

Consolidated Financial Summary for the Second Quarter Ended June 30, 2015 (Japanese Standard)

July 29, 2015

Listed company name: Coca-Cola West Company, Limited
Code number: 2579
Delegate: Title: Representative Director, President
Contact: Title: Department Manager, Finance Department
Expected date of quarterly report submission: Aug 12, 2015
FY 2015 2Q supplementary information: Yes
FY 2015 2Q financial presentation: Yes

Listed stock exchanges: Tokyo and Fukuoka
URL: <http://www.ccwest.co.jp/english>
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Expected date of the dividend payments: Sep 1, 2015

(Fractions of one million yen are round off)

1. Consolidated financial results for the 2nd quarter 2015 (from January 1, 2015 to June 30, 2015)

(Percentages indicate changes over the same period in the prior fiscal year)

(1) Consolidated financial results

	Net revenues		Operating income		Recurring income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended								
2nd quarter 2015	200,994	(1.1)	2,430	(14.9)	2,295	(20.2)	8,857	930.1
2nd quarter 2014	203,145	3.5	2,855	(40.3)	2,878	(49.3)	859	(92.2)

Note: Comprehensive income

2Q 2015: 10,128 million yen <296.8%> 2Q 2014: 2,552 million yen <(80.6)%>

	Earnings per share	Diluted earnings per share
Year ended	yen	yen
2nd quarter 2015	81.15	—
2nd quarter 2014	7.87	—

(2) Consolidated financial position

	Total assets	Net assets	Net assets (excl. minority interests) to total assets
As of	million yen	million yen	%
2nd quarter 2015	382,893	262,003	68.3
Full year 2014	337,260	254,150	75.2

Reference: Net assets (excl. minority interests)

2Q 2015: 261,595 million yen End of 2014: 253,775 million yen

2. Dividends

(Record date)	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
Year ended	yen	yen	yen	yen	yen
Full year 2014	—	20.00	—	21.00	41.00
Full year 2015	—	20.00			
Full year 2015 (forecast)			—	21.00	41.00

Note: Revisions to the cash dividends forecasts most recently announced: None

3. Forecast of consolidated financial results 2015 (from January 1, 2015 to December 31, 2015)

(Percentages indicate changes over the same period in the prior fiscal year)

	Net revenues		Operating income		Recurring income		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year 2015	450,600	6.2	12,500	13.6	12,100	14.1	14,200	216.8	130.10

Note: Revisions to the forecasts of consolidated financial results most recently announced: Yes

Notes

- (1) Changes in significant subsidiaries during the current period : Yes
(changes in specified subsidiaries resulting in change in scope of consolidation)
New consolidated company: 1
Name of the company: Shikoku Coca-Cola Bottling Co., Ltd.
- (2) Application of special accounting for preparing the quarterly consolidated financial statement : None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- 1) Changes in accounting policies due to revisions to accounting standards and other regulations : None
 - 2) Changes other than those in 1) above : None
 - 3) Changes in accounting estimates : None
 - 4) Restatement of prior period financial statements after error corrections : None
- (4) Number of outstanding shares (common share)
- 1) Number of outstanding shares at the end of period (including treasury shares):
2Q 2015: 111,125,714 shares FY 2014: 111,125,714 shares
 - 2) Number of treasury shares at the end of period:
2Q 2015: 1,985,881 shares FY 2014: 1,984,123 shares
 - 3) Average number of outstanding shares at end of period (six months):
2Q 2015: 109,140,853 shares 2Q 2014: 109,142,914 shares

* Indication regarding execution of quarterly review procedures

At the time of disclosure of this quarterly financial summary, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act are in progress.

* Explanation regarding appropriate use of the forecast, other special instructions

Figures in the above forecast are based on information available to management at the time of announcement.
Due to number of inherent uncertainties in the forecast, actual results may differ materially from the forecast.

Consolidated Results For The Second-Quarter 2015 Appendix

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***Coca-Cola* West**

Coca-Cola West Co., Ltd. (2579)

July 29, 2015

1. Situation of Consolidated Profit and Loss

(January 1, 2015 to June 30, 2015)

(million yen, %)

	2Q 2014 actual	2Q 2015					
		plan*	actual	vs. plan		vs. last year	
				change	% change	change	% change
Net revenues	203,145	198,000	200,994	2,994	1.5	(2,150)	(1.1)
Operating income (loss)	2,855	(1,100)	2,430	3,530	—	(425)	(14.9)
Recurring income (loss)	2,878	(1,300)	2,295	3,595	—	(582)	(20.2)
Net income (loss)	859	(1,600)	8,857	10,457	—	7,997	930.1

* The above plan is based on performance forecast announced as of February 4, 2015.

2. Profits Change Factor (vs. plan)

(January 1, 2015 to June 30, 2015)

(million yen)

	2Q 2015		change	Main factors for increase/decrease
	plan*	actual		
Net revenues	198,000	200,994	2,994	Impact on the soft drink business 3,303 Impact on the healthcare and skincare business (309)
Cost of goods sold	97,400	99,742	2,342	
Gross profit	100,600	101,252	652	Impact on the soft drink business 922 Impact on the healthcare and skincare business (270)
SG&A	101,700	98,821	(2,878)	Decrease of sales promotion & ad expenses (762) Decrease in personnel cost (476) Decrease of sales equipment cost (467) Decrease of repair expenses (165) Decrease of depreciation cost (135) Decrease of supplies expenses (121) Decrease of rent expenses (116) Impact on the healthcare and skincare business (332)
Operating income (loss)	(1,100)	2,430	3,530	
Non-operating income	500	572	72	
Non-operating expenses	700	707	7	
Recurring income (loss)	(1,300)	2,295	3,595	
Extraordinary income	—	8,520	8,520	Gain from negative goodwill 8,445
Extraordinary losses	—	475	475	Loss on retirement of fixed assets 396
Income (loss) before income taxes and minority interests	(1,300)	10,340	11,640	
Income taxes	250	1,469	1,219	
Income (loss) before minority interests	(1,550)	8,871	10,421	
Minority interests	50	13	(36)	
Net income (loss)	(1,600)	8,857	10,457	

* The above plan is based on performance forecast announced as of February 4, 2015.

3. Profits Change Factor (vs. last year)

(January 1, 2015 to June 30, 2015)

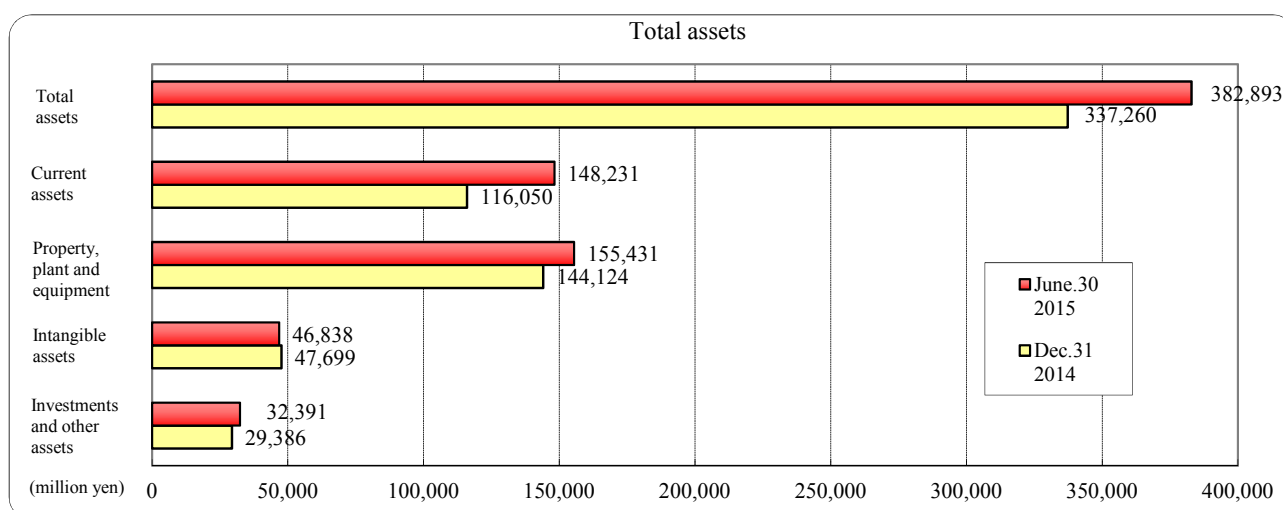
(million yen)

	2Q2014	2Q2015	change	Main factors for increase/decrease
Net revenues	203,145	200,994	(2,150)	Impact on the soft drink business (1,293) Impact on the healthcare and skincare business (856)
Cost of goods sold	100,884	99,742	(1,142)	
Gross profit	102,260	101,252	(1,007)	Impact on the soft drink business (467) Impact on the healthcare and skincare business (539)
SG&A	99,404	98,821	(582)	Decrease in personnel cost (2,225) Decrease of sales commission (398) Decrease of sales equipment cost (350) Decrease of fuel expenses (218) Increase of business consignment expenses 1,087 Increase of sales promotion & ad expenses 888 Increase of transportation expenses 862 Increase of depreciation cost 226 Impact on the healthcare and skincare business (384)
Operating income	2,855	2,430	(425)	
Non-operating income	748	572	(175)	Investment gain on equity method (62)
Non-operating expenses	725	707	(18)	
Recurring income	2,878	2,295	(582)	
Extraordinary income	67	8,520	8,452	Gain from negative goodwill 8,445
Extraordinary losses	950	475	(475)	Restructuring cost (741) Loss on retirement of fixed assets 396 Impact on the healthcare and skincare business (190)
Income before income taxes and minority interests	1,995	10,340	8,344	
Income taxes	1,124	1,469	344	
Income before minority interests	871	8,871	8,000	
Minority interests	11	13	2	
Net income	859	8,857	7,997	

4. Consolidated Balance Sheet and Change Factor

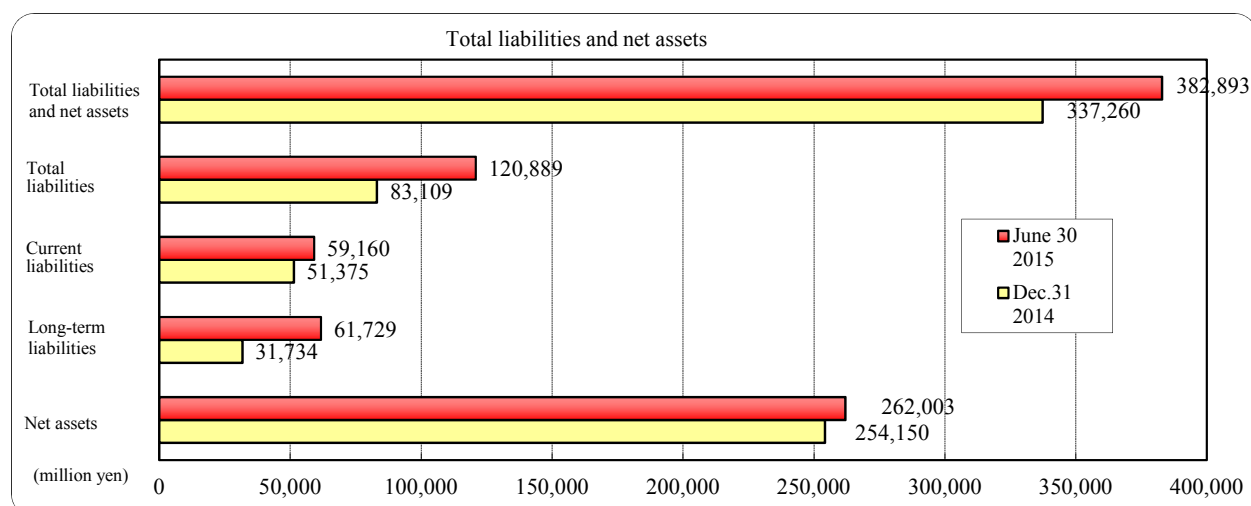
(million yen)

	Dec.31 2014	June.30 2015	change	Main factors for increase/decrease
Current assets	116,050	148,231	32,180	
Cash and deposits	41,996	61,303	19,306	
Trade notes and accounts receivable	27,797	31,747	3,949	
Marketable securities	100	—	(100)	
Merchandise and finished goods	25,659	30,759	5,099	Increase in inventory for demand season
Work in process	547	682	135	
Raw materials and supplies	2,166	3,992	1,825	
Other	18,098	20,123	2,025	
Allowance for doubtful accounts	(316)	(376)	(60)	
Fixed assets	221,210	234,662	13,451	
Property, plant and equipment	144,124	155,431	11,307	
Buildings and structures, net	33,132	34,516	1,383	
Machinery, equipment, vehicles, net	23,252	23,382	129	
Sales equipment, net	27,113	31,669	4,556	
Land	59,155	63,377	4,222	
Construction in progress	11	192	180	
Other, net	1,457	2,292	835	
Intangible assets	47,699	46,838	(861)	
Goodwill	39,539	38,214	(1,324)	
Other	8,160	8,624	463	
Investments and other assets	29,386	32,391	3,005	
Investment securities	19,162	22,211	3,048	Increase by rise in current prices of retained stocks
Net defined benefit asset	—	151	151	
Other	10,622	10,615	(7)	
Allowance for doubtful accounts	(398)	(586)	(187)	
Total assets	337,260	382,893	45,632	



(million yen)

	Dec.31 2014	June 30 2015	change	Main factors for increase/decrease
Current liabilities	51,375	59,160	7,784	
Trade notes and accounts payable	17,750	26,681	8,930	
Current portion of long-term loans payable	2,517	2,517	—	
Accrued income taxes	2,024	986	(1,038)	
Other accounts payable	20,649	21,361	712	
Provision for sales promotion expenses	260	332	71	
Other	8,173	7,281	(891)	
Long-term liabilities	31,734	61,729	29,995	
Bonds payable	20,000	50,000	30,000	Increase by issuance of bonds
Long-term loans payable	2,719	1,460	(1,258)	
Net defined benefit liability	3,871	3,608	(262)	
Liabilities for directors' and corporate auditors' retirement benefits	149	153	3	
Other	4,993	6,506	1,512	
Total liabilities	83,109	120,889	37,780	
Shareholders' equity	251,079	257,641	6,562	
Common stock	15,231	15,231	—	
Capital surplus	109,072	109,072	—	
Retained earnings	131,355	137,921	6,565	Increase by current net income
Treasury stock	(4,580)	(4,584)	(3)	
Accumulated other comprehensive income	2,696	3,953	1,257	
Net unrealized gains (loss) on other marketable securities	3,389	5,015	1,625	
Deferred gains or losses on hedges	317	151	(165)	
Foreign currency translation adjustment	16	15	(1)	
Remeasurements of defined benefit plans	(1,026)	(1,228)	(202)	
Minority interests	374	408	33	
Net assets	254,150	262,003	7,852	
Total liabilities and net assets	337,260	382,893	45,632	



5. Investment, Depreciation, Cash Flow Statement (consolidated)

(January 1, 2015 to June 30, 2015)

(1) Investment, Depreciation

		(million yen)	
		2Q 2014	2Q 2015
Investment	Buildings	431	301
	Machinery & Equipment	1,416	1,621
	Sales equipment	6,077	6,226
	Other	3,372	1,112
	Total	11,297	9,261
Depreciation		11,238	11,323

(2) Cash Flow Statement

		(million yen)	
		2Q 2014	2Q 2015
Cash flow from operating activities		2,029	12,009
Cash flow from investing activities		(2,980)	(18,940)
Cash flow from financing activities		(3,795)	26,038
Cash and cash equivalents at end of 2Q		55,529	61,089

6. Projections (consolidated)

(January 1, 2015 to December 31, 2015)

(1) Earnings

(million yen, %)

	2014 actual	2015 plan	change	% change
Net revenues	424,406	450,600	26,193	6.2
Operating income	11,008	12,500	1,491	13.6
Recurring income	10,609	12,100	1,490	14.1
Net income	4,482	14,200	9,717	216.8

(2) Investment, Depreciation

(million yen)

	2014 actual	2015 plan	
Investment	Land	—	15
	Buildings	826	1,178
	Machinery & Equipment	4,985	3,481
	Sales equipment	12,204	12,334
	Other	4,766	2,568
	Total	22,783	19,578
Depreciation	22,943	24,725	

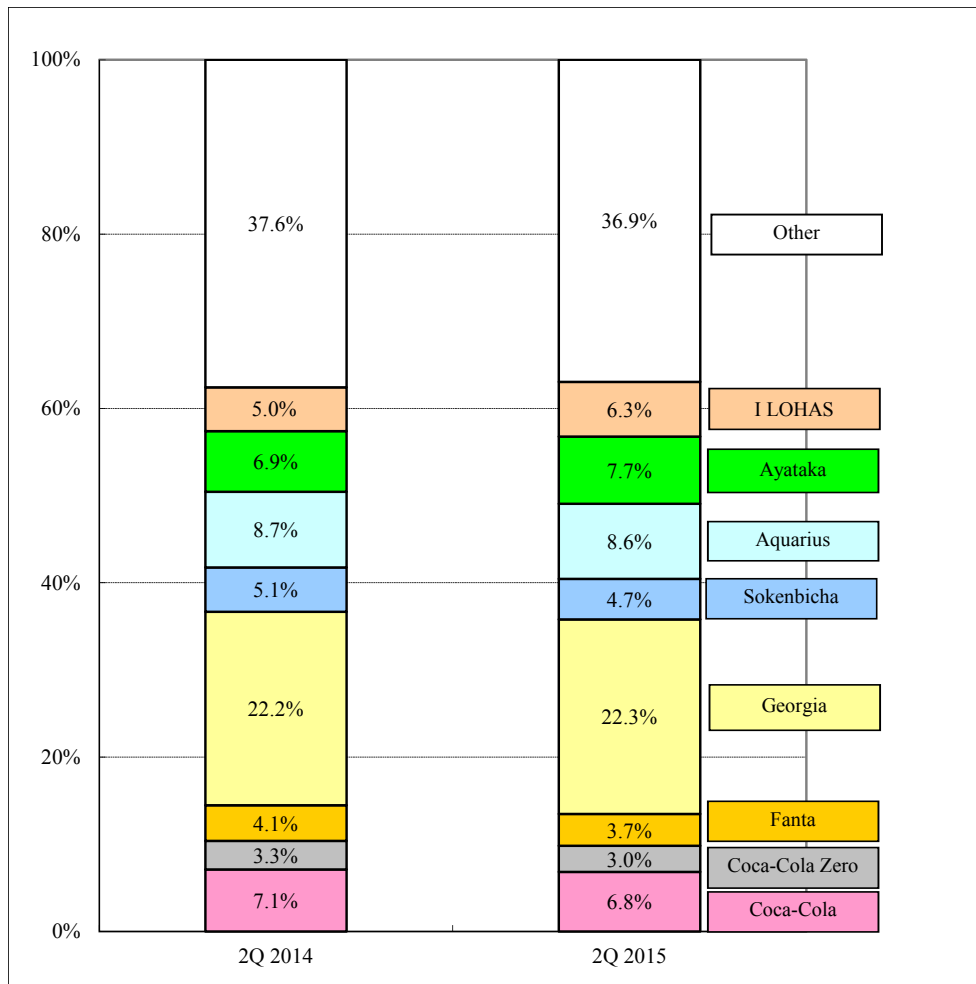
7. Sales Information

(January 1, 2015 to June 30, 2015)

<Sales volume by brand>

		(thousand cases, %)		
		2Q 2014	2Q 2015	% change
Core 8	Coca-Cola	7,268	6,759	(7.0)
	Coca-Cola Zero	3,324	2,972	(10.6)
	Fanta	4,184	3,617	(13.6)
	Georgia	22,622	22,101	(2.3)
	Sokenbicha	5,168	4,605	(10.9)
	Aquarius	8,853	8,515	(3.8)
	Ayataka	7,081	7,642	7.9
	I LOHAS	5,123	6,209	21.2
Other	38,319	36,574	(4.6)	
Total	101,942	98,993	(2.9)	

<Composition of brand>



<Sales volume by channel>

(thousand cases, %)

	2Q 2014	2Q 2015	% change
Vending *1	34,900	32,765	(6.1)
Supermarket, etc. *2	30,173	29,778	(1.3)
CVS *3	11,626	12,604	8.4
Retail *4	5,736	5,285	(7.9)
Food service *5	10,657	11,444	7.4
Other	8,851	7,117	(19.6)
Total	101,942	98,993	(2.9)

Notes : Sales volume in 2014 is revised retroactively due to reconsideration of channel segmentations.

*1 Vending : Retail sales business to distribute products through vending machine to consumers

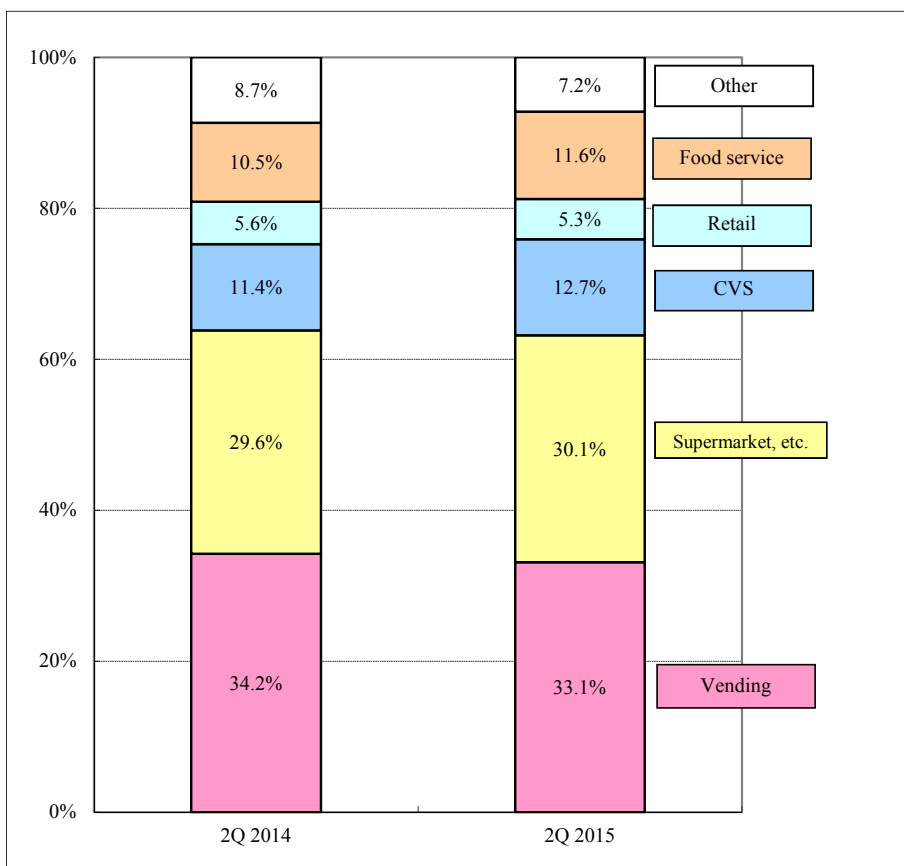
*2 Supermarket, etc. : Wholesale business for supermarket, drug store, discount store, etc.

*3 CVS : Wholesale business for convenience store chains

*4 Retail : Wholesale business for grocery stores, liquor shops and other over-the-counter outlets

*5 Food service : Wholesale business in the food-service market such as fast food restaurants, 'family restaurants', etc.

<Composition of channel>

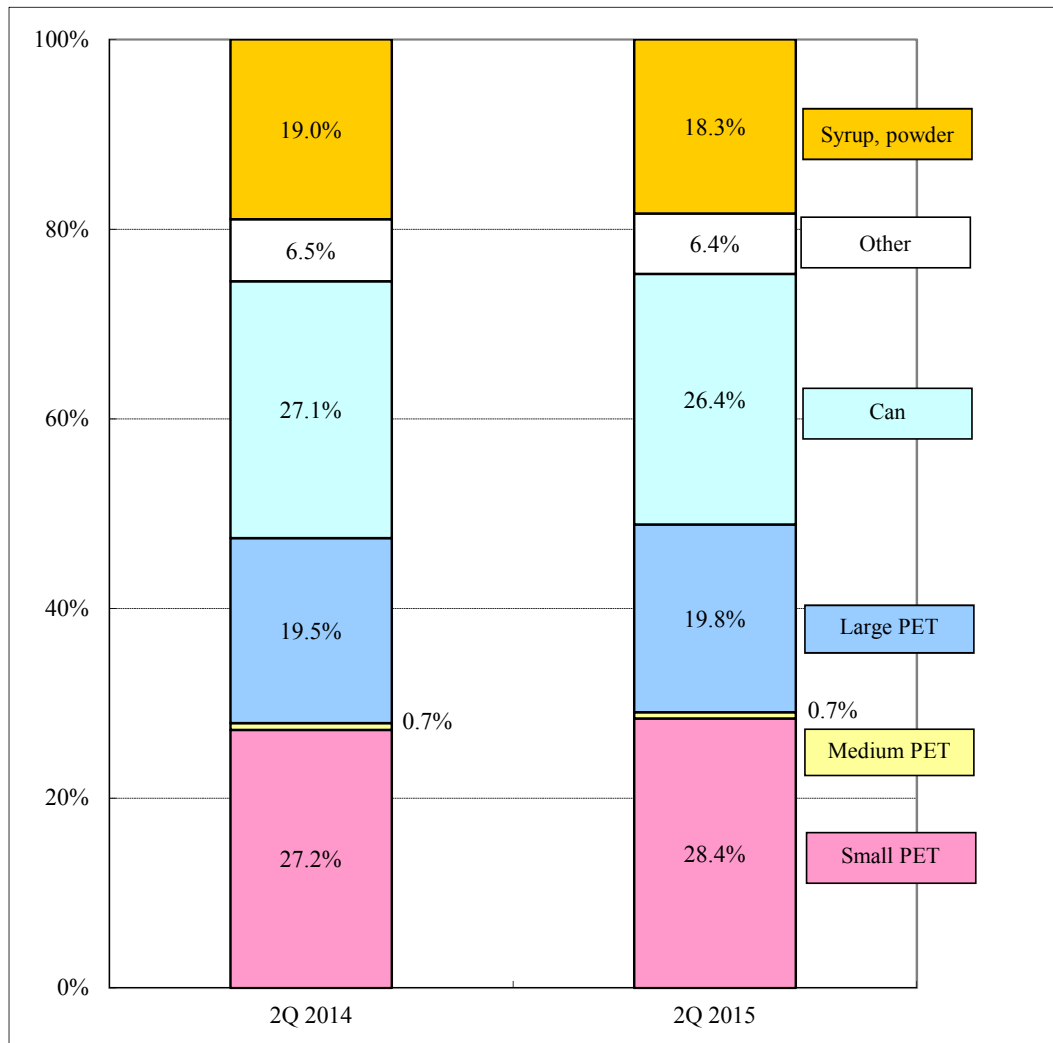


<Sales volume by package>

(thousand cases, %)

		2Q 2014	2Q 2015	% change
PET	Small-sized (less than 1,000ml)	27,726	28,120	1.4
	Medium-sized (less than 1,500ml)	751	662	(11.9)
	Large-sized (1,500ml or more)	19,863	19,585	(1.4)
	Subtotal	48,340	48,367	0.1
Can		27,635	26,167	(5.3)
Other		6,644	6,311	(5.0)
Syrup, powder		19,324	18,148	(6.1)
Total		101,942	98,993	(2.9)

<Composition of package>



8. Number of Vending Machines, Market Share

(1) Number of vending machines

	(thousands units)		
	End of 2014	End of 2Q 2015	change
Can vending machine	309	302	(7)
Cup vending machine	23	23	(0)
Total	332	325	(7)

Notes: Figures are the combined total of Coca-Cola West Co., Ltd. and its affiliated company Nishinon Beverage Co., Ltd.

(2) Market share of vending machines

	(%)	
	2014	2015
Out market share	31.7	—

(Source : Survey of vending machines conducted by McNET Inc., May to June in 2014.)

9. Home Market Share

(January 1, 2015 to June 30, 2015)

	(%)	
	2Q 2014	2Q 2015
Total	22.9	22.2
Supermarkets	23.1	21.8
CVS	22.1	23.2
Retail stores	20.6	19.3
Drug stores	23.0	23.2
Discount stores	23.9	22.4

(Source : Store Audit conducted by Intage Inc.)

10. Segment Information

	2Q 2014			2Q 2015		
	Soft drink	Healthcare and skincare	Total	Soft drink	Healthcare and skincare	Total
Net revenues	185,997	17,147	203,145	184,703	16,290	200,994
To outside customers and consumers	185,997	17,147	203,145	184,703	16,290	200,994
Intersegment sales or transfers	—	—	—	—	—	—
Segment profit	1,438	1,417	2,855	1,168	1,262	2,430

Notes: Net revenues and segment profit are based on net revenues and operating income reported in the consolidated statements of income.