottle can）		17,412	-698	-3.9	+825	+5.0
Other		1,899	-84	-4.3	-41	-2.1
Syrup, powder, food		11,502	-339	-2.9	-0	-0.0
Total		55,894	-2,157	-3.7	+480	+0.9

3Q (7-9) By brand/By channel Volume/Revenues/GP

Brand



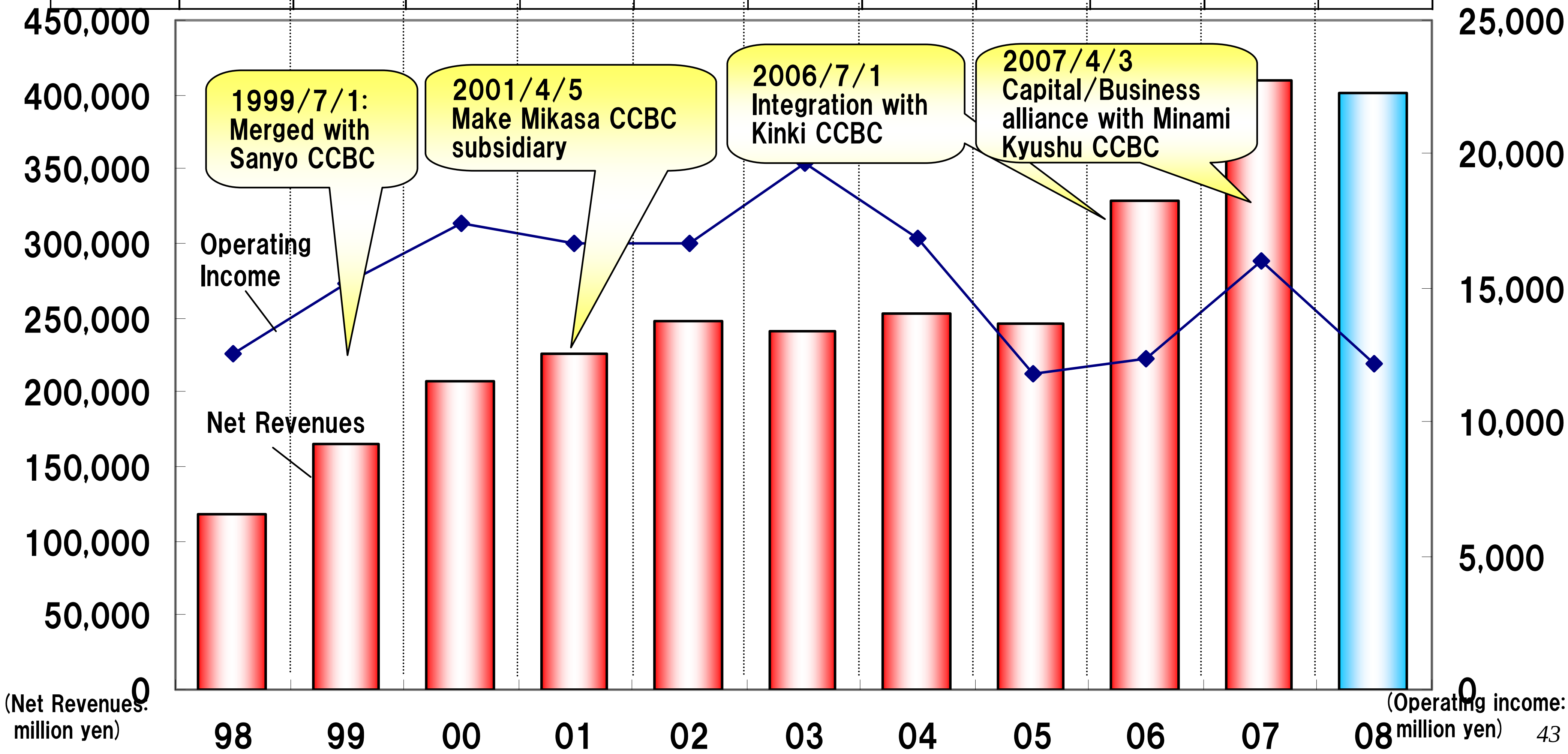
Channel



Performance Trend

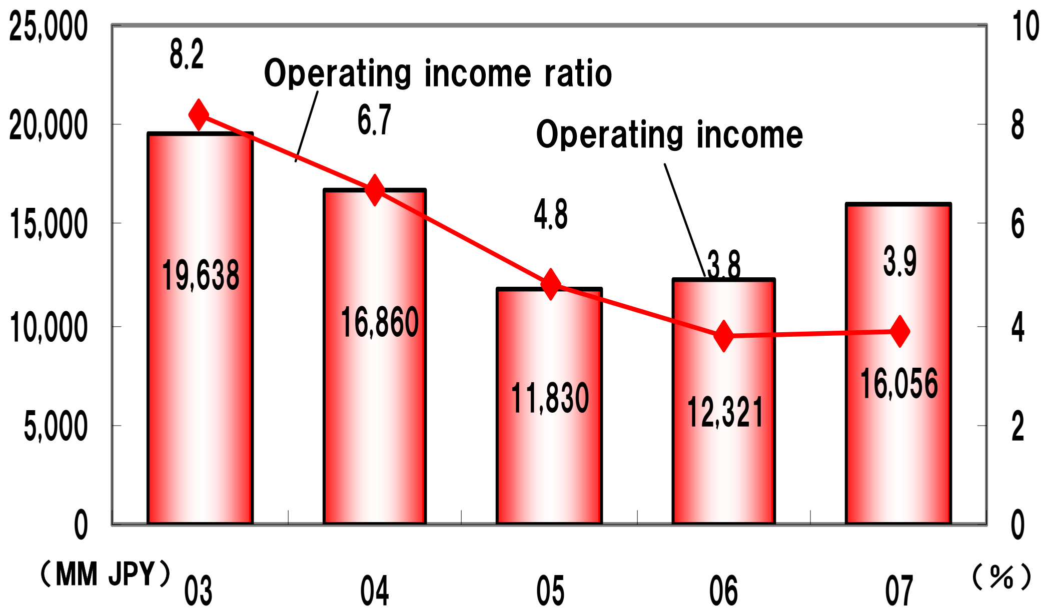
(million yen)

	98	99	00	01	02	03	04	05	06	07	08 plan
Net Revenue	117,991	164,731	207,827	226,111	247,737	240,825	253,248	245,874	327,821	409,521	401,000
Operating income	12,533	15,160	17,449	16,634	16,704	19,638	16,860	11,830	12,321	16,056	12,200
Recurring income	12,510	15,889	18,516	16,021	17,005	19,895	17,065	12,256	13,225	17,493	13,500
Net income	5,872	6,823	5,700	1,420	7,086	9,380	8,564	7,305	7,570	9,375	1,000

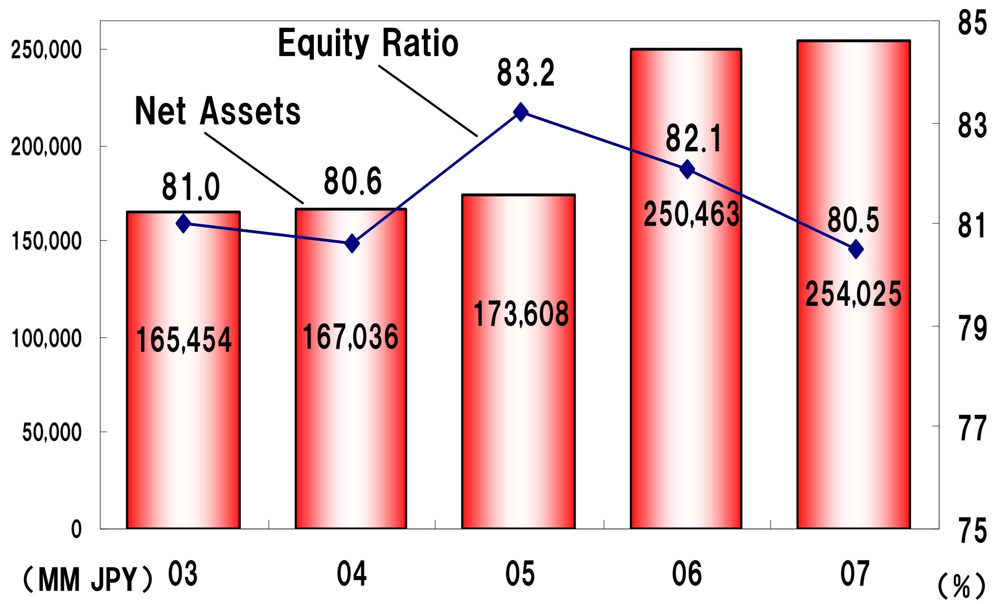


Financial Data

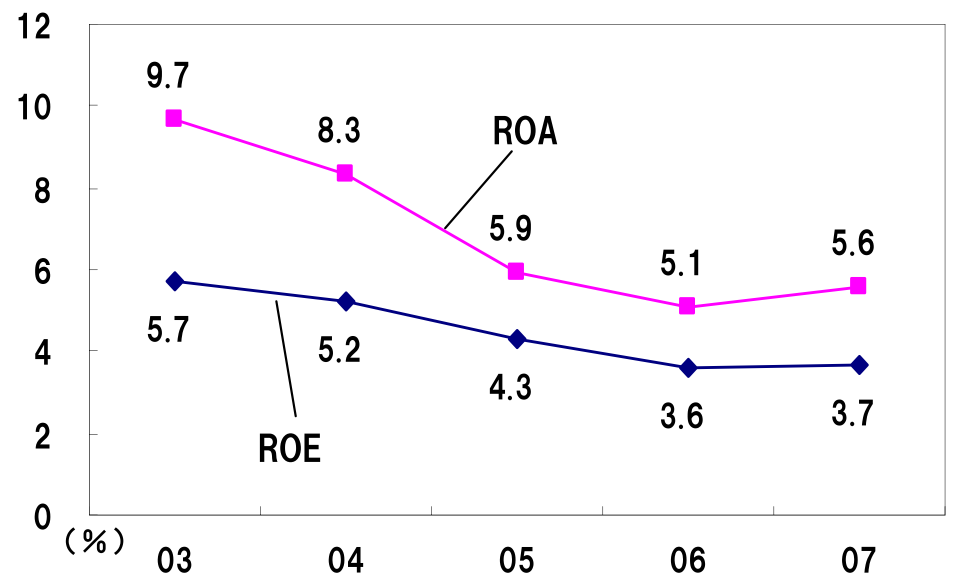
＜Operating Income/Operating Income Ratio＞



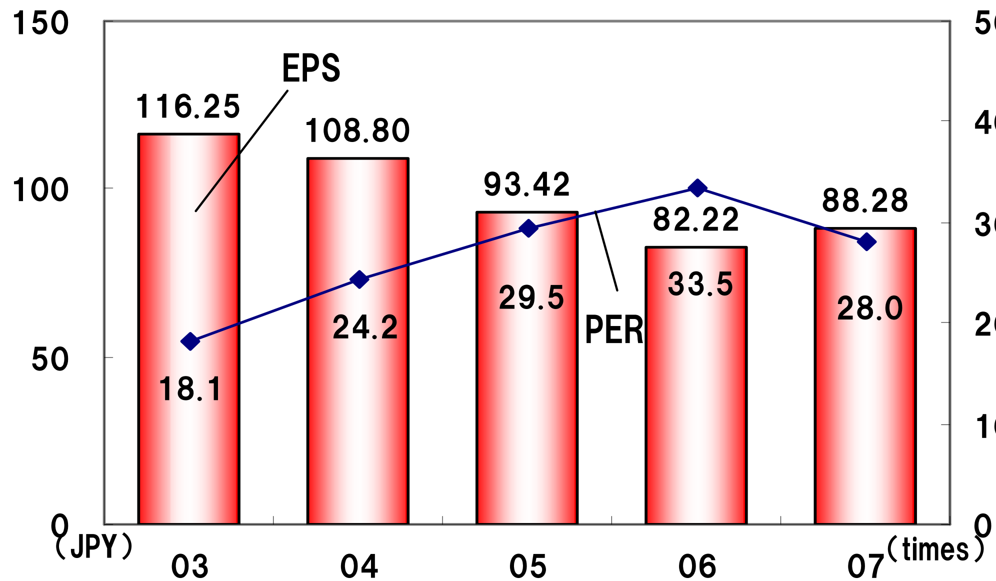
＜Net Assets / Equity Ratio＞



＜ROA／ROE＞



＜EPS／PER＞



CCWG management system (Principal business)

Coca-Cola West Holdings (Management of group companies)

CCWJ area group

Coca-cola West Japan	(Beverage sales)
CCWJ Sales	(Vending machine operation and freight operation, Coca-Cola products only)
NISHINIHON Beverage	(Vending machine sales and operation including non-Coca-Cola products)

KINKI area group

KINKI Coca-Cola Bottling	(Beverage sales)
KANSAI Beverage Service	(Vending machine sales and operation including non-Coca-Cola products)
Nesco	(Vending machine operation in amusement industry)
Kadiac	(Vending machine operation in the KANSAI International Airport)

MIKASA area group

MIKASA Coca-Cola Bottling	(Beverage sales)
MIKASA Beverage Service	(Vending machine sales and operation including non-Coca-Cola products)

Sales Equipment Service

CCW Equipment Service	(Vending machine related business)

Production

CCW Products	(Beverage production)
CCW DAISEN Products	(Beverage (mineral water) production)

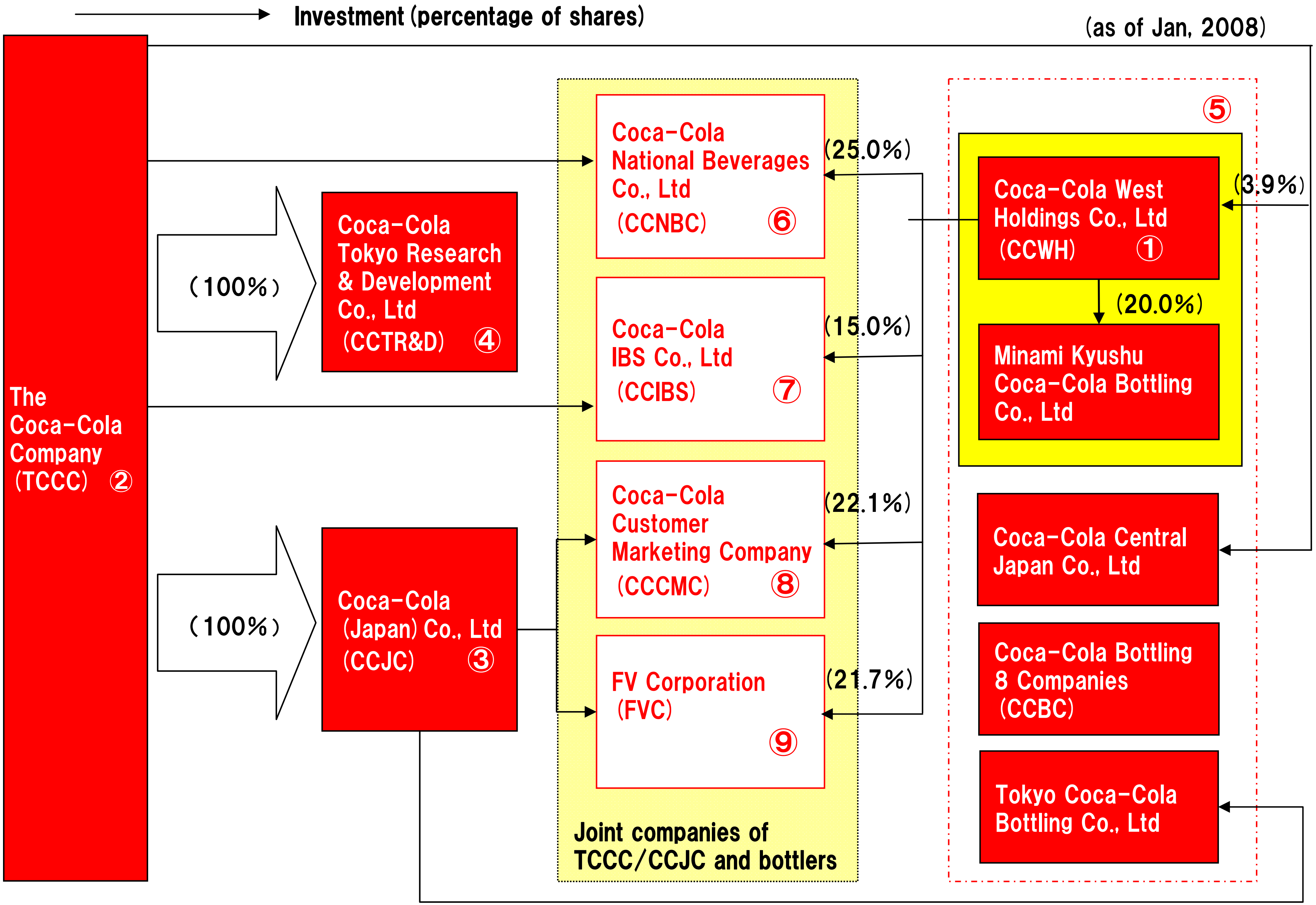
Distribution

CCW Logistics	(Freight transport)

Other business

MINAMI KYUSHU Coca-Cola group

Coca-Cola System in Japan



Coca-Cola Related Companies and Their Roles

1. **Coca-Cola West Holdings Co., Ltd. (CCWH)**

In July, 2006, Coca-Cola West Japan Company, Limited and Kinki Coca-Cola Bottling Company, Limited merged the management of both companies by establishing a joint holding company CCWH.

2. **The Coca-Cola Company (TCCC)**

Established 1919 in Atlanta, Georgia. Carries the rights to grant a license to manufacture and sell Coca-Cola products to the bottlers. TCCC (or its subsidiary) makes franchise agreements with the bottlers.

3. **Coca-Cola (Japan) Co., Ltd. (CCJC)**

Established 1957 in Tokyo, as "Nihon Inryo Kogyo K.K.," a wholly-owned subsidiary of The Coca-Cola Company. The company name was changed in 1958 to Coca-Cola (Japan) Company, Limited. CCJC is responsible for marketing planning as well as manufacturing and distribution of concentrate in Japan.

4. **Coca-Cola Tokyo Research & Development Co., Ltd. (CCTR&D)**

Established in January 1993 as a wholly-owned subsidiary of The Coca-Cola Company. Since 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 12 bottlers in Japan, which are responsible for selling Coca-Cola products in the respective territories.

6. **Coca-Cola National Beverages Co., Ltd. (CCNBC)**

Jointly established in April 2003 by TCCC and CCBCs for the purpose of creating an optimal nationwide supply chain. It started operation in October 2003. CCNBC procures raw materials, coordinates manufacturing and supply/demand plans on a nationwide basis, and supply products to the bottlers.

7. **Coca-Cola IBS Co., Ltd (CCIBS)**

Established through joint investment by The Coca-Cola Company and its bottling partners in Japan, and the company began operations on January 1, 2007. It is charged with providing business consulting services to the Coca-Cola system in Japan, as well as developing and generally maintaining the information systems to support such work.

8. **Coca-Cola Customer Marketing Company (CCCMC)**

Established through joint investment by Coca-Cola (Japan) Co., Ltd. and all of its bottling partners in Japan, and the company began operations on January 1, 2007. It is charged with holding business negotiations with major retailer outlets, such as nationwide convenience stores and supermarket chains, as well as developing proposals for sales promotions and storefront activities.

9. **FV Corporation (FVC)**

Jointly established in May 2001 by CCBCs and CCJC. FVC carries out sales negotiations with national chain vending operators, and deals with non-KO products as well as KO products.

Glossary（1）

1. Channel（Business Unit）

Vending:

Retail sale business to distribute products through vending machines to consumers

Chain store:

Wholesale business for supermarket chains

Convenience Store:

Wholesale business for convenience store chains

Retail:

Wholesale business for grocery stores, liquor shops, and other over-the-counter outlets

Food Service:

Syrup sale business for 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

Regular vending machine:

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

Full service vending machine:

A vending machine installed and managed directly by us（product supply, collection of proceeds etc.）.

Fees are paid to the location proprietors.

Out-market vending machine:

An outdoor machine whose users are relatively unspecific

In-market vending machine:

An indoor machine whose users are relatively specific

VPM

Sales volume per vending machine

Glossary（2）

3. Chain Store

National chain:

National chain supermarket that CCNSC are responsible for negotiating

Regional chain:

Chain supermarket that owns its stores in the two or more bottlers' territories

Local chain:

Chain supermarket that owns its stores in the single bottler's territory

RGM:

RGM (Revenue Growth Management) involves joining forces with customers to deliver stronger earnings through sustained sales increases by offering value to consumers

4. Other

Sales mix

Composite of products by brand, channel, package, etc. The difference between budget and actual sales or cost of sales might be affected by a change in product sales mix as well as a change in unit price

Forward-Looking Statement

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 fluctuations in capital markets
- Uncertain factors other than those above