



Coca-Cola West Holdings First Half 2008 Results

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Coca-Cola West Holdings (2579)

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【 2Q results (4-6) 】

- Sales volume: down 3.9% vs. plan, down 0.4% vs. last year
- Operating income: down 29.3% vs. plan, down 20.0% vs. last year

【 1H results (1-6) 】

- Sales volume: down 2.8% vs. plan, up 0.2% vs. last year
- Operating income: down 28.6% vs. plan, down 13.0% vs. last year

【 2H plan (7-12) 】

- Sales volume: up 4.8% vs. last year, making best use of the Olympics to sales
- Earnings projections: revising down 2H targets

【 Initiatives for increasing corporate value 】

- Share buy back: 2 million shares, 5 billion yen (upper limit), from Aug 5 to Sep 30
- Group restructure: set a direction of reform, then moving to merge four companies in January, 2009

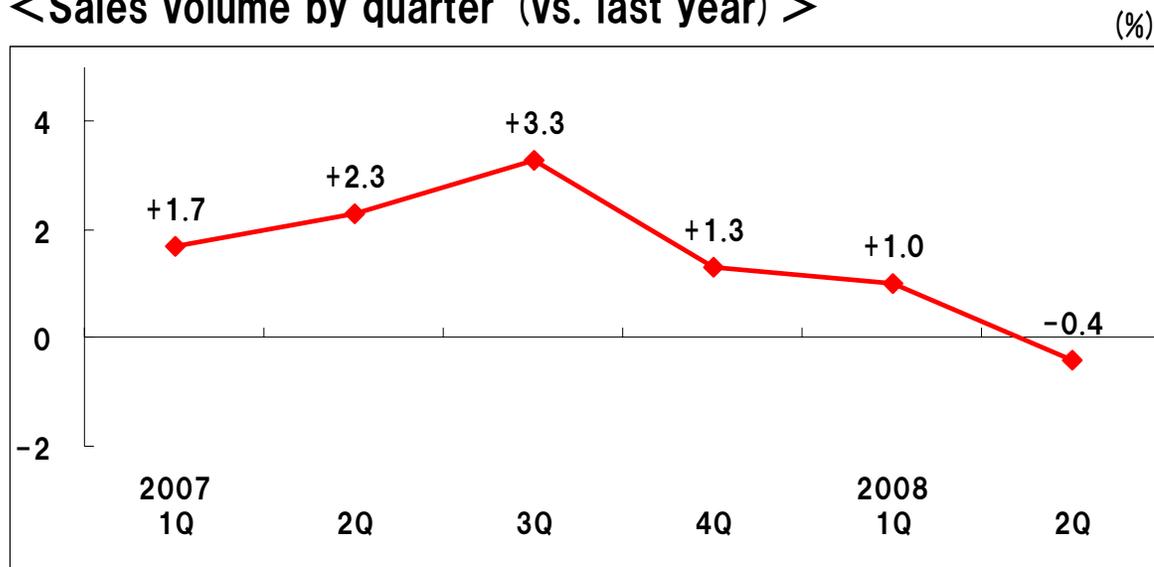
I . 2Q Results

2Q results – Sales volume

	(thousand cases, %)				
	actual	vs. plan *1		vs. last year	
		change	%	change	%
Second quarter (4-6)	47,254	-1,894	-3.9	-174	-0.4

*1) The above plan is based on the performance forecast announced as of February 7, 2008.

<Sales volume by quarter (vs. last year) >



<Unfavorable Weather (vs. ly) >

	Fukuoka	Osaka
Precipitation (mm)	+163.3	+76.3
Average temperature (°C)	-0.9	+0.2

2Q results – Sale volume by Brand

Sales volume by brand

(thousand cases, %)

		2Q 2008				
		actual	vs plan		vs last year	
			change	%	change	%
C o r e	Coca-Cola	4,679	-255	-5.2	+148	+3.3
	Georgia	10,325	-437	-4.1	-24	-0.2
	Soukenbicha	3,512	-476	-11.9	-438	-11.1
	Aquarius	4,940	-265	-5.1	+6	+0.1
	subtotal	23,455	-1,434	-5.8	-308	-1.3
Priority		7,773	+354	+4.8	+979	+14.4
Other		16,026	-814	-4.8	-846	-2.5
Total		47,254	-1,894	-3.9	-174	-0.4

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

Review

■ Coca-Cola

- Increase sales volume by the execution of the three color strategy

■ Georgia

- Sales of ‘European Blend’ which occupied 20% of Georgia sales decreased

■ Soukenbicha

- Decrease sales due to the dull of seasonable flavors

■ Aquarius

- Decrease sales due to the dull of ‘Active diet’ and ‘Free style’

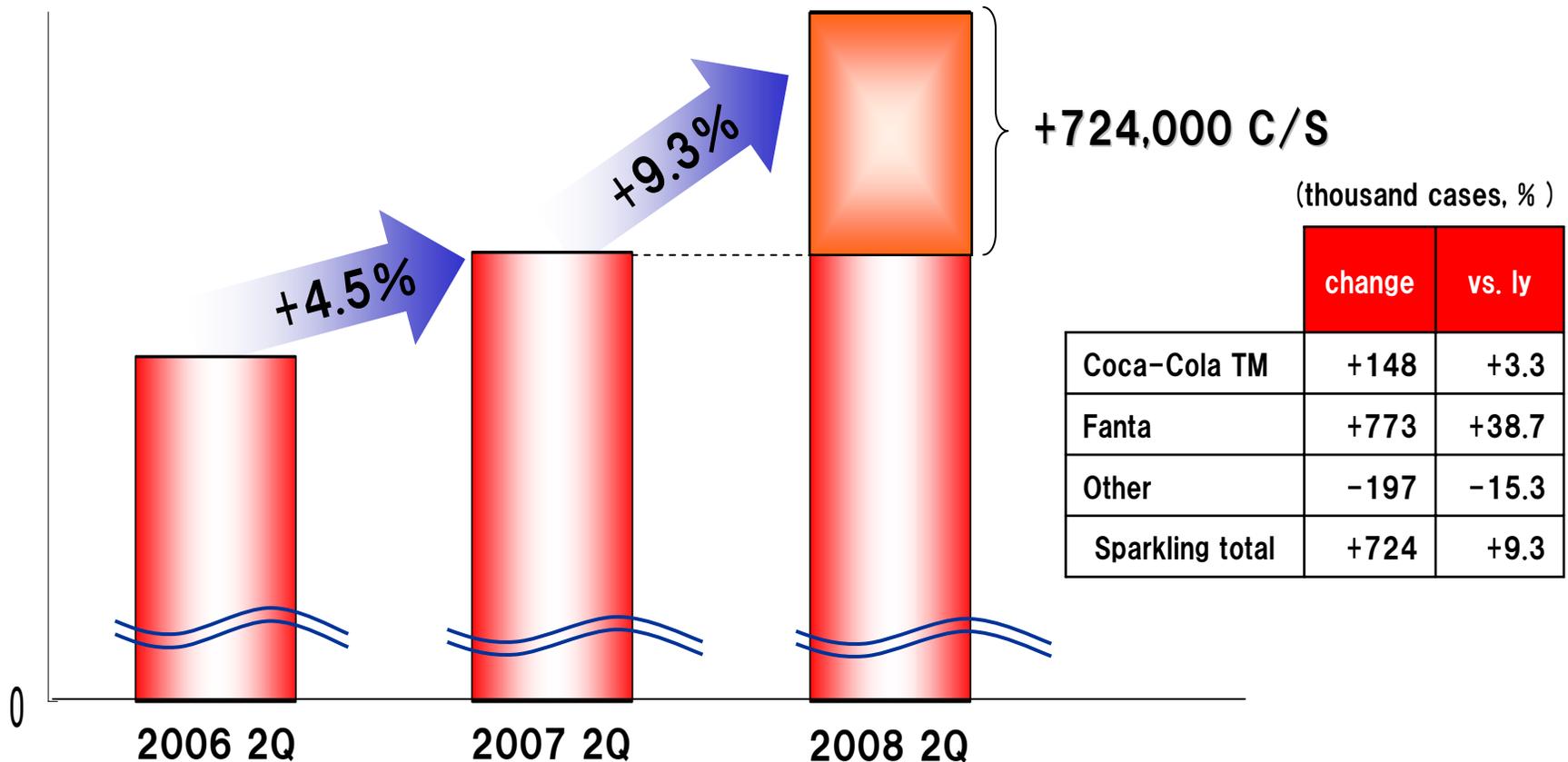
■ Priority

- Fanta: up 27.5% vs. plan, 38.7% vs. ly by the success of Furu Furu, a unique innovative sparkling jelly shaker

2Q results – Sparkling brands

- Sparkling brands increased sales mainly among Coca-Cola TM and Fanta (+2.2% vs. plan, +9.3% vs. ly)

<Sparkling brands 2Q sales volume (2006~2008) >



2Q results – Georgia

- Sales volume decrease 0.2% due to dull of main flavor ‘European’
(Georgia sales volume: down 4.1% vs. plan, down 0.2% vs. ly)

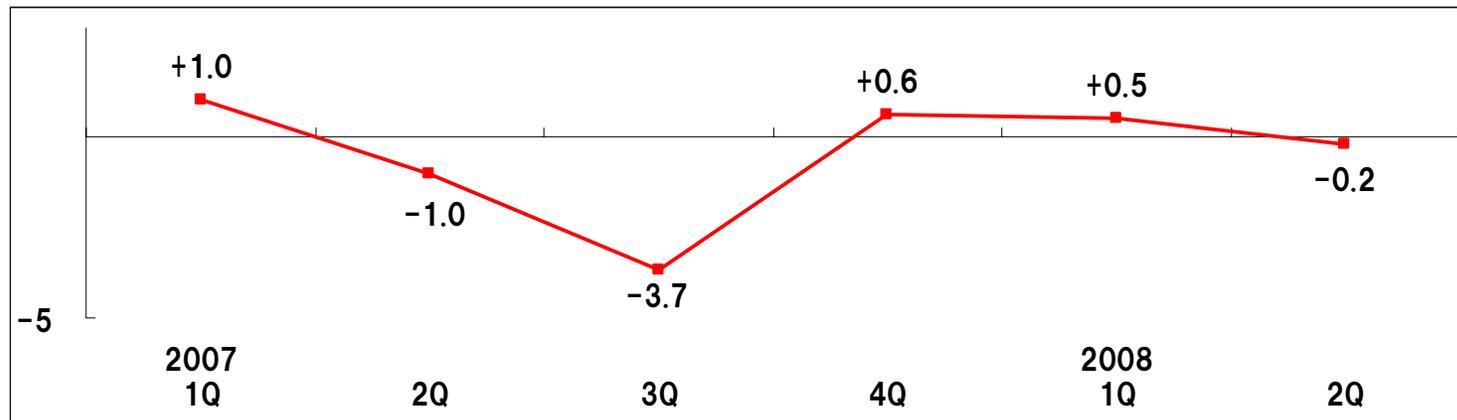
<Sales volume by flavors>

(thousand cases, %)

	sales volume	change	%
European	1,763	-442	-20.0
Emerald Mountain Blend (Standard)	1,622	+75	+4.8
Emerald Mountain Blend (Café Au Lait)	719	+719	-
Emerald Mountain Blend (Black)	582	+582	-
Other	5,638	-958	-14.5
Georgia total	10,325	-24	-0.2

<Georgia 2Q sales volume (vs. ly) >

(%)



2Q results – Sale volume by Channel

Sales volume by channel

(thousand cases, %)

	2Q 2008				
	actual	vs plan		vs last year	
		change	%	change	%
Vending	14,417	-1,058	-6.8	-360	-2.4
Chain store	10,919	-78	-0.7	+812	+8.0
CVS	4,626	-46	-1.0	+289	+6.7
Retail	6,564	-244	-3.6	-580	-8.1
Food service	4,512	-178	-3.8	-32	-0.7
Other	6,218	-290	-4.5	-303	-4.7
Total	47,254	-1,894	-3.9	-174	-0.4

Review

■ Vending

*VPM :Volume Per Machine

- Sales volume per machine (VPM) decreased reflected unfavorable weather
- Full service VPM (vs ly) *Exclude Cup machine

(%)		
CCWJ	Kinki	Mikasa
-4.2	-4.7	-3.1

■ Chain store

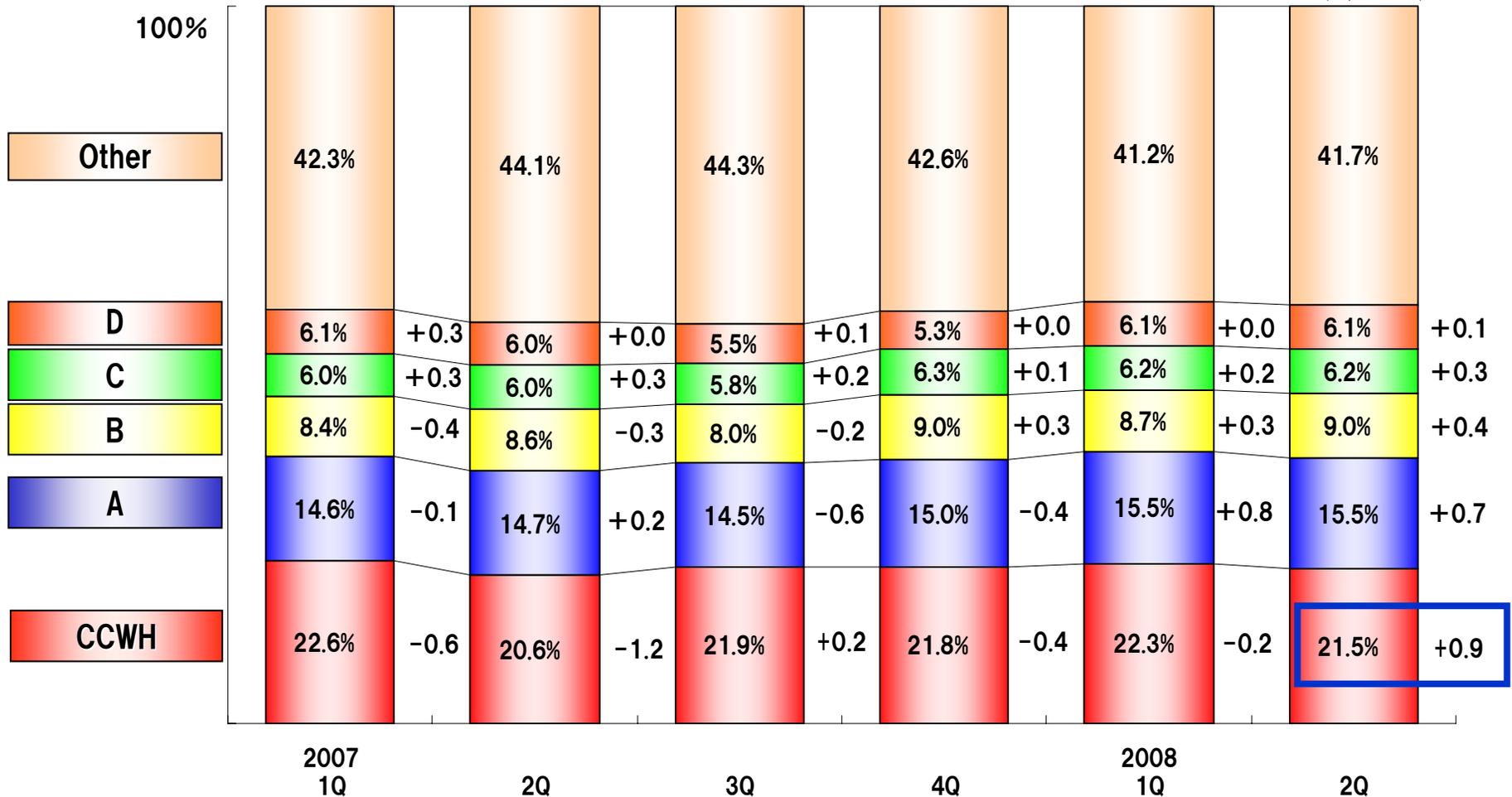
- Increased sales volume and market share by strengthen sparkling and water in all area
- Market share vs. last year

(points)		
CCWJ	Kinki	Mikasa
+2.2	+1.3	+0.1

2Q results – OTC Market Share (Exclude vending machine)

Source: Intage

※The numbers outside the graph are changes vs last year
(%, Point)



2Q results – Consolidated P/L

(million yen, %)

	2008		vs. plan		2007 *2 after considering items	vs. last year		2007 actual	vs. last year	
	plan *1	actual	change	%		change	%		change	%
Sales volume	49,148	47,254	-1,894	-3.9	47,429	-174	-0.4	47,429	-174	-0.4
Revenues	108,300	100,274	-8,025	-7.4	102,963	-2,688	-2.6	102,963	-2,688	-2.6
Gross profit	46,000	41,746	-4,253	-9.2	43,685	-1,938	-4.4	43,685	-1,938	-4.4
Operating income	4,100	2,900	-1,199	-29.3	3,626	-726	-20.0	3,107	-206	-6.7
Recurring income	4,500	3,400	-1,099	-24.4	4,116	-715	-17.4	3,596	-196	-5.5
Net income	2,100	245	-1,854	-88.3	2,211	-1,966	-88.9	1,910	-1,664	-87.2

*1) The above plan is based on performance projections announced as of February 7, 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 sales equipment depreciation method : added 192 million yen as cost

Review of the advanced payment depreciation method of Kinki : added 711 million yen as cost

2Q results – Change factors vs. plan announced on Feb 7, 2008

	2008 2Q			(billion yen)	
	plan	actual	change	main factor for increase/decrease	change
Revenues	108.3	100.3	-8.0	Decrease of sales volume	-3.6
				Decrease by sales mix	-1.8
				Decrease by sales of consolidated subsidiaries	-2.1
				Increase in profit from toll fee (impact on increase in sugar price)	+0.0 (-0.14)
				Impact from other group companies	-0.6
Gross profit	46.0	41.7	-4.3	Decrease of sales volume	-1.6
				Decrease by sales mix	-1.6
				Decrease by sales of consolidated subsidiaries	-0.4
				Decrease in profit from toll fee (impact on increase in sugar/crude oil price)	-0.3 (-0.2)
				Impact from other group companies	-0.3
Operating income	4.1	2.9	-1.2	<Change of COGS>	
				Decrease in personnel cost	+0.8
				Decrease in sales commission	+0.6
				Decrease in advertising cost (use as discount)	+0.5 (+0.3)
				Decrease by sales of consolidated subsidiaries	+0.4
				Decrease in depreciation cost	+0.2
				Decrease in service fee	+0.2
				Other	+0.4
Recurring income	4.5	3.4	-1.1		
Net income	2.1	0.2	-1.9	Gain on sales of investment securities	+0.4
				Loss on sales of consolidated subsidiaries, etc	-0.6
				Income taxes	-0.5

2Q results – Change factors vs. 1y (after considering items)

	2007 2Q actual	2008 2Q actual	change	(billion yen)	
				main factor for increase/decrease	change
Revenues	103.0	100.3	-2.7	Decrease by sales of consolidated subsidiaries	-2.4
				Decrease by sales mix	-1.4
				Decrease by sales volume	-0.3
				Increase in profit from toll fee (impact on increase in sugar price)	+1.1 (-0.14)
				Other group companies	+0.4
Gross profit	43.7	41.7	-1.9	Decrease by sales mix	-0.8
				Decrease in profit from toll fee (impact on increase in sugar/clude oil price)	-0.5 (-0.27)
				Decrease by sales of consolidated subsidiaries	-0.5
				Decrease by sales volume	-0.2
				Other group companies	-0.1
Operating income	3.6	2.9	-0.7	<Change of COGS>	
				Decrease in personnel cost	+0.6
				Decrease by sales of consolidated subsidiaries	+0.4
				Decrease in sales commission	+0.2
				Decrease in depreciation cost	+0.2
				Decrease in rental fee	+0.2
				Other	-0.2
Recurring income	4.1	3.4	-0.7		
Net profit	2.2	0.2	-0.2	Gain on sales of investment securites	+0.3
				Loss on sales of consolidated subsidiaries, etc	-1.1
				Income taxes	-0.5

II. 1H Results

1H results – Sales volume

(thousand cases, %)						
	plan *1	actual	vs. plan *1		vs. last year	
			change	%	change	%
1H (6 months)	89,221	86,742	-2,480	-2.8	+205	+0.2

*1) The above plan is based on the performance forecast announced as of February 7, 2008.

Sales volume by brand

(thousand cases, %)

		2008 1H				
		actual	vs. plan		vs. last year	
			change	%	change	%
C o r e	Coca-Cola	7,957	-233	-2.8	+570	+7.7
	Georgia	21,151	-675	-3.1	+26	+0.1
	Soukenbicha	6,278	-678	-9.7	-565	-8.3
	Aquarius	7,758	-454	-5.5	-52	-0.7
	subtotal	43,144	-2,039	-4.5	-22	-0.0
	Priority	12,872	+647	+5.3	+1,442	+12.6
Other	30,726	-1,088	-3.4	-1,215	-2.5	
Total		86,742	-2,480	-2.8	+205	+0.2

Sales volume by channel

(thousand cases, %)

		2008 1H				
		actual	vs. plan		vs. last year	
			change	%	change	%
Vending		27,574	-1,450	-5.0	-441	-1.6
Chain store		18,438	-106	-0.6	+1,216	+7.1
CVS		8,870	-315	-3.4	+120	+1.4
Retail		11,530	-35	-0.3	-550	-4.6
Food service		8,406	-133	-1.6	+61	+0.7
Other		11,924	-441	-3.6	-201	-1.7
Total		86,742	-2,480	-2.8	+205	+0.2

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

1H results – Consolidated P/L

(million yen, %)

	2008		vs. plan	
	plan *1	actual	change	%
Sales volume	89,221	86,742	-2,480	-2.8
Revenues	199,700	188,570	-11,129	-5.6
Gross profit	85,500	79,398	-6,101	-7.1
Operating income	4,400	3,142	-1,257	-28.6
Recurring income	5,000	3,776	-1,223	-24.5
Net income	2,200	433	-1,766	-80.3

	2007 *2	vs. last year	
	actual	change	%
Sales volume	86,537	205	0.2
Revenues	192,866	-4,295	-2.2
Gross profit	82,783	-3,384	-4.1
Operating income	3,611	-468	-13.0
Recurring income	4,325	-549	-12.7
Net income	2,386	-1,952	-81.8

2007	vs. last year		
	actual	change	%
Sales volume	86,537	205	0.2
Revenues	192,866	-4,295	-2.2
Gross profit	82,783	-3,384	-4.1
Operating income	4,137	-994	-24.0
Recurring income	4,851	-1,075	-22.2
Net income	2,690	-2,257	-83.9

*1) The above plan is based on performance projections announced as of February 7, 2008.

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

Review of the sales equipment depreciation method : added 525 million yen as cost

1H results – Change factors vs. plan announced on Feb 7, 2008

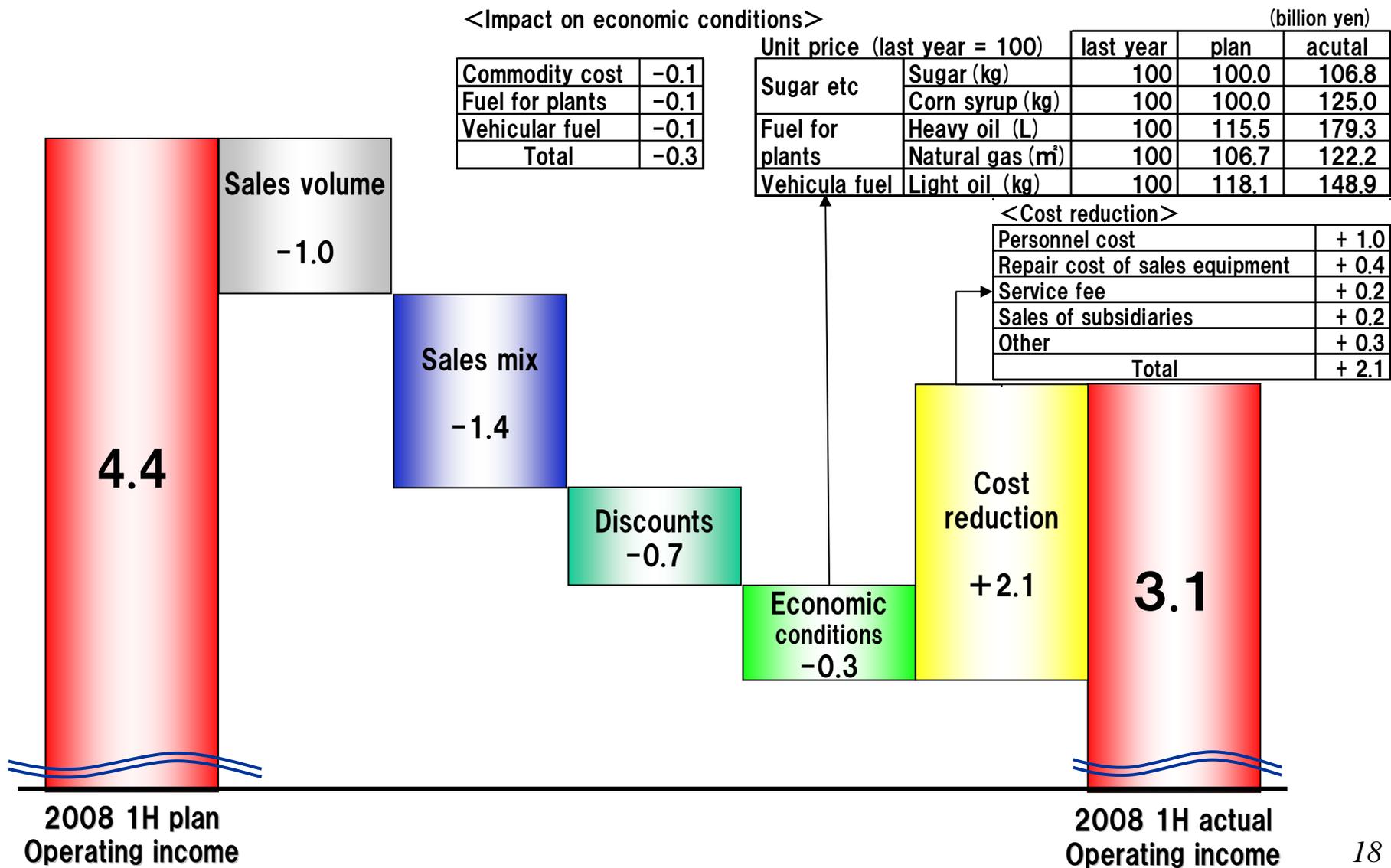
	2008 1H			(billion yen)	
	plan	actual	change	main factor for increase/decrease	change
Revenues	199.7	188.6	-11.1	Decrease of sales volume	-4.7
				Decrease by sales mix	-3.0
				Decrease by sales of consolidated subsidiaries	-2.1
				Decrease in profit from toll fee (impact of increase in sugar price)	-0.4 (-0.14)
				Other group companies	-0.9
Gross profit	85.5	79.4	-6.1	Decrease of sales volume	-2.1
				Decrease by sales mix	-2.7
				Decrease by sales of consolidated subsidiaries	-0.4
				Decrease in profit from toll fee (impact of increase in sugar/crude oil price)	-0.3 (-0.22)
				Other group companies	-0.6
Operating income	4.4	3.1	-1.3	<Change of COGS>	
				Decrease in advertising cost (use as discount)	+ 1.1 (+0.55)
				Decrease in personnel cost	+ 1.0
				Decrease in sales commission	+ 0.8
				Decrease in service fee	+ 0.4
				Decrease by sales of consolidated subsidiaries	+ 0.4
				Decrease in depreciation cost	+ 0.3
				Other	+ 0.8
Recurring income	5.0	3.8	-1.2		
Net income	2.2	0.4	-1.8	Gain on sales of investment securities	+ 0.6
				Loss on sales of consolidated subsidiaries, etc	-0.6
				Income taxes	-0.5

1H results – Change factors vs. 1y (after considering items)

	2007 1H actual	2008 1H actual	change	(billion yen)	
				main factor for increase/decrease	change
Revenues	192.9	188.6	-4.3	Decrease by sales mix	-3.2
				Decrease by sales of consolidated subsidiaries	-2.5
				Increase in profit from toll fee (impact on increase in sugar price)	+ 1.4 (-0.14)
				Increase of sales volume	+ 0.4
				Other group companies	-0.3
Gross profit	82.8	79.4	-3.4	Decrease by sales mix	-2.5
				Decrease by sales of consolidated subsidiaries	-0.5
				Decrease in profit from toll fee (impact on increase of sugar/crude oil price)	-0.3 (-0.3)
				Other group companies	-0.3
				Increase of sales volume	+ 0.2
Operating income	3.6	3.1	-0.5	<Change of COGS>	
				Decrease in depreciation cost	+ 0.9
				Decrease in advertising cost	+ 0.6
				Decrease in personnel cost	+ 0.4
				Decrease by sales of consolidated subsidiaries	+ 0.4
				Decrease in sales commission	+ 0.3
				Other	+ 0.3
				Increase of fuel cost	-0.1
Recurring income	4.3	3.8	-0.5		
Net income	2.4	0.4	-2.0	Gain on sales of investment securities	+ 0.4
				Loss on sales of consolidated subsidiaries, etc	-1.3
				Income taxes	-0.5

1H results – Change factors vs. plan announced on Feb 7, 2008

- Operating income decreased 1.3 billion yen vs. plan due to Decrease of sales volume and sales mix, impact on economic conditions.



1H results – Area

(thousand cases, million yen,%)

		vs. plan				vs. ly (after considering items)		
		plan	actual	change	%	last year	change	%
CCWJ area	Sales volume	41,508	40,213	-1,295	-3.1	40,226	-13	0.0
	Revenues	88,612	83,796	-4,815	-5.4	86,296	-2,500	-2.9
	Gross profit	39,734	36,995	-2,738	-6.9	38,575	-1,580	-4.1
	Operating income	2,932	2,329	-602	-20.5	2,742	-412	-15.0
Kinki area	Sales volume	40,092	39,057	-1,036	-2.6	38,849	207	0.5
	Revenues	75,202	71,589	-3,612	-4.8	71,943	-354	-0.5
	Gross profit	35,025	32,870	-2,154	-6.2	33,987	-1,116	-3.3
	Operating income	499	392	-106	-21.3	-584	977	-
Mikasa area	Sales volume	7,621	7,472	-149	-2.0	7,461	11	0.1
	Revenues	13,355	12,987	-368	-2.8	13,208	-221	-1.7
	Gross profit	5,574	5,284	-290	-5.2	5,431	-146	-2.7
	Operating income	33	△ 83	-117	-	-106	23	-

CCWJ area : three companies (CCWJ, Nishinihon bevarage, CCWJ Sales)

Kinki area : four companies (Kinki CCBC, Kansai bevarage, Nesco, Kadiac)

Mikasa area : two companies (Mikasa CCBC, Mikasa bevarage service)

III. 2H Business Plan

2H Sales volume plan

(thousand cases, %)

	2007 2H actual	2008 2H		
		plan *1	vs. last year	
			change	%
CCWH total	99,701	104,479	+4,778	+4.8

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

Sales volume by brand

		2007 2H actual	2008 2H		
			plan	vs. last year	
				change	%
C o r e	Coca-Cola	9,586	10,100	514	+5.4
	Georgia	21,248	22,844	1,596	+7.5
	Soukenbicha	8,815	9,086	270	+3.1
	Aquarius	11,607	12,138	531	+4.6
Priority		14,020	15,163	1,143	+8.2
Other		34,424	35,148	724	+2.1
Total		99,701	104,479	4,778	+4.8

Sales volume by channel

	2007 2H actual	2008 2H		
		plan	vs. last year	
			change	%
Vending	30,987	33,270	+2,284	+7.4
Chain store	22,147	23,527	+1,380	+6.2
CVS	9,850	10,470	+619	+6.3
Retail	13,745	13,493	-252	-1.8
Food service	10,026	10,478	+451	+4.5
Other	12,946	13,242	+296	+2.3
Total	99,701	104,479	+4,778	+4.8

2H Performance Projections

	2007 2H actual *2	2008 2H			(million yen, %)		
		plan *1	vs. last year		2007 2H actual	2008 2H	
			change	%		vs last year	
						change	%
Revenues	216,654	223,700	7,045	3.3	216,654	7,045	3.3
Gross profit	92,424	96,000	3,575	3.9	92,424	3,575	3.9
Operating income	11,880	12,800	919	7.7	11,918	881	7.4
Recurring income	12,604	13,700	1,095	8.7	12,641	1,058	8.4
Net profit	6,662	6,800	137	2.1	6,684	115	1.7

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

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

(We changed accounting method in 2007)

We changed advanced payment depreciation method of Kinki (from one time depreciation to time depreciation) in order to unify accounting method in CCW group :added 38 million yen as cost

2H Performance Projections – main factor for change (vs. 1y)

	2007 actual	2008		(billion yen)	
		plan	change	main factor for increase/decrease	change
Revenues				Increase of sales volume	+8.5
				Increase by sales mix	+2.5
				Increase in profit from toll fee (impact on increase of sugar price)	+0.1 (-0.16)
				Other group companies	+1.0
	216.7	223.7	7.0	Impact on sales of subsidiaries	-5.1
Gross profit				Increase of sales volume	+3.6
				Increase by sales mix	+0.7
				Other group companies	+1.2
				Impact on sales of subsidiaries	-1.1
				Impact on CCNBC (purchasing price of products)	-0.8
	92.4	96.0	3.6	Decrease in profit from toll fee (impact on increase of sugar price)	-0.0 (-0.60)
Operating income				<Change of COGS>	
				Decrease by sales of subsidiaries	+1.0
				Decrease in sales equipment cost	+0.4
				Increase in sales commission	-1.4
				Increase in service fee	-0.9
				Increase in advertising cost	-0.8
				Increase in personnel cost	-0.2
				Increase in fuel cost (impact on increase of crude oil price)	-0.2 (-0.18)
	11.9	12.8	0.9	Increase in depreciation cost	-0.2
Recurring income				Other	-0.2
	12.6	13.7	1.1		
Net income				Gain on sales of investment securities	-0.4
				Loss on sales of consolidated subsidiaries, etc	+0.9
	6.7	6.8	0.1	Income taxes	-1.4

2H Strategy – Point of initiatives

Increase sales volume in summer by taking advantage of the Olympics in Beijing

➤ Increase sales volume of core brand

- Coca-Cola
- Aquarius
- Georgia
- Soukenbicha



➤ Strengthen market execution in all channel

- Vending ⇒ Improve VPM
- Chain store ⇒ Point of purchase
- Retail ⇒ Point of purchase
- Food service ⇒ Improve VPO



Increase of volume, share, profit

2H Strategy – Strengthen sparkling brands

- Strengthen market execution by taking advantage of the Olympics
- Acquire new consumers by launching new products

Main activities

- Taking advantage of the Olympics sales promotion
- Launching large-sized Coca-Cola/Coca-Cola ZERO, (500ml can & 2.0L PET)
- Launching Fanta ZERO



The Olympics sales promotion



500ml can



2.0L PET



Fanta ZERO (July 14)

2H Strategy – Vending channel

Improve
VPM

- Strengthen market execution by taking advantage of the Olympics in Beijing
- Install large sized can only in summer (Coca-Cola, Aquarius, Georgia)
- Reduce sold out by efficient operation with utilizing IT

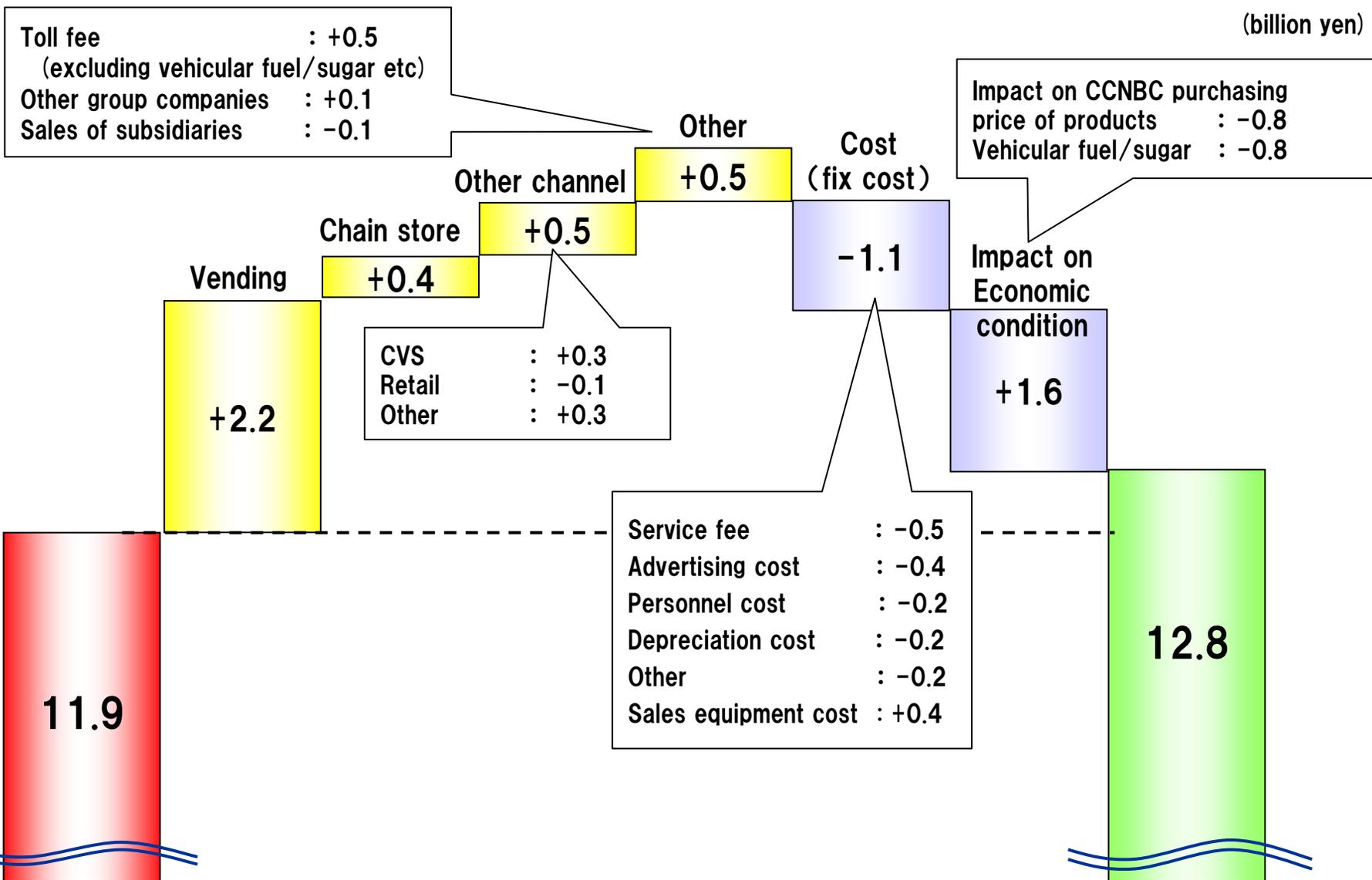
Increase
the number of
machines

- Develop new location, especially in-door market
- M&A of vending machine operators in urban market
- Reduce removed machines by good relationship with customers



2H Scenario for achieving operating income

(billion yen)



2007 2H
Operating income

2008 2H
Operating income

2H Performance Projections

(million yen, %)

	2007 actual *1	2008					
		Initial plan	Revised plan	vs. initial plan		vs. last year	
				change	%	change	%
Revenues	409,521	425,000	412,300	-12,700	-3.0	2,778	0.7
Gross profit	175,208	181,800	175,400	-6,400	-3.5	191	0.1
Operating income	15,492	17,000	16,000	-1,000	-5.9	507	3.3
Recurring income	16,929	18,500	17,500	-1,000	-5.4	570	3.4
Net income	9,048	10,100	7,200	-2,900	-28.7	-1,848	-20.4

*1) The 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)

We changed advanced payment depreciation method of Kinki (from one time depreciation to time depreciation) in order to unify accounting method in CCW group :added 563 million yen as cost

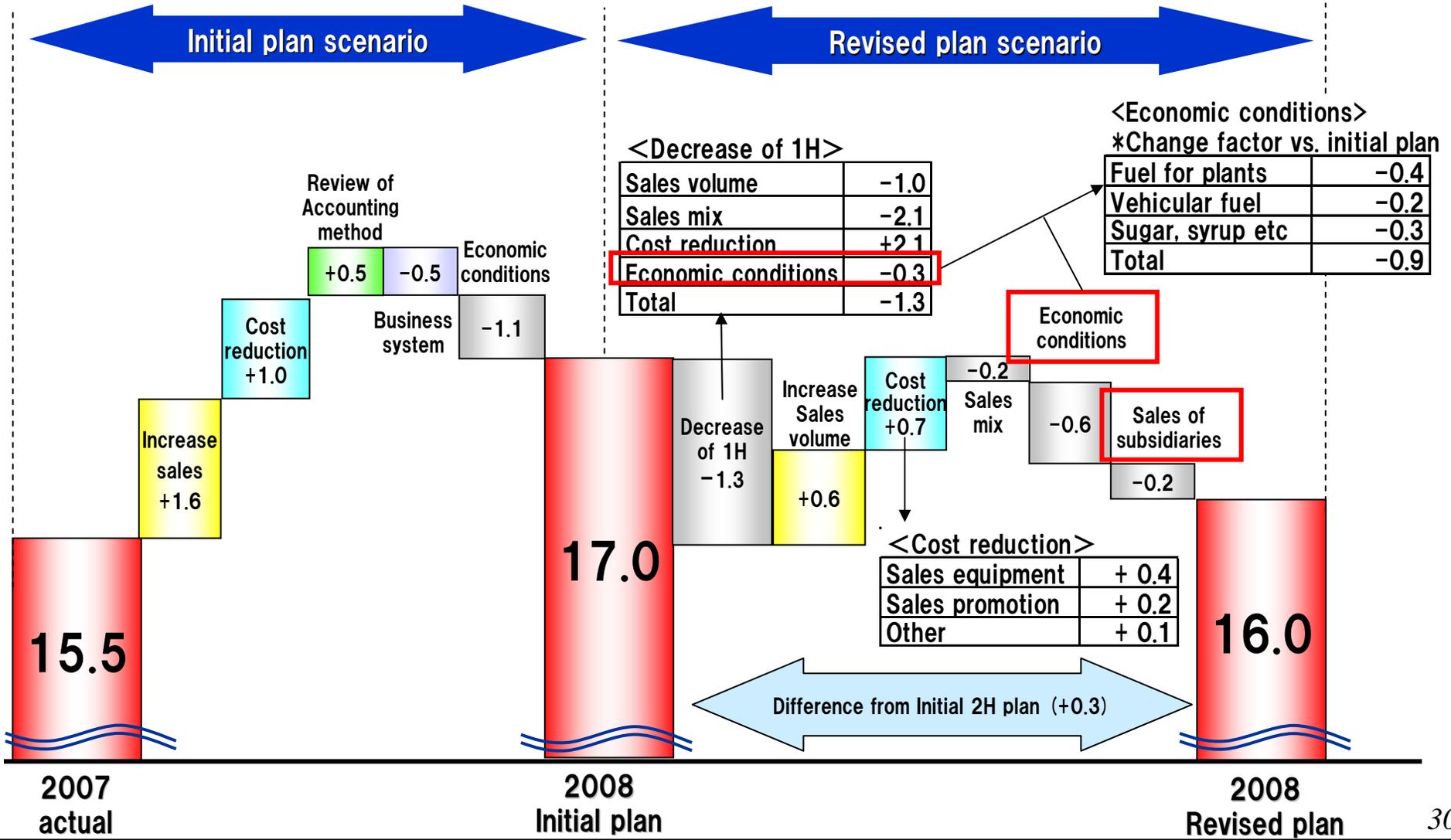
2008 Scenario for achieving operating income

- Revised operating income target to 16.0 billion yen due to the impact on economic conditions (0.9 billion yen), sales of subsidiaries (0.2 billion yen) etc.

(billion yen)

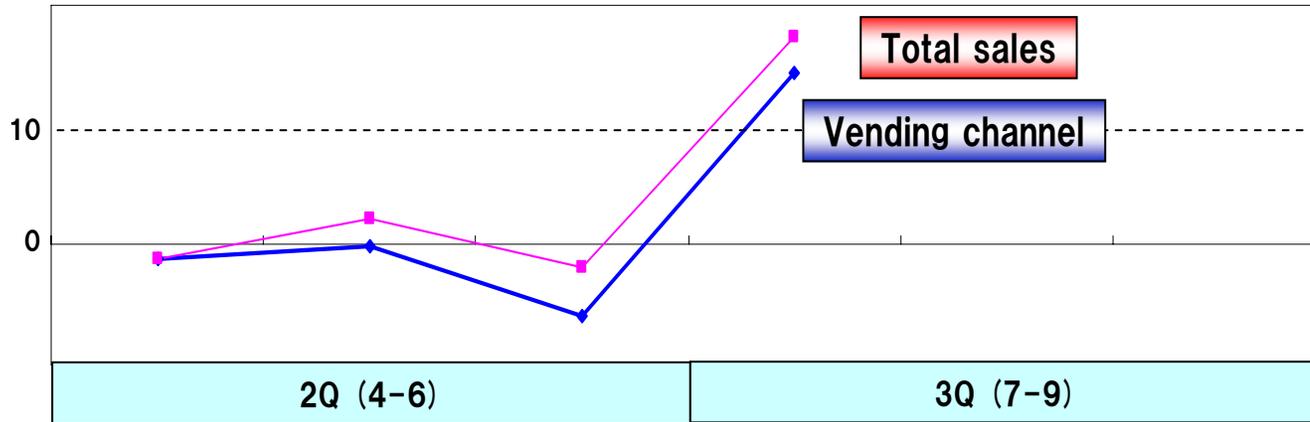
Initial plan scenario

Revised plan scenario

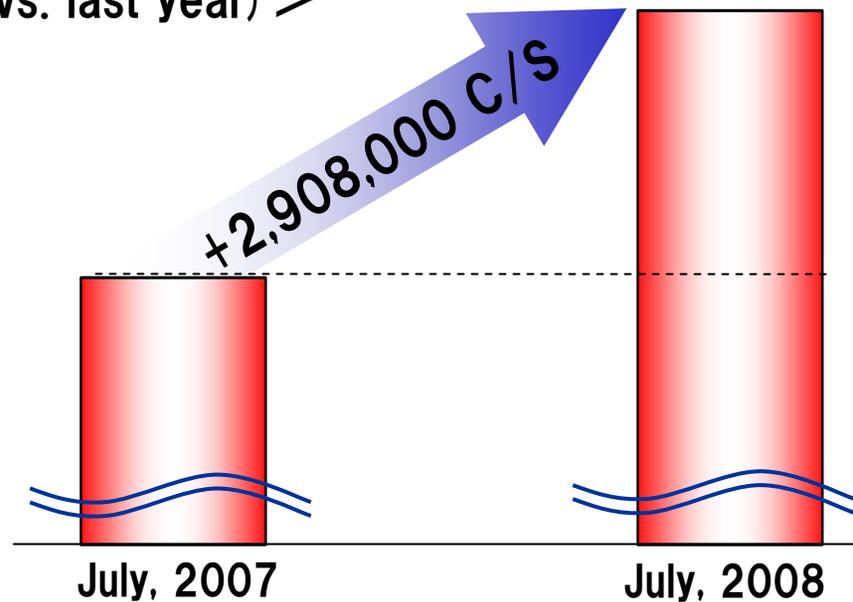


Condition of sales in July

<Total/Vending channel sale volume (vs. last year) >



<Sales volume (vs. last year) >



IV. Initiatives for increasing corporate value

- 1. Share buy back**
- 2. Reorganization Plan**

Share buy back

- Based on article 156 of corporation law, the company passed a resolution to buy back the company share

- Objectives : Improvement of capital efficiency to make flexibly capital policy corresponding change of business environment possible
- Acquisition number of shares : 2.0 million shares (upper limit)
* 1.95% in proportion to number of shares issued (excluding company shares)
- Total acquisition price : 5 billion yen (upper limit)
- Term : August 5, 2008 to September 30, 2008

<Share buy back condition>

Term	2/21/2008~3/17/2008	4/25/2008~6/30/2008	Total
Aquired shares	1,500,000	1,874,500	3,374,500
Acquisition price	3,320 million yen	4,779 million yen	8,099 million yen

* Share condition at the end of June, 2008

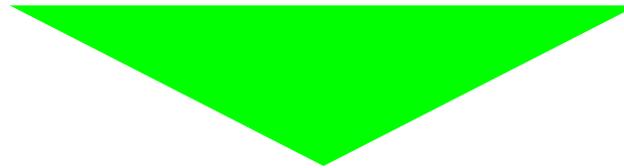
- Number of shares issued (including company shares) : 111,125 thousand shares
- Number of company shares : 8,324 thousand shares

Reorganization plan – Direction of reform

【Three issues】

1. Framework insufficient to maximize market execution
2. Insufficient and ineffective organization structure
3. Unfocused, inefficient sales/logistics model

We decided to merge four companies (CCWH, CCWJ, KINKI CCBC, MIKASA CCBC) to achieve world leading bottler in this April, and we are taking into action.

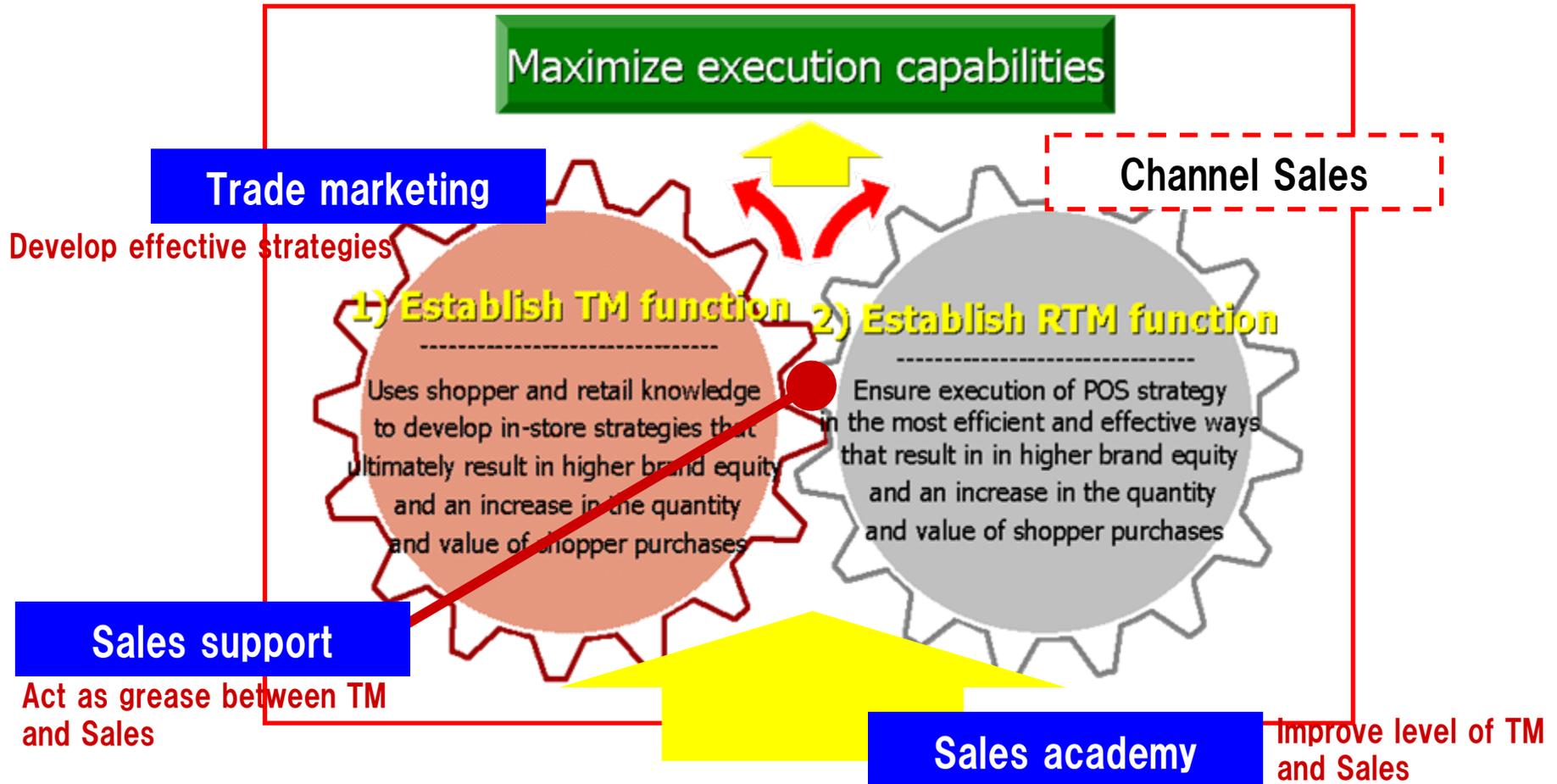


【Direction of reform】

1. Maximize execution capabilities
2. Restructuring of SCM (Strengthen function)
3. Consolidate and strengthen support functions

Strengthen strategy function by establishing a seamless organization

Direction of reform (1) – Maximize execution capabilities



Direction of reform (1) – Overview of commercial organization

Commercial functions

Trade marketing (TM) (Centralized strategy building)

TM	Sales Support	Administration	Sales Academy
TM controller	Performance management	Sales Admin.	TM planning
Market intelligence	Sales system		TM Chain Store
Benchmark	Equipment service		TM Vending
Brand support	Tele selling/Repair calls		TM Horeca/Retail
Strategy/planning CS			
Strategy/planning VD			
Strategy/planning Horeca/Retail			
General customer Development office			

Route to market (RTM) (Excellent market execution)

Channel Chain Store	Channel Vending	Channel Horeca/Retail
National customer	Corp./Market dev.	Corp./Market dev.
Region	Region	Region
Branch	Branch	Branch
Scope	Scope	Scope
SM CVS Drug Store Discount Store Home Center Etc.	All vending machines	All channels Excluding CS and Vending Scope (OTC, Food Service) Agents for isolated islands

Direction of reform (2) – Restructuring of SCM

【New supply chain structure in Coca-Cola system】

- Decided to review the current operational roles and undertake a new structure as of January 2009, with the objective to further promote swiftness, flexibility, and efficiency in light of increasing commodity prices as well as the rapidly changing beverage market in Japan.

Realization of optimal mix of supply chain

The Coca-Cola system aims to realize that total synergies in every aspect including further increases in productivity and decreases in inventory and logistics costs, by flexibly incorporating each bottler's local SCM, regional SCM by multi bottlers, and global SCM aligned with the global Coca-Cola system into the existing national integrated supply chain infrastructure, depending on objectives and segments.

High quality supply operation

Through the shift towards a new supply chain, strengths of the Coca-Cola system such as the distinct bottler sales activities can be cohesively tied with respective supply chains, in order to deliver the high quality products that consumers require as well as to enhance the quality of services to the consumers and customers. Simultaneously, strategic investments towards realization of long-term business growth as well as implementation of new SCM technology towards harmony with the environment will be proactively undertaken more than ever in the future.

Direction of reform (2) – Restructuring of SCM

[CCWH concept]

- Establish an independent SCM structure by ourselves in accordance with the new SCM concept in the Coca-Cola system

[Leading motive 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

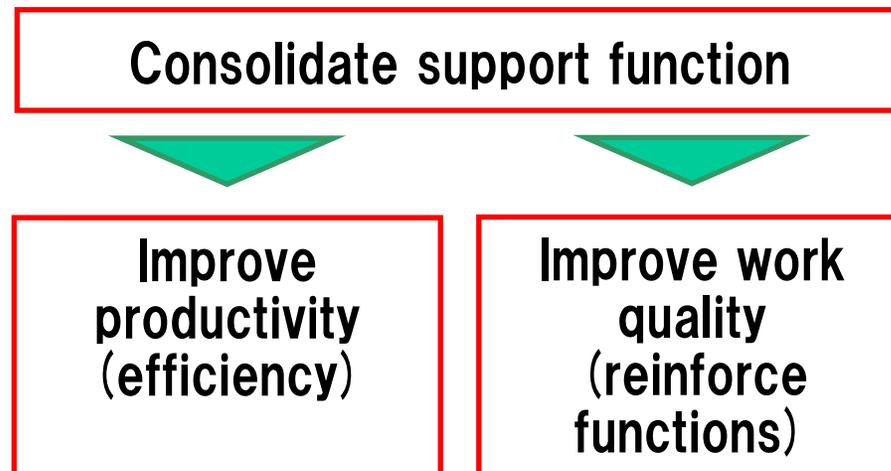
Direction of reform (3) – Consolidate and strengthen support functions

1. Establish seamless organization

⇒ Enhance the overall efficiency of work process by establishing a seamless organization in Value Chain

2. Consolidate support function

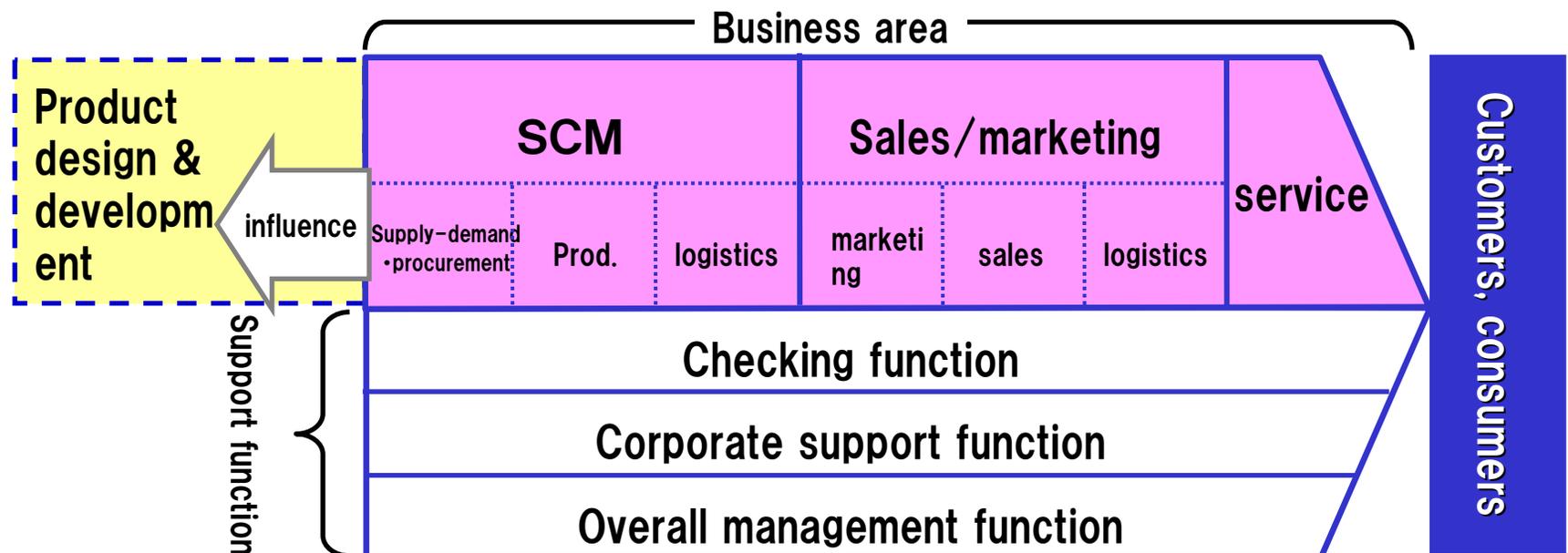
⇒ Consolidate support function related resources to improve efficiency and strengthen functions by improving quality of support function duties



Through the direction of reform

Strengthen strategic function by establishing a seamless organization

- Consider all the functions that comprise value chain including support functions as one, establish “seamless organization” which allows planning and execution of customer –centered strategies, strengthen strategy competency and build efficient work process.
- Enhance strategy function and build influential force in product design and development domain to reinforce strategy function across value chain.



[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)

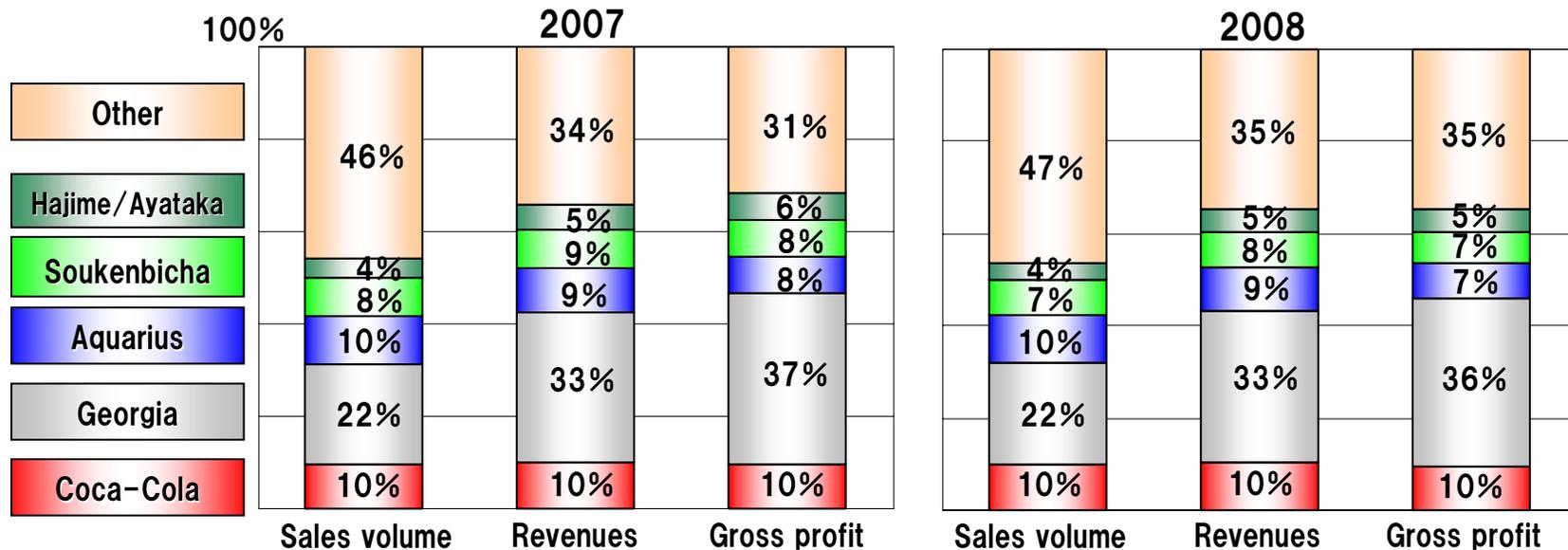
<Impact on changing accounting method which the company did in 2007>

(million yen)

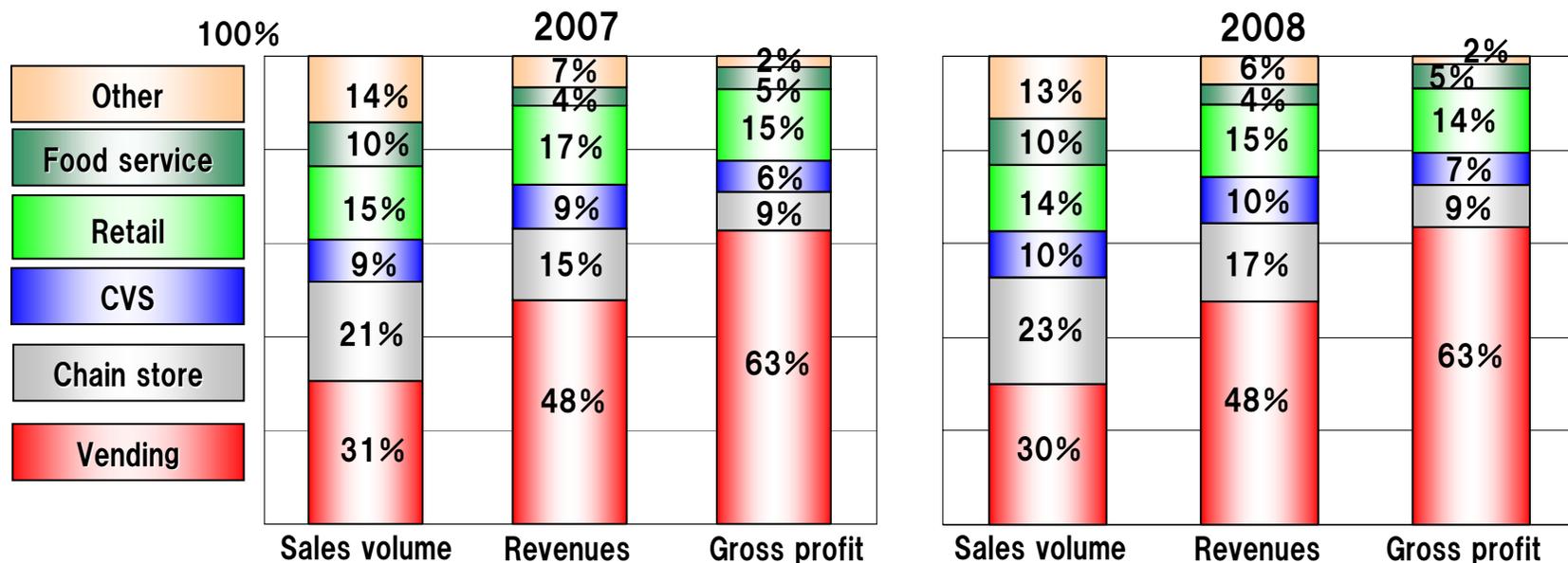
	1H			2H			Total
	1Q	2Q	subtotal	3Q	4Q	subtotal	
Sales equipment depreciation (constant percentage method to new constand dollar plan)	711	-711	0	0	0	0	0
Advanced payment depreciation (one time to time depreciation)	333	192	525	32	6	38	563
Total	1,044	-519	525	32	6	38	563

2008 1H By brand/By channel Volume/Revenues/GP

Brand



Channel



Sales volume by package

(thousand cases, %)

		2Q 2008 (4-6)				
		actual	vs plan		vs last year	
			change	%	change	%
Bottle	RTB	393	+10	+2.6	-4	-1.0
	OWB	128	-19	-12.8	-1	-0.8
	subtotal	520	-9	-1.6	-5	-1.0
P E T	~350ml	1,936	-496	-20.4	-343	-15.0
	~500ml	7,507	-1,449	-16.2	-468	-5.9
	~1.0L	438	-7	-1.5	-35	-7.4
	1.5L	2,230	-34	-1.5	+117	+5.5
	1.65L	43	+22	+101.7	+43	-
	2.0L	5,990	+155	+2.7	+342	+6.1
	subtotal	18,144	-1,810	-9.1	-343	-1.9
Can	~190ml	9,624	+244	+2.6	+819	+9.3
	~250ml	1,742	+86	+5.2	-20	-1.1
	~350ml	3,535	+76	+2.2	+963	+37.4
	~500ml	531	+1	+0.3	-14	-2.5
	subtotal	15,432	+407	+2.7	+1,748	+12.8
Bottle can		797	-207	-20.6	-1,329	-62.5
Other		1,731	-93	-5.1	+6	+0.4
Syrup, powder, food		10,630	-182	-1.7	-252	-2.3
Total		47,254	-1,894	-3.9	-174	-0.4

		1H 2008 (1-6)				
		actual	vs plan		vs last year	
			change	%	change	%
		721	+25	+3.6	+9	+1.3
		227	-29	-11.2	-2	-1.1
		948	-4	-0.4	+7	+0.7
		4,580	-343	-7.0	-388	-7.8
		12,754	-1,721	-11.9	-208	-1.6
		743	+10	+1.3	-50	-6.3
		4,037	-93	-2.2	+169	+4.4
		43	+22	+101.7	+43	-
		9,947	+403	+4.2	+728	+7.9
		32,104	-1,723	-5.1	+295	+0.9
		19,273	-65	-0.3	+1,029	+5.6
		3,344	+9	+0.3	-164	-4.7
		5,679	+62	+1.1	+1,326	+30.5
		657	+46	+7.5	+19	+3.0
		28,953	+52	+0.2	+2,211	+8.3
		1,474	-282	-16.0	-1,980	-57.3
		2,940	-121	-3.9	+5	+0.2
		20,322	-403	-1.9	-332	-1.6
Total		86,742	-2,480	-2.8	+205	+0.2

Consolidated subsidiary (1H)

(million yen)

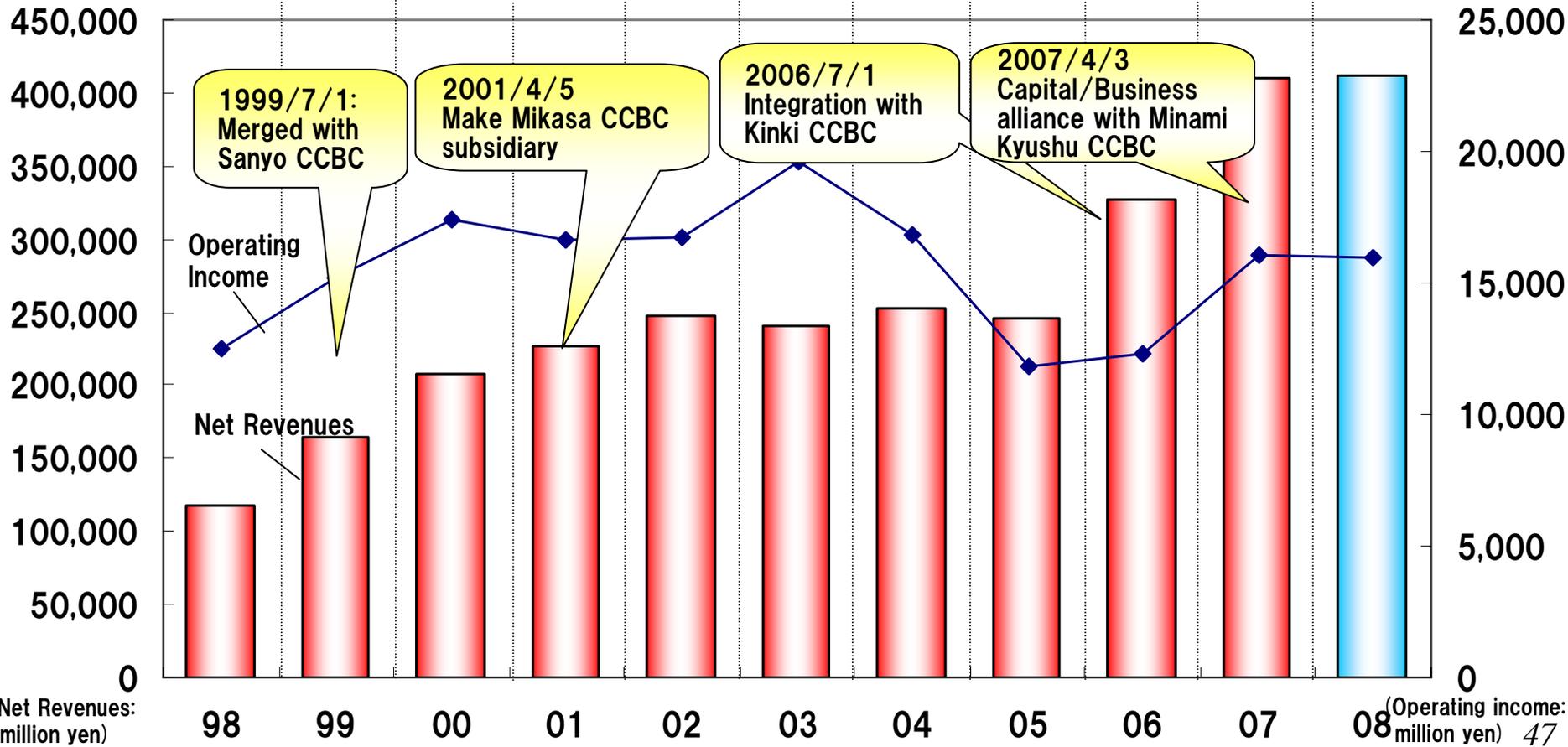
Coca-Cola West Japan	Revenues	75,824
	OP	2,177
	Total Assets	79,834
	Net Assets	65,285
Kinki CCBC	Revenues	65,963
	OP	157
	Total Assets	76,944
	Net Assets	63,589
Mikasa CCBC	Revenues	12,718
	OP	-87
	Total Assets	12,903
	Net Assets	9,231
Nishinohon Beverage	Revenues	9,217
	OP	273
	Total Assets	6,139
	Net Assets	2,278

Kansai Beverage	Revenues	13,678
	OP	-75
	Total Assets	4,847
	Net Assets	1,992
Coca-Cola West Products	Revenues	6,201
	OP	222
	Total Assets	2,660
	Net Assets	183
Coca-Cola West Logistics	Revenues	6,531
	OP	247
	Total Assets	3,338
	Net Assets	1,143
Coca-Cola West Equipment Service	Revenues	4,825
	OP	171
	Total Assets	3,521
	Net Assets	1,937

Performance Trend

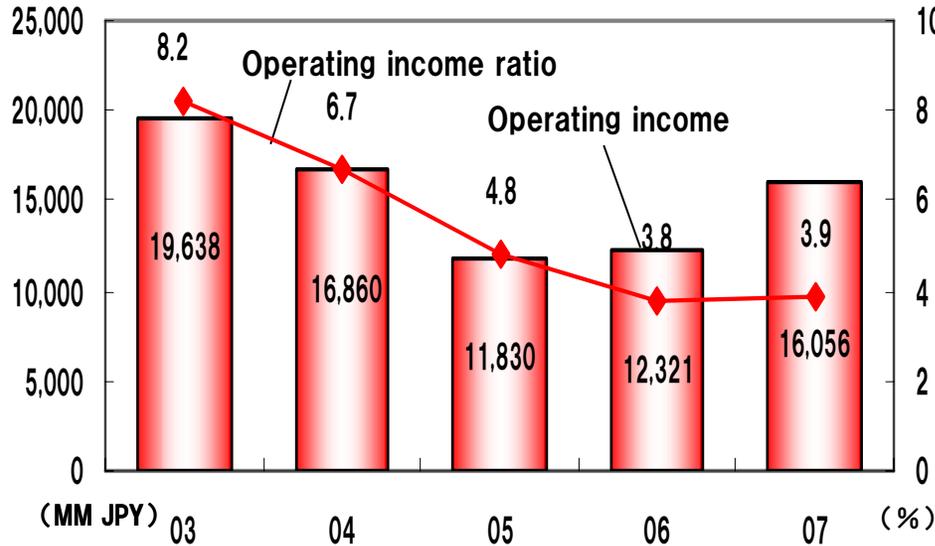
(million yen)

	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	412,300
Operating income	12,533	15,160	17,449	16,634	16,704	19,638	16,860	11,830	12,321	16,056	16,000
Recurring income	12,510	15,889	18,516	16,021	17,005	19,895	17,065	12,256	13,225	17,493	17,500
Net income	5,872	6,823	5,700	1,420	7,086	9,380	8,564	7,305	7,570	9,375	7,200

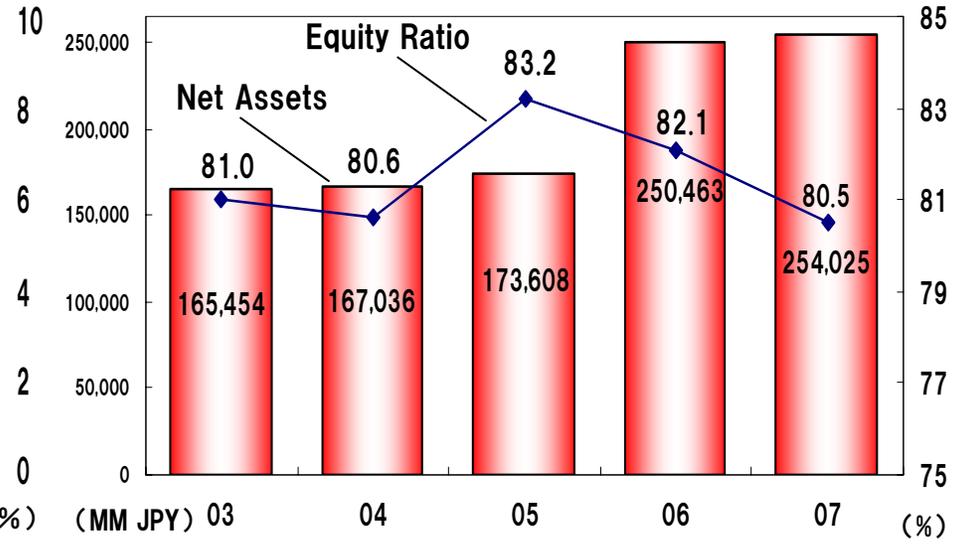


Financial Data

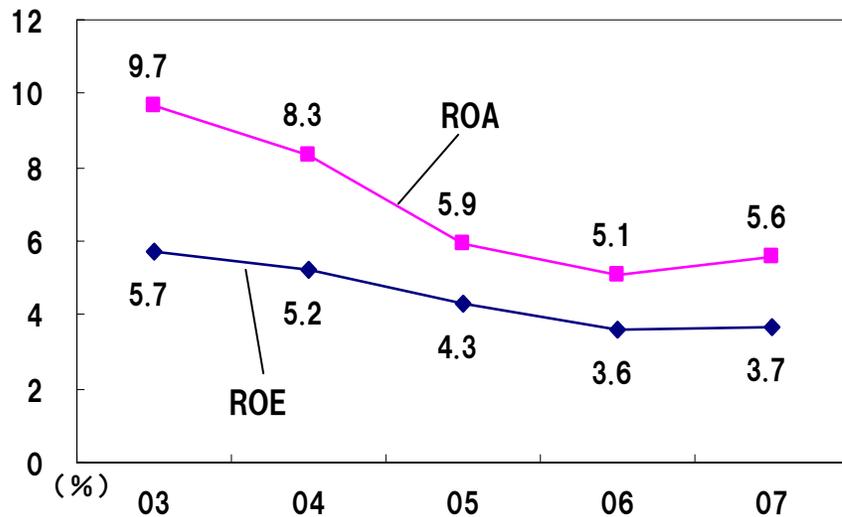
<Operating Income/Operating Income Ratio>



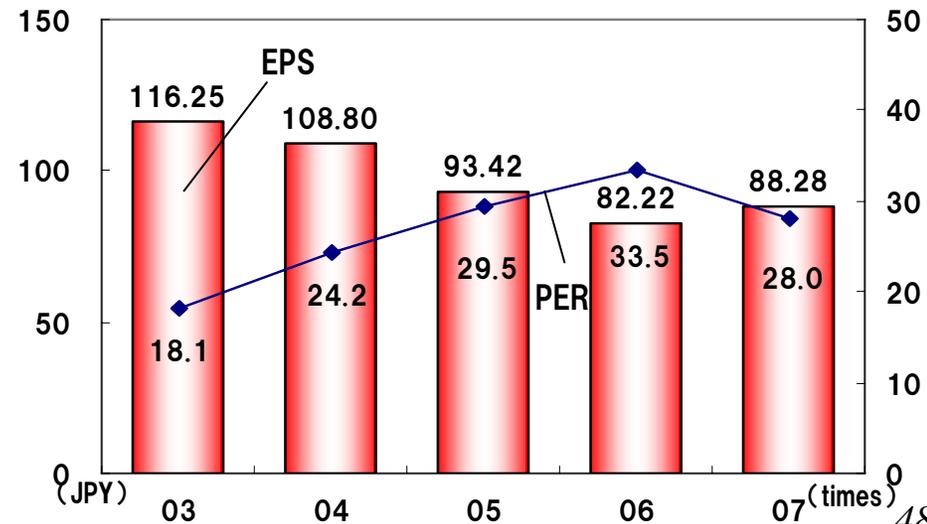
<Net Assets / Equity Ratio>



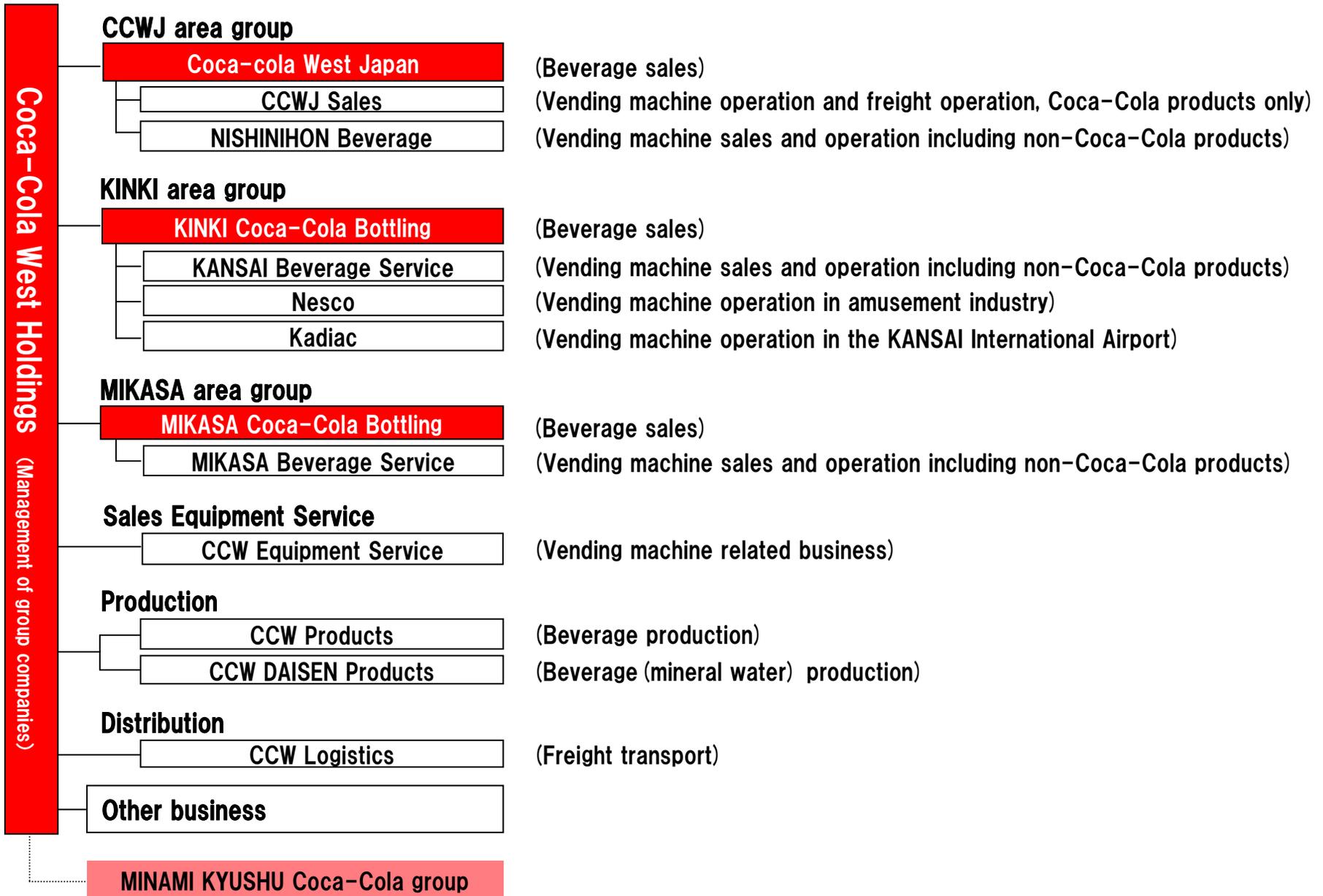
<ROA/ROE>



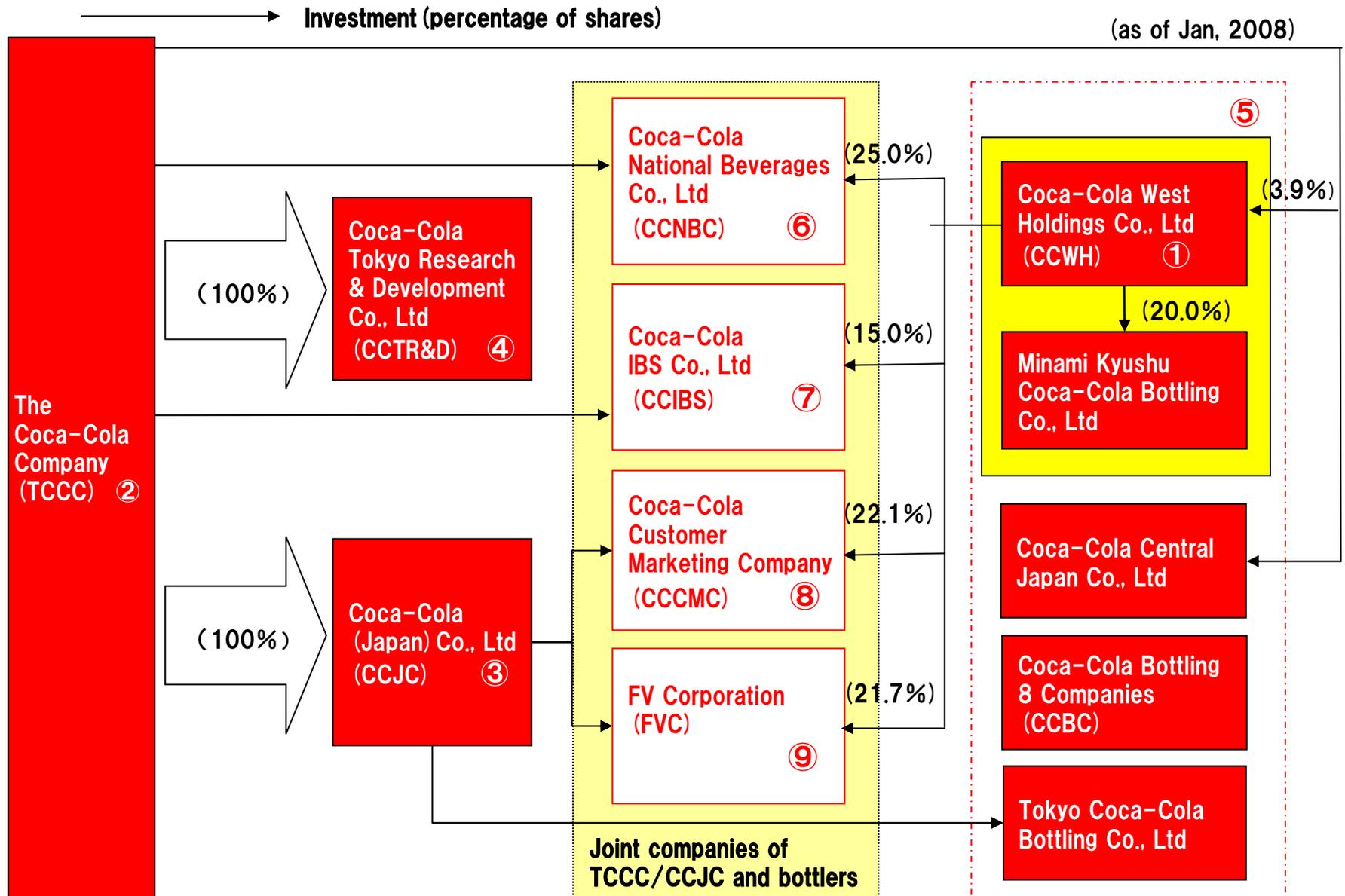
<EPS/PER>



CCWG management system (Principal business)



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.

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

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**