Coca-Cola West Co., Ltd. started on January 1, 2009

Coca-Cola West Holdings Co., Ltd., Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd. merged as of January 1, 2009 aiming at further promotion of efforts to one of the World’s Leading Bottlers, and Coca-Cola West Co., Ltd. (CCW) was started.

Contents

C-2 Corporate Data
Coca-Cola System
To Our Shareholders and Other Investors

4 Special Feature 1:
- Toward achieving the effect of management integration
- Toward achieving the effect of management integration

8 Special Feature 2:
- Expansion and Efficiency Improvement Efforts
- Toward achieving the effect of management integration

14 Number of vending machines installed
Sales volume breakdown by brand/channel/package

16 Toward being a Reliable Corporation
Quality Assurance
What We Can Do to Save an Irreplaceably Valuable Resource
What We Can Do for Local Communities through Our Business Activities
Contributions to Local Communities
Environmental Activities

22 Overview of Fiscal 2008 Operating Results
24 Consolidated Balance Sheets
26 Consolidated Statements of Income
27 Consolidated Statements of Changes in Shareholders’ Equity
29 Consolidated Statements of Cash Flows
30 Trends in Principal Consolidated Financial Data

32 Additional Notes
33 Corporate Governance
34 Management
36 Social Information
37 Information on Preferential Treatment System for Shareholders
38 History
39 Main Products

FORWARD-LOOKING STATEMENTS
This annual review contains statements regarding the Company’s future plans, projected performance and outlook. These forward-looking statements are not historical facts, but represent management’s opinions and beliefs based on information available at the time of writing. Readers are cautioned that any number of risks and factors beyond the Company’s control could cause actual results to differ materially from those proposed by management. These include, but are not limited to, economic trends, unexpected competition in the soft drink industry, capital supply and demand, and changes in regulations and other applicable laws and regulations.

Corporate Data
As of January 1, 2009

Company Name
Coca-Cola WEST COMPANY, LIMITED

Offices:
- HEAD OFFICE
7-3-6 Nakakita, Higashi-ku, Fukuoka
812-0033, Japan

- FUKUOKA OFFICE
Coca-Cola City Business Center Building
1-2-25 Shintomicho, Higashi-ku, Fukuoka
812-0849, Japan

- OSAKA OFFICE
Model Coca-Cola Plaza Tower
4-10-10 Nishi-ku, Kita-ku, Osaka
530-0047, Japan

DATE OF ESTABLISHMENT:
December 20, 1960

PAID-IN CAPITAL:
￥15,231 million

EMPLOYEES:
6,197 (Consolidated)

FISCAL YEAR-END:
December

PRIMARY BUSINESS ACTIVITIES:
- Manufacturing and sales of Coca-Cola and other soft drinks
- Financial and non-financial services

Special Feature 2:
- Expansion and Efficiency Improvement Efforts
- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Toward achieving the effect of management integration

- Towar
Coca-Cola West, Ltd. started on January 1, 2009

Coca-Cola West Holdings Co., Ltd., Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd. merged as of January 1, 2009 aiming at further promotion of efforts to one of the World’s Leading Bottlers, and Coca-Cola West Co., Ltd. (CW) was started.

Contents

C-2 Corporate Data
Coca-Cola System
To Our Shareholders and Other Investors

4 Special Feature 1:
To the leading bottler in the world
- Toward achieving the effect of management integration

8 Special Feature 2:
Expanding and Efficiency Improvement Efforts
- May issues for 2008

14 Number of vending machines installed
Sales volume breakdown by brand/channel/package

16 Toward being a Reliable Corporation
Quality Assurance
What We Can Do to Save an Irreplaceably Valuable Resource
What We Can Do for Local Communities through Our Business Activities
Contributions to Local Communities
Environmental Activities

22 Overview of Fiscal 2008 Operating Results
24 Consolidated Balance Sheets
26 Consolidated Statements of Income
27 Consolidated Statements of Changes in Shareholders’ Equity
28 Notes to Consolidated Financial Statements
29 Trends in Principal Consolidated Financial Data

30 Risk Information
31 Corporate Governance
32 Management
33 Stock Information
35 Information on Preferential Treatment System for Shareholders
37 History
37 Mile Products

FORWARD-LOOKING STATEMENTS

This annual review contains statements regarding the Company’s future plans, projected performance and outlook. These forward-looking statements are not historical facts, but represent management’s expectations and beliefs based on information available at the time of writing. Readers are cautioned not to place undue reliance on these projections and views. These statements involve assumptions, risks, and uncertainties, and actual results may differ materially from those projected by management. These factors include, but are not limited to, economic trends, intensifying competition in the soft drink industry, changes in consumer preferences, and other factors beyond the Company’s control.

JAPAN’S COCA-COLA SYSTEM CONSISTS OF COCA-COLA (JAPAN) CO., LTD., 12 BOTTLING COMPANIES (BOTTLERS) THAT MANUFACTURE AND SELL COCA-COLA PRODUCTS IN THE DIFFERENT REGIONS OF THE COUNTRY AND OTHER COMPANIES.

Coca-Cola Japan Co., Ltd. manufactures Coca-Cola and other concentrates and supplies these to Bottlers (12 bottling companies) all over Japan, and Bottlers produce various types of products at each plant under strict quality control. Finished products are distributed nationwide to 515 sales branches, which function as sales bases for individual Bottlers, and then directly distributed to 1,150,000 stores nationwide by distribution car, which is called “route truck.” Additionally, in consideration of consumer convenience, approx. 86,000 vending machines have been installed in a broad range of useful locations. These manufacturing, distribution and sales activities are closely linked to the community — and growing together with community in Coca-Cola’s own system.

About What Coca-Cola West Co., Ltd.

Coca-Cola West Company, Limited is the largest bottler in Japan, with an operating area in Western Japan, and also a leading bottler in world.

As the largest bottler in Japan, and a top-ranking one from a global perspective, Coca-Cola West Co., Ltd. is acting as a Strategic Leading Partner with The Coca-Cola Company and Coca-Cola (Japan) Co., Ltd. In this capacity, it is playing a leading role in the transformation of the Coca-Cola System in Japan by engaging in product development, test marketing and other collaborative activities that go beyond the traditional scope of a bottler.

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

Mikasa Kyushu Coca-Cola Bottling Co., Ltd. (Kitakyushu)

Canal City Business Center Building
8-10 Nishitenma, Kita-ku, Osaka
81-6-871, Japan

Osaka Office

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

Fukuoka/Osaka/Shiga/Kyoto/Wakayama/Hyogo/Kyushu
Osaka/Shinshu/Tohoku/Kanto/Kansai/Saga/Kyushu

Sales

Coca-Cola (Japan) Co., Ltd. (CCJ)

Engaged in marketing, selling and manufacturing of Coca-Cola and other concentrates in Japan, with Coca-Cola (Japan) Co., Ltd. (100% invested by The Coca-Cola Company)

Bottlers (12 bottling companies)

There are 12 bottling companies for each sales territory, and each Bottler produces and distributes products.
To Our Shareholders and Other Investors

We appreciate your continuing support for Coca-Cola West Co., Ltd.
I am pleased to report our operating results for the fiscal year ended December 31, 2008, and provide an overview of our Group policies and business strategies.

Business Overview and Operating Results
In fiscal 2008, the year ended December 31, 2008, the Japanese economy fell into a serious recession as steep rises in crude oil and grain prices strained corporate earnings and income in the first half, and then in the second half, with the drastic decline of exports, restraint of capital investment and stagnation of personal consumption—under assault from the world-wide scale financial and economic crisis stemming from the financial crisis in the US.

In the Japanese soft drink industry, sales competition among soft drink producers intensified during the past year as personal consumption was depressed, and in this difficult business environment, was even more severely affected by the rapidly rising prices of crude oil and other raw materials. Against this challenging market backdrop, we took a variety of initiatives as a Group towards achieving the goals of our medium-term management plan “Wing”. This plan identifies consumers as the basis for all value, and serves as a blueprint for striving to always offer more value than our competitors so that we can achieve growth over the next several decades.

As a result of these efforts, CCW reported consolidated net revenues of ¥195,056 million, down 3.4% from the previous year. Income before extraordinary and discontinued operations was ¥11,048 million, net income decreased by 8.6% year on year to ¥129 million, as there is the cost of making efforts toward reorganization of the Group in order to bring about the effect of management integration, and also losses on devaluation of investment securities booked due to the decline of market value of the domestic shares held by CCW.

Initiatives in fiscal 2008
First of all, in order to bring about the effect of management integration with Kirin Coca-Cola Bottling Co., Ltd. in July 2008, we integrated functionally similar companies that had formerly been separated by area. As of January 1, 2009, the two companies that had been in charge of manufacturing in our Group were integrated, and Coca-Cola West Products Co., Ltd. was started as a new company. Then, as of April 1, 2008, the companies and divisions that were in charge of maintenance services of the vending machines in our Group were integrated and Coca-Cola West Equipment Services Co., Ltd. was started. Additionally, in order to establish an even more solid management base and promote enhanced operations and sales functions and to reduce indirect costs, Coca-Cola West Holdings, Co., Ltd., Coca-Cola West Japan Co., Ltd., Kiriki Coca-Cola Bottling Co., Ltd. and Nikko Coca-Cola Bottling Co. Ltd. merged and the new company Coca-Cola West Co., Ltd. was started as of January 1, 2009.

In addition, accompanying the transfer to Coca-Cola Bottlers of the manufacturing and logistics business that used to be performed by Coca-Cola National Beverages Co., Ltd., which was established through joint investment by nationwide Coca-Cola Bottlers and Coca-Cola (Japan) Co., Ltd., in the Western Japan area, the Company will be a center of action for the achievement of handling flexibility in changes of supply and demand, and reduction of manufacturing and logistics costs through development of a new supply-demand system. On the marketing side, we exploited promotional campaigns making use of our advantages as Beijing Olympic Games worldwide partner to bolster our core brands of Coca-Cola, Georgia, Sokenbicha, and Aquarius.

In our Corporate Mission, we emphasize “respond to all efforts possible to earn the trust of all our stakeholders. As our dividend policy, we place the utmost priority on stable dividends, and carrying out active return of profits.

Furthermore, we will push ahead with our CSR (Corporate Social Responsibility) program (continued on the environment) as we make all efforts possible to earn the trust of all our stakeholders.

Future Outlook
As we move forward, we expect the business environment to become increasingly tough, as share prices drop, the price of raw materials and crude oil fluctuate violently, and consumer sentiment decline. Given this situation, we will address the various innovations towards achieving the goals of our medium-term management plan “Wing”, which runs for the 2007-2009 period. This consumer-centric plan is designed to provide value that always exceeds that of the competition, based on the principle that all value starts with the consumer. The aim is maintain growth over the next several decades.

Specifically, we will transform our old sales strategy, which was based on areas, to sales strategy based on channels, and extend marketing activities based on research and analysis of consumer purchasing activities, and meanwhile change from the old nationwide supply-demand management system to a Western Japan area supply-demand management system centered on CCW, which will allow us to respond to changes in the market flexibly, so that we can build a supply chain with high-level competitiveness both in quality and cost. Moreover, we will move forward efficiency improvements of business and quality, with thoroughgoing reductions and stricting of indirect costs.

As our dividend policy, we place the utmost priority on stable dividends, and carrying out active return of profits. Taking into consideration the results from throughout the year and the future management environment, the year-end dividend applicable to 2008 will be ¥22 per share. As a result, the full-year dividend, which includes the interim dividend, comes to ¥45 per share, the same amount as the previous year.

I look forward to your continued support and understanding.

March 2009

Nori Iwasawa
Representative Director & CEO
To Our Shareholders and Other Investors

We appreciate your continuing support for Coca-Cola West Co., Ltd.
I am pleased to report our operating results for the fiscal year ended December 31, 2008, and provide an overview of our Group policies and business strategies.

Business Overview and Operating Results

In fiscal 2008, the year ended December 31, 2008, the Japanese economy fell into a serious recession as steep rises in crude oil and grain prices strained corporate earnings and income in the first half, and then in the second half, with the drastic decline of exports, restraint of capital investment and stagnation of personal consumption—under assault from the wider scale of financial and economic crisis stemming from the financial crisis in the US.
In the Japanese soft drink industry, sales competition among soft drink producers intensified during the past year as personal consumption was depressed, and in this difficult business environment, was even more severely affected by the rapidly rising prices of crude oil and other raw materials.
Against this challenging market backdrop, we took a variety of initiatives as a Group towards achieving the goals of our medium-term management plan “Wing.” This plan identifies consumers as the basis for all value, and serves as a blueprint for striving to always offer more value than our competitors so that we can achieve growth over the next several decades.
As a result of these efforts, CCW reported consolidated net revenues of ¥195,056 million, down 3.4% from the previous year. Income was affected by unfavorable weather and depressed consumption due to aggravation of the economic circumstances, and operating income fell ¥34.5 million year on year to ¥12,512 million, while recurring income decreased ¥8.6% year on year to ¥129 million, as there is the cost of making efforts toward reorganization of the Group in order to bring about the effect of management integration, and also losses on devaluation of the domestic shares held by CCW.

In addition, accompanying the transfer to Coca-Cola Bottlers of the manufacturing and logistics business that used to be performed by Coca-Cola National Beverages Co., Ltd., which was established through joint investment by nationwide Coca-Cola Bottlers and Coca-Cola (Japan) Co., Ltd., in the Western Japan area, the Company will be a center of action for functions and to reduce indirect costs, Coca-Cola West Holdings, Co., Ltd., Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Nihon Coca-Cola Bottling Co., Ltd. merged and the new company Coca-Cola West Co., Ltd., was started as of January 1, 2009.

In the Japanese soft drink industry, sales competition among soft drink producers intensified during the past year as personal consumption was depressed, and in this difficult business environment, was even more severely affected by the rapidly rising prices of crude oil and other raw materials.

Against this challenging market backdrop, we took a variety of initiatives as a Group towards achieving the goals of our medium-term management plan “Wing.” This plan identifies consumers as the basis for all value, and serves as a blueprint for striving to always offer more value than our competitors so that we can achieve growth over the next several decades.
As a result of these efforts, CCW reported consolidated net revenues of ¥195,056 million, down 3.4% from the previous year. Income was affected by unfavorable weather and depressed consumption due to aggravation of the economic circumstances, and operating income fell ¥34.5 million year on year to ¥12,512 million, while recurring income decreased ¥8.6% year on year to ¥129 million, as there is the cost of making efforts toward reorganization of the Group in order to bring about the effect of management integration, and also losses on devaluation of the domestic shares held by CCW.

In addition, accompanying the transfer to Coca-Cola Bottlers of the manufacturing and logistics business that used to be performed by Coca-Cola National Beverages Co., Ltd., which was established through joint investment by nationwide Coca-Cola Bottlers and Coca-Cola (Japan) Co., Ltd., in the Western Japan area, the Company will be a center of action for functions and to reduce indirect costs, Coca-Cola West Holdings, Co., Ltd., Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Nihon Coca-Cola Bottling Co., Ltd. merged and the new company Coca-Cola West Co., Ltd., was started as of January 1, 2009.

In addition, accompanying the transfer to Coca-Cola Bottlers of the manufacturing and logistics business that used to be performed by Coca-Cola National Beverages Co., Ltd., which was established through joint investment by nationwide Coca-Cola Bottlers and Coca-Cola (Japan) Co., Ltd., in the Western Japan area, the Company will be a center of action for functions and to reduce indirect costs, Coca-Cola West Holdings, Co., Ltd., Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Nihon Coca-Cola Bottling Co., Ltd. merged and the new company Coca-Cola West Co., Ltd., was started as of January 1, 2009.

In addition, accompanying the transfer to Coca-Cola Bottlers of the manufacturing and logistics business that used to be performed by Coca-Cola National Beverages Co., Ltd., which was established through joint investment by nationwide Coca-Cola Bottlers and Coca-Cola (Japan) Co., Ltd., in the Western Japan area, the Company will be a center of action for functions and to reduce indirect costs, Coca-Cola West Holdings, Co., Ltd., Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Nihon Coca-Cola Bottling Co., Ltd. merged and the new company Coca-Cola West Co., Ltd., was started as of January 1, 2009.

In addition, accompanying the transfer to Coca-Cola Bottlers of the manufacturing and logistics business that used to be performed by Coca-Cola National Beverages Co., Ltd., which was established through joint investment by nationwide Coca-Cola Bottlers and Coca-Cola (Japan) Co., Ltd., in the Western Japan area, the Company will be a center of action for functions and to reduce indirect costs, Coca-Cola West Holdings, Co., Ltd., Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Nihon Coca-Cola Bottling Co., Ltd. merged and the new company Coca-Cola West Co., Ltd., was started as of January 1, 2009.

In addition, accompanying the transfer to Coca-Cola Bottlers of the manufacturing and logistics business that used to be performed by Coca-Cola National Beverages Co., Ltd., which was established through joint investment by nationwide Coca-Cola Bottlers and Coca-Cola (Japan) Co., Ltd., in the Western Japan area, the Company will be a center of action for functions and to reduce indirect costs, Coca-Cola West Holdings, Co., Ltd., Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Nihon Coca-Cola Bottling Co., Ltd. merged and the new company Coca-Cola West Co., Ltd., was started as of January 1, 2009.

In addition, accompanying the transfer to Coca-Cola Bottlers of the manufacturing and logistics business that used to be performed by Coca-Cola National Beverages Co., Ltd., which was established through joint investment by nationwide Coca-Cola Bottlers and Coca-Cola (Japan) Co., Ltd., in the Western Japan area, the Company will be a center of action for functions and to reduce indirect costs, Coca-Cola West Holdings, Co., Ltd., Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Nihon Coca-Cola Bottling Co., Ltd. merged and the new company Coca-Cola West Co., Ltd., was started as of January 1, 2009.

In addition, accompanying the transfer to Coca-Cola Bottlers of the manufacturing and logistics business that used to be performed by Coca-Cola National Beverages Co., Ltd., which was established through joint investment by nationwide Coca-Cola Bottlers and Coca-Cola (Japan) Co., Ltd., in the Western Japan area, the Company will be a center of action for functions and to reduce indirect costs, Coca-Cola West Holdings, Co., Ltd., Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Nihon Coca-Cola Bottling Co., Ltd. merged and the new company Coca-Cola West Co., Ltd., was started as of January 1, 2009.

In addition, accompanying the transfer to Coca-Cola Bottlers of the manufacturing and logistics business that used to be performed by Coca-Cola National Beverages Co., Ltd., which was established through joint investment by nationwide Coca-Cola Bottlers and Coca-Cola (Japan) Co., Ltd., in the Western Japan area, the Company will be a center of action for functions and to reduce indirect costs, Coca-Cola West Holdings, Co., Ltd., Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Nihon Coca-Cola Bottling Co., Ltd. merged and the new company Coca-Cola West Co., Ltd., was started as of January 1, 2009.
TO THE LEADING BOTTLER IN THE WORLD

Special Feature

Reorganization of the Group
Reform of Sales
Reform of Supply-Demand Management System

Reorganization of the Group

IN THE MIDST OF A SEVERE MANAGEMENT ENVIRONMENT, WE ARE WORKING AT VARIOUS ACTIVITIES TO PROVIDE VALUE THAT WILL CONSTANTLY OUTSTRIP THAT OF THE COMPETITION, AND TO MAINTAIN GROWTH OVER THE NEXT SEVERAL DECADES BASED ON THE PRINCIPLE THAT ALL VALUE STARTS WITH THE CUSTOMER.

Purposes of Reorganization of the Group

CONTINUED INCREASE OF CORPORATE VALUE

\begin{enumerate}
\item Further enhancement of management base
\item Enhancement of operational and sales functions
\item Reduction of indirect costs
\end{enumerate}

Integration of Manufacturing Companies (January 1, 2008)

<table>
<thead>
<tr>
<th>Integration of Manufacturing Companies</th>
<th>Integration of Vending Machine Maintenance Services (April 1, 2008)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coca-Cola West Japan Products Co., Ltd.</td>
<td>Coca-Cola West Equipment Services Co., Ltd.</td>
</tr>
<tr>
<td>Kinki Coca-Cola Products Co., Ltd.</td>
<td>Kansai Beverage Service Co., Ltd. (Business unit)</td>
</tr>
<tr>
<td></td>
<td>Mikasa Service Co., Ltd.</td>
</tr>
</tbody>
</table>

Integration of Holdings and sales companies by area (January 1, 2009)

<table>
<thead>
<tr>
<th>Integration of Holdings and sales companies by area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coca-Cola West Holdings Co., Ltd.</td>
</tr>
<tr>
<td>Coca-Cola West Japan Co., Ltd.</td>
</tr>
<tr>
<td>Kinki Coca-Cola Products Co., Ltd.</td>
</tr>
<tr>
<td>Mikasa Coca-Cola Bottling Co., Ltd.</td>
</tr>
</tbody>
</table>

*In order to focus business resources on the soft drink business even further, we sold all of the shares of TAKAMASAMUNE Co., Ltd., which is engaged in production and sales of alcoholic beverages, and C&C Co., Ltd., and Ange de Virge Co., Ltd., which are engaged in restaurant and retail businesses, and closed the business of Nichibei Co., Ltd., which was engaged in the manufacture of processed foods.*
TO THE LEADING BOTTLER IN THE WORLD

Special Feature

Reorganization of the Group
Reform of Sales
Reform of Supply-Demand Management System

Coca-Cola West Products Co., Ltd.
Kinki Coca-Cola Products Co., Ltd.
Coca-Cola West Co., Ltd.
Coca-Cola West Holdings Co., Ltd.
Coca-Cola West Japan Products Co., Ltd.
Kinki Coca-Cola Bottling Co., Ltd.
Mikasa Coca-Cola Bottling Co., Ltd.
Coca-Cola West Equipment Services Co., Ltd.
Coca-Cola West Japan Customer Service Co., Ltd.
Kansai Beverage Service Co., Ltd.
Mikasa Service Co., Ltd.

Reorganization of the Group

IN THE MIDST OF A SEVERE MANAGEMENT ENVIRONMENT, WE ARE WORKING AT VARIOUS ACTIVITIES TO PROVIDE VALUE THAT WILL CONSTANTLY OUTSTRIP THAT OF THE COMPETITION, AND TO MAINTAIN GROWTH OVER THE NEXT SEVERAL DECADES BASED ON THE PRINCIPLE THAT ALL VALUE STARTS WITH THE CUSTOMER.

REORGANIZATION OF THE GROUP

Integration of Manufacturing Companies (January 1, 2008)
- Coca-Cola West Japan Products Co., Ltd.
- Kirin Coca-Cola Products Co., Ltd.

Integration of Vending Machine Maintenance Services (April 1, 2008)
- Coca-Cola West Japan Customer Service Co., Ltd.
- Kansai Beverage Service Co., Ltd.
- Mikasa Service Co., Ltd.

Integration of Holdings and sales companies by area (January 1, 2009)
- Coca-Cola West Holdings Co., Ltd.
- Coca-Cola West Japan Co., Ltd.
- Kirin Coca-Cola Bottling Co., Ltd.
- Mikasa Coca-Cola Bottling Co., Ltd.

In order to focus business resources on the soft-drink business even further, we sold all the shares of TAMARIAKUEN Co., Ltd., which is engaged in production and sales of alcoholic beverages, and C&C Co., Ltd., and Ange de Virge Co., Ltd., which are engaged in restaurant and retail businesses, and closed the business of Nichibei Co., Ltd., which was engaged in the manufacture of processed foods.

Purposes of Reorganization of the Group

CONTINUED INCREASE OF CORPORATE VALUE
1. Further enhancement of management base
2. Enhancement of operational and sales functions
3. Reduction of indirect costs

TO THE LEADING BOTTLER IN THE WORLD

IN THE MIDST OF A SEVERE MANAGEMENT ENVIRONMENT, WE ARE WORKING AT VARIOUS ACTIVITIES TO PROVIDE VALUE THAT WILL CONSTANTLY OUTSTRIP THAT OF THE COMPETITION, AND TO MAINTAIN GROWTH OVER THE NEXT SEVERAL DECADES BASED ON THE PRINCIPLE THAT ALL VALUE STARTS WITH THE CUSTOMER.
REFORM OF SALES

Introduction of trade marketing functions*

Trade Marketing Headquarters and Sales Headquarters for each channel have been set up in order to specialize in formulation of strategies and market execution, and to create a management system that emphasizes operational quality.

Reform of sales from “Area-based” to “Channel-based”

Based on strategies by channel formulated by Trade Marketing Headquarters, each channel Sales Headquarters makes execution-level strategies and executes without fail.

*Trade marketing function means branch marketing expansion at sales sites, that is, to build sales site strategy to lead improvements in the number of product purchases by consumers and of purchase value, making use of knowledge linked to consumers and customers.

REFORM OF SUPPLY-DEMAND MANAGEMENT SYSTEM

CCW reexamined the unification of its supply-demand management system in the nationwide Coca-Cola System and made aggressive efforts to build a new supply-demand management system for Western Japan, centering on the CCW Group, and started a system to realize provision of swift and high-quality services rooted in the local area from January 2009.

Realization of streamlined system from procurement, manufacturing, logistics, sales and services in line with CCW intentions

NEW SUPPLY-DEMAND MANAGEMENT SYSTEM IN WESTERN JAPAN

Based on supply-demand management at the managerial judgment of individual Bottler company, a supply-demand management system containing on CCW will be built in the Western Japan region.

- Centering on CCW, which has many manufacturing lines, optimal supply network will be built in Western Japan (production and logistics center)
- For logistics, efficiency improvements of logistics will be promoted through collaborative management by CCW subsidiary, Coca-Cola West Logistics Co., Ltd.

Optimal Supply-Demand Management System in Western Japan overall

*Minami Kyushu Coca-Cola Bottling Co., Ltd. is an affiliate of Coca-Cola West Co., Ltd under the equity method.
Reform of Sales

Introduction of trade marketing functions

Trade Marketing Headquarters and Sales Headquarters for each channel have been set up in order to specialize in formulation of strategies and market execution, and to create a management system that emphasizes operational quality.

Reform of sales from “Area-based” to “Channel-based”

Based on strategies by channel formulated by Trade Marketing Headquarters, each channel Sales Headquarters makes execution-level strategies and executes without fail.

Reform of Supply-Demand Management System

CCW reexamined the unification of its supply-demand management system in the nationwide Coca-Cola System and made aggressive efforts to build a new supply-demand management system for Western Japan, centering on the CCW Group, and started a system to realize provision of swift and high-quality services rooted in the local area from January 2009.

Realization of streamlined system from procurement, manufacturing, logistics, sales and services in line with CCW intentions

New supply-demand management system in Western Japan region

Based on supply-demand management at the managerial judgment of individual Bottler company, a supply-demand management system centering on CCW will be built in the Western Japan region.

- Controlling on CCW, which has many manufacturing lines, optimal supply network will be built in Western Japan (production and logistics system).
- For logistics, efficiency improvements of logistics will be promoted through collective management by CCW subsidiary, Coca-Cola West Logistics Co., Ltd.

*Minami Kyushu Coca-Cola Bottling Co., Ltd. is an affiliate of Coca-Cola West Co., Ltd under the equity method.
EXPANSION AND EFFICIENCY IMPROVEMENT EFFORTS

Special Feature
1. Reinforcement of coffee drinks
2. Reinforcement of carbonated beverages
3. Expansion and efficiency improvements of vending machine business
4. Expansion of market share
5. Reduction of total assets and improvement of capital efficiency

KEY ISSUES FOR 2008

Expansion and Efficiency Improvements of Vending Machine Business

Sales Overview

The soft drink market in 2008 was affected by unseasonable weather, product supply shortages and declining expenditures due to worsening of economic circumstances, termed the worst in 100 years, and sales volume was down by 1% year-on-year. At CCW, sales by vending machine channel in particular broadly declined, while overall sales volume was up slightly from the previous year, by 0.1%.

Sales by Quarter

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales Volume (Thousands of Cases)</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>39,487</td>
<td>21.2% +379 +1.0%</td>
</tr>
<tr>
<td>Q2</td>
<td>47,254</td>
<td>25.3% -174 -0.4%</td>
</tr>
<tr>
<td>Q3</td>
<td>65,894</td>
<td>30.0% +480 +0.9%</td>
</tr>
<tr>
<td>Q4</td>
<td>43,867</td>
<td>23.5% -420 -0.9%</td>
</tr>
<tr>
<td>Total</td>
<td>186,502</td>
<td>100.0% +265 +0.1%</td>
</tr>
</tbody>
</table>

Sales by Brand

<table>
<thead>
<tr>
<th>Brand</th>
<th>Sales Volume (Thousands of Cases)</th>
<th>Composition Ratio</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coca-Cola</td>
<td>18,152</td>
<td>9.7% +1,179 +6.9%</td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td>42,216</td>
<td>22.6% -107 -0.4%</td>
<td></td>
</tr>
<tr>
<td>Sokenbicha</td>
<td>14,268</td>
<td>7.7% -1,391 -8.9%</td>
<td></td>
</tr>
<tr>
<td>Aquarius</td>
<td>19,103</td>
<td>10.2% -314 -1.6%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>92,763</td>
<td>49.8% +948 +1.0%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>186,502</td>
<td>100.0% +265 +0.1%</td>
<td></td>
</tr>
</tbody>
</table>

Sales by Channel

<table>
<thead>
<tr>
<th>Channel</th>
<th>Sales Volume (Thousands of Cases)</th>
<th>Composition Ratio</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vending machines</td>
<td>67,795</td>
<td>31.0% -1,207 -2.0%</td>
<td></td>
</tr>
<tr>
<td>Chain stores</td>
<td>42,037</td>
<td>22.5% +2,668 +6.8%</td>
<td></td>
</tr>
<tr>
<td>Convenience stores</td>
<td>19,176</td>
<td>10.3% +575 +3.1%</td>
<td></td>
</tr>
<tr>
<td>Retail stores</td>
<td>24,350</td>
<td>13.1% -1,475 -5.7%</td>
<td></td>
</tr>
<tr>
<td>Food service</td>
<td>18,418</td>
<td>9.9% +47 +0.3%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>24,726</td>
<td>13.2% -344 -1.4%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>186,502</td>
<td>100.0% +265 +0.1%</td>
<td></td>
</tr>
</tbody>
</table>

Sales by Quarter (Composition Ratio)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>21.2%</td>
</tr>
<tr>
<td>Q2</td>
<td>25.3%</td>
</tr>
<tr>
<td>Q3</td>
<td>30.0%</td>
</tr>
<tr>
<td>Q4</td>
<td>23.5%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
**EXPANSION AND EFFICIENCY IMPROVEMENT EFFORTS**

**Special Feature 2**

**KEY ISSUES FOR 2008**

1. Reinforcement of coffee drinks
2. Reinforcement of carbonated beverages
3. Expansion and efficiency improvements of vending machine business
4. Expansion of market share
5. Reduction of total assets and improvement of capital efficiency

---

**Sales Overview**

The soft drink market in 2008 was affected by unseasonable weather, product supply shortages and declining expenditures due to worsening of economic circumstances, termed the worst in 100 years, and sales volume was down by 1% year-on-year. At CCW, sales by vending machine channel in particular broadly declined, while overall sales volume was up slightly from the previous year, by 0.1%.

**Sales by Quarter**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales Volume (Thousands of cases)</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>39,487</td>
<td>+379 +1.0%</td>
</tr>
<tr>
<td>Q2</td>
<td>47,254</td>
<td>-174 -0.4%</td>
</tr>
<tr>
<td>Q3</td>
<td>55,894</td>
<td>+480 +0.9%</td>
</tr>
<tr>
<td>Q4</td>
<td>43,867</td>
<td>-420 -0.9%</td>
</tr>
</tbody>
</table>

**Total**
186,502 100.0% +265 +0.1%

**Sales by Brand**

<table>
<thead>
<tr>
<th>Brand</th>
<th>Sales Volume (Thousands of cases)</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coca-Cola</td>
<td>18,152</td>
<td>+1,179 +6.9%</td>
</tr>
<tr>
<td>Georgia</td>
<td>42,216</td>
<td>-157 -0.4%</td>
</tr>
<tr>
<td>Sokenbicha</td>
<td>14,268</td>
<td>-1,391 -8.9%</td>
</tr>
<tr>
<td>Aquarius</td>
<td>19,103</td>
<td>-314 -1.6%</td>
</tr>
<tr>
<td>Other</td>
<td>92,763</td>
<td>+948 +1.0%</td>
</tr>
</tbody>
</table>

**Total**
186,502 100.0% +265 +0.1%

**Sales by Channel**

<table>
<thead>
<tr>
<th>Channel</th>
<th>Sales Volume (Thousands of cases)</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vending machines</td>
<td>67,795</td>
<td>-1,207 -2.0%</td>
</tr>
<tr>
<td>Chain stores</td>
<td>42,037</td>
<td>+2,668 +6.8%</td>
</tr>
<tr>
<td>Convenience stores</td>
<td>19,176</td>
<td>+575 +3.1%</td>
</tr>
<tr>
<td>Retail stores</td>
<td>24,350</td>
<td>-1,475 -5.7%</td>
</tr>
<tr>
<td>Food service</td>
<td>18,418</td>
<td>+47 +0.3%</td>
</tr>
<tr>
<td>Other</td>
<td>24,726</td>
<td>-344 -1.4%</td>
</tr>
</tbody>
</table>

**Total**
186,502 100.0% +265 +0.1%
Reinforcement of coffee drinks
Recovery of Georgia Brand and Sales Expansion

New Campaign “Georgia, Surprisingly Good!”

For Georgia, on February 4, a new campaign for 2008 started, “Georgia, Surprisingly Good!” This phrase emphasizes the excellent product value of the Georgia Brand and also includes the message that there is more “good work” in your life than you think. To strengthen brand value and expand sales volume, the exposure of this campaign was vigorously reinforced at the various sales venues.

Renewal of Core Flavors

Making use of the asset of “Emerald Mountain,” which is one of the core flavors of Georgia, in an effort to grow sales volume a new product was added to the growing non-sugar segment on March 31. And, in an effort to grow sales volume in the very-low-sugar segment, the basic flavor of “European” was also renewed on July 7, not merely the packaging but also the taste.

Trends in Georgia Sales Volume

<table>
<thead>
<tr>
<th>Year-on-year</th>
<th>Emerald Mountain Blend</th>
<th>Total of Georgia brand</th>
<th>European</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1Q 2007</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2Q 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2Q 2007</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3Q 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3Q 2007</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q 2007</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Reinforcement of sparkling brands
Expansion of sparkling brands centering on the excellent condition of the Coca-Cola TM

Execution of Three-color Cola Strategy

Through continuous expansion of the three-color Cola strategy, that is, Coca-Cola, Coca-Cola Zero, Non-calorie Coca-Cola Plus Vitamin, sales volume continued to improve from the previous year.

Coca-Cola TM Sales Volume Trends

<table>
<thead>
<tr>
<th>Year-on-year</th>
<th>Total of Coca-Cola TM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>18,152</td>
</tr>
<tr>
<td>2007</td>
<td>16,973</td>
</tr>
</tbody>
</table>

Fanta is the No. 1 flavor in carbonated beverages in Japan, and last year it celebrated its 50th anniversary from release in 1958. From this Fanta brand, a unique product that needs to be “shaken and then drunk” was born, even though usually it is considered that carbonated beverages should not be shaken. With the contribution by the Fanta Furu-Furu Shaker, the sales volume of carbonated beverages grew still further.

Introduction of “Fanta Furu-Furu Shaker,” a New Style of Sparking Brand

<table>
<thead>
<tr>
<th>Year-on-year</th>
<th>Orange flavor</th>
<th>Grape flavor</th>
<th>Lemon flavor</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>28,255</td>
<td>31,775</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>31,775</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KEY ISSUES FOR 2008

Making use of the asset of “Emerald Mountain,” which is one of the core flavors of Georgia, in an effort to grow sales volume a new product was added to the growing non-sugar segment on March 31. And, in an effort to grow sales volume in the very-low-sugar segment, the basic flavor of “European” was also renewed on July 7, not merely the packaging but also the taste.

For Georgia, on February 4, a new campaign for 2008 started, “Georgia, Surprisingly Good!” This phrase emphasizes the excellent product value of the Georgia Brand and also includes the message that there is more “good work” in your life than you think. To strengthen brand value and expand sales volume, the exposure of this campaign was vigorously reinforced at the various sales venues.

Renewal of Core Flavors

Making use of the asset of “Emerald Mountain,” which is one of the core flavors of Georgia, in an effort to grow sales volume a new product was added to the growing non-sugar segment on March 31. And, in an effort to grow sales volume in the very-low-sugar segment, the basic flavor of “European” was also renewed on July 7, not merely the packaging but also the taste.

Trends in Georgia Sales Volume

<table>
<thead>
<tr>
<th>Year-on-year</th>
<th>Emerald Mountain Blend</th>
<th>Total of Georgia brand</th>
<th>European</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1Q 2007</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2Q 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2Q 2007</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3Q 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3Q 2007</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q 2007</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Reinforcement of sparkling brands
Expansion of sparkling brands centering on the excellent condition of the Coca-Cola TM

Execution of Three-color Cola Strategy

Through continuous expansion of the three-color Cola strategy, that is, Coca-Cola, Coca-Cola Zero, Non-calorie Coca-Cola Plus Vitamin, sales volume continued to improve from the previous year.

Coca-Cola TM Sales Volume Trends

<table>
<thead>
<tr>
<th>Year-on-year</th>
<th>Total of Coca-Cola TM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>18,152</td>
</tr>
<tr>
<td>2007</td>
<td>16,973</td>
</tr>
</tbody>
</table>

Fanta is the No. 1 flavor in carbonated beverages in Japan, and last year it celebrated its 50th anniversary from release in 1958. From this Fanta brand, a unique product that needs to be “shaken and then drunk” was born, even though usually it is considered that carbonated beverages should not be shaken. With the contribution by the Fanta Furu-Furu Shaker, the sales volume of carbonated beverages grew still further.

Introduction of “Fanta Furu-Furu Shaker,” a New Style of Sparking Brand

<table>
<thead>
<tr>
<th>Year-on-year</th>
<th>Orange flavor</th>
<th>Grape flavor</th>
<th>Lemon flavor</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>28,255</td>
<td>31,775</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>31,775</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1 Reinforcement of coffee drinks
Recovery of Georgia Brand and Sales Expansion

New Campaign “Georgia, Surprisingly Good!”

For Georgia, on February 4, a new campaign for 2008 started, “Georgia, Surprisingly Good!” This phrase emphasizes the excellent product value of the Georgia Brand and also includes the message that there is more “good work” in your life than you think. To strengthen brand value and expand sales volume, the exposure of this campaign was vigorously reinforced at the various sales venues.

Renewal of Core Flavors

Making use of the asset of “Emerald Mountain,” which is one of the core flavors of Georgia, in an effort to grow sales volume a new product was added to the growing non-sugar segment on March 31. And, in an effort to grow sales volume in the very low-sugar segment, the basic flavor of “European” was also renewed on July 7, not merely the packaging but also the taste.

Trends in Georgia Sales Volume

2 Reinforcement of sparking brands
Expansion of sparking brands centering on the excellent condition of the Coca-Cola TM

Execution of Three-color Cola Strategy

Through continuous expansion of the three-color Cola strategy, that is, Coca-Cola, Coca-Cola Zero, Non-calorie Coca-Cola Plus Vitamin, sales volume continued to improve from the previous year.

Introduction of “Fanta Furu-Furu Shaker,” a New Style of Sparking Brand

Fanta is the No. 1 flavor in carbonated beverages in Japan, and last year it celebrated its 50th anniversary from release in 1958. From this Fanta brand, a unique product that needs to be “shaken and then drunk” was born, even though usually it is considered that carbonated beverages should not be shaken. With the contribution by the Fanta Furu-Furu Shaker, the sales volume of carbonated beverages grew still further.

Trends in Carbonated Beverage Sales Volume
Expansion and efficiency improvements of vending machine business

As a worldwide partner of the Beijing Olympic Games, an effort to expand sales volume was made through intensive sales activities that made use of the kind of Olympic promotion that only Coca-Cola can do, along with Georgia promotion. What’s more, vending machines with on-board IT were introduced in an effort to reduce sales losses in high season due to selling out or being out of order. The number of support-type vending machines, which reimburse a part of their sales to fund social contribution projects for the community and activities for events and sports organizations increased by 411, to 1,742 units.

Expansion of market share

In the chain store channel, centering on the Osaka area, with its large market, in addition to carbonated beverages such as Coca-Cola and Fanta, the water category, of which the market scale has been expanding, was reinforced additionally, and, as a result of efforts to expand line items through reinforcement of relationships with consumers, we succeeded in growing sales volume and market share.

Key Issues for 2008

Reduction of total assets and improvement of capital efficiency

In order to execute a flexible capital structure policy according to changes in the business environment and in the interest of raising capital efficiency, we repurchased 6,165 thousand Company shares for ¥14,401 million in this fiscal term. We also worked toward advanced depreciation of assets by repaying loaned moneys, etc., and, as a result, total assets as of end of fiscal 2008 decreased by ¥37,976 million compared to the previous term-end, to ¥277,696 million.

Expansion of market share

In the chain store channel, centering on the Osaka area, with its large market, in addition to carbonated beverages such as Coca-Cola and Fanta, the water category, of which the market scale has been expanding, was reinforced additionally, and, as a result of efforts to expand line items through reinforcement of relationships with consumers, we succeeded in growing sales volume and market share.
Expansion and efficiency improvements of vending machine business

As a worldwide partner of the Beijing Olympic Games, an effort to expand sales volume was made through intensive sales activities that made use of the kind of Olympic promotion that only Coca-Cola can do, along with Georgia promotion. What’s more, vending machines with on-board IT were introduced in an effort to reduce sales losses in high season due to selling out or being out of order. The number of support-type vending machines, which reimburse a part of their sales to fund social contribution projects for the community and activities for events and sports organizations increased by 411, to 1,742 units.

Expansion of market share

In the chain store channel, centering on the Osaka area, with its large market, in addition to carbonated beverages such as Coca-Cola and Fanta, the water category, of which the market scale has been expanding, was reinforced additionally, and, as a result of efforts to expand line items through reinforcement of relationships with consumers, we succeeded in growing sales volume and market share.

Expansion of market share

In the chain store channel, centering on the Osaka area, with its large market, in addition to carbonated beverages such as Coca-Cola and Fanta, the water category, of which the market scale has been expanding, was reinforced additionally, and, as a result of efforts to expand line items through reinforcement of relationships with consumers, we succeeded in growing sales volume and market share.

Reduction of total assets and improvement of capital efficiency

In order to execute a flexible capital structure policy according to changes in the business environment and in the interest of raising capital efficiency, we repurchased 6,165 thousand Company shares for ¥14,401 million in this fiscal term. We also worked toward advanced depreciation of assets by repaying loaned moneys, etc., and, as a result, total assets as of end of fiscal 2008 decreased by ¥37,976 million compared to the previous term-end, to ¥277,696 million.

[Reference] ACQUISITION OF TREASURY SHARES

- Acquistion of treasury stock up to 1,300,000 shares (6,350 million yen) by resolution of the Board of Directors Meeting as of October 29, 2008
  - Acquisition Period: August 5, 2008 to September 30, 2008
  - Total number of acquired shares: 1,491,400 shares
  - Total acquisition value: ¥3,666,770,500

- Acquisition of treasury stock up to 2,000,000 shares (5,000 million yen) by resolution of the Board of Directors Meeting as of August 4, 2008
  - Acquisition Period: April 25, 2008 to June 30, 2008
  - Total number of acquired shares: 1,874,500 shares
  - Total acquisition value: ¥4,779,538,000

- Acquisition of treasury stock up to 3,000,000 shares (8,000 million yen) by resolution of the Board of Directors Meeting as of April 24, 2008
  - Acquisition Period: February 8, 2008 to March 17, 2008
  - Total number of acquired shares: 1,500,000 shares
  - Total acquisition value: ¥3,320,425,000

- Acquisition of treasury stock up to 1,500,000 shares (4,000 million yen) by resolution of the Board of Directors Meeting of February 7, 2008
  - Total number of acquired shares: 1,300,000 shares
  - Total acquisition value: ¥2,634,330,100

As of December 31, 2008

- Total issued and outstanding shares: 111,125 thousand shares
- Number of treasury shares: 11,148 thousand shares (10%)
Some corrections have been made to sales volume figures for the previous year, which have been reflected in year-on-year comparisons.

(Notes) Sales figures above represent the total for Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd.

The number of machines included has been updated to the past several years, and is partially due to the removal of units with low sales as part of our focus on profitability.

(Notes) Vending machine numbers above represent the total for Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd.

(Percent of cases) YoY % Change

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>YoY % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>186,076</td>
<td>187,902</td>
<td>185,297</td>
<td>186,307</td>
<td>186,502</td>
<td>+0.1%</td>
</tr>
</tbody>
</table>

(Percent of cases) YoY % Change

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>YoY % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>186,076</td>
<td>187,902</td>
<td>185,297</td>
<td>186,307</td>
<td>186,502</td>
<td>+0.1%</td>
</tr>
</tbody>
</table>

(Percent of cases) YoY % Change

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>YoY % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>186,076</td>
<td>187,902</td>
<td>185,297</td>
<td>186,307</td>
<td>186,502</td>
<td>+0.1%</td>
</tr>
</tbody>
</table>

(Percent of cases) YoY % Change

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>YoY % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>186,076</td>
<td>187,902</td>
<td>185,297</td>
<td>186,307</td>
<td>186,502</td>
<td>+0.1%</td>
</tr>
</tbody>
</table>

(Percent of cases) YoY % Change

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>YoY % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>186,076</td>
<td>187,902</td>
<td>185,297</td>
<td>186,307</td>
<td>186,502</td>
<td>+0.1%</td>
</tr>
</tbody>
</table>

(Percent of cases) YoY % Change

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>YoY % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>186,076</td>
<td>187,902</td>
<td>185,297</td>
<td>186,307</td>
<td>186,502</td>
<td>+0.1%</td>
</tr>
</tbody>
</table>

(Percent of cases) YoY % Change

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>YoY % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>186,076</td>
<td>187,902</td>
<td>185,297</td>
<td>186,307</td>
<td>186,502</td>
<td>+0.1%</td>
</tr>
</tbody>
</table>
Operating Performance

Some corrections have been made to sales volume figures for the previous year, which have been reflected in year-on-year comparisons.

(Note) Sales figures above represent the total for Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd.

(Notes) Vending machine numbers above represent the total for Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd.

### NUMBER OF VENDING MACHINES

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>254,684</td>
</tr>
<tr>
<td>2005</td>
<td>253,323</td>
</tr>
<tr>
<td>2006</td>
<td>253,323</td>
</tr>
<tr>
<td>2007</td>
<td>253,323</td>
</tr>
<tr>
<td>2008</td>
<td>252,895</td>
</tr>
</tbody>
</table>

(Note) Vending machine numbers above represent the total for Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd.

### PERCENTAGE OF SALES BY BRAND

- **Coca-Cola**: 49.5% (2008: 48.3%)
- **Georgia**: 9.9% (2008: 9.9%)
- **Sakekechida**: 10.0% (2008: 10.4%)
- **Aquarius**: 8.6% (2008: 7.3%)
- **Other**: 23.8% (2008: 22.8%)

Total for CCW’s Core Brands: 142,917 (2004) vs. 141,874 (2008)

### PERCENTAGE OF SALES BY CHANNEL

- **Vending machines**: 12.0% (2008: 13.3%)
- **Chain stores**: 10.2% (2008: 10.1%)
- **Convenience stores**: 9.3% (2008: 10.5%)
- **Retail (7-Eleven and Lawson stores)**: 22.1% (2008: 21.2%)
- **Foodservice**: 13.2% (2008: 13.2%)
- **Other**: 31.7% (2008: 31.7%)

Total for CCW’s Core Brands: 186,076 (2008: 186,076)

### PERCENTAGE OF SALES BY PACKAGE

- **Bottle**: 26.3% (2008: 26.5%)
- **Can (plastic)**: 27.1% (2008: 27.1%)
- **Large PET bottles (over 1L)**: 26.6% (2008: 26.5%)
- **Small PET bottles (660ml)**: 26.5% (2008: 26.5%)

Total for CCW’s Core Brands: 186,076 (2008: 186,076)

### Note

- Some corrections have been made to sales volume figures for the previous year, which have been reflected in year-on-year comparisons.
CSR Promotional Activities

**Quality Assurance**

We consistently provide fresh products that are always safe and secure, and we take the initiative to continually improve quality to earn consumer trust.

**Efforts at our Plants**

We have instituted a range of activities designed to maintain the highest quality through every step from the plant to the consumer.

**Quality Standards**

In every aspect of our business—plants, warehouses, sales stores, and vending machines—we not only comply with laws and regulations but also impose our own strict quality standards to ensure that our employees fulfill their responsibility to provide customers with only the highest quality products.

**HACCP**

A method of food hygiene control developed in the US in the 1960s to ensure the safety of food prepared for astronauts.

**ISO9001 Certificate of Registration**

**Coca-Cola Quality Management System Certificate of Registration**

**Freshness Control**

With the aim of "enabling consumers to enjoy products that are always fresh and safe," we have made every effort to put in place a freshness control system that reduces the number of inventory days and puts products in the hands of customers as soon as possible. We are arranging deliveries of products to stores in line with the volume sold, while our sales personnel provide appropriate warehouse management of vending machine goods.

**Improvement Efforts**

We utilize consumer feedback to guide our efforts in delivering products of the highest quality. We refer to customer feedback comments in our review of day-to-day activities and vigorously pursue improvements to our operations.

**We want to deliver safe products.**

Hiroyuki Fukuyone

During production, we pay particular attention to the condition of nozzles in the sterilization and cleansing of PET bottles and for any leakage around liquid product tubes. We will continue these efforts with the firm belief that early detection of problems is the key for delivering safe products to our customers.
Coca-Cola West Group is working hard at CSR activities with an aim at becoming a corporation that is trusted by all stakeholders. We would like to report on our CSR promotional activities in daily operations based on our Corporate Mission.

CSR Promotional Activities

- Quality Assurance
- What We Can Do to Save an Irreplaceably Valuable Resource
- What We Can Do for Local Communities through Our Business Activities
- Contributions to Local Communities
- Environmental Activities

During production, we pay particular attention to the condition of nozzles in the sterilization and cleansing of PET bottles and for any leakage around liquid product tubes. We will continue these efforts with the firm belief that early detection of problems is the key for delivering safe products to our customers.

THE COCA-COLA WEST GROUP REGARDS QUALITY AS OUR TOP PRIORITY.

WE CONSISTENTLY PROVIDE FRESH PRODUCTS THAT ARE ALWAYS SAFE AND SECURE, AND WE TAKE THE INITIATIVE TO CONTINUALLY IMPROVE QUALITY TO EARN CONSUMER TRUST.

Efforts at our Plants

- Risk management through traceability
- Quality control using in-house standards

Plants Warehouses Branches Stores / Vending machines

IMPROVEMENT ACTIVITIES BASED ON CONSUMER FEEDBACK

CONSUMERS

Quality Assurance

We acquired ISO9001 certification, the international standard for quality assurance, at an early stage and have been implementing strict quality control in our manufacturing procedures.

ISO9001 Certificate of Registration

Coca-Cola Quality Management System Certificate of Registration

HACCP:

A method of food hygiene control developed in the US in the 1960s to ensure the safety of food products in space

ISO9001 Certificate of Registration

Coca-Cola Quality Management System Certificate of Registration

In every aspect of our business—all plants, warehouses, logistics facilities, sales stores and vending machines—we not only comply with laws and regulations but also impose our own strict quality standards to ensure that all employees fulfill their responsibility to provide customers with only the highest quality products.

Quality Standards

In every aspect of our business—all plants, warehouses, logistics facilities, sales stores and vending machines—we not only comply with laws and regulations but also impose our own strict quality standards to ensure that all employees fulfill their responsibility to provide customers with only the highest quality products.

Freshness Control

With the aim of “enabling consumers to enjoy fresh products without anxiety,” we have made every effort to put in place a freshness control system that reduces the number of inventory days and puts products in the hands of customers as soon as possible. We are arranging deliveries of products to stores in line with the volume sold, while our sales personnel provide appropriate warehouse management of vending machine goods.

Management System

A management system prepared to handle unexpected contingencies is an important element in remaining as a company that can be trusted. We have strengthened our risk management (crisis management) and introduced the world-class Coca-Cola Quality Management System, independently formulated by the Coca-Cola System, and are producing products that customers can enjoy with peace of mind, by incorporating HACCP-based control and taking other necessary measures.

HACCP: A method of food hygiene control developed in the US in the 1960s to ensure the safety of food products in space

Improvement Efforts

We utilize consumer feedback to guide our efforts in delivering products of the highest quality. We refer to our review of daily complaints and vigorously pursue improvements to our operations.

We want to deliver safe products.

Hiroyuki Fukuyone

During production, we pay particular attention to the condition of nozzles in the sterilization and cleansing of PET bottles and for any leakage around liquid product tubes. We will continue these efforts with the firm belief that early detection of problems is the key for delivering safe products to our customers.
Expanding our efforts to conserve watershed protection forests

As an enterprise that uses the irreplaceably valuable resource of water, the Coca-Cola West Group recognizes that water resource conservation is a key social responsibility. In 2008 we concluded joint management agreements encompassing a total of 17 hectares with local governments in Mihara in Hiroshima Prefecture, Tosu in Saga Prefecture, and Ono in Hyogo Prefecture. We refer to these forests, which are in six locations covering a total of 62 hectares, as Sawayaka Shizen-no-Mori. We are actively conserving these areas as watershed protection forests through conservation activities and nature schools involving employees and their families as well as other stakeholders.

Launched the recycling of retired vending machines

We constructed a specialized facility for the disposal of retired vending machines on the site of the Kitakyushu Eco Town in Hôki machi, Wakamatsu-ku, Kitakyushu City, and subsequently launched full-scale operations in April 2008. This Retirement Vending Machine Recycling Center enables us to disassemble and process used vending machines on the site of the Kitakyushu Eco Town in

We pursue deeply rooted community contributions from all employees.

Noriaki Mouri, Deputy Manager, General Affairs Group, Toyota Buhin Fukuoka Kyohan Co., Ltd.

We seek to ensure our vending machines are closely connected with the community.

Shiho Tanaka, Vending Promotion Section, Coca-Cola West Co., Ltd.

Offering security in times of emergency with “disaster-responsive vending machines”

Disaster-responsive vending machines provide free soft drinks to residents in the event that supply lines are severed by earthquakes or other disasters and are controlled remotely from local government offices. These machines are also outfitted with digital displays that can provide real-time information on emergency evacuation sites and maps. In 2008, 15 machines were installed, bringing the cumulative total to 147 and further strengthening our contribution to the safety and security of local residents. While we certainly hope that no such disasters happen, we are preparing to offer assistance for those who need it when the event occurred.

To iron
Copper
Stainless steel
Glass
Fluorescent lamps
CFC gas collected (kg)

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues generated</td>
<td>8,392</td>
<td>6,438</td>
<td>6,767</td>
</tr>
</tbody>
</table>
What We Can Do to Save an Irreplaceably Valuable Resource

As an enterprise that uses the irreplaceably valuable resource of water, the Coca-Cola West Group recognizes that water resource conservation is a key social responsibility. In 2008 we concluded joint management agreements encompassing a total of 17 hectares with local governments in Mihama in Hiroshima Prefecture and Ono in Hyogo Prefecture, in addition to our standing agreement with local governments in Tosa in Saga Prefecture, Hiki in Tottori Prefecture, Ujigawa in Kyoto Prefecture and Ashio in Tochigi Prefecture. We refer to these forests, which are in six locations covering a total of 62 hectares, as Sawayaka Shizen-no-Mori. We are actively conserving these areas as watershed protection forests through conservation activities and nature schools involving employees and their families as well as other stakeholders.

I hope efforts of the Coca-Cola West Group build momentum for forest conservation.

Kouichi Ikeda
President, Coca-Cola West Co., Ltd.

I’ve come to realize how precious nature really is.

Natsuki Ooba
Manager, Karatsu Branch, Coca-Cola West Co., Ltd.

Although forests offer significant locations, our changing lifestyles have led to a neglect of the forests, which were once close to us. I hope activities at the Hiroshima Sawayaka Shizen-no-Mori will build momentum in forest conservation.

Launched the recycling of retiring vending machines

We constructed a specialized facility for the disposal of retiring vending machines on the site of the Kitakyushu Eco Town in Hibiki machi, Wakamatsu-ku, Kitakyushu City, and subsequently launched full-scale operations in April 2008. This Retired Vending Machine Recycling Center enables us to disassemble and process used vending machines on our own, instead of outsourcing this to a privately operated disposal facility, and to further promote the effective use of resources by sorting and recycling the resulting materials. We are the first beverage manufacturer to begin operating a large-scale, in-house waste disposal facility. We plan to recycle 16,000 machines annually.

Noriaki Mouri
Deputy Manager, General Affairs Group, Toyota Buhin Fukuoka Kyohan Co., Ltd.

Expanding our efforts to conserve watershed protection forests

We constructed a specialized facility for the disposal of retiring vending machines on the site of the Kitakyushu Eco Town in Hibiki machi, Wakamatsu-ku, Kitakyushu City, and subsequently launched full-scale operations in April 2008. This Retired Vending Machine Recycling Center enables us to disassemble and process used vending machines on our own, instead of outsourcing this to a privately operated disposal facility, and to further promote the effective use of resources by sorting and recycling the resulting materials. We are the first beverage manufacturer to begin operating a large-scale, in-house waste disposal facility. We plan to recycle 16,000 machines annually.

Disaster-responsive vending machines provide free soft drinks to local residents in the event that supply lines are severely disrupted by earthquakes or other disasters and are controlled remotely from local government offices. These machines are also outfitted with digital displays that can provide real-time information on emergency evacuation sites and maps. In 2008, 15 machines were installed, bringing the cumulative total to 147 and further strengthening our contribution to the safety and security of local residents. While we certainly hope that no such disasters happen, we are preparing to offer assistance for those who need it when the event occurred.

Kouichi Ikeda
President, Coca-Cola West Co., Ltd.

Disaster responsive vending machine

Different characteristics of disaster-responsive vending machines

Community contribution vending machines were introduced in the 1980s, and have since been used to support local communities in a variety of ways. These machines, such as “community contribution vending machines” and “disaster-responsive vending machines,” represent one way in which we are assisting local communities and helping to ensure the safety and security of local residents.

We seek to ensure our vending machines are closely connected with the community. Yosuke Tamura
Manager, Community Promotion Section, Coca-Cola West Co., Ltd.

Disaster-responsive vending machine

“Community contribution vending machines” for the local community

Under the concept of vending machines as donation boxes, a portion of the sales revenues is returned to the local community to fund social contribution activities and civic events or to provide operating funds for sports organizations as a collaborative effort with customers. We became the first to introduce these community contribution vending machines in 2007. In 2008, we added 411 more machines, bringing the cumulative total to more than 1,700. Beyond increasing the number of such machines, we have also expanded the purpose for which they can be used, granting them a wider range of roles. For example, in October 2008, 13 community contribution vending machines were installed at Toyota Buhin Fukui Kiyoshin Co., Ltd. A portion of their sales was donated to the local traffic safety association to purchase child seats and to fund anti-drunk driving campaigns.

The Coca-Cola West Group installs vending machines that support local communities. Our support vending machines, such as “community contribution vending machines” and “disaster-responsive vending machines,” represent one way in which we are assisting local communities and helping to ensure the safety and security of local residents.

We pursue deeply rooted community contributions from all employees.

Noriaki Mouri
Deputy Manager, General Affairs Group, Toyota Buhin Fukuoka Kyohan Co., Ltd.

Offering security in times of emergency with “disaster-responsive vending machines”

Disaster-responsive vending machines provide free soft drinks to local residents in the event that supply lines are severely disrupted by earthquakes or other disasters and are controlled remotely from local government offices. These machines are also outfitted with digital displays that can provide real-time information on emergency evacuation sites and maps. In 2008, 15 machines were installed, bringing the cumulative total to 147 and further strengthening our contribution to the safety and security of local residents. While we certainly hope that no such disasters happen, we are preparing to offer assistance for those who need it when the event occurred.

Kouichi Ikeda
President, Coca-Cola West Co., Ltd.

Community contribution vending machine

The Coca-Cola West Group installs vending machines that support local communities. Our support vending machines, such as “community contribution vending machines” and “disaster-responsive vending machines,” represent one way in which we are assisting local communities and helping to ensure the safety and security of local residents.

We pursue deeply rooted community contributions from all employees.

Noriaki Mouri
Deputy Manager, General Affairs Group, Toyota Buhin Fukuoka Kyohan Co., Ltd.

Offering security in times of emergency with “disaster-responsive vending machines”

Disaster-responsive vending machines provide free soft drinks to local residents in the event that supply lines are severely disrupted by earthquakes or other disasters and are controlled remotely from local government offices. These machines are also outfitted with digital displays that can provide real-time information on emergency evacuation sites and maps. In 2008, 15 machines were installed, bringing the cumulative total to 147 and further strengthening our contribution to the safety and security of local residents. While we certainly hope that no such disasters happen, we are preparing to offer assistance for those who need it when the event occurred.

Kouichi Ikeda
President, Coca-Cola West Co., Ltd.

Community contribution vending machine

The Coca-Cola West Group installs vending machines that support local communities. Our support vending machines, such as “community contribution vending machines” and “disaster-responsive vending machines,” represent one way in which we are assisting local communities and helping to ensure the safety and security of local residents.
Contributions to Local Communities

We support the healthy development of youth and encourage closer communication with target regions in four major areas of activity: community welfare, sports activities, cultural events as well as educational programs, and major regional events.

Donation of Educational Materials to Special Schools
As part of our community welfare efforts, we donate information devices such as personal computers and peripherals as educational equipment to special schools to help children gain self-reliance. In 2008, we donated educational equipments to 20 schools.

Sawayaka Rugby Clinic
Members of the Coca-Cola West Red Sparks rugby club teach rugby basics to high school students as an activity that fosters good health. In 2008, clinics were held in Fukuoka and Hiroshima Prefectures, with a total participation of about 400 students.

Donation of Unicycles to Elementary Schools
As a part of our support of sports activities, we support the healthy development of youth by donating unicycles to public elementary schools. Unicycles form a part of the Ministry of Education, Culture, Sports, Science and Technology curriculum guidelines. In 2008, 2,000 unicycles were donated to 200 elementary schools.

Sawayaka Classic Concerts
We invite local residents to attend concerts featuring the finest classical music. Concerts were held in six locations in 2008 and included impressive performances by the Solisti Filarmonti Italiani.

Sawayaka Family Musicals
We invite children and their parents to musical performances as part of our support for cultural events and educational programs. In 2008, we helped them experience the theatrical world of fantasy created by powerful performances in the timeless masterpiece Cinderella, which was staged at five locations.

Environmental Activities

In addition to supporting the environmental education activities of local communities, we also take part in forestation and beautification projects to revitalize local surroundings.

School Biotope Creation
This initiative is intended to share the wonder and preciousness of the natural environment. Using their own design drawings, children work with their teachers, parents and local residents to construct a small ecological community (biotope) over half a year. In 2008, 15 schools participated, bringing the total to 64 schools.

Coca-Cola Ecology School
This event for upper-grade elementary school students is designed to foster a deep sensitivity and awareness of environmental conservation through interaction with the natural environment. In 2008, 170 children participated in a two-day, one-night program, which offered environmental studies that cannot be experienced in a classroom.

Local Community Contribution Reserve Fund
The company annually allocates 300 million yen from surplus earnings to a Local Community Contribution Reserve Fund to actively encourage contributions to local communities. The money set aside has been used to fund donations of unicycles to elementary schools, the Sawayaka Classic Concerts, as well as other activities.

Local Environmental Measures Reserve Fund
The Company allocates 150 million yen each year from surplus earnings to a Local Environmental Measures Reserve Fund to promote environmental conservation. The money has been used to fund activities such as the School Biotope Creation program and the Coca-Cola Ecology School.
Contributions to Local Communities

We support the healthy development of youth and encourage closer communication with target regions in four major areas of activity: community welfare, sports activities, cultural events as well as educational programs, and major regional events.

Donation of Educational Materials to Special Schools

As part of our community welfare efforts, we donate information devices such as personal computers and peripherals as educational equipment to special schools to help children gain self-reliance. In 2008, we donated educational equipments to 20 schools.

Sawayaka Rugby Clinic

Members of the Coca-Cola West Red Sparks rugby dub teach rugby basics to high school students as an activity that fosters good health. In 2008, clinics were held in Fukuoka and Hiroshima Prefectures, with a total participation of about 400 students.

Donation of Unicycles to Elementary Schools

As a part of our support of sports activities, we support the healthy development of youth by donating unicycles to public elementary schools. Unicycles form a part of the Ministry of Education, Culture, Sports, Science and Technology curriculum guidelines. In 2008, 2,000 unicycles were donated to 200 elementary schools.

Sawayaka Classic Concerts

We invite local residents to attend concerts featuring the finest classical music. Concerts were held in six locations in 2008 and included impressive performances by the Solisti Filarmontici Italiani.

Sawayaka Family Musicals

We invite children and their parents to musical performances as part of our support for cultural events and educational programs. In 2008, we helped them experience the theatrical world of fantasy created by powerful performances in the timeless masterpiece Cinderella, which was staged at two locations.

Ichimura Nature School in Kyushu

As part of our cultural and educational efforts, about 30 boys and girls from fourth grade elementary school to second grade junior high school lived together for roughly nine months and learned about the forces of life through farming and nature activities.

Environmental Activities

In addition to supporting the environmental education activities of local communities, we also take part in forestation and beautification projects to revitalize local surroundings.

School Biotope Creation

This initiative is intended to share the wonder and preciousness of the natural environment. Using their own design drawings, children work with their teachers, parents and local residents to construct a small ecological community (biotope) over half a year. In 2008, 15 schools participated, bringing the total to 64 schools.

School Forestation Support

Under the common slogan, "Let’s create an oak tree forest," children become foster parents for oak seedlings, which they sprout and then plant. In 2008, 930 children participated by planting seedlings they had nurtured with hope that the trees would grow with vigor in their natural surroundings and help prevent global warming.

Coca-Cola Ecology School

This event for upper-grade elementary school students is designed to foster a deep sensitivity and awareness of environmental conservation through interaction with the natural environment. In 2008, 170 children participated in a two-day, one-night program, which offered environmental studies that cannot be experienced in a classroom.

Local Community Cleanups

Once every month, the Coca-Cola West Group conducts a cleanup of roads and public spaces near its offices and plants. We also work closely with local governments in their cleanup initiatives. We contribute to local beautification projects to express our gratitude as a company that develops side by side with local communities.

Local Community Contribution Reserve Fund

The company annually allocates 300 million yen from surplus earnings to a Local Community Contribution Reserve Fund to actively encourage contributions to local communities. The money set aside has been used to fund donations of unicycles to elementary schools, the Sawayaka Classic Concerts, as well as other activities.

Local Environmental Measures Reserve Fund

The Company allocates 150 million yen each year from surplus earnings to a Local Environmental Measures Reserve Fund to promote environmental conservation. The money has been used to fund activities such as the School Biotope Creation program and the Coca-Cola Ecology School.
Overview of Fiscal 2008 Operating Results

Analysis of Operating Performance

Net Revenues
Consolidated net revenues decreased ¥12,965 million, or 3.4%, year-on-year to ¥387,200 million, due to the impact of various factors, such as the decrease in retail sales via vending machines and an increase in wholesaling to supermarkets, etc., and in addition reduction of consolidated subsidiaries as a result of a sale of a share of subsidiaries, although sales volumes increased slightly.

Operating Income
Operating income decreased ¥9,134 million, or 35.4%, year-on-year to ¥15,127 million, affected by cost increases resulting from the spiraling crude oil price and other factors, and reduction of net revenues.

Net Income
Net income decreased ¥9,245 million, or 98.6%, year-on-year to ¥10,521 million, affected by cost increases resulting from the spiraling crude oil price and other factors, and reduction of net revenues.

Analysis of Financial Position

The equity ratio of the Coca-Cola West Group as of end of fiscal 2008 is 84.4%, and the entire amount of borrowings was repaid in fiscal 2008; therefore, we believe the soundness of our financial strength will continue to be secure. Compared to the end of the previous fiscal year, total assets decreased by ¥72,939 million, or 12.0% to ¥727,896 million. Primary causes and other factors in the increase or decrease compared to the end of previous fiscal year for each major item in the consolidated balance sheet are as follows.

Current assets
Current assets decreased ¥9,146 million, or 10.0% to ¥89,074 million, compared to the end of fiscal 2007. The change was mainly attributable to a decrease in inventories and reduction of balances due to the impact of various factors caused by the decline in the market value of domestic share holdings.

Fixed assets
Fixed assets decreased ¥8,830 million, or 2.1% to ¥416,222 million, compared to the end of fiscal 2007. Property, plant and equipment decreased ¥6,227 million, or 1.5% year-on-year, to ¥360,055 million, primary due to a reduction of new capital investment in such things as vending machines and efforts toward effective activation of related assets. Investments and other assets decreased ¥2,532 million, or 2.9%, to ¥50,166 million, due to a drastic decline of investment securities caused by the decrease in the market value of domestic stock holdings.

Liabilities
Liabilities decreased ¥8,472 million, or 30.0% year-on-year, to ¥24,174 million. This decrease was primarily attributable to the repayment of the entire amount of borrowings of us and our consolidated subsidiary Kinki CCBC.

Net assets
Net assets fell ¥19,503 million, or 7.7%, to ¥234,521 million, compared to the end of the previous fiscal year, mainly due to the acquisition of treasury stock, which we carried out with an aim at improving capital efficiency and flexibility in capital measures in response to changes in the management environment.

Outlines of Capital Investments

The CCW Group carried out a total of ¥18,032 million in capital investment centering on our primary business type segment, Manufacturing and Marketing of Beverages & Foods, in fiscal 2008.

In the Manufacturing and Marketing of Beverages & Foods business, we provided vending machines and other things to the market to enhance our sales capacity (¥13,359 million). In addition, aiming at standardization of operations and improvement of operational quality, we built an integrated core business system (total amount: ¥472 million).

In other businesses, we carried out capital investments totaling ¥56 million. Please note that the amount of capital investment includes intangible software assets (including software development in progress), in addition to property, plant and equipment.
Overview of Fiscal 2008 Operating Results

Analysis of Operating Performance

Net Revenues
Consolidated net revenues decreased ¥15,965 million, or 3.4%, year-on-year to ¥398,556 million, due to the impact of various factors, such as the decrease in retail sales via vending machines and an increase in wholesaling to supermarkets, etc., and in addition reduction of consolidated subsidiaries as a result of a sale of a suite of shares of subsidiaries, although sales volumes increased slightly.

Operating Income
Operating income decreased ¥6,834 million, or 34.5%, year-on-year to ¥10,521 million, affected by cost increases resulting from the spiraling crude oil price and other factors, and reduction of net revenues.

Recurring Income
Recurring income decreased ¥6,444 million, or 36.8%, year-on-year to ¥11,048 million, due to loss incidential to reorganization of Coca-Cola National Beverage Co., Ltd.

Net Income
Net income decreased ¥9,245 million, or 98.6%, year-on-year to ¥1,296 million, as there was the expense of making efforts toward reorganization of the Group in order to bring about the effect of management integration, and also losses on devaluation of investment securities booked due to the decline of market value of domestic share holdings.

Dividends
Taking into consideration the results from throughout the year and the future management environment, the year-end dividend applicable to 2008 was ¥42 per share. As a result, the full-year dividend, which includes the interim dividend of ¥21, comes to ¥43 per share, the same amount as the previous year. Consequently, the payment ratio was 74.9% and dividends on net assets was 1.9%.

Operating Results by Segment

• Manufacturing and Marketing of Beverages & Foods

In terms of brand strategy, the segment continuously worked toward strengthening its core brands—Coca-Cola, Georgia, Sokenbicha and Aquarius. Under the Georgia brand, proactive brand strengthening measures were carried out, as the Emerald Mountain Blend was renewed and Emerald Mountain Blend Black and Emerald Mountain Blend Café Au Lait were launched additionally. As for the Aquarius brand, we introduced the no-calories Aquarius Zero, and also made efforts for sales and expansion of market share, including sales promotion measures making use of our advantage of being a worldwide partner of the Beijing Olympic Games. What’s more, we introduced a new style of carbonated drink in the Fanta Furo-Faru Shaker, and broadly developed the sales of carbonated beverages. Furthermore, in order to ensure the continued growth of the Coca-Cola business, in partnership with The Coca-Cola Company and Coca-Cola (Japan) Co., Ltd., we pushed ahead with initiatives such as top-level management meetings and marketing forums and a collaborative project to improve the sales system continuously.

As a result of these efforts, the Manufacturing and Marketing of the Beverages & Foods segment reported a 1.6% increase in revenues to ¥390,930 million before the elimination of intersegment transactions. Operating income was ¥22,141 million, or 10.8%.

Other Businesses
Major business in this segment are insurance agency, leasing, real estate, and restaurant businesses.

In order to focus business resources on the soft drink business even further, we sold all the shares of TAMAGAWAMINE CO., LTD., which is engaged in production and sales of alcoholic beverages, and CBC Co., Ltd., and Fugro de Vine Co., Ltd., which are engaged in restaurant and retail businesses, and closed the business of Nichibol Co., Ltd., which was engaged in the manufacture of processed foods.

As a result, the segment recorded a decrease in revenue of 61.1% to ¥4,918 million before the elimination of intersegment transactions. Operating income decreased 38.1% to ¥1,417 million.

Outlook
For fiscal 2009, we are expecting consolidated net revenues to decrease 2.1% year-on-year to ¥387,200 million. Operating income is expected to decrease 38.2% to ¥6,500 million. The forecast for recurring income is ¥6,900 million, down 37.5%. Net income is expected to ¥1,960 million. (1)

Analysis of Financial Position

The equity ratio of the Coca-Cola West Group as of end of fiscal 2008 is 84.4%, and the entire amount of borrowings was repaid in fiscal 2008; therefore, we believe the soundness of our financial strength will continue to be secure. Compared to the end of the previous fiscal year, total assets decreased by ¥136,051 million, or 12.0%, to ¥277,696 million. Primary causes and other factors in the increase or decrease compared to the end of previous fiscal year for each major item in the consolidated balance sheet are as below.

Current assets
Current assets decreased ¥9,146 million, or 10.0% to ¥82,074 million, compared to the end of fiscal 2007. The change was mainly attributable to a decrease of funds which were being employed in short-term investment, due to repayment of borrowings and acquisition of treasury stock.

Fixed assets
Fixed assets decreased ¥26,830 million, or 12.8% to ¥185,326 million, compared to the end of fiscal 2007. Property, plant and equipment decreased ¥22,027 million, or 4.2% year on year, to ¥36,005 million, primary due to a reduction of new capital investment in such things as vending machines and efforts toward effective activation of related assets. Investments and other assets decreased ¥4,802 million, or 29.0%, to ¥15,166 million, due to a drastic decline of investment securities caused by the decline of the market value of domestic stock holdings.

Liabilities
Liabilities decreased ¥18,472 million, or 30.0% year-on-year, to ¥43,174 million. This decrease was primarily attributable to the repayment of the entire amount of borrowings of us and our consolidated subsidiary Kinki CCBC.

Net assets
Net assets fell ¥19,503 million, or 7.7% to ¥234,521 million, compared to the end of the previous fiscal year, mainly due to the acquisition of treasury stock, which we carried out with an aim at improving capital efficiency and flexibility in capital measures in response to changes in the management environment.

Outlines of Capital Investments

The CCW Group carried out a total of ¥18,032 million in capital investment centering on our primary business type segment, Manufacturing and Marketing of Beverages & Foods, in fiscal 2008.

In the Manufacturing and Marketing of Beverages & Foods business, we provided vending machines and other things to the market to enhance our sales capacity (¥12,321 million). In addition, aiming at standardization of operations and improvement of operational quality, we built an integrated core business system (total amount: ¥472 million).

In other businesses, we carried out capital investments totaling ¥586 million. Please note that the amount of capital investment includes intangible software assets (including software development in progress), in addition to property, plant and equipment.
# Consolidated Balance Sheets

**Date of December 31, 2006, 2007 and 2008**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(Millions of yen)</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td>(Thousands of U.S. dollars)**</td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>¥ 16,311</td>
<td>¥ 19,567</td>
<td>¥ 18,592</td>
<td>¥ 206,577</td>
</tr>
<tr>
<td>Trade notes and accounts receivable</td>
<td>22,280</td>
<td>23,064</td>
<td>21,527</td>
<td>238,188</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>10,668</td>
<td>19,407</td>
<td>4,059</td>
<td>50,605</td>
</tr>
<tr>
<td>Inventories</td>
<td>11,778</td>
<td>11,721</td>
<td>13,638</td>
<td>140,422</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>2,200</td>
<td>2,143</td>
<td>2,664</td>
<td>29,600</td>
</tr>
<tr>
<td>Other current assets</td>
<td>15,031</td>
<td>15,420</td>
<td>22,208</td>
<td>246,755</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(97)</td>
<td>(108)</td>
<td>(116)</td>
<td>(1,288)</td>
</tr>
<tr>
<td>Total current assets</td>
<td>78,173</td>
<td>91,220</td>
<td>82,074</td>
<td>911,933</td>
</tr>
<tr>
<td>Fixed assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and structures</td>
<td>35,617</td>
<td>35,192</td>
<td>33,271</td>
<td>369,677</td>
</tr>
<tr>
<td>Machinery, equipment and vehicles</td>
<td>20,134</td>
<td>20,181</td>
<td>17,553</td>
<td>196,033</td>
</tr>
<tr>
<td>Sales equipment</td>
<td>30,857</td>
<td>27,285</td>
<td>26,099</td>
<td>289,988</td>
</tr>
<tr>
<td>Land</td>
<td>57,366</td>
<td>56,709</td>
<td>56,082</td>
<td>623,133</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>56</td>
<td>672</td>
<td>1,097</td>
<td>12,188</td>
</tr>
<tr>
<td>Other property, plant and equipment</td>
<td>2,211</td>
<td>1,992</td>
<td>1,900</td>
<td>21,111</td>
</tr>
<tr>
<td>Total property, plant and equipment</td>
<td>146,243</td>
<td>142,033</td>
<td>136,005</td>
<td>1,511,166</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>5,730</td>
<td>4,719</td>
<td>4,449</td>
<td>46,433</td>
</tr>
<tr>
<td>Investments and other assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment securities</td>
<td>53,277</td>
<td>55,794</td>
<td>32,136</td>
<td>357,066</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>4,703</td>
<td>3,596</td>
<td>3,465</td>
<td>38,500</td>
</tr>
<tr>
<td>Advanced payments for retirement expenses</td>
<td>10,406</td>
<td>12,732</td>
<td>13,307</td>
<td>147,855</td>
</tr>
<tr>
<td>Other assets</td>
<td>6,967</td>
<td>6,147</td>
<td>6,779</td>
<td>75,322</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(546)</td>
<td>(572)</td>
<td>(520)</td>
<td>(5,800)</td>
</tr>
<tr>
<td>Total investments and other assets</td>
<td>74,790</td>
<td>77,698</td>
<td>85,166</td>
<td>612,955</td>
</tr>
<tr>
<td>Total fixed assets</td>
<td>226,734</td>
<td>224,452</td>
<td>195,622</td>
<td>2,173,577</td>
</tr>
<tr>
<td>Total assets</td>
<td>¥304,907</td>
<td>¥315,672</td>
<td>¥277,696</td>
<td>$3,085,511</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(Millions of yen)</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td>(Thousands of U.S. dollars)**</td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade notes and accounts payable</td>
<td>¥ 3,828</td>
<td>¥ 5,222</td>
<td>¥ 3,765</td>
<td>$ 41,833</td>
</tr>
<tr>
<td>Short-term debt</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Current portion of long term debt</td>
<td>2,300</td>
<td>2,030</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Accrued income taxes</td>
<td>2,674</td>
<td>3,270</td>
<td>2,769</td>
<td>30,766</td>
</tr>
<tr>
<td>Other accounts payable</td>
<td>13,866</td>
<td>13,638</td>
<td>13,977</td>
<td>155,300</td>
</tr>
<tr>
<td>Notes payable for equipment</td>
<td>702</td>
<td>87</td>
<td>88</td>
<td>977</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>7,059</td>
<td>7,380</td>
<td>5,164</td>
<td>57,377</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>30,431</td>
<td>42,099</td>
<td>25,767</td>
<td>286,300</td>
</tr>
<tr>
<td>Long-term liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt</td>
<td>2,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>11,122</td>
<td>9,040</td>
<td>7,446</td>
<td>82,733</td>
</tr>
<tr>
<td>Allowance for employees’ retirement benefits</td>
<td>4,770</td>
<td>5,180</td>
<td>5,394</td>
<td>59,933</td>
</tr>
<tr>
<td>Liabilities for directors’ and corporate auditors’ retirement benefits</td>
<td>249</td>
<td>65</td>
<td>7</td>
<td>77</td>
</tr>
<tr>
<td>Negative goodwill</td>
<td>1,867</td>
<td>1,452</td>
<td>1,037</td>
<td>11,522</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>4,002</td>
<td>3,809</td>
<td>3,522</td>
<td>39,133</td>
</tr>
<tr>
<td>Total long-term liabilities</td>
<td>24,012</td>
<td>19,548</td>
<td>17,407</td>
<td>193,411</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>¥54,444</td>
<td>¥61,647</td>
<td>¥43,174</td>
<td>$479,711</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(Thousands of U.S. dollars)**</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’ equity:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock</td>
<td>15,231</td>
<td>15,231</td>
<td>15,231</td>
<td>169,233</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>109,072</td>
<td>109,074</td>
<td>109,073</td>
<td>1,211,922</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>130,623</td>
<td>140,432</td>
<td>136,067</td>
<td>1,511,855</td>
</tr>
<tr>
<td>Treasury stock (at cost)</td>
<td>(11,229)</td>
<td>(11,271)</td>
<td>(25,756)</td>
<td>(286,177)</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>248,697</td>
<td>253,467</td>
<td>234,616</td>
<td>2,606,844</td>
</tr>
<tr>
<td>Valuation and translation adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net unrealized gains on other marketable securities</td>
<td>1,604</td>
<td>488</td>
<td>(165)</td>
<td>(1,833)</td>
</tr>
<tr>
<td>Gain on deferred hedges</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total valuation and translation adjustments</td>
<td>1,710</td>
<td>536</td>
<td>(165)</td>
<td>(1,833)</td>
</tr>
<tr>
<td>Minority interests</td>
<td>54</td>
<td>64</td>
<td>71</td>
<td>788</td>
</tr>
<tr>
<td>Total net assets</td>
<td>250,463</td>
<td>254,025</td>
<td>234,521</td>
<td>2,605,788</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>¥304,907</td>
<td>¥315,672</td>
<td>¥277,696</td>
<td>$3,085,511</td>
</tr>
</tbody>
</table>

*1. U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥90.00=US$1.00 (figures less than one unit are rounded).

(As of December 31, 2006, 2007 and 2008)

### Additional Notes:

- **Consolidated Balance Sheets**
- **Current assets**
- **Fixed assets**
- **Intangible assets**
- **Investments and other assets**
- **Valuation and translation adjustments**
- **Shareholders’ equity**
- **Minority interests**
- **Total liabilities and net assets**

**Footnotes:**

- Footnotes provide further details and explanations related to the financial statements.
- Figures are rounded for presentation purposes.

**Currency Conversion:**

- U.S. dollar amounts are translated from yen at the rate of ¥90.00=US$1.00, with figures less than one unit rounded.

**Currency Conversion Notes:**

- Figures less than one unit are rounded for convenience.
## Consolidated Balance Sheets

### ASSETS

#### Current assets:
- Cash and deposits: ¥16,311, ¥19,567, ¥18,592, $206,577
- Trade notes and accounts receivable: 22,280, 23,064, 21,527, 239,188
- Marketable securities: 10,668, 19,407, 4,039, 50,655
- Inventories: 11,778, 11,721, 13,638, 140,432
- Deferred tax assets: 2,200, 2,143, 2,664, 29,600
- Other current assets: 15,031, 15,420, 22,208, 246,755
- Allowance for doubtful accounts: (97), (101), (116), (1,288)

Total current assets: 78,173, 91,220, 82,074, 911,933

#### Fixed assets:
- Property, plant and equipment:
  - Buildings and structures: 35,617, 35,192, 33,271, 389,677
  - Machinery, equipment and vehicles: 20,134, 20,181, 17,553, 196,033
  - Sales equipment: 30,857, 27,285, 26,099, 289,988
  - Land: 57,366, 56,709, 56,082, 623,133
  - Construction in progress: 56, 672, 1,097, 12,188
  - Other property, plant and equipment: 2,211, 1,992, 1,300, 21,111

Total property, plant and equipment: 146,243, 142,033, 136,005, 1,511,166

Intangible assets: 5,730, 4,719, 4,449, 46,433

Investments and other assets:
- Investment securities: 53,277, 55,794, 32,136, 357,066
- Deferred tax assets: 4,703, 3,596, 3,465, 38,500
- Advanced payments for retirement expenses: 10,406, 12,732, 13,107, 147,855
- Other assets: 6,867, 6,747, 6,779, 75,322
- Allowance for doubtful accounts: (546), (572), (620), (5,800)

Total investments and other assets: 74,780, 77,658, 95,166, 612,955

Total fixed assets: 226,734, 224,452, 195,622, 2,173,577

Total assets: ¥304,907, ¥315,672, ¥277,696, $3,085,511

### LIABILITIES

#### Current liabilities:
- Trade notes and accounts payable: ¥3,828, ¥5,222, ¥3,765, $41,833
- Short-term debt: – 10,500 – –
- Current portion of long-term debt: 2,300, 2,000 – –
- Accrued income taxes: 2,674, 3,270, 2,769, 30,766
- Other accounts payable: 13,866, 13,638, 13,977, 155,300
- Notes payable for equipment: 702, 87, 88, 977
- Other current liabilities: 7,059, 7,380, 5,164, 57,377

Total current liabilities: 30,431, 42,099, 25,767, 286,300

#### Long-term liabilities:
- Long-term debt: 2,000 – – –
- Deferred tax liabilities: 11,122, 9,040, 7,446, 82,733
- Allowance for employees’ retirement benefits: 4,770, 5,180, 5,394, 59,933
- Liabilities for directors’ and corporate auditors’ retirement benefits: 249, 65, 7, 77
- Negative goodwill: 1,867, 1,452, 1,037, 11,522
- Other long-term liabilities: 4,002, 3,809, 3,522, 39,133

Total long-term liabilities: 24,012, 19,548, 17,407, 193,411

Total liabilities: ¥54,444, ¥61,647, ¥43,174, $479,711

### NET ASSETS

#### Shareholders’ equity:
- Common stock: 15,231, 15,231, 15,231, 169,233
- Additional paid-in capital: 109,072, 109,074, 109,073, 1,211,922
- Retained earnings: 135,623, 140,432, 136,067, 1,511,855
- Liabilities for directors’ and corporate auditors’ retirement benefits: 249, 65, 7, 77
- Negative goodwill: 1,867, 1,452, 1,037, 11,522

Total shareholders’ equity: 248,697, 253,467, 234,616, 2,606,844

#### Valuation and translation adjustments:
- Net unrealized gains on other marketable securities: 1,604, 488, □(165), □(1,833)
- Gain on deferred hedges: 106, 4, –, –

Total valuation and translation adjustments: 1,710, 492, □(165), □(1,833)

Minority interests: 54, 64, 71, 788

Total net assets: ¥250,463, ¥254,025, ¥234,521, $2,605,788

Total liabilities and net assets: ¥304,907, ¥315,672, ¥277,696, $3,085,511

---

1. U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥90.00=US$1.00 (figures less than one unit are rounded).
2. (As of December 31, 2006, 2007 and 2008)

<table>
<thead>
<tr>
<th>Years</th>
<th>Current liabilities</th>
<th>Long-term liabilities</th>
<th>Total liabilities</th>
<th>Net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

*Books of Japan Inc.*
# Consolidated Statements of Income

**(Years ended December 31, 2006, 2007 and 2008)**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenues</strong></td>
<td>¥327,821</td>
<td>¥409,521</td>
<td>¥395,556</td>
<td>$4,395,066</td>
</tr>
<tr>
<td><strong>Cost of goods sold</strong></td>
<td>186,265</td>
<td>234,313</td>
<td>231,624</td>
<td>2,573,600</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>141,556</td>
<td>175,208</td>
<td>163,931</td>
<td>1,821,455</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>129,235</td>
<td>159,151</td>
<td>153,409</td>
<td>1,704,544</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>12,321</td>
<td>16,056</td>
<td>10,521</td>
<td>116,900</td>
</tr>
<tr>
<td><strong>Non-operating income</strong></td>
<td>1,836</td>
<td>2,433</td>
<td>1,531</td>
<td>17,011</td>
</tr>
<tr>
<td>Interest income</td>
<td>399</td>
<td>427</td>
<td>207</td>
<td>2,300</td>
</tr>
<tr>
<td>Dividends</td>
<td>248</td>
<td>269</td>
<td>282</td>
<td>3,133</td>
</tr>
<tr>
<td>Amortization of negative goodwill</td>
<td>256</td>
<td>414</td>
<td>414</td>
<td>4,600</td>
</tr>
<tr>
<td>Equity in earnings of affiliates</td>
<td>–</td>
<td>602</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Property rental income</td>
<td>110</td>
<td>149</td>
<td>122</td>
<td>1,355</td>
</tr>
<tr>
<td>Other non-operating income</td>
<td>822</td>
<td>569</td>
<td>504</td>
<td>5,600</td>
</tr>
<tr>
<td><strong>Non-operating expenses</strong></td>
<td>932</td>
<td>996</td>
<td>1,004</td>
<td>11,155</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>38</td>
<td>114</td>
<td>34</td>
<td>377</td>
</tr>
<tr>
<td>Equity in loss of affiliates</td>
<td>18</td>
<td>–</td>
<td>215</td>
<td>2,388</td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment</td>
<td>593</td>
<td>586</td>
<td>408</td>
<td>4,533</td>
</tr>
<tr>
<td>Property rental costs</td>
<td>38</td>
<td>56</td>
<td>44</td>
<td>488</td>
</tr>
<tr>
<td>Other non-operating expenses</td>
<td>242</td>
<td>238</td>
<td>301</td>
<td>3,344</td>
</tr>
<tr>
<td><strong>Recurring income</strong></td>
<td>13,225</td>
<td>17,493</td>
<td>11,048</td>
<td>122,755</td>
</tr>
<tr>
<td><strong>Extraordinary income</strong></td>
<td>1,569</td>
<td>671</td>
<td>732</td>
<td>8,133</td>
</tr>
<tr>
<td>Gain on sales of property, plant and equipment</td>
<td>954</td>
<td>277</td>
<td>241</td>
<td>2,677</td>
</tr>
<tr>
<td>Gain on sales of investment securities</td>
<td>586</td>
<td>57</td>
<td>262</td>
<td>2,911</td>
</tr>
<tr>
<td>Gain on sales of shares of subsidiaries</td>
<td>–</td>
<td>–</td>
<td>196</td>
<td>2,177</td>
</tr>
<tr>
<td>Gain on sales of shares of affiliates</td>
<td>–</td>
<td>–</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Proceeds from government assistance grants</td>
<td>28</td>
<td>336</td>
<td>31</td>
<td>344</td>
</tr>
<tr>
<td><strong>Extraordinary losses</strong></td>
<td>1,686</td>
<td>3,910</td>
<td>9,379</td>
<td>104,211</td>
</tr>
<tr>
<td>Loss on sales of property, plant and equipment</td>
<td>95</td>
<td>–</td>
<td>237</td>
<td>2,633</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>–</td>
<td>282</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Loss from typhoon damage</td>
<td>48</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Loss on disposals of property, plant and equipment</td>
<td>–</td>
<td>–</td>
<td>703</td>
<td>7,811</td>
</tr>
<tr>
<td>Compensation for retirement of fixed assets</td>
<td>120</td>
<td>289</td>
<td>140</td>
<td>1,555</td>
</tr>
<tr>
<td>Loss on sales of investment securities</td>
<td>60</td>
<td>–</td>
<td>97</td>
<td>1,077</td>
</tr>
<tr>
<td>Loss on sales of shares of subsidiaries</td>
<td>–</td>
<td>–</td>
<td>335</td>
<td>3,722</td>
</tr>
<tr>
<td>Write-down of investment securities</td>
<td>19</td>
<td>2,252</td>
<td>4,509</td>
<td>50,100</td>
</tr>
<tr>
<td>Write-down of golf club memberships</td>
<td>–</td>
<td>57</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Expense related to integration of operational management</td>
<td>1,131</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Group restructuring expenses</td>
<td>–</td>
<td>279</td>
<td>1,385</td>
<td>15,388</td>
</tr>
<tr>
<td>Expense for earthquake precautions</td>
<td>74</td>
<td>555</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Expense for provision for sales equipment installation</td>
<td>–</td>
<td>–</td>
<td>1,968</td>
<td>21,866</td>
</tr>
<tr>
<td>Quality problem countermeasure losses</td>
<td>137</td>
<td>193</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Income before income taxes, minority interests and other adjustments</strong></td>
<td>13,108</td>
<td>14,254</td>
<td>2,402</td>
<td>26,688</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>3,237</td>
<td>5,034</td>
<td>3,887</td>
<td>43,188</td>
</tr>
<tr>
<td><strong>Income tax deferred</strong></td>
<td>2,389</td>
<td>(167)</td>
<td>(1,627)</td>
<td>(18,077)</td>
</tr>
<tr>
<td><strong>Minority interests</strong></td>
<td>(89)</td>
<td>12</td>
<td>12</td>
<td>133</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>¥7,570</td>
<td>¥9,375</td>
<td>¥129</td>
<td>$1,433</td>
</tr>
</tbody>
</table>

*1 U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥90.00=US$1.00 (Figures less than one unit are rounded).
## Consolidated Statements of Changes in Shareholders’ Equity

**Fiscal Year ended December 31, 2008**

<table>
<thead>
<tr>
<th>Fiscal Year ended December 31, 2008</th>
<th>Shareholders’ equity</th>
<th>Valuation and translation adjustments</th>
<th>Minority interests</th>
<th>Total net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Common stock</td>
<td>Capital surplus</td>
<td>Retained earnings</td>
<td>Treasury stock (at cost)</td>
</tr>
<tr>
<td>Changes during the consolidated fiscal year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution of dividends</td>
<td>– –</td>
<td>(4,494)</td>
<td>–</td>
<td>(4,494)</td>
</tr>
<tr>
<td>Net income</td>
<td>– –</td>
<td>129</td>
<td>–</td>
<td>129</td>
</tr>
<tr>
<td>Acquisition of treasury stock</td>
<td>– –</td>
<td>–</td>
<td>(14,510)</td>
<td>(14,510)</td>
</tr>
<tr>
<td>Cancellation of treasury stock</td>
<td>– (0)</td>
<td>–</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td>Net changes in items other than shareholders’ equity during the fiscal year</td>
<td>– –</td>
<td>–</td>
<td>–</td>
<td>– (654)</td>
</tr>
<tr>
<td>Total changes during the fiscal year</td>
<td>– (0)</td>
<td>(4,365)</td>
<td>(14,485)</td>
<td>(18,851)</td>
</tr>
<tr>
<td>Balance as of December 31, 2008</td>
<td>¥15,231</td>
<td>¥109,073</td>
<td>¥140,432</td>
<td>(¥ 11,271)</td>
</tr>
</tbody>
</table>

**Fiscal Year ended December 31, 2007**

<table>
<thead>
<tr>
<th>Fiscal Year ended December 31, 2007</th>
<th>Shareholders’ equity</th>
<th>Valuation and translation adjustments</th>
<th>Minority interests</th>
<th>Total net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Common stock</td>
<td>Capital surplus</td>
<td>Retained earnings</td>
<td>Treasury stock (at cost)</td>
</tr>
<tr>
<td>Changes during the consolidated fiscal year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution of dividends</td>
<td>– –</td>
<td>(4,494)</td>
<td>–</td>
<td>(4,494)</td>
</tr>
<tr>
<td>Net income</td>
<td>– –</td>
<td>129</td>
<td>–</td>
<td>129</td>
</tr>
<tr>
<td>Acquisition of treasury stock</td>
<td>– –</td>
<td>–</td>
<td>(14,510)</td>
<td>(14,510)</td>
</tr>
<tr>
<td>Cancellation of treasury stock</td>
<td>– (0)</td>
<td>–</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td>Net changes in items other than shareholders’ equity during the fiscal year</td>
<td>– –</td>
<td>–</td>
<td>–</td>
<td>– (654)</td>
</tr>
<tr>
<td>Total changes during the fiscal year</td>
<td>– (0)</td>
<td>(4,365)</td>
<td>(14,485)</td>
<td>(18,851)</td>
</tr>
<tr>
<td>Balance as of December 31, 2007</td>
<td>¥15,231</td>
<td>¥109,073</td>
<td>¥140,432</td>
<td>(¥ 11,271)</td>
</tr>
</tbody>
</table>

*1 U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥90.00=US$1.00 (figures less than one unit are rounded).
**Consolidated Statements of Cash Flows**

*Years ended December 31, 2006, 2007 and 2008*

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase (decrease) in accounts payable</strong></td>
<td>□ (3,027)</td>
<td>1,407</td>
<td>□ (932)</td>
<td>□ (10,355)</td>
</tr>
<tr>
<td><strong>Loss on sales of shares of subsidiaries</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income taxes paid</strong></td>
<td>□ (2,949)</td>
<td>□ (4,920)</td>
<td>□ (6,900)</td>
<td>□ (76,666)</td>
</tr>
<tr>
<td><strong>Proceeds from collection of loans to affiliates</strong></td>
<td>63</td>
<td>33</td>
<td>1,859</td>
<td>631</td>
</tr>
<tr>
<td><strong>Equity in earnings (losses) of affiliates</strong></td>
<td>18</td>
<td>□ (602)</td>
<td>215</td>
<td>2,388</td>
</tr>
<tr>
<td><strong>Proceeds from sales of shares of affiliates</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Write-down of marketable and investment securities</strong></td>
<td>19</td>
<td>2,252</td>
<td>4,509</td>
<td>50,100</td>
</tr>
<tr>
<td><strong>Interest and dividend income</strong></td>
<td>□ (647)</td>
<td>□ (696)</td>
<td>□ (489)</td>
<td>□ (5,433)</td>
</tr>
<tr>
<td><strong>Loss on sales of marketable and investment securities</strong></td>
<td>□ (577)</td>
<td>□ (52)</td>
<td>□ (175)</td>
<td>□ (1,944)</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td>38</td>
<td>114</td>
<td>34</td>
<td>377</td>
</tr>
<tr>
<td><strong>Dividends paid</strong></td>
<td>□ (3,867)</td>
<td>□ (4,566)</td>
<td>□ (4,494)</td>
<td>□ (49,933)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>22,284</td>
<td>35,564</td>
<td>22,412</td>
<td>249,022</td>
</tr>
<tr>
<td><strong>Increase in cash and cash equivalents due to change in scope of consolidation</strong></td>
<td>4,440</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Increase (decrease) in short-term borrowings</strong></td>
<td>□ (3,410)</td>
<td>10,495</td>
<td>□ (10,500)</td>
<td>□ (116,666)</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash and cash equivalents</strong></td>
<td>□ (2,394)</td>
<td>13,280</td>
<td>□ (13,152)</td>
<td>□ (146,133)</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>21,806</td>
<td>33,000</td>
<td>16,180</td>
<td>179,777</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>24,153</td>
<td>37,297</td>
<td>22,572</td>
<td>250,800</td>
</tr>
<tr>
<td><strong>Other, net</strong></td>
<td>14</td>
<td>2</td>
<td>□ (27)</td>
<td>□ (300)</td>
</tr>
<tr>
<td><strong>Interest and dividends received</strong></td>
<td>638</td>
<td>738</td>
<td>543</td>
<td>6,033</td>
</tr>
<tr>
<td><strong>Payments for acquisition of treasury stock</strong></td>
<td>□ (73)</td>
<td>□ (56)</td>
<td>□ (14)</td>
<td>□ (222)</td>
</tr>
<tr>
<td><strong>Dividends paid</strong></td>
<td>194</td>
<td>33</td>
<td>37</td>
<td>330</td>
</tr>
<tr>
<td><strong>Other asset</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>22,284</td>
<td>35,564</td>
<td>22,412</td>
<td>249,022</td>
</tr>
</tbody>
</table>

**Trends in Principal Consolidated Financial Data**

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenues (Millions of yen)</strong></td>
<td>253,248</td>
<td>245,674</td>
<td>327,821</td>
<td>409,521</td>
</tr>
<tr>
<td><strong>Growth in revenues (%)</strong></td>
<td>5.2</td>
<td>(2.9)</td>
<td>33.3</td>
<td>24.9</td>
</tr>
<tr>
<td><strong>Operating income (Millions of yen)</strong></td>
<td>16,860</td>
<td>11,830</td>
<td>12,327</td>
<td>16,056</td>
</tr>
<tr>
<td><strong>Operating income/Net revenues (%)</strong></td>
<td>6.7</td>
<td>4.8</td>
<td>3.8</td>
<td>3.9</td>
</tr>
<tr>
<td><strong>Recurring income (Millions of yen)</strong></td>
<td>17,065</td>
<td>12,256</td>
<td>13,225</td>
<td>17,493</td>
</tr>
<tr>
<td><strong>Recurring income margin (%)</strong></td>
<td>6.7</td>
<td>4.8</td>
<td>3.8</td>
<td>3.9</td>
</tr>
<tr>
<td><strong>Net income (Millions of yen)</strong></td>
<td>14,609</td>
<td>12,201</td>
<td>13,108</td>
<td>14,254</td>
</tr>
<tr>
<td><strong>Operating income/Operating income before income taxes (YoY)</strong></td>
<td>5.8</td>
<td>5.0</td>
<td>4.0</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>Net income margin (%)</strong></td>
<td>5.6</td>
<td>4.3</td>
<td>3.6</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Return on sales (%)</strong></td>
<td>5.2</td>
<td>4.3</td>
<td>3.6</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Net income per share (yen)</strong></td>
<td>8,564</td>
<td>7,305</td>
<td>7,570</td>
<td>9,375</td>
</tr>
<tr>
<td><strong>Diluted net income per share (yen)</strong></td>
<td>108.62</td>
<td>93.42</td>
<td>82.22</td>
<td>88.29</td>
</tr>
<tr>
<td><strong>Return on equity (%)</strong></td>
<td>5.2</td>
<td>4.3</td>
<td>3.6</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Return on assets (%)</strong></td>
<td>8.3</td>
<td>5.9</td>
<td>5.1</td>
<td>5.6</td>
</tr>
<tr>
<td><strong>Total assets (Millions of yen)</strong></td>
<td>207,216</td>
<td>208,711</td>
<td>304,907</td>
<td>315,672</td>
</tr>
<tr>
<td><strong>Net assets (Millions of yen)</strong></td>
<td>167,036</td>
<td>173,608</td>
<td>250,463</td>
<td>254,025</td>
</tr>
<tr>
<td><strong>Equity ratio (%)</strong></td>
<td>80.6</td>
<td>83.2</td>
<td>82.1</td>
<td>80.5</td>
</tr>
<tr>
<td><strong>Payout ratio (consolidated) (%)</strong></td>
<td>36.8</td>
<td>42.8</td>
<td>51.1</td>
<td>45.7</td>
</tr>
<tr>
<td><strong>Dividend per share (yen)</strong></td>
<td>40.00</td>
<td>40.00</td>
<td>42.00</td>
<td>43.00</td>
</tr>
<tr>
<td><strong>Year-end share price (yen)</strong></td>
<td>2,149.99</td>
<td>2,227.79</td>
<td>2,358.05</td>
<td>2,391.83</td>
</tr>
<tr>
<td><strong>Price book-value ratio (PBR)</strong></td>
<td>24.2</td>
<td>29.5</td>
<td>33.5</td>
<td>28.0</td>
</tr>
<tr>
<td><strong>Return on assets (ROA) (%)</strong></td>
<td>8.3</td>
<td>8.3</td>
<td>8.3</td>
<td>8.3</td>
</tr>
<tr>
<td><strong>Return on equity (ROE) (%)</strong></td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
</tr>
<tr>
<td><strong>Diluted net income per share (yen)</strong></td>
<td>22,284</td>
<td>22,284</td>
<td>22,284</td>
<td>22,284</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year (Millions of yen)</strong></td>
<td>22,284</td>
<td>35,564</td>
<td>22,412</td>
<td>249,022</td>
</tr>
<tr>
<td><strong>Current ratio</strong></td>
<td>2,630</td>
<td>2,755</td>
<td>2,755</td>
<td>2,475</td>
</tr>
<tr>
<td><strong>Capital expenditures (Millions of yen)</strong></td>
<td>15,611</td>
<td>16,199</td>
<td>22,020</td>
<td>19,951</td>
</tr>
<tr>
<td><strong>Depreciation and amortization (Millions of yen)</strong></td>
<td>19,571</td>
<td>24,020</td>
<td>25,180</td>
<td>24,020</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year (Millions of yen)</strong></td>
<td>22,284</td>
<td>35,564</td>
<td>22,412</td>
<td>249,022</td>
</tr>
</tbody>
</table>

*U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥90.00=US$1.00 (figures less than one unit are rounded).*
## Trends in Principal Consolidated Financial Data

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues (Millions of yen)</td>
<td>253,248</td>
<td>245,874</td>
<td>327,821</td>
<td>409,521</td>
<td>395,556</td>
</tr>
<tr>
<td>Growth in revenues (%)</td>
<td>5.2</td>
<td>(2.9)</td>
<td>33.3</td>
<td>24.9</td>
<td>(3.4)</td>
</tr>
<tr>
<td>Operating income ( Millions of yen)</td>
<td>16,860</td>
<td>11,830</td>
<td>12,321</td>
<td>16,056</td>
<td>10,521</td>
</tr>
<tr>
<td>Operating income/Net revenues (%)</td>
<td>6.7</td>
<td>4.8</td>
<td>3.8</td>
<td>3.9</td>
<td>2.7</td>
</tr>
<tr>
<td>Recurring income ( Millions of yen)</td>
<td>17,065</td>
<td>12,256</td>
<td>13,225</td>
<td>17,493</td>
<td>11,048</td>
</tr>
<tr>
<td>Recurring income margin (%)</td>
<td>6.7</td>
<td>5.0</td>
<td>4.0</td>
<td>4.3</td>
<td>2.8</td>
</tr>
<tr>
<td>Income before income taxes, minority interests and other adjustments ( Millions of yen)</td>
<td>14,659</td>
<td>12,201</td>
<td>13,108</td>
<td>14,254</td>
<td>2,402</td>
</tr>
<tr>
<td>Operating income/Income before income taxes, minority interests and other adjustments (%)</td>
<td>5.8</td>
<td>5.0</td>
<td>4.0</td>
<td>3.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Net income ( Millions of yen)</td>
<td>8,564</td>
<td>7,305</td>
<td>7,570</td>
<td>9,375</td>
<td>129</td>
</tr>
<tr>
<td>Return on sales (%)</td>
<td>3.4</td>
<td>3.0</td>
<td>2.3</td>
<td>2.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Net income per share (yen)</td>
<td>108.80</td>
<td>93.42</td>
<td>82.22</td>
<td>88.29</td>
<td>1.25</td>
</tr>
<tr>
<td>Diluted net income per share (yen)</td>
<td>108.62</td>
<td>93.27</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Return on equity (ROE) (%)</td>
<td>5.2</td>
<td>4.3</td>
<td>3.6</td>
<td>3.7</td>
<td>0.1</td>
</tr>
<tr>
<td>Return on assets (ROA) (%)</td>
<td>8.3</td>
<td>5.9</td>
<td>5.1</td>
<td>5.6</td>
<td>3.7</td>
</tr>
<tr>
<td>Total assets ( Millions of yen)</td>
<td>207,216</td>
<td>208,711</td>
<td>304,907</td>
<td>315,672</td>
<td>277,696</td>
</tr>
<tr>
<td>Net assets ( Millions of yen)</td>
<td>167,036</td>
<td>173,608</td>
<td>250,463</td>
<td>254,025</td>
<td>234,521</td>
</tr>
<tr>
<td>Equity ratio (%)*1</td>
<td>80.6</td>
<td>83.2</td>
<td>82.1</td>
<td>80.5</td>
<td>84.4</td>
</tr>
<tr>
<td>Net assets per share*2 (yen)</td>
<td>2,149.99</td>
<td>2,228.79</td>
<td>2,358.05</td>
<td>2,391.83</td>
<td>2,345.03</td>
</tr>
<tr>
<td>Price book-value ratio (PBR)*3 (times)</td>
<td>1.2</td>
<td>1.2</td>
<td>1.2</td>
<td>1.0</td>
<td>0.8</td>
</tr>
<tr>
<td>Price earnings ratio (PER)*4 (times)</td>
<td>24.2</td>
<td>29.5</td>
<td>33.5</td>
<td>28.0</td>
<td>1,549.5</td>
</tr>
<tr>
<td>Cash flows from operating activities (Millions of yen)</td>
<td>21,502</td>
<td>16,607</td>
<td>21,806</td>
<td>33,000</td>
<td>16,180</td>
</tr>
<tr>
<td>Cash flows from investing activities (Millions of yen)</td>
<td>(14,592)</td>
<td>(15,256)</td>
<td>(14,956)</td>
<td>(23,306)</td>
<td>(2,153)</td>
</tr>
<tr>
<td>Cash flows from financing activities (Millions of yen)</td>
<td>(6,991)</td>
<td>(2,901)</td>
<td>(9,244)</td>
<td>3,586</td>
<td>(31,486)</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year (Millions of yen)</td>
<td>21,788</td>
<td>20,238</td>
<td>22,284</td>
<td>35,564</td>
<td>22,412</td>
</tr>
<tr>
<td>Payout ratio (consolidated) (%)</td>
<td>36.8</td>
<td>42.8</td>
<td>51.1</td>
<td>48.7</td>
<td>3,440.0</td>
</tr>
<tr>
<td>Dividend per share (yen)</td>
<td>40.00</td>
<td>40.00</td>
<td>42.00</td>
<td>43.00</td>
<td>43.00</td>
</tr>
<tr>
<td>Year-end share price (yen)</td>
<td>2,630</td>
<td>2,755</td>
<td>2,755</td>
<td>2,475</td>
<td>1,945</td>
</tr>
<tr>
<td>Capital expenditures (Millions of yen)</td>
<td>15,611</td>
<td>16,199</td>
<td>22,020</td>
<td>19,951</td>
<td>18,032</td>
</tr>
<tr>
<td>Depreciation and amortization (Millions of yen)</td>
<td>14,927</td>
<td>13,860</td>
<td>19,571</td>
<td>22,533</td>
<td>21,741</td>
</tr>
</tbody>
</table>

1 Until fiscal 2005, Shareholders’ equity ratio = Shareholders’ equity / Total assets; from fiscal 2006, Equity ratio = Total equity / Total assets

2 Until fiscal 2005, Shareholders’ equity per share = Shareholders’ equity / The number of shares outstanding at the end of the period; from fiscal 2006, Net assets per share = Net assets / The number of shares outstanding at the end of the period

3 Until fiscal 2005, Price book-value ratio (PBR) = Market value at the end of the period / Shareholders’ equity per share; from fiscal 2006, Price book-value ratio (PBR) = Market value at the end of the period / Net assets per share

4 Price earnings ratio (PER) = Market value at the end of the period / Net income per share
Risk Information

Business results and other aspects of the Company’s operations mentioned in this annual review are subject to a variety of risks. Those risks deemed most likely to have a significant impact on potential investment decisions are found below. The Coca-Cola West Group (CCWG) is fully aware of the possibility of these risks and thus works to avoid them or deal effectively with them should they arise.

Statements herein regarding future events or assumptions reflect the judgment of CCWG as of the filing date of Annual Security Report.

(1) Business agreements with The Coca-Cola Company of the United States and Coca-Cola (Japan) Co., Ltd.

CCW conducts business activities based on a bottler agreement with The Coca-Cola Company and Coca-Cola (Japan) Co., Ltd.

(2) Quality assurance

Beverages are the core product of CCWG. The Group makes every effort to raise employee awareness regarding quality and implements programs aimed at preventing incidents concerning quality in order to offer its customers (consumers) high-quality and reliable beverages. Nevertheless, in the event of an incident related to product quality, the Company’s brand image could be tarnished, irrespective of whether or not CCWG was actually at fault. An incident of this nature could adversely affect the operating results of CCWG.

(3) The soft drink industry

1) Market competitiveness

Sales of beverages, CCWG’s core products, are readily influenced by changes in customer (consumer) preference. In a beverage market of this kind, CCWG strives to continuously offer appealing products and services. Nevertheless, failure to amply forecast market changes could potentially affect the operating results of CCWG.

2) Impact of weather-related factors

Weather conditions tend to have an effect on the sales of beverages, CCWG’s core products. Cool summers or warm winters, for example, often have a significant impact on customer (consumer) demand. Although CCWG makes every effort to minimize the influence of weather-related factors on sales, the Group offers no guarantee that it can completely eliminate the effect of such factors.

(4) Impact of economic conditions

1) Trends in personal consumption

Sales of beverages, CCWG’s core products, are closely linked to trends in personal consumption. A sudden decline in personal consumption due to worsened economic conditions, however, could adversely affect the operating results of CCWG.

2) Fluctuations in asset value

Fluctuations in the value of land, marketable securities and other assets owned by CCWG could potentially impact the Group’s operating results and financial position. Marketable securities with a fair value, for example, are subject to changes in fair market value in capital markets because that is how they are valued.

(5) Public regulations

CCWG’s Manufacturing and Marketing of Beverages & Foods segment is subject to a number of regulations in Japan, including the Act Against Unjustifiable Premiums and Misleading Representations (Premiums and Representations Act) and the Food Sanitation Law. The Group fully complies with these and all other regulations in its commitment to providing safe and reliable products. Accordingly, tougher regulations, for example, might incur new compliance costs, which could potentially affect the operating results of CCWG.

(6) Management of personal information

CCWG holds large volumes of personal information. In handling this information, the Group works on a unified basis to formulate and adhere to related guidelines and implement ongoing training and educational activities. However, an external leak of personal information could lead to a deterioration of trust in CCWG and potentially impact the operating results of CCWG.

(7) Impact of disasters

CCWG has a system in place to minimize the effects of power outages, as well as other scenarios for which assumptions must be made, on its business operations. Typhoons, earthquakes and other natural disasters, however, could trigger conditions that exceed these assumptions. Conditions of this magnitude could potentially impact the operating results and financial position of CCWG.
CCW’s fundamental stance on corporate governance is to maximize “shareholders value” by improving management efficiency and transparency.

(1) Corporate Governance System

1) Status of Related Internal Bodies

● Corporate Auditor System or Company With Committees System

CCW adopted the Corporate Auditor system in accordance with its decision to separate decision-making and management oversight from business execution through a restructuring of the Board of Directors and the adoption of the corporate executive officer system in March 1999. In April 2007, the corporate executive officer system was extended across the Group in the interests of increasing the efficiency of Group management and speeding up decision-making.

Furthermore, in March 2006, in order to clarify the roles and responsibilities of directors in each fiscal year and to establish a management structure capable of rapid responses to changes in business conditions, the Group shortened the term of office of directors from two years to one year.

● Number of Directors

The Company’s articles of incorporation stipulate that there shall be a maximum of 15 directors.

● Requirements for Electing Directors

The Company’s articles of incorporation stipulate that election of directors shall be by a majority of votes, where shareholders holding at least one-third of the voting rights of shareholders that can exercise voting rights are in attendance. Resolution for election of directors shall not be made by cumulative voting.

● Outside Directors and Corporate Auditors

At present, two of CCW’s ten directors and three of its five corporate auditors are from outside the Group.

The Company has concluded with one outside director and three outside corporate auditors agreements limiting liability in case of neglect of duty, based on the provisions of Article 427, Paragraph 1 of the Company Law. Under these agreements, liability is limited to the minimum amount permissible under the law.

● Acquisition of Treasury Stocks

The Company’s articles of incorporation stipulate that the Company may, by a resolution of the Board of Directors and without seeking shareholder approval, buy back its own shares on the market, pursuant to the provisions of Article 165, Paragraph 2 of the Company Law. The Board of Directors has been authorized to repurchase Company shares with the aim of allowing them to execute a flexible capital structure policy according to changes in the business environment and in the interest of raising capital efficiency.

● Determination of Interim Dividends

The Company’s articles of incorporation stipulate that the Company may, by a resolution of the Board of Directors and without seeking shareholder approval, determine interim dividends, as prescribed by Article 454, Paragraph 5 of the Company Law. The Board of Directors has been authorized to determine interim dividends so that profits can be returned to shareholders when considered appropriate.

● Special Resolutions of the General Meeting of Shareholders

The Company’s articles of incorporation stipulate that special resolutions of a general meeting of shareholders, provided for in Article 309, Paragraph 2 of the Company Law, shall be adopted by an affirmative vote of at least two-thirds of votes, where shareholders holding not less than one-third of the voting rights of shareholders that can exercise voting rights are in attendance.

This is to ensure the smooth running of general meetings of shareholders by enabling a quorum to pass special resolutions.

● Overview of Committees

In July 2006, the Company established the Management Advisory Committee as an internal body of the Board of Directors. This committee allows appropriate advice to be given by experts with the goals of improving the efficiency and transparency of management and increasing shareholder value. The committee is responsible for advising on matters concerning candidates for director and corporate auditor positions and directors’ and corporate auditors’ remuneration as well as important strategic and other matters related to the general management of the Group.

● Support for Outside Appointments

Outside directors are supported by the General Affairs Department, while outside corporate auditors are supported by the Audit Office.

● Business Execution and Management Oversight

Outside appointments comprise more than half the members of the Board of Corporate Auditors. This gives CCW the capacity to sufficiently monitor the performance of duties by directors and also allows it to draw on independent third-party advice from external experts appointed as outside directors. Directors and corporate auditors also fully monitor how corporate officers execute business operations. This includes participating in meetings of the executive committee, which is made up of corporate officers, as well as other key company meetings. When questions arise during the course of business execution, CCW consults attorneys, CPAs and other specialists for advice on determining the best way to proceed.

2) Risk Management System

CCW has established the Coca-Cola West Group Risk Management Committee. The objective of this body is to minimize damage in the event of a crisis by preventing confusion within the Group and ensuring a rapid and appropriate response. The Group believes that compliance with all applicable laws and regulations, and the spirit in which they are written, is fundamental to its business activities, as is the proper observance of social norms and customary business practices. This belief is enshrined in a code of conduct created to encourage a compliance mindset among all Group corporate officers and employees.

3) Audit System

● Participating Personnel and Organizations

CCW aims to comply with corporate rules and regulations, carry out appropriate corporate activities and operational management, and protect its assets. To help it achieve these goals, CCW has established an Audit Office within the Internal Audit Department. The office has 13 members and reports directly to the CEO.
Corporate auditors attend meetings of the Board of Directors, executive committees and other important Company meetings. They also meet a representative director on a regular basis and examine the results of audits performed by the Audit Office. Using these and other methods, corporate auditors monitor the executive officers of directors and executive officers in accordance with relevant laws and regulations, the Company’s own articles of incorporation and internal auditing standards.

The Audit Office carries out prior discussions with corporate auditors concerning its auditing policy and plans for each fiscal year. Corporate auditors also receive reports about the results of audits of the Audit Office as needed. In addition, at the start of the fiscal year, the Company’s Independent auditor provides the corporate auditors with an explanation of its audit plans, and as needed, supplies information and reports to the auditors during and at the end of the audit process.

Corporate auditors are appointed by the annual general shareholders meeting, and their terms of office are set for two years.

4) Director and Corporate Auditor Remuneration

Remuneration paid to directors and corporate auditors for the year under review is as follows.

<table>
<thead>
<tr>
<th>Position</th>
<th>Individuals</th>
<th>Total Remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td>10</td>
<td>¥132 million</td>
</tr>
<tr>
<td>Outside Directors</td>
<td>5</td>
<td>¥54 million</td>
</tr>
<tr>
<td>Corporate Auditors</td>
<td>6</td>
<td>¥83 million</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>¥269 million</td>
</tr>
</tbody>
</table>

(Note) In addition to the above, the 4 directors of the Company who are not outside directors, received ¥73 million in remuneration from outside offices where they serve concurrently as directors or corporate auditors.

5) Audit Fees

The Company paid ¥82 million in fees to the independent auditor KPMG AZSA & Co. for services relevant to the year under review. Of that amount, ¥79 million was for services pursuant to Article 2-1 of the Certified Public Accountant Law.

2) Conflicts of Interest

The Company’s two outside directors are the representatives of a company that has a business relationship with CCW. One of the two outside directors is a representative of a business partner that the Company treats as an equity-method affiliate for accounting purposes.

One of the Company’s three outside corporate auditors is a representative of a partner financial institution. The remaining outside corporate auditors have no conflicts of interest with the Company.

3) Other Information

- Independent Auditor and Related Personnel

CCW has appointed KPMG AZSA & Co. as its independent auditor. The names of the firm’s certified public accountants (engagement and management partners) that audit the Company’s financial statements are listed as follows.

<table>
<thead>
<tr>
<th>Name</th>
<th>Auditing Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tadatsugu Harada</td>
<td>1 year</td>
</tr>
<tr>
<td>Masahito Tanaka</td>
<td>2 years</td>
</tr>
<tr>
<td>Junichi Adachi</td>
<td>1 year</td>
</tr>
</tbody>
</table>

The auditing team has twenty-seven additional members including four CPAs and one assistant CPA.

COCA-COLA WEST GROUP CRISIS HANDLING SYSTEM

Coca-Cola (Japan) Company Limited

COCA-COLA WEST GROUP RISK MANAGEMENT COMMITTEE

Committee Chairman: Yutaka Sawayama

Risk Management Committee for Each Function

- Risk Management Committee for Business Risks

- Risk Management Committee for Financial Risks

- Risk Management Committee for Social Risks

- Risk Management Committee for Information Risks

- Risk Management Committee for Environmental Risks

INITIAL ASSESSMENT TEAM

Coca-Cola (Japan) Company Limited

Auditors

| Position                              | Name                |エンジニアリティを中心に経営者との役割を果たす
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditor</td>
<td>Tatsuya Horita</td>
</tr>
<tr>
<td>Auditor</td>
<td>Tsunayoshi Aihikita</td>
</tr>
<tr>
<td>Auditor</td>
<td>Kenji Maeda</td>
</tr>
<tr>
<td>Auditor</td>
<td>Katsumi Suzuki</td>
</tr>
<tr>
<td>Auditor</td>
<td>Yukio Kyokita</td>
</tr>
</tbody>
</table>

Management Advisory Committee

Chairman: Masamitsu Sakurai

Member: Masamitsu Sakurai

Member: Shingo Motoo

Member: Kazuhiro Eameoto

Member: Toyohisco Harawa

Member: Susumu Ishihara

Member: Takushi Matsuoka

Member: Eiji Muto

Member: Konishi

Member: Michael Coombs

Director: Kazuhiro Eameoto

Director: Toyohisco Harawa

Director: Masamitsu Sakurai

Director: Shingo Motoo

Director: Eiji Muto

Director: Konishi

Director: Michael Coombs
Corporate auditors attend meetings of the Board of Directors, executive committees and other important Company meetings. They also meet a representative director on a regular basis and examine the results of audits performed by the Audit Office. Using these and other methods, corporate auditors monitor the executive actions of directors and executive officers in accordance with relevant laws and regulations, the Company’s own articles of incorporation and internal auditing standards.

The Audit Office carries out prior discussions with corporate auditors concerning its auditing policy and plans for each fiscal year. Corporate auditors also receive reports about the results of audits of the Audit Office as needed. In addition, at the start of the fiscal year, the Company’s Independent auditor provides the Audit Office with a report on the results of its auditing policy and plans for each fiscal year. Corporate auditors also receive reports about the results of audits performed by the Audit Office. Using these and other methods, corporate auditors monitor the executive actions of directors and executive officers in accordance with relevant laws and regulations, the Company’s own articles of incorporation and internal auditing standards.

The auditing team has twenty-seven additional members including four CPA’s and one assistant CPA.

4) Director and Corporate Auditor Remuneration

Remuneration paid to directors and corporate auditors for the year under review was as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Individuals</th>
<th>Total Remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td>10</td>
<td>¥1,380 million</td>
</tr>
<tr>
<td>Corporate Auditors</td>
<td>6</td>
<td>¥860 million</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>¥2,240 million</td>
</tr>
</tbody>
</table>

(Notes) In addition to the above, the 4 directors of the Company who are not outside directors, received ¥75 million in remuneration from subsidiaries where they serve concurrently as directors or corporate auditors.

2. Maximum monthly remuneration for directors was set at ¥30 million by a resolution of the general meeting of shareholders on March 28, 1991.

3. Maximum monthly remuneration for corporate auditors was set at ¥12 million by a resolution of the general meeting of shareholders on March 27, 1994. A resolution of the general meeting of shareholders on March 25, 2008, under a change in the maximum remuneration for directors, which was set at ¥30 million yearly at the amount, maximum remuneration for outside directors was set at ¥24 million yearly, and in the maximum remuneration for corporate auditors, which was set at ¥12 million yearly.

4. Remuneration for the two corporate auditors who are outside directors is ¥25 million for the year under review.

5. In addition to the remuneration described above, the amount included remuneration for the two corporate auditors, which was set at ¥10 million yearly.

5) Audit Fees

The Company paid ¥92 million in fees to the independent auditor KPMG AZSA & Co. for services relevant to the year under review. Of that amount, ¥79 million was for services pursuant to Article 2-1 of the Certified Public Accountant Law.

Auditors

- Executive Corporate Auditor: Tatsugoro Harada
- Corporate Auditor: Tatsumi Arashuka
- Corporate Auditor: Zenji Murao
- Corporate Auditor: Katsumi Suzuki
- Corporate Auditor: Yuki Kikunae

Management Advisory Committee

Chairman: Masamitsu Sakurai
Member: Masahiko Uotani
Member: Kunihiko Enenooto
Member: Shingo Motawo
Member: Toshiki Hashawa
Member: Takashi Matsuzaki
Member: Eiji Matoba
Member: Naoki Nakanishi
Member: Michael Coombs

CCO

COCA-COLA WEST GROUP CRISIS HANDLING SYSTEM

Board of Directors

MANAGEMENT

(As of March 24, 2008)

Directors

Representative Director: Norio Sueyoshi
Representative Director: Tamio Yoshimoto
Representative Director: Hiroyuki Morita
Director: Nobu Shibata
Director: Shigeaki Ota
Director & Executive Corporate Officer, Representative Director: Norio Sueyoshi
Director & Executive Corporate Officer, Representative Director: Tamio Yoshimoto
Director & Executive Corporate Officer, Representative Director: Hiroyuki Morita
Director & Executive Corporate Officer: Nobu Shibata
Director & Executive Corporate Officer: Shigeaki Ota
Director: Executive Corporate Officer: Representative Director: Norio Sueyoshi
Director: Executive Corporate Officer: Representative Director: Tamio Yoshimoto
Director: Executive Corporate Officer: Hiroyuki Morita
Director: Executive Corporate Officer: Nobu Shibata
Director: Executive Corporate Officer: Shigeaki Ota

Audit Committee

Chairman: Masamitsu Sakurai
Member: Masahiko Uotani
Member: Kunihiko Enenooto
Member: Shingo Motawo
Member: Toshiki Hashawa
Member: Takashi Matsuzaki
Member: Eiji Matoba
Member: Naoki Nakanishi
Member: Michael Coombs

Management Advisory Committee

Chairman: Masamitsu Sakurai
Member: Masahiko Uotani
Member: Kunihiko Enenooto
Member: Shingo Motawo
Member: Toshiki Hashawa
Member: Takashi Matsuzaki
Member: Eiji Matoba
Member: Naoki Nakanishi
Member: Michael Coombs
Stock Information

(As of December 31, 2008)

Stock code: 2579
Authorized shares: 270,000,000
Outstanding shares: 111,125,714
Number of shareholders: 21,886
Number of shares per trading unit: 100 shares

Stock exchange listings:
- Tokyo Stock Exchange (First Section)
- Osaka Securities Exchange (First Section)
- Fukuoka Stock Exchange

Number of shares held and percentage of shares held by shareholder category:

<table>
<thead>
<tr>
<th>Shareholder Category</th>
<th>Number of shareholders</th>
<th>Percentage of shares (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial institutions</td>
<td>64</td>
<td>19,001</td>
</tr>
<tr>
<td>Securities companies</td>
<td>33</td>
<td>310</td>
</tr>
<tr>
<td>Other domestic corporations</td>
<td>469</td>
<td>49,012</td>
</tr>
<tr>
<td>Foreign corporations</td>
<td>258</td>
<td>19,826</td>
</tr>
<tr>
<td>Individuals and others</td>
<td>21,061</td>
<td>11,826</td>
</tr>
<tr>
<td>Treasury stock</td>
<td>1</td>
<td>11,148</td>
</tr>
<tr>
<td>TOTAL</td>
<td>21,886</td>
<td>111,125</td>
</tr>
</tbody>
</table>

Composition of shareholders:
- Financial institutions: 17.1%
- Securities companies: 0.3%
- Other domestic corporations: 44.1%
- Individuals and others: 10.6%
- Foreign corporations: 17.8%
- Treasury stock: 10.0%

Credit Rating Information

<table>
<thead>
<tr>
<th>Rating</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Credit Rating Agency, Ltd.</td>
<td>AA-</td>
<td>AA-</td>
<td>AA-</td>
<td>AA-</td>
<td>AA-</td>
</tr>
<tr>
<td>Rating and Investment Information, Inc.</td>
<td>A+</td>
<td>A+</td>
<td>A+</td>
<td>A+</td>
<td>A+</td>
</tr>
</tbody>
</table>

Major shareholders:

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Number of shares held (Thousands)</th>
<th>Percentage of voting shares (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ricoh Company, Ltd.</td>
<td>16,792</td>
<td>16.9</td>
</tr>
<tr>
<td>Kirin Holdings Company, Limited</td>
<td>11,626</td>
<td>11.7</td>
</tr>
<tr>
<td>The New Technology Development Foundation</td>
<td>5,294</td>
<td>5.3</td>
</tr>
<tr>
<td>Coca-Cola Holdings West Japan, Inc.</td>
<td>4,074</td>
<td>4.1</td>
</tr>
<tr>
<td>Mitsubishi Heavy Industries Food &amp; Packaging Machinery Co., Ltd.</td>
<td>3,912</td>
<td>3.9</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust account)</td>
<td>3,703</td>
<td>3.7</td>
</tr>
<tr>
<td>The Nishi-Nippon City Bank, Ltd.</td>
<td>3,703</td>
<td>3.7</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust account 4G)</td>
<td>2,957</td>
<td>3.0</td>
</tr>
<tr>
<td>Japan Master Trust Bank, Ltd. (Trust account)</td>
<td>2,871</td>
<td>2.9</td>
</tr>
<tr>
<td>BBH93025 Black Rock Global Allocation</td>
<td>1,623</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Note: The Company owns 11,148 thousand shares of treasury stock. This shareholding is not shown in the table and has not been included in the calculation of voting rights (percentage of voting shares).

Stock price and trends in stock trading volume

[Graph showing stock price and trading volume trends from 2005 to 2008]

We request your continued support and patronage.
Stock Information
As of December 31, 2008

| Stock code: | 2579 |
| Authorized shares: | 270,000,000 |
| Outstanding shares: | 111,125,714 |
| Number of shareholders: | 21,866 |
| Number of shares per trading unit: | 100 shares |

Stock exchange listings:
- Tokyo Stock Exchange (First Section)
- Osaka Securities Exchange (First Section)
- Fukuoka Stock Exchange

Number of shares held and percentage of shares held by shareholder category:

<table>
<thead>
<tr>
<th>Shareholder category</th>
<th>Number of shares</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial institutions</td>
<td>64</td>
<td>19,001</td>
</tr>
<tr>
<td>Securities companies</td>
<td>33</td>
<td>310</td>
</tr>
<tr>
<td>Other domestic corporations</td>
<td>469</td>
<td>40,912</td>
</tr>
<tr>
<td>Foreign corporations</td>
<td>258</td>
<td>19,826</td>
</tr>
<tr>
<td>Individuals and others</td>
<td>21,061</td>
<td>11,826</td>
</tr>
<tr>
<td>Treasury stock</td>
<td>1</td>
<td>11,148</td>
</tr>
<tr>
<td>TOTAL</td>
<td>21,866</td>
<td>111,125</td>
</tr>
</tbody>
</table>

Number of treasury stockholders: 2,871

Credit Rating Information

<table>
<thead>
<tr>
<th>Year</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>A+</td>
</tr>
<tr>
<td>2005</td>
<td>A+</td>
</tr>
<tr>
<td>2006</td>
<td>A+</td>
</tr>
<tr>
<td>2007</td>
<td>A+</td>
</tr>
<tr>
<td>2008</td>
<td>A+</td>
</tr>
</tbody>
</table>

Major shareholders:

- Rock Company, Ltd. .................. 11,148 16.9
- Japan Holdings Company, Limited ... 11,636 11.7
- The New Technology Development Foundation ........ 5,294 5.3
- Coca-Cola Holdings West, Inc. .... 4,014 4.1
- Mitsubishi Heavy Industries Food & Packaging Machinery Co., Ltd. ....... 3,912 3.9
- Japan Trusts Services Bank, Ltd. (Trust account) ................ 3,703 3.7
- The Nishi-Nippon City Bank, Ltd. ................................................ 3,057 3.0
- Japan Master Trust Bank, Ltd. (Trust account) ...................... 2,871 2.9
- BBH 9325 Block Rock Global Allocation .................................. 1,623 1.6

Note: The Company owns 11,148 thousand shares of treasury stock. This shareholding is not shown in the table and has not been included in the calculation of voting rights (percentage of voting shares).

Stock price and trends in stock trading volume

<table>
<thead>
<tr>
<th>Stock price (Yen)</th>
<th>Stock trading volume (Thousands of shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above 5,000 shares</td>
<td>ABOVE CHANGE</td>
</tr>
<tr>
<td>120 Coca-Cola Gift Points</td>
<td></td>
</tr>
<tr>
<td>40 Coca-Cola Gift Points</td>
<td></td>
</tr>
<tr>
<td>30 Coca-Cola Gift Points</td>
<td></td>
</tr>
<tr>
<td>Below 1,000 shares</td>
<td>BEFORE CHANGE</td>
</tr>
<tr>
<td>12 Coca-Cola Gift Certificates</td>
<td></td>
</tr>
<tr>
<td>6 Coca-Cola Gift Certificates</td>
<td></td>
</tr>
<tr>
<td>3 Coca-Cola Gift Certificates</td>
<td></td>
</tr>
<tr>
<td>2 Coca-Cola Gift Certificates</td>
<td></td>
</tr>
<tr>
<td>1 Coca-Cola Gift Certificate</td>
<td></td>
</tr>
</tbody>
</table>

Shareholder preferential treatment gift products (examples)

- Coca-Cola Product Assortment Set
- Coca-Cola Fanta product assortment, etc.
- Coca-Cola assortment

Preferential Treatment System for Shareholders

CCW has implemented a preferential treatment system for shareholders in appreciation for day-by-day support from our shareholders and also for the purpose of deepening understanding about us, and to enhance this preferential treatment system and increase its appeal, we have recently changed the specifics of the system as below.

We request your continued support and patronage.

Details of preferential treatment system for shareholders

- **Before Change**
  - 12 Coca-Cola Gift Certificates
  - 6 Coca-Cola Gift Certificates
  - 4 Coca-Cola Gift Certificates
  - 3 Coca-Cola Gift Certificates

- **After Change**
  - 120 Coca-Cola Gift Points
  - 40 Coca-Cola Gift Points
  - 30 Coca-Cola Gift Points

Period for presentation

Guideline on Preferential Treatment for Shareholders including descriptions of Coca-Cola Gift Points will be sent to those shareholders who fall under this treatment in around September of the relevant year for preferential treatment for shareholders based on the record date of June 30, and around April of the following year for preferential treatment for shareholders based on the record date of December 31.
**Corporate History**

**Going forward into the future**

**1960**
- **December**
  - Nichibei Inryo Co., Ltd. established at 1-5 Nagahama-cho, Fukuoka City for manufacture and sale of soft drinks.
  - Capitalized at 50 million yen.

**1962**
- **April**
  - Agreement is concluded with The Coca-Cola Company and the Coca-Cola (Japan) Co., Ltd. with regard to the manufacture and sale of Coca-Cola and Fanta, and the rights to bottle and sell Coca-Cola and Fanta in Fukuoka, Saga, and Nagasaki Prefectures is acquired.

**1963**
- **March**
  - Corporate name changes to Nichibei Coca-Cola Bottling Co., Ltd.

**1973**
- **March**
  - Corporate name changes to Kitakyushu Coca-Cola Bottling Co., Ltd.

**1994**
- **June**
  - Listing on the Fukuoka Stock Exchange
  - Aquafina is released in Japan

**1996**
- **November**
  - Listing on the second section of Tokyo Stock Exchange

**1998**
- **June**
  - Listing on the first section of the Tokyo Stock Exchange

**1999**
- **July**
  - Consolidation with Sanyo Coca-Cola Sales Co., Ltd. and corporate name change to Coca-Cola West Japan Co., Ltd. Listing on the first section of Osaka Securities Exchange and Mieakusa Stock Exchange

**2001**
- **April**
  - Listing on the first section of the Tokyo Stock Exchange
  - Nikkei Coca-Cola Bottling Co., Ltd. stock is acquired.

**2002**
- **April**
  - Merges with both Sanyo Coca-Cola Sales Co., Ltd. and Kitakyushu Coca-Cola Sales Co., Ltd.

**2006**
- **July**
  - Joint holding company Coca-Cola West Holdings Co., Ltd. is established with Kinki Coca-Cola Bottling and management of the two companies is integrated.

**2007**
- **January**
  - Three subsidiaries running logistics businesses are integrated to form Coca-Cola West Logistics Co., Ltd.

**2008**
- **January**
  - Two subsidiaries running manufacturing businesses are integrated to form Coca-Cola West Products Co., Ltd.

**2009**
- **January**
  - Coca-Cola West Co., Ltd. is established.

**Main Products**

<table>
<thead>
<tr>
<th>SPARKLING BEVERAGES</th>
<th>COFFEE DRINKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coca-Cola</td>
<td>Fanta Orange</td>
</tr>
<tr>
<td>Coca-Cola Zero</td>
<td>Fanta Grape</td>
</tr>
<tr>
<td>Coca-Cola Plus</td>
<td>Fanta Parfait Baker</td>
</tr>
<tr>
<td>Sprite</td>
<td>Real Gold</td>
</tr>
<tr>
<td>Sprite Fanta Furu-Furu Charge</td>
<td>Aquathereapy Minaqua</td>
</tr>
<tr>
<td>Canada Dry Ginger Ale</td>
<td>Aquafina Ayakko</td>
</tr>
<tr>
<td>Schweppes Tonic Water</td>
<td>Aquafina Yuzu</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENERGY DRINKS</th>
<th>WATER</th>
<th>OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia Emerald Mountain Blend</td>
<td>Georgia Max Ice</td>
<td>Georgia Ultra Low Sugar</td>
</tr>
<tr>
<td>Georgia Emerald Mountain Diet Black</td>
<td>Georgia Fanta</td>
<td>Georgia Red Tomato</td>
</tr>
<tr>
<td>Georgia Green Tea</td>
<td>Georgia Orange</td>
<td>Georgia Pure Ice</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SPORTS DRINKS</th>
<th>FRUIT DRINKS</th>
<th>TEA DRINKS</th>
<th>SPORTS DRINKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aquafina</td>
<td>Qoo Tottemo Orange</td>
<td>Soken-bicha</td>
<td>Kocha-kaden Royal Milk Tea</td>
</tr>
<tr>
<td>Aquafina Venture Guard</td>
<td>Qoo Tottemo Apple</td>
<td>Ayataka Jyosencha</td>
<td>Georgia Emerald Mountain Blend Georgia Cafe Au Lait</td>
</tr>
<tr>
<td>Aquafina Venture Guard (for warmed consumption only)</td>
<td>Aquafina Green</td>
<td>Ayataka Gokoku</td>
<td>Georgia Emerald Mountain Blend Georgia Cafe Au Lait</td>
</tr>
<tr>
<td>Aquafina Zero</td>
<td>Aquafina Powder</td>
<td>Hajime Saori Fan</td>
<td>Georgia Emerald Mountain Blend Georgia Cafe Au Lait</td>
</tr>
<tr>
<td>Aquafina Pucker</td>
<td>Aquafina Sports Pucker</td>
<td>Hajime Chaka Love Body</td>
<td>Georgia Emerald Mountain Blend Georgia Cafe Au Lait</td>
</tr>
</tbody>
</table>

**Going forward into the future**

**2011**
- **January**
  - Corporate name changes to Kitakyushu Coca-Cola Bottling Co., Ltd.

**2012**
- **April**
  - Investment in Minami Kyushu Coca-Cola Bottling Co., Ltd., which is made into an affiliate under equity method.

**2013**
- **January**
  - Two subsidiaries running manufacturing businesses are integrated to form Coca-Cola West Equipment Services Co., Ltd.

**2014**
- **April**
  - The subsidiary running related to vending machine businesses is integrated to form Coca-Cola West Equipment Services Co., Ltd.

**2015**
- **January**
  - Coca-Cola West Co., Ltd. is established.

**2016**
- **July**
  - Consolidation with Sanyo Coca-Cola Bottling Co., Ltd. and corporate name change to Coca-Cola West Japan Co., Ltd. Listing on the first section of Osaka Securities Exchange and Mieakusa Stock Exchange
Going forward into the future

1960
December
Mikasa Coca-Cola Bottling Co., Ltd. is established at 7-3-9 Higashi-kunishiyama, Fukuoka City for manufacture and sales of Coca-Cola and Fanta, and the rights to bottle and sell Coca-Cola and Fanta in Fukuoka, Saga, and Nagasaki Prefectures is acquired.

1962
June
Agreement is concluded with The Coca-Cola Company and The Coca-Cola (Japan) Co., Ltd. with regard to the manufacture and sale of Coca-Cola and Fanta, and the rights to bottle and sell Coca-Cola and Fanta in Fukuoka, Saga, and Nagasaki Prefectures is acquired.

1966
July
Sales start.

1969
March
Corporate name changes to Mikasa Coca-Cola Bottling Co., Ltd.

1973
July
Corporate name changes to Kitakyushu Coca-Cola Bottling Co., Ltd.

1994
June
Listing on the Fukuoka Stock Exchange

1996
November
Listing on the second section of Tokyo Stock Exchange

1998
June
Listing on the first section of the Tokyo Stock Exchange

1999
July
Listing on the Fukuoka Stock Exchange

2001
April
Mikasa Coca-Cola Bottling Co., Ltd. stock is acquired.

2002
April
Merges with both Sanyo Coca-Cola Sales Co., Ltd. and Kitakyushu Coca-Cola Sales Co., Ltd.

2006
July
Joint holding company Coca-Cola West Holdings Co., Ltd. is established, and the management of the two companies is integrated.

2007
January
Three subsidiaries running logistics businesses are integrated to establish Coca-Cola West Logistics Co., Ltd.

2008
April
Investment in Minami Kyushu Coca-Cola Bottling Co., Ltd., which is made into an affiliate under equity method.

2009
January
Coca-Cola West Co., Ltd. is established.
Coca-Cola West Company, Limited
Canal City Business Center Building
1-2-25, Sumiyoshi, Hakata-ku, Fukuoka 812-8649, Japan
Investor Relations  Tel: +81-92-283-5724
http://www.ccwest.co.jp/english/
(*Will be moved to the address below on July 1, 2009)
7-9-66, Hakozaki, Higashi-ku, Fukuoka 812-8650, Japan
Investor Relations  Tel: +81-92-641-8590

Coca-Cola West Annual Review 2008 is printed with soy ink on paper originating from FSC-certified and managed forests, and was printed using a waterless method that does not generate toxic liquid waste during printing.