-Creating a happy tomorrow for everyone-

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Coca-Cola West

2010
ANNUAL REVIEW

Coca-Cola West Company, Limited

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Web Site (http://www.ccwest.co.jp/english/)

● Notes

If a need to revise any part of this report arises, the revision will be posted on the "Investor Relations" page on the company website. The content of the revision will be found under "Annual Review" of "Financial Results Information."

CONSOLIDATED FINANCIAL DATA : TRENDS IN KEY FINANCIAL INDEX

	2006	2007	2008	2009	2010
Net Revenues (Millions of Yen)	327,821	409,521	395,556	369,698	375,764
Growth Rate in Net Revenues (%)	33.3	24.9	(3.4)	(6.5)	1.6
Operating Income (Millions of Yen)	12,321	16,056	10,521	2,242	12,003
Operating Income / Net Revenues (%)	3.8	3.9	2.7	0.6	3.2
Recurring Income (Millions of Yen)	13,225	17,493	11,048	2,085	12,659
Recurring Income / Net Revenues (%)	4.0	4.3	2.8	0.6	3.4
Income (Loss) before Income Taxes, minority interests and other adjustments (Millions of Yen)	13,108	14,254	2,402	(10,446)	12,982
Income (Loss) before Income Taxes, minority interests and other adjustments / Net Revenues (%)	4.0	3.5	0.6	(2.8)	3.5
Net Income (Loss) (Millions of Yen)	7,570	9,375	129	(7,594)	7,582
Return on Sales (%)	2.3	2.3	0.0	(2.1)	2.0
Net Income (Loss) per share (Yen)	82.22	88.29	1.25	(75.96)	75.84
Return on Equity (%)	3.6	3.7	0.1	(3.3)	3.4
Return on Assets (%)	5.1	5.6	3.7	0.7	3.8
Total Assets (Millions of Yen)	304,907	315,672	277,696	326,818	346,032
Net Assets (Millions of Yen)	250,463	254,025	234,521	222,816	226,267
Equity Ratio (%)	82.1	80.5	84.4	68.2	65.3
Net Assets per share (Yen)	2,358.05	2,391.83	2,345.03	2,227.96	2,260.03
Price Book Value Ratio (PBR) (times)*1	1.2	1.0	0.8	0.7	0.7
Price Earnings Ratio (PER) (times)*2	33.5	28.0	1,549.5	(21.6)	19.4
Cash Flow from Operating Activities (Millions of Yen)	21,806	33,000	16,180	28,747	31,732
Cash Flow from Investing Activities (Millions of Yen)	(14,956)	(23,306)	2,153	(23,447)	(49,203)
Cash Flow from Financing Activities (Millions of Yen)	(9,244)	3,586	(31,486)	43,297	(16,316)
Cash and Cash Equivalents at end of fiscal year (Millions of Yen)	22,284	35,564	22,412	71,221	37,434
Dividend Payout Ratio (Consolidated) (%)	51.1	48.7	3,440.0	–	52.7
Dividend per Share (Yen)	42.00	43.00	43.00	42.00	40.00
(Interim dividend amount per share) (Yen)	(20.00)	(21.00)	(21.00)	(21.00)	(20.00)
Interest Coverage Ratio (times)*3 (Operating Cash Flow / Interest Paid)	589.3	285.4	462.7	97.2	35.4
Depreciation (Millions of Yen)	19,571	22,533	21,741	21,900	22,405
Capital Expenditure (Millions of Yen)	22,020	19,951	18,032	25,201	16,524
Capital Expenditure for Vending Machines (Millions of Yen)	12,187	10,012	10,359	8,760	7,604
(Share of Capital Expenditure for Vending Machine)	(55%)	(50%)	(57%)	(35%)	(46%)

*1 Price Book Value Ratio (PBR) = Market Value at the end of period ÷ Equity per share
*2 Price Earnings Ratio (PER) = Market Value at the end of period ÷ Net Income per share
*3 Interest Coverage Ratio=Operating Cash Flow ÷ Interest Paid

CORPORATE DATA

(As of December 31, 2010)

Company name : Coca-Cola West Co., Ltd.

Head office : 7-9-66 Hakozaki, Higashi-ku, Fukuoka 812-8650, Japan

Establishment : December 20, 1960

Paid-in capital : 15,231 million yen

Fiscal term : December

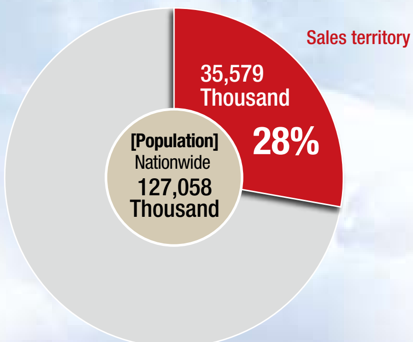
Number of employees (consolidated) : 8,331

Primary business : Manufacturing and sales of Coca-Cola and other soft drinks

Head Office

The Only Strategic Partner and Leader in Japan

The company's sales territory includes fourteen prefectures in the Western Japan. We are the largest bottler in sales in Japan and one of the leading publicly-listed bottlers in the world. As a strategic leader and partner to the Coca-Cola Company and Coca-Cola (Japan) Company Ltd., we collaborate with them beyond the bottler's framework and conduct business activities such as product development and test marketing, thus leading the transformation of the entire Coca-Cola business in Japan.



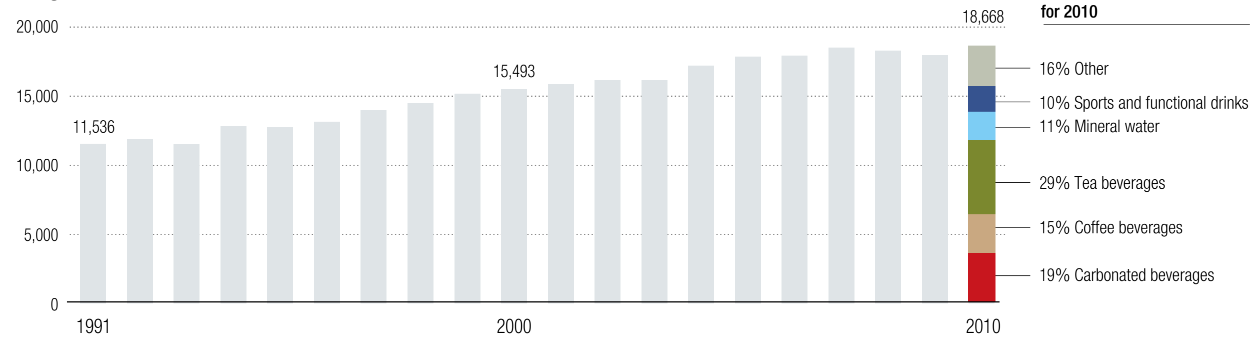
Corporate Data

SOFT DRINK MARKET IN JAPAN

Market Trends

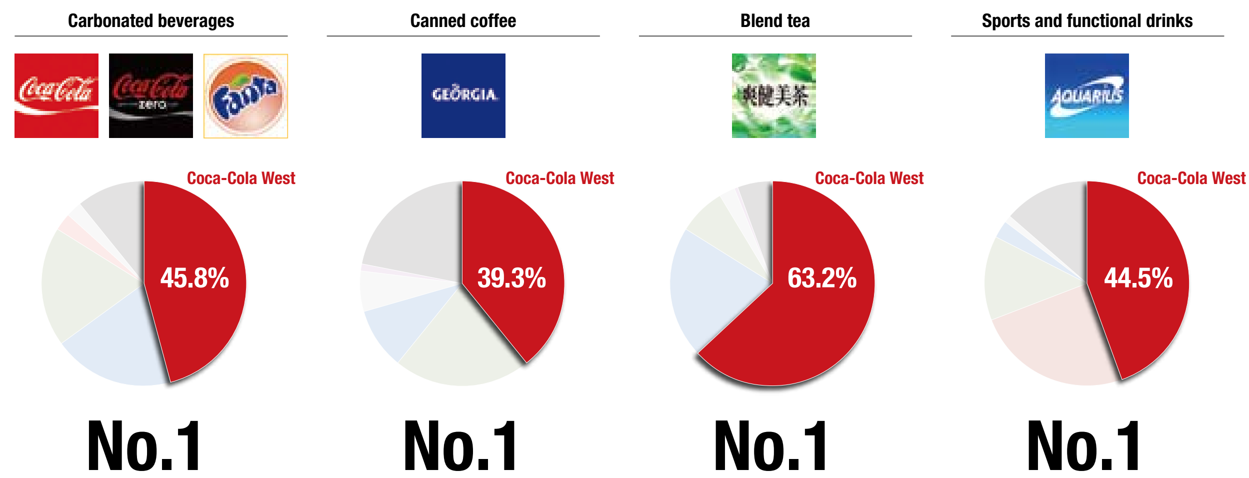
In 2010, production volume of soft drinks marked an increase for the first time in three years and hit a record high due to an extremely hot summer. By product category, production volume of carbonated beverages, tea beverages, mineral water, and sports and functional drinks all exceeded the previous year's production. In the last 20 years, the soft drink market has experienced a 160% growth.

Change of Production Volume of Soft Drinks



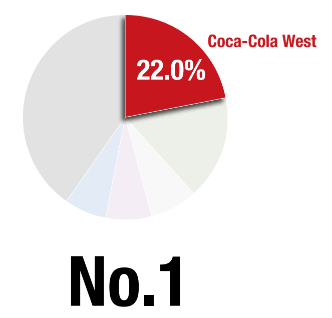
Source: *Statistical Report on Soft Drinks,* Japan Soft Drink Association (Data for the year 2010 is preliminary.)

Over-the-Counter Sales Market Share by Category for 2010
(excluding vending machines)



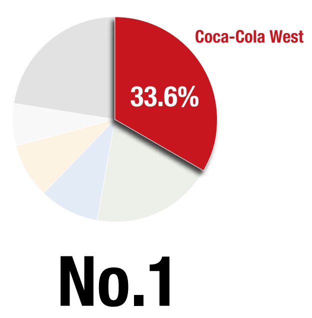
Source: *MBI* conducted by Intage, Inc.

Over-the-Counter Sales Market Share for 2010
(excluding vending machines)



Source: *Store* Audit conducted by Intage, Inc.

Outdoor Vending Machines Market Share for 2010



Source: *Survey of Vending Machines,* Intage. Inc. (survey period from May 2010 to June 2010)

Overview of Business Results for the Fiscal Year 2010

In 2010, the soft drink industry showed strong sales in the third quarter as a result of the record high temperatures in the summer, the most profitable time of the year. It seems that the industry overall is heading for recovery. However, the future of the economy is still unclear, and we had to survive a difficult business environment due to a declining population caused by low birthrate and aging, thrifty spending of consumers and declining product prices, and also intensifying competition from competitors aiming to increase their market share.

Because of this tough situation, the Group set forth a management policy that we carry out through implementation of three reforms: reform of sales, reform of SCM (Supply Chain Management), and reform of consumer-origination activities. We use these reforms to ensure that we meet our profit target. The Group also made concerted efforts to tackle challenging issues in order to establish a strong and resilient corporate group that will sustain profitable business even under the toughest economic condition. As for sales, we conducted finely-tuned sales activities by developing a seasonal product line and packaging for each sales channel through effective marketing which targets the purchasing behaviors of the consumers. Also, we formed a capital and business alliance with APEX CORPORATION as of August 4, 2010 and promoted activities to expand sales, profit and market share by a mutual contract operation of vending machines. These cooperative efforts strengthened our sales.

Regarding SCM, we succeeded in further strengthening our management characteristics by reducing transportation costs through unit-cost reduction of materials and inventory reduction. We also improved productivity by increasing efficiency in operations and by reorganizing the personnel structure. Furthermore, we reduced manufacturing costs by improving the yield of production lines and starting in-house PET bottle production. We also implemented environmental measures, such as using lighter-weight containers.

As for CSR (Corporate Social Responsibility), we continued our effort to contribute to local communities through continuous support for social welfare and sports activities. We vigorously promoted vending machines to help support the welfare of the local residents.

In addition, as of October 1, 2010, we established a business foundation for a health food market, which is expected to be the fastest grown market, and we acquired stocks and 100% ownership of Q'SAI CO., LTD, a consistently growing health food manufacturer.

As a result, in fiscal 2010, the consolidated net revenues increased by ¥6,065 million, year-on-year, totaling ¥375,764 million, or a 1.6% increase compared to the previous fiscal year. The operating income increased ¥9,760 million, year-on-year, totaling ¥12,003 million, and the recurring income increased ¥10,574 million, year-on-year, totaling ¥12,659 million. The net income improved by ¥15,176 million, compared to the previous fiscal year, resulting in ¥7,582 million.

Development of the Long-Term Management Framework 2020

We developed a new long-term management framework for the 10-year period beginning in 2011 for sustainable growth of the company. This framework consists of the corporate philosophy, the Coca-Cola West vision, and the corporate message. The corporate mission is aimed at contributing to the physical and mental well-being of our consumers through our safe and high-quality products and services as well as our new products and services that meet their needs. This mission is best expressed in the words "Happy lifestyle." The corporate philosophy also expresses our intention to contribute to development of a sustainable society where we coexist with our consumers in an awareness of our need to contribute to environmental preservation.

We have also established a Coca-Cola West vision statement to describe where we want to be in the year 2020 in order to reach the goal of becoming a company that will gain special patronage from our shareholders, our consumers, communities, and our own employees.

In order to express all of the above-mentioned philosophy and vision statements in one phrase, we now have a slogan, -*Creating a happy tomorrow for everyone*-. It is our sincere desire to provide happy to all of our stakeholders.

Fiscal 2011 Management Policies

This is our first year to implement the long-term management framework, and we will focus on further advancement of the sales structure reform we have already been working on, as well as the reform of SCM.

In order to reform the sales structure, we will advance the consumer-origination marketing activities that have been in progress. With this fine-tuned consumer-oriented development, we intend to capture the needs of the consumers to earn more sales, profit and market share. We will also actively and efficiently introduce vending machines in the market to establish the base for future sales expansion.

For the reform of SCM, we will attempt consistent cost reduction by continuing activities from the previous year. Furthermore, we have established a new division dedicated to our overall business model reform in order to re-establish the consumer-origination supply chain model that enables a stable supply of our products, improved asset efficiency and low-cost supply.

In this fiscal year, we will strive to achieve these business goals by thorough implementation of the above-mentioned measures and to establish the foundation for profit and growth in the future.

Corporate Philosophy

We will contribute to the happy lifestyle of all our stakeholders and contribute to the development of a sustainable society by providing value and refreshment through our beverage portfolio.

West Vision

To be the most respected company by all key shareholders, encompassing consumers, customers, employees and the community!!

Corporate Message

-Creating a happy tomorrow for everyone-

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Coca-Cola West

Dividends

Our dividend payout policies are based on the principle of providing profit to shareholders consistently and continuously. As for the dividends for the fiscal year 2010, we took into consideration both the results of operations for that term and also the future operational environment. Using those data, we set the term-end dividend payout as ¥20 per share, and the annual payout, including the interim payout, as ¥40 per share.

As we work toward attaining these goals, we would like to seek further support and understanding from all shareholders and investors.

March 2011

Tamio Yoshimatsu
President

Tamio Yoshimatsu

LONG-TERM MANAGEMENT FRAMEWORK 2020

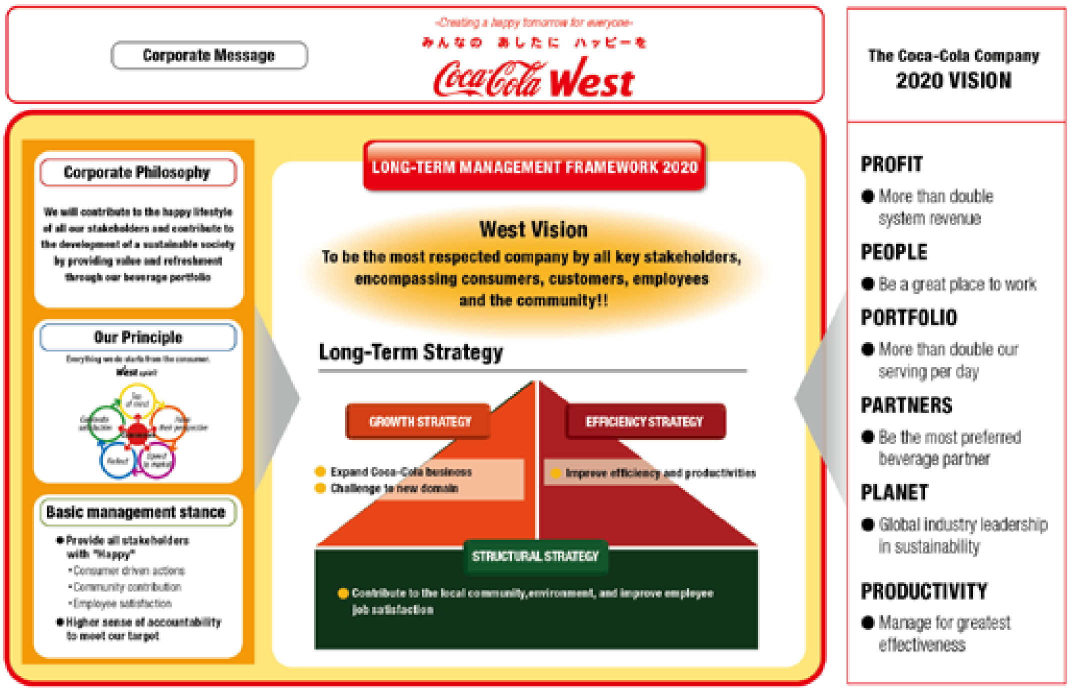
We forecast probable environmental changes for the next 10 years and have developed "Long-Term Management Framework 2020" as a guide for the company to tread a path for sustainable growth.

In order to take a significant leap forward in the next 10 years and to continue to survive as a corporation that exhibits long-term growth, we will employ exhaustive efforts to expand our sales and profit, focusing on the strategically planned growth, efficiency improvement and organization activities. We will aspire to become a company that will gain special patronage from our shareholders, our consumers, local communities and our own employees.

We divided the next 10 years into the following three phases to transition toward the 2020 framework: Grow with breakthrough, Realize grows, Actualize dreams & progress to the next level.

Phase Progression toward Long-term Management Framework 2020

OVERALL STRUCTURE TOWARD THE YEAR 2020



MID-TERM MANAGEMENT PLAN

We developed the mid-term management plan for the first three years beginning in 2011 as the first phase toward the Long-Term Management Framework 2020. These three years are aligned to work on reformation for future growth. We will ensure implementation of the three basic strategies: Growth Strategy, Efficiency Strategy and Structural Strategy. This is to expand sales and profit and bring "Happy" to all of our stakeholders.

GROWTH STRATEGY

We will ensure growth of the Coca-Cola business through both vertical and horizontal sales expansion. For the vertical expansion, we will maximize sales and profit by implementing effective marketing activities, through each sales channel and for each business category and location, in a way that directly responds to our consumers' purchasing behaviors. For the horizontal expansion, we will attain more growth opportunities by developing new business relations with retailers and sales channels that do not currently carry our products.

For the challenge to enter into new territories, we will pursue expansion of ancillary operations by utilizing the existing assets of the Coca-Cola business.

EFFICIENCY STRATEGY

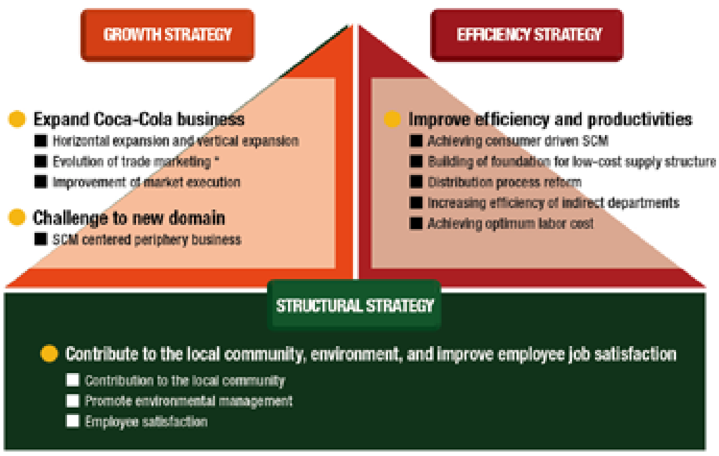
We will establish the consumer-origination supply chain model that enables stable supply of the products, improved asset efficiency and low-cost supply in order to improve efficiency and productivity in SCM. For logistics, we will attempt to reform the logistics process in order to prepare the foundation for future profit. We will also try to achieve constant cost reduction by setting up distribution centers that warehouse the inventory and remove the need to carry inventory at the sales locations.

Moreover, we will reduce the SCM-related cost by further advancing such existing measures as material volume reduction, improvement of production line running ratio, etc. At the same time, we will invest more in sophistication of the production equipment to boost medium-range and long-term productivity.

STRUCTURAL STRATEGY

We will actively contribute to local communities through our CSR activities and promote measures to achieve zero CO_2 emissions by improving recycling ratio. We will also work on establishing the systems that provide the employees with job satisfaction and an environment for a vibrant work life.

BASIC STRATEGIES



* Trade marketing: A brand marketing expansion method at sales sites. Its purpose is to build sales site strategy for the improvement in number and in value of purchased items though consumer-related knowledge management. And in order to deliver sales volume and value, trade marketing support sales forces with well-designed fundamental enhancement plans.

Special Feature

Reform of Sales

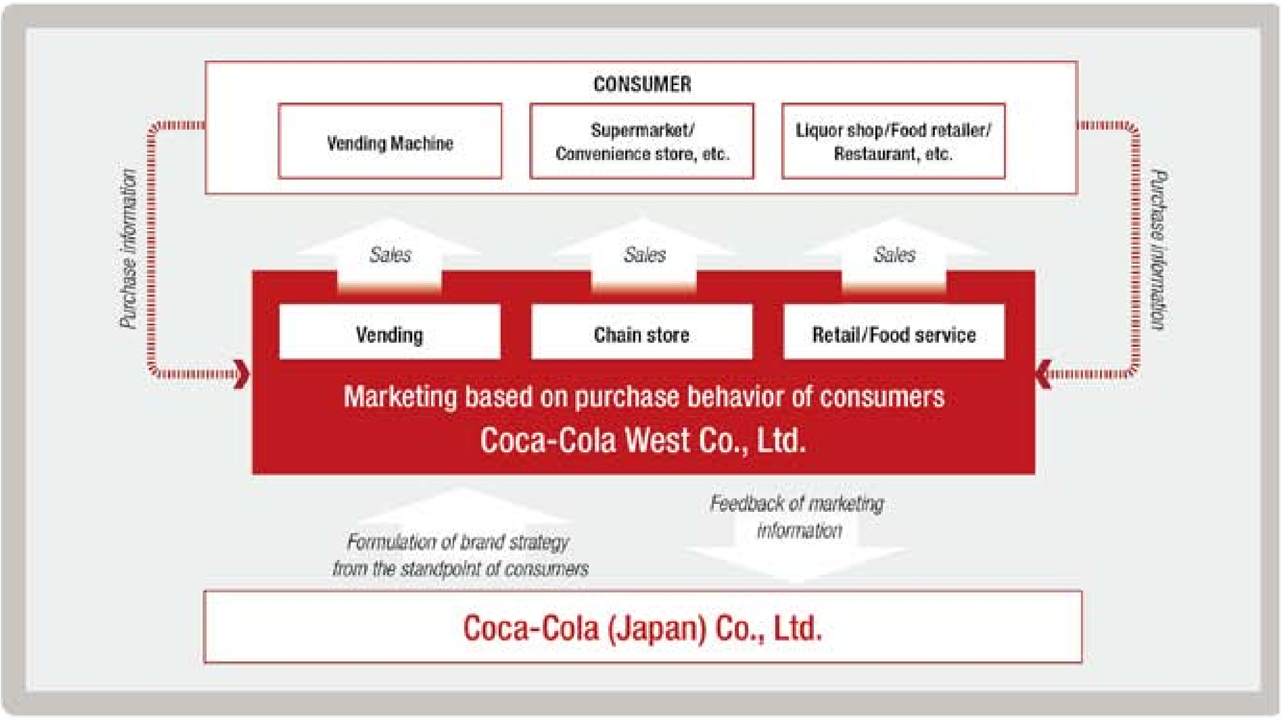
THOROUGH TRADE MARKETING IN PRACTICE

We operate our business activities under the “Trade Marketing*”, a marketing technique based on consumers’ purchasing behaviors. Our efforts for differentiation and diversification of our sales methods (including brands, containers, sizes and prices) according to business categories or sales sites encourage providing products suitable for our consumers’ drinking preferences. By deploying detailed marketing operations from a consumer-centered view point, we are aiming to increase sales and profits and expand our market share.

Sales volume per vending machines has rapidly improved due to stringent selection of products depending on characteristics of location and season and a result of thorough price strategies .We continuously ameliorate our selection of goods for vending machines to be attractive to consumers. For chain stores, we will attend reliably to our consumers’ needs by differentiating and diversifying our assortment (sizes and prices) according to particular business conditions and sales sites.

* Trade marketing: A brand marketing expansion method at sales sites. Its purpose is to build sales site strategy for the improvement in number and in value of purchased items though consumer-related knowledge management. And in order to deliver sales volume and value, trade marketing support sales forces with well-designed fundamental enhancement plans.

Scheme of Trade marketing



Point of Sales

[Vending]

Assortment of products varied with the seasons

[Supermarket]

Sales sites expansion depending on consumers’ drinking preferences.

Our Brand Lineup

CORE BRANDS

We positioned Coca-Cola, Coca-Cola Zero, Fanta, Georgia, Sokenbicha, and Aquarius as the “BIG 6” brands. Our Investment is concentrated in the 8 brands, namely the “BIG 6” brands, I LOHAS and Ayataka. We are also promoting various other brands, such as Qoo, Kochakaden, and Minute Maid to meet diversifying the needs of consumers.

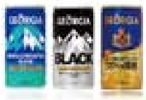
Core Brands

Coca-Cola

Coca-Cola Zero

Fanta

Georgia



Sokenbicha

Aquarius

I LOHAS

Ayataka

Others

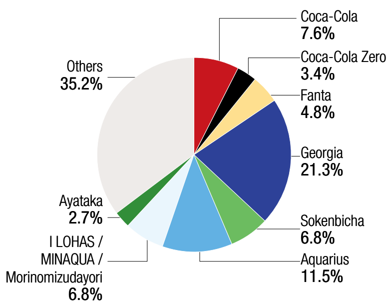
Sales Volume by Brand

(unit: Thousand cases)

		2009	2010	Percentage change
Core Brands	Coca-Cola	12,863	13,742	+6.8%
	Coca-Cola Zero	5,404	6,135	+13.5%
	Fanta	9,055	8,560	(5.5%)
	Georgia	40,832	38,297	(6.2%)
	Sokenbicha	13,370	12,285	(8.1%)
	Aquarius	18,022	20,774	+15.3%
	I LOHAS / MINAQUA / Morinomizudayori	10,482	12,167	+16.1%
	Ayataka	2,299	4,833	+110.2%
Others		67,385	63,383	(5.9%)
Total		179,711	180,176	+0.3%

Note: Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

Composition of Brand in 2010

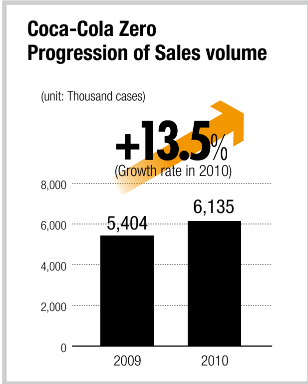


Coca-Cola Zero

Boosted by increasing number of health-conscious consumers, the sales volume of Coca-Cola Zero have risen steadily since its launching in June 2007 into the growing zero-calorie drink market. The sales recorded a double digit increase. This sales record is the result of promotions which appeared in various media and also from the tie-up campaign with FIFA World Cup™ in South Africa in 2010. This was further assisted by the launch of various limited-time products.

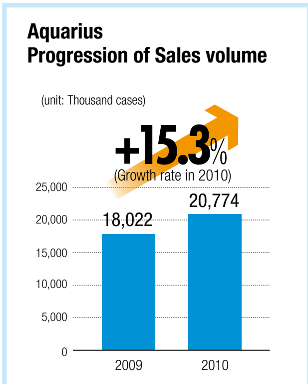
Soccer-ball-shape model 350ml PET bottle (Products for a limited time)

The promotion That Appealing characteristics of products



Aquarius

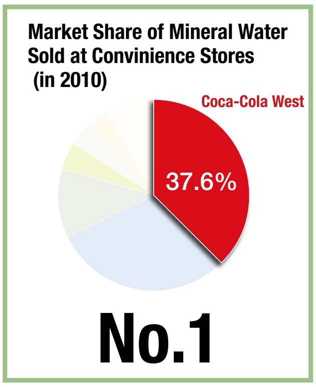
The sports drinks market expanded in response to the growing demand for thirst-quenching drinks raised by heat waves. While Aquarius maintains the largest share in the market, we have animated sales sites by featuring seasonal themes, such as cold prevention or rehydration, and have conducted a tie-up campaign with FIFA World Cup™ in South Africa in 2010. As a result, the sales volume of Aquarius marked a double-digit year-on-year growth and the market share increased again.



I LOHAS

The mineral water market expanded in response to the growing demand for thirst-quenching drinks caused by heat waves. I LOHAS is a both delicious and eco-friendly mineral water brand. Since it was launched on market in May 2009, I LOHAS has gained popularity (mainly among environmentally conscious consumers) and has had marked significant sales growth.
The release of new lines, including products in 1,020-milliliter PET bottles or with mandarin-orange flavor in 2010 led to an increase in sales. I LOHAS boasted the top in share in the Convenience stores market.

After drinking, you can easily squish empty bottle to make it compact



Georgia Platinum Bito

"Freshly-brewed Aroma" and "Well-seasoned Flavor"

We, together with Coca-Cola (Japan) Co., Ltd. are co-developing a high quality canned coffee brand which can satisfy even regular coffee lovers.
As the first co-developed product, we released "Georgia Platinum bito (low calorie)" locally in Western Japan on December 20, 2010. The launching of this new product with freshly-brewed aroma and well-seasoned flavor will bring us a surge in the sales volume of Georgia.

OLO OLO

"A new brand, to be an ideal earth-friendly drink"

Considering the increasingly big market of chilled drinks, we created a new chilled-cup drink brand: "OLO OLO". On June 2, 2010, through vending machines channels in Osaka and Kobe, we brought out in total 5 items. We introduced three new coffee items: Mild Café latte with cream, Char-roasted Café latte with slight bitter taste and Fondant Chocolate latte with Belgian chocolate. We also launched two new juice brands: Savory Smoothie triple-berries blended and Savory Smoothie mango-banana blended.

"NomigOLO EcOLOgy"

Delectably and LOHAS

OLO OLO aims to be an ideal and earth-friendly drink.
It is confected using carefully selected materials and without preservatives or synthetic colorants; also the drink box is made of environmentally-benign paper.
We deliver the products in cold storage to preserve its fresh and fluffy taste.
Our willingness is profusely expressed in this naming, OLO OLO.
"NomigOLO (good time to drink), EcOLOgy (ecology)"

Mild Café latte with cream | *Char-roasted Café latte with slight bitter taste* | *Fondant Chocolate latte with Belgian chocolate* | *Savory Smoothie triple-berries blended* | *Savory Smoothie mango-banana blended*

Manifest

1. We use only carefully and punctiliously selected materials.
2. We do not use preservatives and synthetic colorants.
3. We use environmentally-benign paper container made of lumbers from thinning.
4. We use equivalent of non-sugared 100% fruit juice for smoothie.
5. We use only eco-friendly coffee grains approved by the Rainforest Alliance.

Overview of Sales Structure and Results

The number of customers in our sles territory is about 300,000. We organize specialized systems per selling structure (channel) for our customers, and perform a variety of cooperative activities with them. Thus these efforts result in enhancing our consumers' satisfaction.

VENDING

We carry out selling activities through vending machines as automatic vending channel and we have already installed about 250 thousand machines as of December 31, 2010. We provide all related services; for example, advice about installation of machines, complying with consumers' and customers' requests, replenishment of products and maintenance of the machines after installations. We are seeking to make our machines attractive to our consumers by selecting products suitable for sales sites and seasons, and by providing larger breadth of assortment, sizes and prices. To respond the present needs, we are also actively introducing Cashless Vending Machines and Energy-Saving Vending Machines, which reduce environmental burdens.

CHAIN STORE (SUPERMARKET/CONVENIENCE STORES, etc)

The chain store sales channel includes mass-volume retailers, such as supermarkets, convenience stores, discount stores and drugstores. In response to diversification of consumers' needs, we analyze consumers' behavioral intentions and purchase motives and then propose the most suitable product assortment and promotions while adapting to the particular characteristics of each store. In an effort to increase sales volume, we install specialized selling equipment principally at checkout counters or prepared meals sections, where high advertising effects are substantial.

RETAIL STORE, FOOD SERVICE

The retail store channel represents the over-the-counter market including liquor stores, grocery stores, and kiosks. We support creating enjoyable shopping spaces by proposing the most appropriate selling equipment well-suited for regular consumers' preferences or characters, or by providing advertising materials depending on seasons or tie-up publicity with media.

In terms of the food service channel, we count fast food shops, movie theaters, family restaurants, and other food service facilities. In order to reinforce partnerships with our customers, we propose set menus original for each food shop and support hygiene management of selling equipment (dispensers).

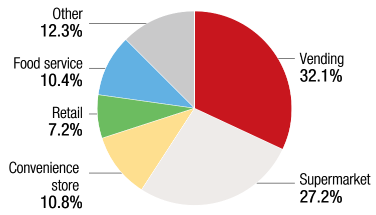
Sales volume by Channel

(Unit: Thousand cases)

	2009	2010	Percentage change
Vending	60,324	57,825	(4.1%)
Supermarket	47,622	49,040	+3.0%
Convenience store	18,839	19,451	+3.2%
Retail Store	13,464	12,988	(3.5%)
Food service	17,890	18,675	+4.4%
Other	21,572	22,196	+2.9%
Total	179,711	180,176	+0.3%

Note: Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

Composition of Channel in 2010



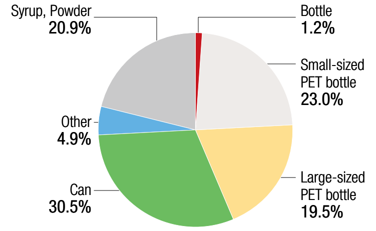
Sales volume by Package

(Unit: Thousand cases)

		2009	2010	Percentage change
Bottle		2,024	2,107	+4.1%
PET	Small-sized PET bottle	39,014	41,519	+6.4%
	Large-sized PET bottle	33,703	35,123	+4.2%
	Subtotal	72,716	76,642	+5.4%
Can		58,783	54,934	(6.5%)
Other		7,770	8,785	+13.1%
Syrup, Powder		38,418	37,708	(1.8%)
Total		179,711	180,176	+0.3%

Note: Changing quantity equivalent in some products, we adjust sales volume as far as 2009.

Composition of Package in 2010



Major examples of containers

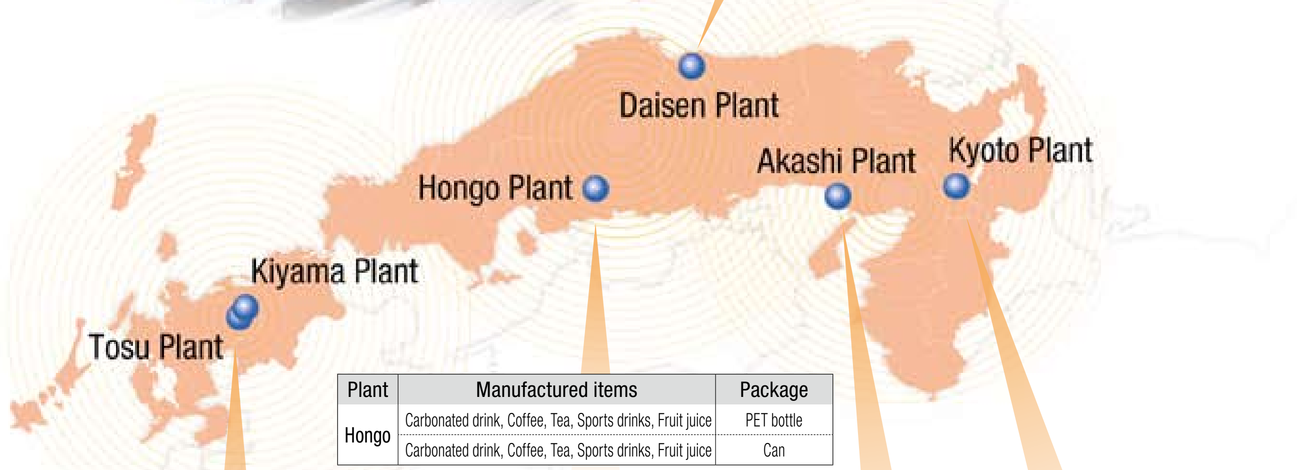
REFORM OF SUPPLY CHAIN MANAGEMENT

Since 2009, we have built SCM system in western Japan, where we are in a central location, and optimized performance of a subset of procurement, manufacturing and logistics in this region.

In 2010, in term of procurement, we accomplished reduction of materials cost by procuring some materials including cardboard and liquid sugar on our own accord, and by making bottles lighter and labels thinner. For manufacturing, we improved productivity and self-sufficiency due to introduction of an acid aseptic line and in-line blow, and thus were able to cut down costs. Concerning logistics, we reduced distribution costs due to thoroughgoing supply-demand balance control in the area. These efforts resulted in the dramatic reduction in the SCM rerated cost over the previous year, and contributed a surge in profit.

In 2011, we will continue as in previous years, to try to reduce cost price, and strive to decrease manufacturing expenses by ameliorating the extraction rate of production lines and by forwarding self-manufacture of PET bottles. We will also positively invest in production lines, including renewal of production lines and introduction of new technology aiming at productivity improvement. Moreover, in the logistics field, a stock-intensive distribution center will be put into place to restructure the logistics process over the medium term.

Plant	Manufactured items	Package
Daisen	Mineral water	PET bottle



Plant	Manufactured items	Package
Hongo	Carbonated drink, Coffee, Tea, Sports drinks, Fruit juice	PET bottle
	Carbonated drink, Coffee, Tea, Sports drinks, Fruit juice	Can

Plant	Manufactured items	Package
Kiyama	Carbonated drink, Coffee, Tea, Sports drinks, Fruit juice	PET bottle
	Carbonated drink, Sports drinks, Fruit juice	Can
	Carbonated drink	Tank*
	Carbonated drink, Fruit juice	bottle
Tosu	Carbonated drink, Sports drinks	PET bottle
	Coffee, Tea	Can
	Coffee	Roasting*

* Articles for cup vending machines and for dispensers.

Plant	Manufactured items	Package
Kyoto	Carbonated drink, Sports drinks	PET bottle
	Carbonated drink, Coffee, Tea, Sports drinks, Fruit juice	Can
	Carbonated drink, Sports drinks, Fruit juice, Lactic drink	Tank*,BIB*
	Coffee	Roasting*
Akashi	Carbonated drink, Coffee, Tea, Sports drinks, Fruit juice	PET bottle

* Articles for cup vending machines and for dispensers.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

STEPS TOWARD A RELIABLE CORPORATION

We present to you our CSR activities undertaken through daily operations

Quality Assurance

In order to provide safe, secure and fresh products, we strive to maintain thoroughgoing quality management in every aspect of our business until our products in our consumers' hands.

Commitment to Quality Assurance

We established a stringent quality control structure under the "KORE" management system, a system uniquely formulated by Coca-Cola as a global standard. Starting with implementation of the International Standard at our manufacturing plants, we carry out quality control in warehouses, in logistics facilities, at outlet stores and other sales channels in order that consumers can enjoy fresh and tasty beverages.

PLANTS

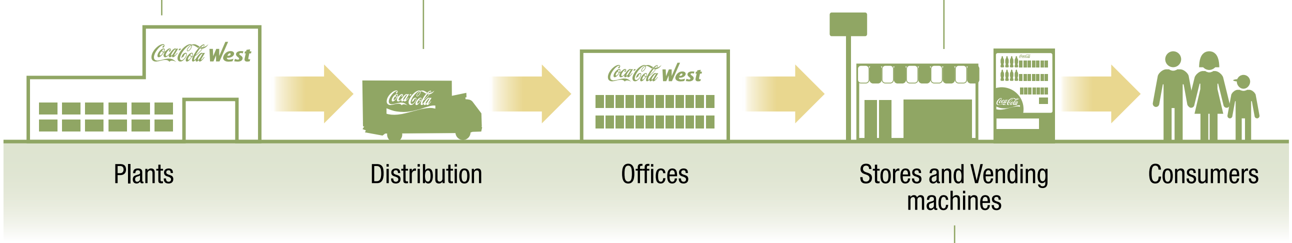
We produce reliable beverages for consumers to enjoy drinking.

DISTRIBUTION

We punctually and promptly deliver safe, secure and high quality products.

STORES

We are operating from day to day to offer fresh and tasty beverages.



VENDING MACHINES

We operate daily activities giving the highest priority to offer fresh beverages to our consumers.

MAINTENANCE

We treat breakdowns of sales equipment as a highest priority.

HYGIENE CONTROL

We practice foolproof quality control to "Secure food safety".

Initiative for Reduction in Carbon Dioxide Emissions

In response to the problem of global heating, the highest priority environmental issue of the world, we formulated a plan to reduce carbon dioxide emissions by 26% from 2004 levels by the year 2013, and employees of the Group as one are promoting this action. The total CO_2 emissions by the Group in 2010 presents a decrease by 22% from 2004 levels as a result of the efforts of the Vending Machines Department and the Transport Department.

Efforts by Vending Machines Department

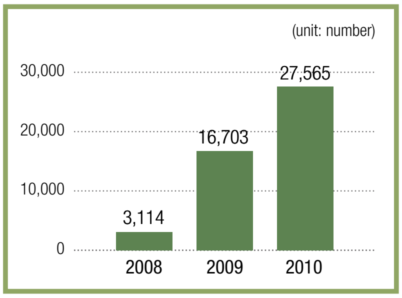
Vending machines are a major sales channel to deliver products to our consumers. Since 1997, we have introduced “the Peak Cut Function” to hold down electricity consumption which is at its highest in summer and also enterprisingly installed Energy-saving vending machines with high cooling efficiency. Additionally from 2007, we use a natural refrigerant instead of freon gas for cooling. Then we also introduced non-freon gas vending machines with heat pump systems by using waste heat for warming. This resulted to reduce electricity consumption used for vending machines. The vending machines outfitted with LED array illumination or with solar panels were also partially installed to reduce CO_2 emissions.

Efforts by Transport Department

Truck transport is indispensable to maintain the quality of our products manufactured at plants, and to deliver them rapidly to our customers. The Group as a whole promotes eco-driving, such as idling stop and economical speed driving during transport. Electric cars were used by 3 business establishments to reduce CO_2 emissions.

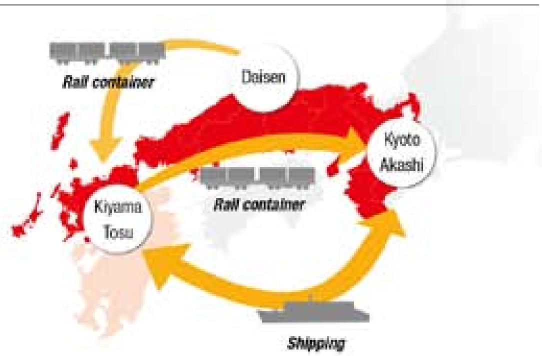
Moreover, Cola-Cola West Logistic Co., Ltd. which assumes distribution of goods in the Group, has implemented Modal Shift* since 2009, and changed over to the transportation modes that cause lower environmental impact.

Number of Non- Freon Gas Vending Machines with Heat Pump System Installed



Vending machine outfitted with solar panel

State of Modal Shift



*Modal Shift: To change from track transportation to railroad transportation or shipping, which are energy-saving, low-pollution, and more adapted for mass transport.

Diminution of CO_2 Emissions and Target Rate

*Target for 2013 is the Target as of December 31, 2010.

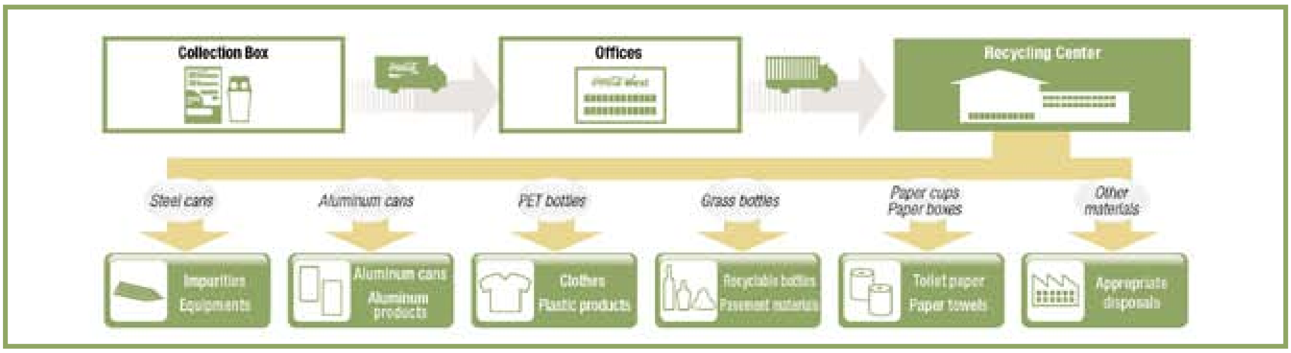
Recycling Activities

We are making positive progress in recycling empty containers and waste materials, and promoting effective utilization of resources.

Recycling of empty containers

For the effective use of our limited natural resources, we pursue collecting empty containers from vending machines disposal bins for recycling. At the Kita Kyushu Sawayaka Recycling Center in the Kyushu region (in operation since 2003) we endeavor to recycle resources efficiently by separating steel cans, aluminum cans, PET bottles, and glass bottles. We recycled about 5,000 tons of empty containers in 2010.

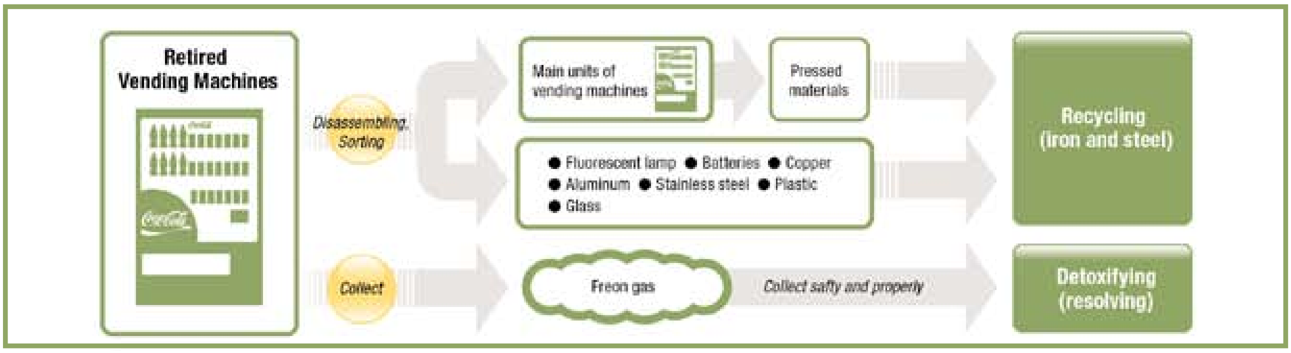
Empty Containers Recycling Flow



Recycling of Retired Vending Machines

Retired vending machines have been recycled. In 2008 at Sawayaka Recycling Center, located in Retired Vending Machine Recycling Center in Kita kyushu region, vending machines collected from Chugoku and Kyushu regions were disassembled and sorted by materials to reuse as iron, steel and all that. We also properly collect freon gas, which can cause ozone layer depletion and global warming.

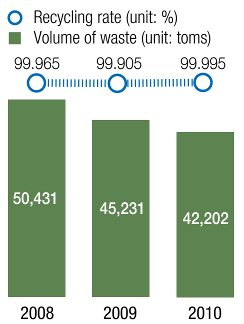
Retired Vending Machine Recycling Flow



Waste Recycling at Production Plants

At all of our plants, we promote sorting and recycling of industrial waste in order to again achieve zero emissions (with a recycling rate of over 99% of total waste). Coffee grounds and tea leaves, which account for the most important volume among other wastes, have been 100% recycled by transforming them into organic fertilizer or sub-combustible materials.

Volume and Recycling Rate of Waste from Production Plants



Volume and Recycling Rate of Waste from Production Plants

WASTE TYPE	VOLUME GENERATED	RECYCLING RATE	RECYCLING USAGE
Coffee grounds	25,055t	100.00%	Organic fertilizer, Sub-combustible material Sludge
Tea leaves	9,615t	100.00%	
Grime	4,772t	100.00%	
Metals	361t	99.79%	Recycled iron and steel, Aluminum
Glass	285t	99.97%	Recycled cullet
Waste plastic	920t	99.88%	Recycled plastic fuel
Paper	976t	100.00%	Cardboard, Recycled paper
Waste oil	12t	99.76%	Recycled oil
Other	206t	99.97%	Base course material
Total	42,202t	99.995%	

Corporate Social Responsibility Activities

Business Activities Contributions to Local Communities

To support local residents and communities, we have installed "Community-Support-Type Vending Machines". These include "Community Contribution Vending Machines" and "Disaster-Response Vending Machines", by which we are assisting local communities' development and safe and secure living conditions for residents.

"Community Contribution Vending Machines" to support local communities

We include donation boxes at our "Community Contribution Vending Machines", and a portion of the sales revenues is returned to the local community to fund social contribution activities, civic events and sports organizations. Since we started this program in 2001, more than 3,000 vending machines have been installed.

Scheme to support local activities through Community Contribution Vending Machines

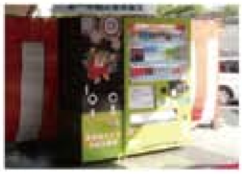
Support for welfere

Crime victim supporting vending machine
(Major Instances)
- *Support using orange ribbons to raise awareness about child abuse and support its prevention*
- *Support for relay for life*

Support for Town Development

Shiraishi-cho town development supporting vending machine
(Major Instances)
- *Support for Unnan-shi town development*
- *Support for Taku-shi town development*
- *Support for Saikai-shi town development*

Support for Tourism



Awaji-island fiesta supporting vending machine
(Major Instances)
- *Support for tourism Chikujyo-machi*
- *Support for tourism Shimonoseki*

Support for Environment

Greening of Fukuoka-shi supporting vending machine
(Major Instances)
- *Support for environment of Settu-shi*
- *Support for environmental conservation and research for nihonawa coral*

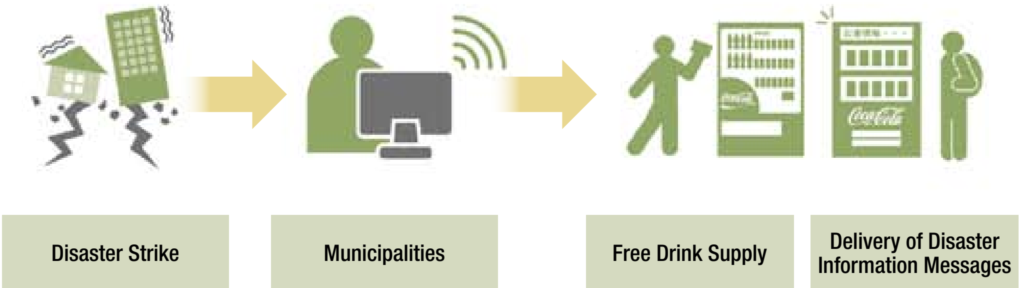
Support for Professional Sports

Gamba Osaka supporting vending machine
(Major Instances)
- *Support for Serezo Osaka*
- *Support for Sanfrecce Hiroshima*
- *Support for Avispa Fukuoka*

"Disaster-Responsive Vending Machines" to provide relief during emergencies

In the event that supply lines are severely disrupted by earthquakes or other disasters, "Disaster-Responsive Vending Machines" provide free soft drinks to residents by remote control via personal computers from local administrative offices. These machines are also outfitted with digital displays that can provide real-time information on emergency evacuation sites and maps.

Scheme of Disaster-Responsive Vending Machines



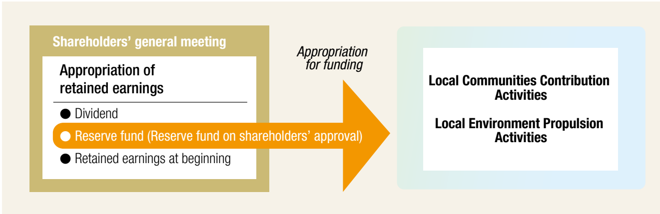
Disaster-Responsive Vending Machine

(Principal Municipalities in implementing)
- *Kyoto*
- *Daisen-cho, Tottori*
- *Yasugi-shi, Shimane*
- *Okawa-shi, Fukuoka*

Together with Local Communities

The Group conducts various social activities as a corporate citizen together with local communities in our sales territory in the 14 prefectures.

We carry out continuous actions on approval of shareholders.



LOCAL COMMUNITIES' CONTRIBUTION ACTIVITIES

Under our basic stance, "With local communities", we encourage the healthy development of youth and also encourage closer communication with communities. Our four major supporting activities are community welfare, sport activities, cultural and educational programs, and major regional events

Ichimura Nature School in Kyushu

The school supports healthy development of children under the basic ideal of "Energy to live from the earth". Through farming activities and communal life, the program offers children some opportunities to learn moral principles and to promote independence and creativity.

Sawayaka Classical Music Concerts

To create an affluent society (cultivation of spiritual human resources), we sponsor concerts for local residents to enjoy live performances of the finest classical music. In 2010, we held concerts offering masterful performances at three locations, in Osaka, in Hiroshima, and in Fukuoka where "Wiener Ring Ensemble New Year Concert" was performed.

Sawayaka Family Musicals

During the summer holidays, we invite children and their parents to musical performances in order to strengthen the bond between parents and children. In 2010, the timeless masterpiece "Hansel and Gretel" was staged at two locations, in Fukuoka and in Osaka. The powerful performances transformed theaters into a wonderland.

Donation of Unicycles to Elementary Schools

With our wish for children as leaders of the next generation to grow healthily and to acquire cooperativeness and patience through sport activities, we donate educational materials and opportunities. Unicycles are appreciated as effective sporting equipment to develop the nervous system and to improve reflex nerves. Unicycle-riding is part of the Ministry of Education, Culture, Sports, Science and Technology curriculum guidelines, and is considered one of the tools children can use voluntarily and for fun. We donated 1,000 unicycles to 100 schools in our sales territory in 2010.

Donation of Educational Materials to Special-Needs School

We donated information equipment (computers and peripherals) to special-needs schools to help their students gain self-reliance. We donated equipment to 14 schools in 2010.

Support for Fiesta for the 1,300th Anniversary of the Establishment of Japan's Old Capital

We, as local businesses, support National cultural festivals, Interscholastic athletic meets, National sports festivals and major local events hosted by public administrations and organizations. We sponsored "Fiesta for the 1,300th Anniversary of the Establishment of Japan's Old Capital" held in Nara in 2010.

LOCAL ENVIRONMENT PROPULSION ACTIVITIES

We consider global environmental protection an extremely important issue, and therefore we promote various activities with the slogan of "Sawayaka for people and the environment (Fine people and Pleasant environment)".

■ Conservation Activities at Sawayaka Shizen-no-Mori

With the aim to recharge clean water resource produced from forests, we conduct forest conservation activities at Sawayaka Shizen-no-Mori, under co-management agreements with the communities in the suburbs of our all plants. About 300 participants, our employees and their families, together with local citizens, gathered to thin trees, to install birdhouses and to build trails at 5 locations in Kyoto, in Hyogo, in Tottori, in Hiroshima and in Saga.

■ Support for Tree Planting Activities

We perform tree planting activities as a part of environmental and educational support programs for local communities. These programs are of help to children and local residents to understand the importance of nature and environment conservation. Moreover, they contribute to prevent global warming by restoring waste land to forest and by increasing absorption of greenhouse gas by trees. We planted 600 broadleaf trees, such as quercus serrate and oak trees, according to the local vegetation in 2010.

■ Summer School of Ecological Experiences

For children as leaders of the next generation, we hold leaning programs on natural environment so that children can understand splendor and richness of forests with experiences. 30 elementary school children from Fukuoka participated in a two-day, one-night program in 2010, in Ichimura Nature School in Kyushu and Coca-Cola West Tosu-shi municipal forest. Children experienced nature observation and ecological leaning on the theme of water. Through leaning about the importance of the water-retaining function of forests and the scarcity of drinkable water on the globe, they find out about problems and the worthiness of conserving water resources and forests.

■ School of Biotope* Creation

Children create small ecological habitats by designing them with their teachers, parents and local residents. Since 2002, we have carried on biotope creating activities and subsequent applications to teach the importance of the natural environment and to cultivate sensitivity. We conducted this program at Najima Elementary School in Fukuoka-shi in 2010.

**Biotope:a small environmental conditions providing a living place for plants and animals*

■ Local Community Cleanups Activities

Our employees of each business establishment proactively participate in Local Community Cleanups Activities, considering them as occasions to practice environmental education and to communicate directly with local residents. In 2010 about 900 employees and their families took part in at 9 locations in our sales territory. We continue to participate in these activities to raise environmental awareness.

MANUFACTURING AND SALES OF HEALTH FOOD PRODUCTS

ABOUT Q'SAI CO., LTD.

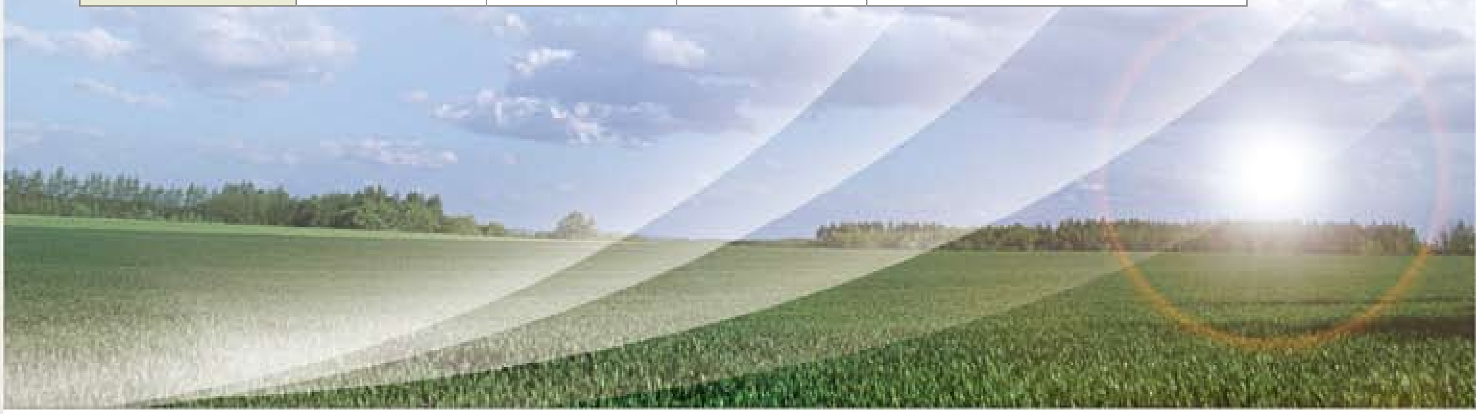
On October 1, 2010, we acquired equity stakes of "Q'SAI CO., LTD.", a health foods manufacturer, and make it 100%-owned subsidiary.

Q'SAI CO., LTD. business philosophy is "to offer health and happiness in the society through quality and safe products and services". In the growing health food market, Q'SAI CO., LTD. is developing its business ground as a pioneer by the help of prominent notoriety and overwhelming brand force.

Corporate profile

Company name : Q'SAI CO., LTD.
Headquarters address : 1-7-16, Kusagae, Cyuo-ku, Fukuoka 810-0045, Japan
Primary business : Manufacturing and sales of health food
Principal consolidated subsidiary : NIPPON SUPPLEMENT, INC.

	Health food		Cosmetics	Specified Health food	
Main products	 Hyaluronan collagen	 Kale powder	 Basic skin care	 Touchi extract tablet type	 Peptide ace
Sales composition ratio (FY October 2010)	**36%**	**19%**	**14%**	**21%**	



Financial Information

FINANCIAL INFORMATION

Consolidated Balance Sheets

(As of December 31, 2008, 2009 and 2010)

Financial Information

	2008	2009	(Millions of Yen) 2010	(Thousands of US Dollars)* 2010
ASSETS				
Current Assets:				
Cash and Deposits	¥18,592	¥20,634	¥24,208	$298,388
Trade Notes and Accounts Receivable	21,527	21,630	23,507	289,754
Marketable Securities	4,559	51,335	15,737	193,974
Inventories	12,638	–	–	–
Merchandise and Finished Goods	–	22,861	22,355	275,553
Work in Process	–	0	231	2,857
Raw Materials and Supplies	–	2,055	1,396	17,210
Deferred Tax Assets (Current Portion)	2,664	3,288	2,722	33,562
Other	22,208	14,490	13,823	170,381
Allowance for Doubtful Accounts	(116)	(131)	(186)	(2,299)
Total Current Assets	**82,074**	**136,164**	**103,796**	**1,279,383**
Fixed Assets:				
Property, Plant and Equipment				
Buildings and Structures, net	33,271	34,907	34,992	431,313
Machinery, Equipment, Vehicles, net	17,553	19,010	20,155	248,440
Sales Equipment, net	26,099	23,905	21,209	261,429
Land	56,082	53,006	53,982	665,388
Leased Assets, net	–	4,605	2,066	25,468
Construction in Progress	1,097	385	7	88
Other, net	1,900	1,801	1,528	18,841
Total Property, Plant and Equipment	**136,005**	**137,622**	**133,943**	**1,650,970**
Intangible Assets:				
Goodwill	–	2,112	50,172	618,418
Software, etc	4,449	4,344	4,282	52,783
Total Intangible Assets	**4,449**	**6,457**	**54,454**	**671,201**
Investments and Other Assets:				
Investment Securities	32,136	27,658	26,690	328,989
Deferred Tax Assets	3,465	728	9,571	117,983
Advanced Payments for Retirement Expenses	13,307	11,606	10,934	134,776
Other	6,779	7,025	7,201	88,765
Allowance for Doubtful Accounts	(522)	(445)	(560)	(6,907)
Total Investments and Other Assets	**55,166**	**46,573**	**53,838**	**663,607**
Total Fixed Assets	**195,622**	**190,653**	**242,236**	**2,985,779**
1 **Total Assets**	**¥277,696**	**¥326,818**	**¥346,032**	**$4,265,163**

*US dollar amounts are translated from yen, for convenience only, at the rate of ¥81.13=US$1.00 (figures less than one unit are rounded)

1 Total Assets

Total assets as of December 31, 2010 increased by ¥19,213 Million (5.9% increase) to ¥346,032 Million from the previous fiscal year. This increase was mainly result of incurred goodwill (¥49,400 Million) due to the acquisition of Q'SAI CO., LTD. on October 1, 2010. This company was included in the consolidated financial statements.

	2008	2009	(Millions of Yen) 2010	(Thousands of US Dollars)* 2010
LIABILITIES				
Current Liabilities:				
Trade Notes and Accounts Payable	¥3,765	¥17,309	¥14,615	$180,154
Current Portion of Long-Term Loans Payable	–	–	2,567	31,652
Lease Obligations	–	2,645	1,031	12,720
Accrued Income Taxes	2,769	783	1,616	19,927
Other Accounts Payable	13,977	13,925	15,558	191,772
Provision for Sales Promotion Expenses	–	–	169	2,092
Notes Payable to Equipment Related	88	–	–	–
Other	5,164	6,440	7,854	96,812
Total Current	**25,767**	**41,105**	**43,415**	**535,131**
Long-Term Liabilities:				
Bonds Payable	–	50,000	50,000	616,294
Long-Term Loans Payable	–	–	12,816	157,977
Lease Obligations	–	2,050	1,231	15,177
Deferred Tax Liabilities	7,446	1,536	3,620	44,630
Allowance for Employees' Retirement Benefits	5,394	5,512	5,622	69,306
Liabilities for Directors' and Corporate Auditors' Retirement Benefits	7	16	102	1,257
Negative Goodwill	1,037	622	207	2,557
Other	3,522	3,158	2,748	33,878
Total Long-Term Liabilities	**17,407**	**62,897**	**76,349**	**941,080**
2 **Total Liabilities**	**43,174**	**104,002**	**119,765**	**1,476,211**
NET ASSETS				
Shareholders' Equity:				
Common Stock	15,231	15,231	15,231	187,748
Capital Surplus	109,073	109,072	109,072	1,344,411
Retained Earnings	136,067	124,174	127,657	1,573,488
Treasury Stock	(25,756)	(25,759)	(25,761)	(317,539)
Total Shareholders' Equity	**234,616**	**222,718**	**226,199**	**2,788,109**
Valuation and Translation Adjustments:				
Net unrealized gain(loss) on Other Marketable Securities	(165)	23	(255)	(3,153)
Total Valuation and Translation Adjustments	**(165)**	**23**	**(255)**	**(3,153)**
Minority Interests	**71**	**74**	**324**	**3,995**
Total Net Assets	**234,521**	**222,816**	**226,267**	**2,788,951**
Total Liabilities and Net Assets	**¥277,696**	**¥326,818**	**¥346,032**	**$4,265,163**

*US dollar amounts are translated from yen, for convenience only, at the rate of ¥81.13=US$1.00 (figures less than one unit are rounded)

2 Total Liabilities

Total liabilities at December 31, 2010 increased by ¥15,762 Million (15.2% increase) to ¥119,765 Million from the previous year. This increase was mainly a result of assumed borrowing of Q'SAI CO., LTD. This company became a 100% subsidiary and was included into the consolidated financial statements.

Financial Information

Consolidated Statements of Income

(From January 1 to December 31)

	2008	2009	(Millions of Yen) 2010	(Thousands of US Dollars)* 2010
Net Revenues	**¥395,556**	**¥369,698**	**¥375,764**	**$4,631,629**
Cost of Goods Sold	**231,624**	**206,240**	**203,307**	**2,505,952**
Gross Profit	**163,931**	**163,457**	**172,456**	**2,125,677**
Selling, General and Administrative Expenses	**153,409**	**161,214**	**160,452**	**1,977,727**
Operating Income	**10,521**	**2,242**	**12,003**	**147,950**
Non-Operating Income	**1,531**	**1,074**	**2,009**	**24,765**
Interest Income	207	97	122	1,508
Dividends	282	251	263	3,249
Amortization of Negative Goodwill	414	360	414	5,115
Equity in Earnings of Affiliates	–	–	806	9,941
Property Rental Income	122	–	–	–
Other Non-Operating Income	504	364	401	4,951
Non-Operating Expenses	1,004	1,231	1,352	16,669
Interest Expenses	34	316	708	8,729
Equity in Loss of Affiliates	215	74	–	–
Expense for Bond Issuance	–	260	–	–
Loss on Disposal of Property, Plant and Equipment	408	298	371	4,573
Property Rental Costs	44	–	–	–
Other Non-Operating Expenses	301	282	273	3,366
Recurring Income	**11,048**	**2,085**	**12,659**	**156,045**
Extraordinary Income	**732**	**197**	**371**	**4,575**
Gain on Sales of Property, Plant and Equipment	241	–	218	2,687
Gain on Sales of Investment Securities	262	12	–	–
Gain on Sales of Shares of Subsidiaries	196	–	–	–
Gain on Sales of Shares of Affiliates	1	–	–	–
Subsidiary Income	31	165	118	1,457
Gain on Transfer of Business	–	19	34	430
Extraordinary Losses	**9,379**	**12,729**	**48**	**600**
Loss on Sales of Property, Plant and Equipment	237	–	–	–
Impairment Loss	–	6,092	–	–
Loss from Disaster	–	19	–	–
Loss on Disposal of Property, Plant and Equipment	703	740	–	–
Compensation for Removal of Fixed Assets	140	–	–	–
Loss on Sales of Investment Securities	97	–	–	–
Loss on Sales of Shares of Subsidiaries	335	–	–	–
Write-down of Investment Securities	4,509	51	48	600
Write-down of Golf Club Memberships	–	21	–	–
Group Restructuring Expenses	1,385	904	–	–
Expense for Provision for Sales Equipment Installation	1,968	2,716	–	–
Head Office Relocation Expense	–	362	–	–
Early Retirement Bonuses	–	617	–	–
Employee Transfer Fees	–	1,150	–	–
Effect of Applying Lease Accounting Standards	–	52	–	–
Income (Loss) Before Income Taxes, Minority Interests and Other Adjustments	**2,402**	**(10,446)**	**12,982**	**160,021**
Income Taxes	**3,887**	**1,018**	**1,881**	**23,190**
Income Tax Deferred	**(1,627)**	**(3,878)**	**3,488**	**42,995**
Minority Interests	**12**	**8**	**30**	**378**
Net Income (Loss)	**¥129**	**(¥7,594)**	**¥7,582**	**$93,456**

*US dollar amounts are translated from yen, for convenience only, at the rate of ¥81.13=US$1.00 (figures less than one unit are rounded)

3 Net Revenues

Thorough execution of marketing strategies of "Reform of Sales", and also the historical hot summer on record made the company's sales volume for the year ended December 31, 2010 exceeded the previous year sales. Sales of Q' SAI, CO., LTD. which became a 100% subsidiary on October 1, 2010, contributed to the consolidated net revenues after being acquired. Consequently, the revenue increased by ¥6,000 million to ¥375,764 million (1.6% up from the previous year) from the previous year.

4 Operating Income

Operating Income increased by ¥9,760 million to ¥12,003 million (435.2% up) from the previous year for the following reasons: (1) thorough implementation of activities to accomplish "Reform of SCM", (2) increase of productivity through improving operational efficiency and effective staffing, and (3) reduction of indirect costs Group-wide.

5 Net Income (Loss)

Net Income for the fiscal year 2010 increased by ¥15,176 Million to ¥7,582 Million for the following reasons: (1) operating income increased and (2) extraordinary loss of impairment incurred in the previous year.

Consolidated Statements of Changes in Shareholders' Equity

(From January 1 to December 31)

(Millions of Yen)

	Shareholders' Equity					Valuation and Translation Adjustments		Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Net Unrealized Gain (Loss) on Other Marketable Securities	Total Valuation and Translation Adjustments		
Balance as of December 31, 2009	**¥15,231**	**¥109,072**	**¥124,174**	**¥(25,759)**	**¥222,718**	**¥23**	**¥23**	**¥74**	**¥222,816**
Changes during the Consolidated Fiscal Year									
Distribution of Dividends	–	–	(4,098)	–	(4,098)	–	–	–	(4,098)
Net Income	–	–	7,582	–	7,582	–	–	–	7,582
Acquisition of Treasury Stock	–	–	–	(3)	(3)	–	–	–	(3)
Cancellation of Treasury Stock	–	(0)	(0)	0	0	–	–	–	0
Net Changes in items other than shareholders' equity during the fiscal year.	–	–	–	–	–	(278)	(278)	249	(29)
Total Changes during the Fiscal Year	**–**	**(0)**	**3,483**	**(2)**	**3,480**	**(278)**	**(278)**	**249**	**3,450**
Balance as of December 31, 2010	**¥15,231**	**¥109,072**	**¥127,657**	**¥(25,761)**	**¥226,199**	**¥(255)**	**¥(255)**	**¥324**	**¥226,267**

(Thousands of US Dollars)*

	Shareholders' Equity					Valuation and Translation Adjustments		Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity	Net Unrealized Gain (Loss) on Other Marketable Securities	Total Valuation and Translation Adjustments		
Balance as of December 31, 2009	**$187,748**	**$1,344,414**	**$1,530,556**	**$(317,508)**	**$2,745,210**	**$284**	**$284**	**$921**	**$2,746,415**
Changes during the Consolidated Fiscal Year									
Distribution of Dividends	–	–	(50,523)	–	(50,523)	–	–	–	(50,523)
Net Income	–	–	93,456	–	93,456	–	–	–	93,456
Acquisition of Treasury Stock	–	–	–	(40)	(40)	–	–	–	(40)
Cancellation of Treasury Stock	–	(2)	(0)	10	7	–	–	–	7
Net Changes in items other than shareholders' equity during the fiscal year.	–	–	–	–	–	(3,438)	(3,438)	3,074	(363)
Total Changes during the Fiscal Year	**–**	**(2)**	**42,932**	**(30)**	**42,899**	**(3,438)**	**(3,438)**	**3,074**	**42,535**
Balance as of December 31, 2010	**$187,748**	**$1,344,411**	**$1,573,488**	**$(317,539)**	**$2,788,109**	**$(3,153)**	**$(3,153)**	**$3,995**	**$2,788,951**

*US dollar amounts are translated from yen, for convenience only, at the rate of ¥81.13=US$1.00 (figures less than one unit are rounded).

Consolidated Statements of Cash Flows

(Years Ended December 31, 2008, 2009 and 2010)

	2008	2009	(Millions of Yen) 2010	(Thousands of US Dollars)* 2010
Cash Flows from Operating Activities:				
Income (Loss) Before Income Taxes, Minority Interests and Other Adjustments	¥2,402	¥(10,446)	¥12,982	$160,021
Depreciation and Amortization	21,741	24,069	22,405	276,169
Impairment Gains	–	6,092	–	–
Amortization of Goodwill	–	–	844	10,404
Amortization of Negative Goodwill	(414)	(360)	(414)	(5,115)
Increase (Decrease) in liabilities for directors' and corporate auditors' retirement benefits	(54)	9	(3)	(40)
Increase (Decrease) in Liabilities for retirement benefits	271	107	(94)	(1,165)
Decrease (Increase) in Advance Payments for Retirement Expenses	(575)	1,701	671	8,282
Interest and Dividend Income	(489)	(348)	(385)	(4,757)
Interest Expense	34	316	708	8,729
Equity in Earnings (Loss) of Affiliates	215	74	(806)	(9,941)
Loss (Gain) on Sales of Marketable and Investment Securities	(175)	(12)	–	–
Loss on Sales of Shares of Subsidiaries	139	–	–	–
Loss on Sales of Shares of Affiliates	(1)	–	–	–
Write-down of Marketable and Investment Securities	4,509	51	48	600
Loss (Gain) on Sales of Fixed Assets	2	(4)	(234)	(2,894)
Loss on Disposal of Fixed Assets	820	1,188	327	4,042
Decrease (Increase) in Accounts Receivable	494	42	100	1,241
Decrease (Increase) in Inventories	(1,543)	(12,159)	2,446	30,154
Decrease (Increase) in Other Assets	(4,549)	5,361	1,083	13,352
Increase (Decrees) in Accounts Payable	(932)	13,291	(3,138)	(38,686)
Increase (Decrease) in Other Liabilities	390	(432)	(2,544)	(31,364)
Other	286	216	153	1,887
Sub-total	22,572	28,759	34,149	420,918
Interest and Dividends Received	543	342	394	4,860
Interest Paid	(34)	(295)	(897)	(11,058)
Income Taxes Paid	(6,900)	(3,287)	(2,094)	(25,822)
Income Taxes Refunds	–	3,228	181	2,232
6 **Net Cash provided by Operating Activities**	**16,180**	**28,747**	**31,732**	**391,130**
Cash Flows from Investing Activities:				
Acquisition of Marketable and Investment Securities	(1,390)	(33)	(2,230)	(27,495)
Proceeds from Sales of Marketable Securitas and Investment Securities	22,661	1,895	2,105	25,956
Acquisition of Fixed Assets	(19,920)	(24,613)	(15,250)	(187,971)
Proceeds from Sales of Fixed Assets	1,435	579	1,176	14,503
Acquisition of Shares of subsidiaries	(808)	–	–	–
Proceeds from Recovery of Investments	–	2,042	–	–
Acquisition of Share of Subsidiaries with Change in Scope of Consolidation	–	(2,509)	(35,366)	(435,926)
Expense for Acquisition of Subsidiaries with Change in Scope of Consolidation	872	–	–	–
Acquisition of Shares of Affiliates	–	–	(153)	(1,889)
Proceeds from Sales of Shares of Affiliates	2	–	–	–
Proceeds from Transfer of Business	–	–	628	7,741
Long-Term Loans	(704)	(1,086)	(243)	(3,007)
Proceeds from Collection of Long-Term Loans	12	372	295	3,636
Increase in Time Deposits	(20)	(191)	(484)	(5,968)
Proceeds from Refund of Time Deposits	40	97	320	3,944
Other	(27)	–	–	–
7 **Net Cash provided by (used in) Investing Activities**	**2,153**	**(23,447)**	**(49,203)**	**(606,476)**
Cash Flows from Financing Activities:				
Increase (Decrease) in Short-Term Borrowings	(10,500)	–	–	–
Proceeds from Long-Term Loans Payable	–	–	15,000	184,888
Proceeds from Long-Term Repayment of Long-term Debt	(2,000)	(194)	(25,613)	(315,703)
Proceeds from Issuance of Bonds	–	50,000	–	–
Expense for Repayment of Lease Obligations	–	(2,200)	(1,568)	(19,330)
Payments for Acquisition of Treasury Stock	(14,510)	(5)	(3)	(40)
Proceeds from Sales of Treasury Stock	24	2	0	7
Dividends Paid	(4,494)	(4,299)	(4,098)	(50,523)
Dividends Paid to Minority Interests	(5)	(4)	(33)	(410)
8 **Net Cash provided by (used in) Financing Activities**	**(31,486)**	**43,297**	**(16,316)**	**(201,113)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(13,152)**	**48,596**	**(33,787)**	**(416,459)**
Cash and Cash Equivalents, at beginning of year	**35,564**	**22,412**	**71,221**	**877,872**
Increase in Cash and Cash Equivalents due to change in Scope of Consolidation	**–**	**212**	**–**	**–**
Cash and Cash Equivalents at end of year	**¥22,412**	**¥71,221**	**¥37,434**	**$461,413**

*US dollar amounts are translated from yen, for convenience only, at the rate of ¥81.13=US$1.00 (figures less than one unit are rounded)

6 Net Cash provided by Operating Activities

Net cash provided by operating activities for a year ended December 31, 2010, increased by ¥2,985 million to ¥31,732 million (10.4% increase from the previous year).
The increase of income before income taxes and the reduction of inventory level from the previous year are mainly attributable to the increase of cash flow from operation.
In previous year, inventories and accounts payable increased as the result of change of the management structure to cope with effective supply and demand.

7 Net Cash provided by (used in) Investing Activities

Net cash provided by (used in) activities for a year ended December 31, 2010, decreased by ¥25,755 million to negative ¥49,203 million. (negative ¥23,447 million in the previous year.)
The acquisition of Q'SAI CO., LTD. impacted on the cash flow from investment activities.

8 Net Cash provided by (used in) Financing Activities

Net cash provided by (used in) financing activities for year ended December 31, 2010, decreased by ¥59,613 million from ¥43,297 million to negative ¥16,316 million.
The issuance of ¥50,000 million corporate bonds with no pledge collateral in the previous year was a major reason for change of the cash flow from financing activities for the current year.

OTHER INFORMATION
Risk Information

Business results and other aspects of the Company's operations and financial situation, discussed 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 presented below. The Coca-Cola West Group is fully aware of the possibility of these risks and thus works to avoid them or effectively deal with them should they arise.

Statements herein regarding future events or assumptions reflect the judgment of management as of March 25, 2011.

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

Coca-Cola West 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 the Coca-Cola West Group. 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 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 it was actually at fault. As such, an incident of this nature could adversely affect the operating results of the Group.

(3) The Soft Drink Industry

1) Impact of market fluctuations

Sales of soft drinks, the Group's core products, are readily influenced by changes in consumers' preference. In a beverage market of this kind, the Group strives to continuously offer appealing products and services. Nevertheless, failure to amply forecast market changes could potentially affect its operating results.

2) Impact of weather-related factors

Weather conditions tend to have an effect on the sales of soft drinks. Cool summers or warm winters, for example, often have a significant impact on consumers demand. Although the Group makes every effort to minimize the influence of weather-related factors on sales, it offers no guarantee that it can completely eliminate the effect of such factors.

(4) Health Food Related Industry

The market of health food, which our group is supplying for, is expected to grow due to our country's growing aging population. However, the competition, in this market has been keen because many companies, including medium and small companies, are entering into the market. If our company's competitiveness were lessened relatively along with increasing market competition, there is the possibility that goodwill, associated with this health food industry, could be impaired and could impact financial performance.

(5) Impact of Economic Conditions

1) Trends in personal consumption

Sales of soft drinks are closely linked to trends in personal consumption. Accordingly, a sudden decline in personal consumption due to worsened economic conditions or price reductions of the Company's products resulting from prolonged deflation could adversely affect the operating results of the Group.

2) Fluctuations in asset value

Fluctuations in the value of land, marketable securities, and other assets owned by the Coca-Cola West Group, as well as in pension assets held in its defined-benefit company pension fund, could potentially impact its operating results and financial position. Marketable securities with a fair value, for example, are subject to changes in fair market value in capital markets, since that is how they are valued.

(6) Public Regulations

The Group's Manufacturing and Marketing of Beverages & Food segment is subject to a number of regulations in Japan, including the Act Against Unjustifiable Premiums and Misleading Representations, 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 the Coca-Cola West Group.

(7) Management of Personal Information

The Coca-Cola West Group holds large volumes of personal information. In handling this information, it 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 the Coca-Cola West Group and potentially impact its operating results.

(8) Impact of Disasters

The Coca-Cola West Group has a system in place to minimize the effects of power outages, as well as other problems that could affect its business operations. Typhoons, earthquakes and other natural disasters, however, could create conditions that overwhelm this system. Conditions of this magnitude could potentially impact the operating results and financial position of the Group.

(1) Fundamental Stance on Corporate Governance

Coca-Cola West's fundamental stance on corporate governance is to maximize "shareholders' value" by improving management efficiency and transparency.

Coca-Cola West adopted the corporate auditor system in accordance with its separation of the decision making and supervisory function from the execution of operations of the corporation. In March 1999, we restructured the Board of Directors and adopted the corporate executive officer system. In April 2007, this system was extended to the Coca-Cola West Group executive officer system in order to increase the efficiency of management and to accelerate its decision-making process to cope with the swift changes to the external and internal business environment. In addition, in March 2006, the terms of corporate directors were reduced from two years to one year. This effectively highlights the management responsibilities of directors for each fiscal year and establishes an agile management structure capable of responding to a rapidly changing business environment.

In July 2006, we established the Management Advisory Committee, which advises the Board of Directors. This committee solicits advice from prominent industrial and academic experts to achieve the objectives of improvement of management in both efficiency and transparency, which consequently enhance shareholders' value. The committee is responsible for advising on the following important issues: (1) Important corporate group strategies, (2) selection of appropriate candidates as members of the Board of Directors as well as corporate auditors, and (3) executive compensation and rewards.

(2) Contents of the Articles of Incorporation

a. Number of Directors

Coca-Cola West's articles of incorporation stipulate that there shall be a maximum of 15 directors.

b. Requirements for Electing Directors

The company's articles of incorporation stipulate that the election of directors shall be by a majority vote, in which at least one-third of the shareholders with voting rights are present. Resolution for the election of directors shall not be made by cumulative voting.

c. Acquisition of Treasury Stocks

The company's articles of incorporation stipulate that the company may repurchase its own shares on the market by a resolution of the Board of Directors in which shareholders' approval is not necessary, pursuant to the provisions of Article 165, Paragraph 2 of the Company Law. The Board of Directors has been authorized to repurchase the company shares, allowing it to increase capital efficiency and to establish a flexible policy of capital structure to cope with the changing business environment.

d. Determination of Interim Dividends

The company's articles of incorporation stipulate that the company may, by a resolution of the Board of Directors in which shareholders' approval is not necessary, 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 deemed appropriate.

e. Special Resolutions of the General Meeting of Shareholders

The Company's articles of incorporation stipulate that special resolutions of a general meeting of shareholders, pursuant to Article 309, Paragraph 2 of the Company Law, shall be adopted by an affirmative vote of at least two-thirds, in which a minimum of one-third of voting shareholders is present. This is to ease the general meetings of shareholders by enabling a quorum to pass special resolutions.

f. Business Execution and Management Supervision

We established the monitoring system with the members of the Board of Directors and the Board of Corporate Auditors to fully supervise the performance of executive officers' business operations. The members of the Board of Directors and the Board of Corporate Auditors also participate in an important management meeting, consisting of executive officers. When questions arise during the course of business execution, we consult with attorneys, CPAs and other specialists, and this advice would be used to determine the best way to proceed.

(3) Current Situation of the Internal Control System

At a meeting held on July 1, 2006, the Board of Directors resolved to strengthen internal control systems for the purpose of ensuring that Coca-Cola West and its Group companies conduct business appropriately. At the Board of Directors meeting held on February 7, 2008, certain aspects of these systems were reviewed as follows:

a. Systems for ensuring that the duties of the members of Board of Directors and employees comply with laws and by laws.

Internal rules concerning compliance systems and a code of conduct have been established to encourage officers and all employees of Coca-Cola West and its group companies to observe laws and ordinances as well as company rules, and to act in line with accepted social norms. They were especially intended to establish a systematically firm policy against any involvement whatsoever with organized crime and other anti-social forces. Further, a department responsible for CSR will be established at Coca-Cola West to unify compliance efforts across the group and conduct educational activities for officers and employees to implement thorough compliance systems. The department in charge of internal audit shall examine the level of cooperation with the department in charge of CSR and the status of compliance across the group, and then report these activities regularly to the Board of Directors and the Board of Corporate Auditors. In addition, an internal whistleblower hotline will be set up as a means for officers or employees to directly provide information on any conduct that may violate laws and ordinances.

b. Preservation of information material related to performance of directors' duties and responsibilities

In accordance with established rules for preservation and document management, documents and electronic files containing information of the performance of directors' duties are to be recorded and stored, thereby allowing members of the Board of Directors and the Board of Corporate Auditors to access such documents and files at any given time.

c. Rules and other systems related to managing the risk of loss

The department in charge of CSR will examine risks across organizations and companies within the group, working with individual divisions that handle unique risks associated with compliance, disasters, product quality, information security, the environment, etc., to create rules and guidelines, conduct training, and produce and distribute manuals. The department will also promptly appoint employees to take charge of measures in order to deal with new risks that arise.

d. System for ensuring that directors perform their duties effectively

The Board of Directors determines the objectives of the group to be shared by corporate officers and employees. Representative directors determine effective methods, such as the delegation of authorization, to set specific targets to reach the goals of the group companies and departments. This division of task ultimately leads to the achievement of the group's objectives.

e. System for ensuring proper business conduct as a corporate group consisting of the company and its subsidiaries

A department responsible for internal controls of the entire group was established at Coca-Cola West. The effective system of the group, which conducts deliberations related to the internal controls at Coca-Cola West and every group company, facilitates information sharing and communicates instructions and requests, has also been established.

f. Arrangements for employees whose assistance is requested by the Board of Corporate Auditors, and independence of the employees from directors

In matters necessary for auditing duties, corporate auditors may direct the members of divisions in charge of internal audits. The employees may receive the directives required for auditing purposes from corporate auditors. However, members of the Board of Directors and other executives are barred from issuing directives to the employees who are involved in auditing duties.

If corporate auditors request for designation of employees to assist their duties, proper arrangements must be made.

g. System for corporate officers and employees to report to the Board of Corporate Auditors

The members of the Board of Directors arranged a system for corporate officers and employees at Coca-Cola West and its group companies to promptly report to the Board of Corporate Auditors on legal matters, as well as on matters that have a significant impact on the group, such as the performance of internal auditing, and the status and details of reports from the internal whistleblower hotline. The reporting method, including the employment of the task of submitting and receiving reports and the time frame for reporting, will be determined through deliberations between members of Board of Directors and the Board of Corporate Auditors.

h. System for ensuring that other auditing by the Board of Corporate Auditors is conducted effectively

Regular meetings are organized for corporate auditors and a representative director to exchange views and opinions.

(4) Risk Management System

Coca-Cola West 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 swift and appropriate response. The group ensures that its management principles comply with all laws and ordinances and follow the norms of society, thereby gaining the trust of all of its stakeholders. This is enshrined in its Code of Conduct, which is designed to encourage a compliance mindset among all group corporate officers and employees.

(5) Internal Audits, Corporate Auditors' Audit, and Financial Audit System

a. Organization of Internal Audits and Corporate Auditor, Personnel and Procedures, Coordination among Internal Audit, Corporate Auditors' Audit and Financial/accounting Audit.

Coca-Cola West aims to comply with corporate rules and regulations, conduct appropriate corporate activities, implement operational management, protect the company's assets and maintain soundness of its financial situation. In order to achieve these goals, we established the Audit Office (9 members) as the Internal Audit Department, which directly reports to the president.

The corporate auditors attend meetings of the Board of Directors, management, and other important meetings, consisting of executive officers. They also meet representative directors on a regular basis and examine the results of audits performed by the Audit Office. Through foregoing activities, corporate auditors monitor the executive actions of members of the Board of Directors and executive officers in accordance with relevant laws, regulations, and the company's bylaws and internal auditing standards.

The Audit Office conducts preliminary discussions with corporate auditors concerning its auditing policy and plans for each fiscal year.

Corporate auditors also receive reports about the results of audits as needed. In addition, at the beginning 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 interim audit or the year-end audit.

b .Profile of Independent Auditors and Related Personnel

Coca-Cola West 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.

Name of CPA Who Carried Out Duties			Auditing Experience
Designated Liability	Partner	Tetsuzo Hamashima	6 years
Designated Liability	Partner	Takaki Okano	2 years
Designated Liability	Partner	Junichi Adachi	3 years

The auditing team has twenty-nine additional members including nine CPAs and one associate auditor.

(6) Outside Directors and External Corporate Auditors

Presently, two of Coca-Cola West's ten directors and three of its five corporate auditors are from outside of the group.

One of the Outside directors is a representative of an equity method affiliated company and also a customer of Coca-Cola West. Three External corporate auditors do not have any special interest with the company.

a. Profile, Name and Qualification to be elected as an Outside director and External corporate auditor.

Division	Name	Relations with us	The election situation
Outside Director	Vikas Tiku	*Mr. Vikas Tiku is Representative Director, Executive Vice President and CFO of Coca-Cola (Japan), Co., Ltd.(hereinafter referred to as a "CCJC.") Our company and CCJC entered into an agreement with respect to production and sales of Coca-Cola and other products and usage of the trademarks of Coca-Cola. We purchase the original syrup of Coca-Cola and other beverages from CCJC and also receive rebates for sales promotion. Therefore, CCJC is regarded as our special interest company.*	*In order for us to enhance the strategic partnership with Coca-Cola (Japan), Co., Ltd. (hereinafter referred to as a "CCJC.") we elected Mr. Vikas Tiku as outside director. Although CCJC, is our major business partner with the special interests described above, Mr. Tiku is the only director who duly serves as member of the Board of Directors of CCJC and he does not represent a majority of Board of Directors. His decisions regarding the company's activities, management directions, and execution of operations are liable for the company's responsibilities. Consequently, we concluded that (1) the company's certain independency from CCJC is maintained, (2) Mr. Tiku is not a person who influences our management and (3) there is little possibility of conflict of interest among other shareholders.*
Outside Director	Norio Hyouda	*Mr. Norio Hyouda is Representative Director and the President and CEO of Minami Kyushu Coca-Cola Bottling Co., Ltd. Minami Kyushu Coca-Cola Bottling Co., Ltd. purchases Coca-Cola and other beverages from us and sells them. Also, Minami Kyushu Coca-Cola is an equity method affiliated company. Therefore, it is classified as a special interest company.*	*Our company entered into business and capital alliance with Minami Kyushu Coca-Cola Bottling Co., Ltd. In order for us to promote mutual understanding and enhance our relationship, we therefore elected Norio Hyouda as Outside director. Because Minami Kyushu Coca-Cola has a business relationship with us and is an equity method affiliated company, both companies are closely related in terms of personnel and capital. However, the number of Outside directors from Minami Kyushu Coca-Cola is only two including Mr. Hyouda and cannot be a majority of the Board of Directors. His decision making regarding the company's activities, management directions, and execution of operations is liable for the company's responsibilities. Consequently, we concluded that (1) the company's certain independency from Minami Kyushu Coca-Cola is maintained, (2) Mr. Hyouda is not a person who influences our management and (3) there is little possibility of conflict of interest among other shareholders.*
External Corporate Auditor	Zenji Miura	*Mr. Zenji Miura is the Representative Director and Executive Vice President of Ricoh Co., Ltd. Ricoh Co., Ltd. is classified with other related companies.*	*Mr. Zenji Miura has a long professional career in the area of finance and accounting at Ricoh Co., Ltd. We elected him as External Corporate auditor since we believe that he would utilize his experience for our audit. Ricoh Co., Ltd. is our major shareholder but our group is engaged in a different industry from the Ricoh group. Our group sells beverages to the Ricoh group and, in turn, they provide our system maintenance. However, the amount of business transactions is very small and we believe that the Ricoh group cannot interrupt our free business activities. One of our directors is serving as Ricoh's director; the number of directors who serves as directors of Ricoh is one and cannot be a majority within the Board of Directors. This appointment was made by our request. Although both companies are closely related in terms of personnel and capital, his decision making regarding the company's activities, management directions, and execution of operations are liable for the company's responsibilities. Consequently, we concluded that (1) the company's certain independency from Ricoh Co., Ltd. is maintained, (2) Mr. Miura is not a person who influences our management and (3) there is little possibility of conflict of interest among other shareholders.*
External Corporate Auditor	Katsumi Sasaki	*Mr. Katsumi Sasaki is Representative Director, Fukuoka FM Broadcasting Co., Ltd. Our company has a business relationship with Fukuoka FM Broadcasting. We paid an advertising fee to Fukuoka FM Broadcasting through an advertising agency.*	*Mr. Katsumi Sasaki has a long career in financial institutions and we elected him since we believed that he could utilize his career and experience as an External corporate auditor. However, Fukuoka FM Broadcasting is not our major customer and he is not a person who influences our management. In addition, we believed there would be no conflict of interest among him and other shareholders.*
External Corporate Auditor	Yukiko Kyokane	*Ms. Yukiko Kyokane is Attomey, Representative of Kyokane Law Office. There is no relationship between our company and Kyokane Law Office.*	*We elected her as our External corporate auditor since we believe that she could utilize her long career as an attorney for our auditing.*

b. Role and Responsibilities of Outside Director or External Corporate Auditor for Corporate Governance

External corporate auditors make up the majority of the Board of Corporate Auditors and strengthen the monitoring system for the directors' execution of operation. Also, experienced External corporate auditors provide appropriate advice from the third party's point of view.

c. Supervision, Audit and Internal Audit Conducted by Outside Director or External Corporate Auditor, Coordination between Corporate Auditors' Audit and Financial/Accounting Audit, and the relationship with Internal Control Division.

Outside directors and External corporate auditors received reports regarding audits, internal audit, financial/accounting audit and internal control, and made comments at the Board of Directors' meeting and the Board of Corporate Auditors' meeting.

d. Summary of Limitation of Liability Contract

Our company sets up a clause of limitation of liability of Outside directors and External Corporate auditors in our by laws in order for them to perform their expected roles sufficiently and to enable us to appoint high quality independent persons.

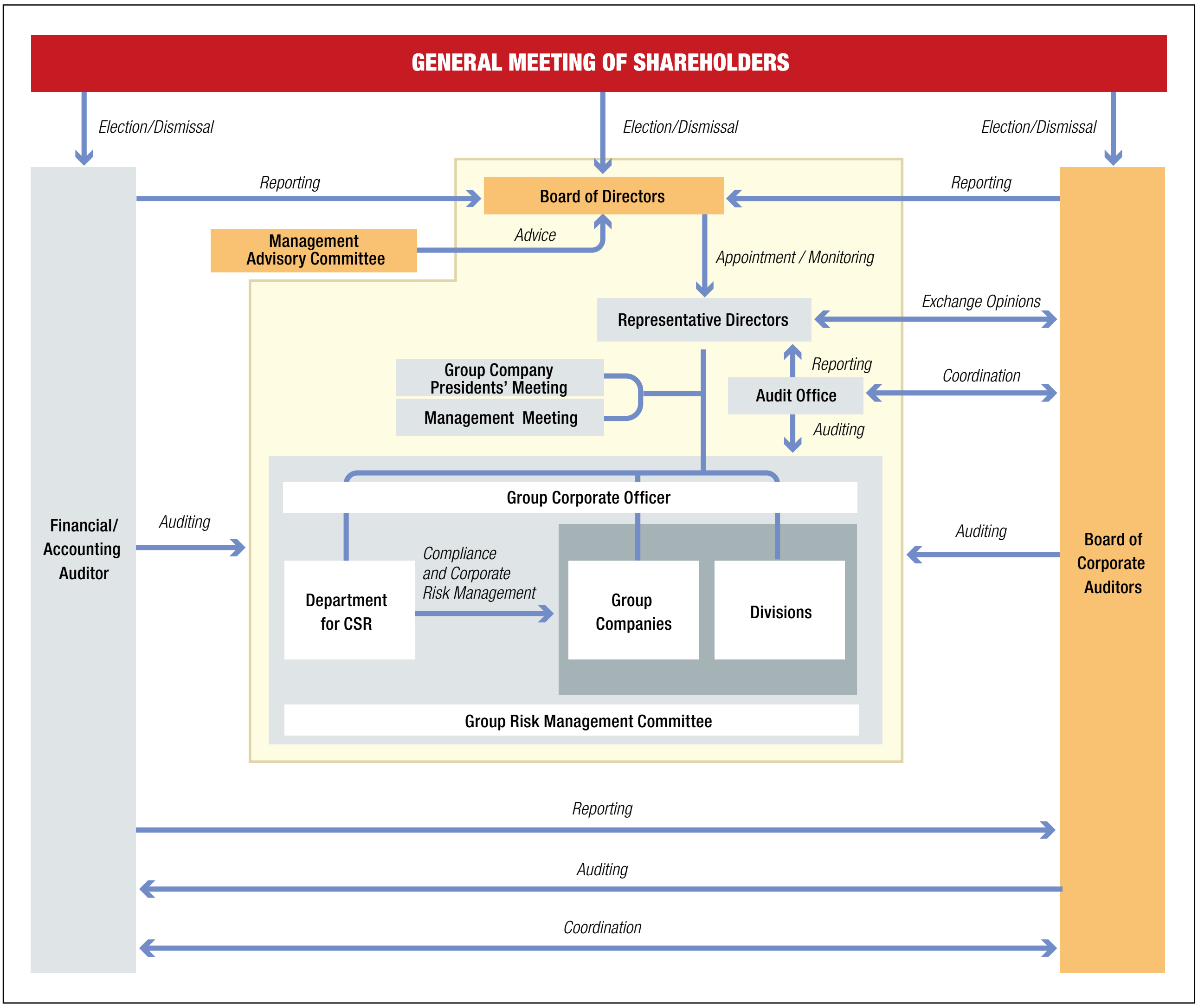
One Outside director and three External Corporate auditors entered into agreement with our company with regard to limited liabilities due to negligence of duties, based on Article 427, Paragraph 1 of Corporate Law. The limit of liabilities is the minimum amount determined by law.

e. Supporting Staff for Outside Directors and External Corporate Auditors

The staff of the General Affairs Department and the staff of the Audit Office support Outside directors and External Corporate auditors, respectively.

(7) Corporate Governance System and Reasons to Adopt the System Described

Our company adopted the following Corporate Governance System because we believe that efficiency and transparency of the management improves the system.



(8) Directors and Corporate Auditors Remuneration

a. Aggregate amounts of remuneration according to roles of directors and corporate auditors, aggregate amounts according to type of remuneration, and number of directors and corporate auditors to be compensated

	Directors				Auditors				Total			
	Number of members (Number)	Total of Remuneration (Millions of Yen)	Base Remuneration (Millions of Yen)	Other (Millions of Yen)	Number of members (Number)	Total of Remuneration (Millions of Yen)	Base Remuneration (Millions of Yen)	Other (Millions of Yen)	Number of members (Number)	Total of Remuneration (Millions of Yen)	Base Remuneration (Millions of Yen)	Other (Millions of Yen)
Remuneration and others based on resolution of general shareholders' meeting	12	354	354	—	5	43	43	—	17	398	398	—
Internal	8	340	340	—	2	32	32	—	10	373	373	—
External	4	14	14	—	3	10	10	—	7	25	25	—

The remuneration figures shown above include the remuneration paid to two Outside directors who were dismissed at the adjournment of the 52nd General Shareholders' Meeting held on March 25, 2010.

b. Significant items in the salaries of our company's internal officers.

None

c. Contents of (1) the determination of the amount of remuneration of directors and corporate auditors (2) the calculation methods to determine the amount, and the decision making method of determination for the foregoing items.

The aggregate amounts of remuneration for directors and corporate auditors were resolved at the 51st General Shareholders' Meeting held on March 24, 2009 to be a maximum of ¥500 million annually (for Outside directors, a maximum of ¥50 million annually), and a maximum ¥100 million annually, respectively. The amount of remuneration for individual directors and individual corporate auditors is determined within the aggregate determined ranges as follows:

(Directors)

The amount of remuneration for each director is determined by the representative directors who are authorized by the Board of Directors after the consideration of the results from the Management Advisory Committee consisting of Outside directors and outside experienced experts.

The remuneration consists of (1) a fixed amount portion which reflects the responsibilities as directors and contribution to the company's performance and (2) a variable portion which reflects the company's business performance.

(Auditors)

The amount of remuneration for each auditor is determined by the executive corporate auditor, after the consideration of the standard resolved by the Board of Corporate Auditors.

(9) Securities Investments

a.Excluding the Trade Purpose Securities, Number of Companies Invested and Amounts of Invested Common Stocks on the Balance Sheet

The number of companies invested: 136, the amounts of invested common stocks: ¥8,209 million

b.Excluding the Trade Purpose Securities and Referring to the Companies Listed in the Stock Market Number of Companies Invested, Amounts of Invested Common Stocks on the Balance Sheet and Purpose of the Stockholding

Name of Companies Invested	Number of shares	Amounts shown on the Balance Sheet (Millions of Yen)	Purpose of Stockholding
RICOH LEASING COMPANY, LTD.	502,000	1,119	Maintain favorable relationship with the companies invested.
ROYAL HOLDINGS Co., Ltd.	962,440	814	Maintain favorable relationship with the companies invested.
THE NISHI-NIPPON CITY BANK, LTD.	3,024,811	747	Maintain favorable relationship with the companies invested.
Nishi-Nippon Railroad, Co., Ltd.	2,000,000	680	Maintain favorable relationship with the companies invested.
SAN-AI OIL CO., LTD.	1,308,125	523	Maintain favorable relationship with the companies invested.
KYUSYU LEASING SERVICE CO., LTD.	2,000,000	344	Maintain favorable relationship with the companies invested.
FUJI CO., LTD.	195,366	332	Maintain favorable relationship with the companies invested.
IZUMI CO., LTD.	231,000	276	Maintain favorable relationship with the companies invested.
Mitsubishi Heavy Industries, Ltd.	900,000	274	Maintain favorable relationship with the companies invested.
Mitsubishi UFJ Financial Group, Inc.	522,420	229	Maintain favorable relationship with the companies invested.
ZENRIN CO., LTD.	183,414	166	Maintain favorable relationship with the companies invested.
F&A AQUA HOLDINGS, INC.	203,400	163	Maintain favorable relationship with the companies invested.
AEON KYUSHU CO., LTD.	114,400	158	Maintain favorable relationship with the companies invested.

c. Common stock for trade purpose as of December 31, 2009 and 2010 and also dividend received, capital gain/loss and evaluation gain/loss of common stocks for the trade purpose as of December 31, 2010.

None

Board of Directors

(As of April 1, 2011)

Directors

Representative Director
& Chairman
Norio Sueyoshi

Representative Director
& President
Tamio Yoshimatsu
Business Model Innovation

Representative Director
& Executive Vice President
Hijiri Morita
Planning, IR and Sales Support

Director & Executive
Vice President
Nobuo Shibata
General Affairs and Career Development

Director & Executive
Corporate Officer
Shigeki Ota
Finance and Business System

Director & Executive
Corporate Officer
Hiroyoshi Miyaki
CSR and Quality Assurance

Director & Executive
Corporate Officer
Jiro Wakasa
SCM, Tokyo Office Mgr

Director
Masamitsu Sakurai
RICOH COMPANY, LTD
Chairman of the Board

Outside Director
Vikas Tiku
Coca-Cola (Japan) Co., Ltd.
Represetnative Director,
Executive Vice President and CFO

Outside Director
Norio Hyouda
MINAMI KYUSHU COCA-COLA BOTTLING CO., LTD.
Representative Director and President

Auditors

Executive Corporate Auditor	Tadatsugu Harada	*Standing*
Corporate Auditor	Tadamasa Amitsuka	*Standing*
External Corporate Auditor	Zenji Miura*	*RICOH COMPANY, LTD.* *Representative Director and* *Executive Vice President*
External Corporate Auditor	Katsumi Sasaki	*FUKUOKA FM BROADCASTING Co., Ltd.* *Representative Director*
External Corporate Auditor	Yukiko Kyokane*	*Attorney* *Representative of Kyokane Low Office*

* As for Corporate Auditor Zenji Miura and Yukiko Kyokane, our company submitted notices to Tokyo Stock Exchange Group Inc., Osaka Securities Exchange Co., Ltd. and Fukuoka Stock Exchange, which our company is listed in, as "External Corporate Auditor". The qualification for "External Corporate Auditor" is determined by criteria and rules set by each security exchange company.

Management Advisory Committee

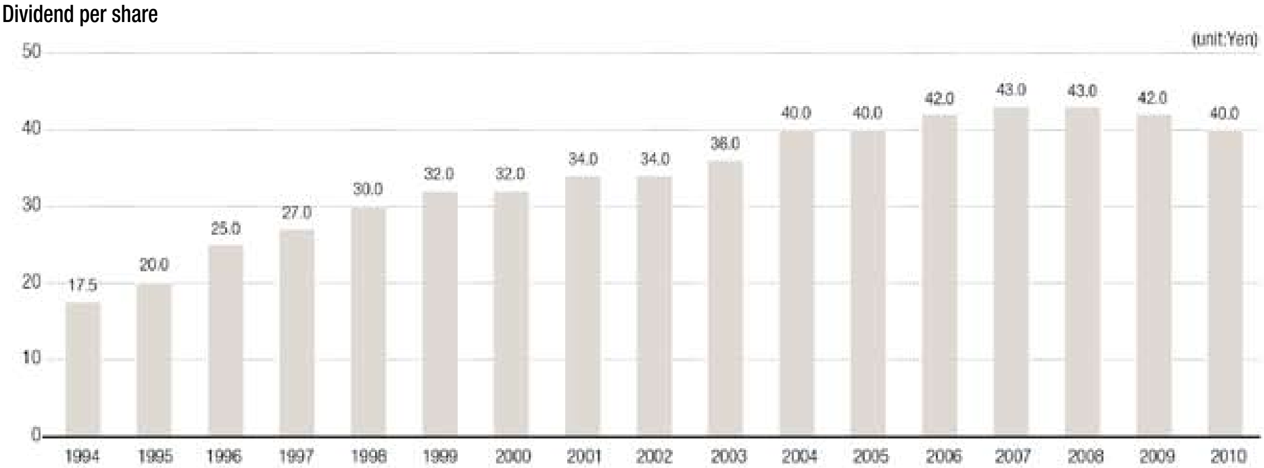
Chairman	Masamitsu Sakurai	*RICOH COMPANY, LTD.* *Representative Director & Chairman*
Member	Masahiko Uotani	*Coca-Cola (Japan) Co., Ltd.* *Director & Chairman*
Member	Shingo Matsuo	*Kyushu Electric Power Co., Inc.* *Representative Director & Chairman*
Member	Isao Kubota	*THE NISHI-NIPPON CITY BANK, LTD.* *Representative Director & President*
Member	Kazuhiko Enomoto	*FUKUOKA JISHO CO.,LTD.* *Representative Director & Chairman*
Member	Susumu Ishihara	*Kyushu Railway Company* *Representative Director & Chairman*
Member	Takashi Matsuzaki	*Attomey* *Tokunaga, Matsuzaki & Saito Law Office*
Member	Eiji Muto	*Organization for Promoting* *Urban Development*
Member	Kunio Ito	*Professor* *Hitotsubashi University*

Dividend Policy and Shareholder Reward Points System

Dividend

Coca-Cola West places the ultimate priority on paying secure dividends to shareholders and pays dividends semiannually, interim and year-end, after fully deliberating on the company's business performance and retained earnings and the future business environment.

Dividend per share



Shareholder Reward Points System

We provide "Shareholder Reward Points" in September and April of the following year to shareholders with 100 or more shares as of June 30 and December 31, respectively. The number of Reward Points is determined according to the number of shares owned.

Shareholders can choose to exchange their Reward Points (one point=¥60), with assorted Coca-Cola products or to use them as donation to our social contribution activities.

Awarding Criteria

Effective Date	Number of Shares Owned	Details	Time of Award
JUNE 30	100 to 499 shares	30 Reward Points	September of the same year
	500 to 999 shares	40 Reward Points	
	1,000 to 4,999 shares	60 Reward Points	
	5,000 or above shares	120 Reward Points	
DECEMBER 31	100 to 499 shares	30 Reward Points	April of the following year
	500 to 999 shares	40 Reward Points	
	1,000 to 4,999 shares	60 Reward Points	
	Above 5,000 shares	120 Reward Points	

Options for Reward Points (examples)

Coca-Cola Products

Bath Towel with Coca-Cola West logo

Insulated Bag with Coca-Cola West logo

Donation to Ichimura Nature School in Kyushu

Stock Information

(As of December 31, 2010)

Stock Code : 2579

Authorized Shares : 270,000,000

Outstanding Shares : 111,125, 714

Number of Shareholders : 31,025

Number of Shares per Trading Unit : 100

Stock Exchange Listings:

Tokyo Stock Exchange (First Section)

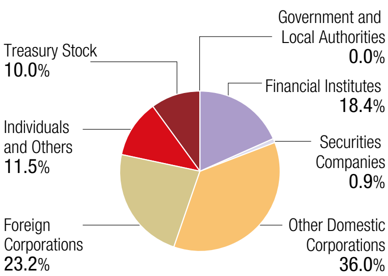
Osaka Securities Exchange (First Section)

Fukuoka Stock Exchange

Number of Shares Held and the Percentage of Shares Held by the Shareholder Category

	Number of Shareholders (Number)	Number of Shares Owned (Thousands)
Government and Local Authorities	1	0
Financial Institutes	67	20,431
Securities Companies	35	988
Other Domestic Corporations	504	39,939
Foreign Corporations	305	25,820
Individuals and Others	30,112	12,792
Treasury Stock	1	11,152
Total	31,025	111,125

Composition of Shareholders

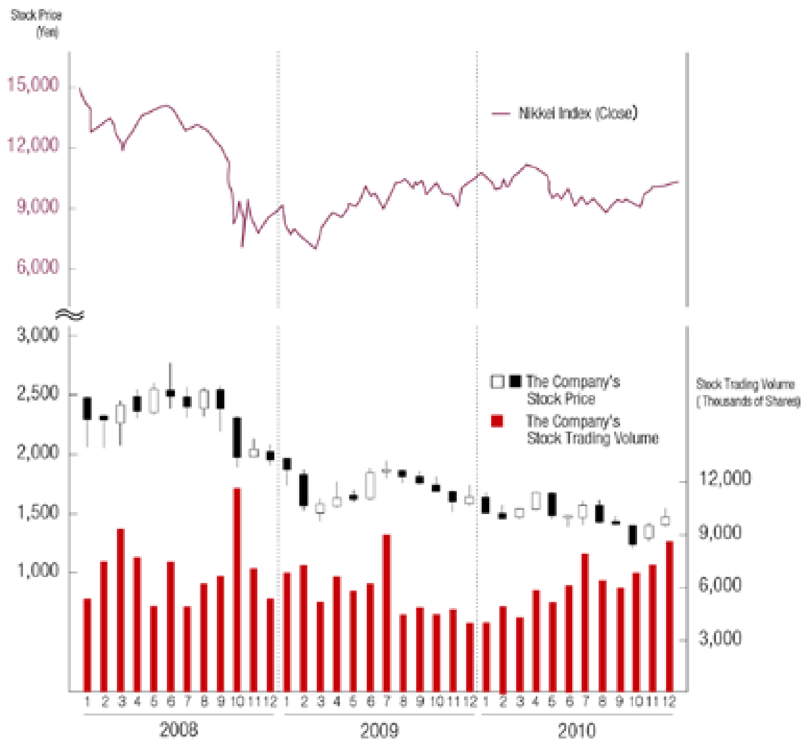


Major Shareholders

Shareholder	Number of Share Owned (Thousands)	Shareholding Ratio (%)
RICOH COMPANY, LTD.	16,792	16.8
The New Technology Development Foundation	5,294	5.3
Japan Trustee Service Bank, Ltd. (Trust Account)	5,108	5.1
Coca-Cola Holdings West Japan, Inc.	4,074	4.1
Mitsubishi Heavy Industries Food & Packaging Machinery Co., Ltd.	3,912	3.9
THE NISHI-NIPPON CITY BANK, LTD.	3,703	3.7
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,650	2.7
NORTHERN TRUST CO. (AVFC) SUB A/C AMERICAN CLIENTS	2,413	2.4
MCA Holding CO., LTD.	2,191	2.2
STATE STREET BANK AND TRUST COMPANY	1,743	1.7

Note:The Company owns 11,152 thousand shares of treasury stock. This shareholding is not shown in the table above and does not include the calculation of the shareholding ratios.

Stock Price and Trends in Stock Trading Volume



	2006	2007	2008	2009	2010
Stock Price at year end (Yen)	2,755	2,475	1,945	1,639	1,471

Credit Rating Information

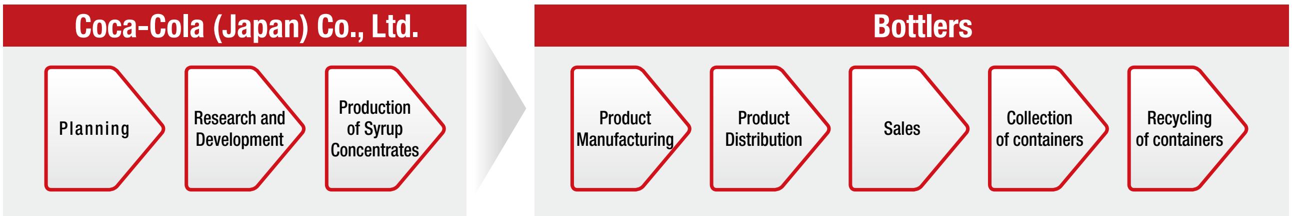
	2006	2007	2008	2009	2010
Japan Credit Rating Agency, Ltd. (JCR) Long-term senior debt	AA–	AA–	AA–	AA–	AA–
Rating and Investment Information, Inc. (R&I) Long-term senior debt	A+	A+	A+	A+	A+

Coca-Coca System in Japan

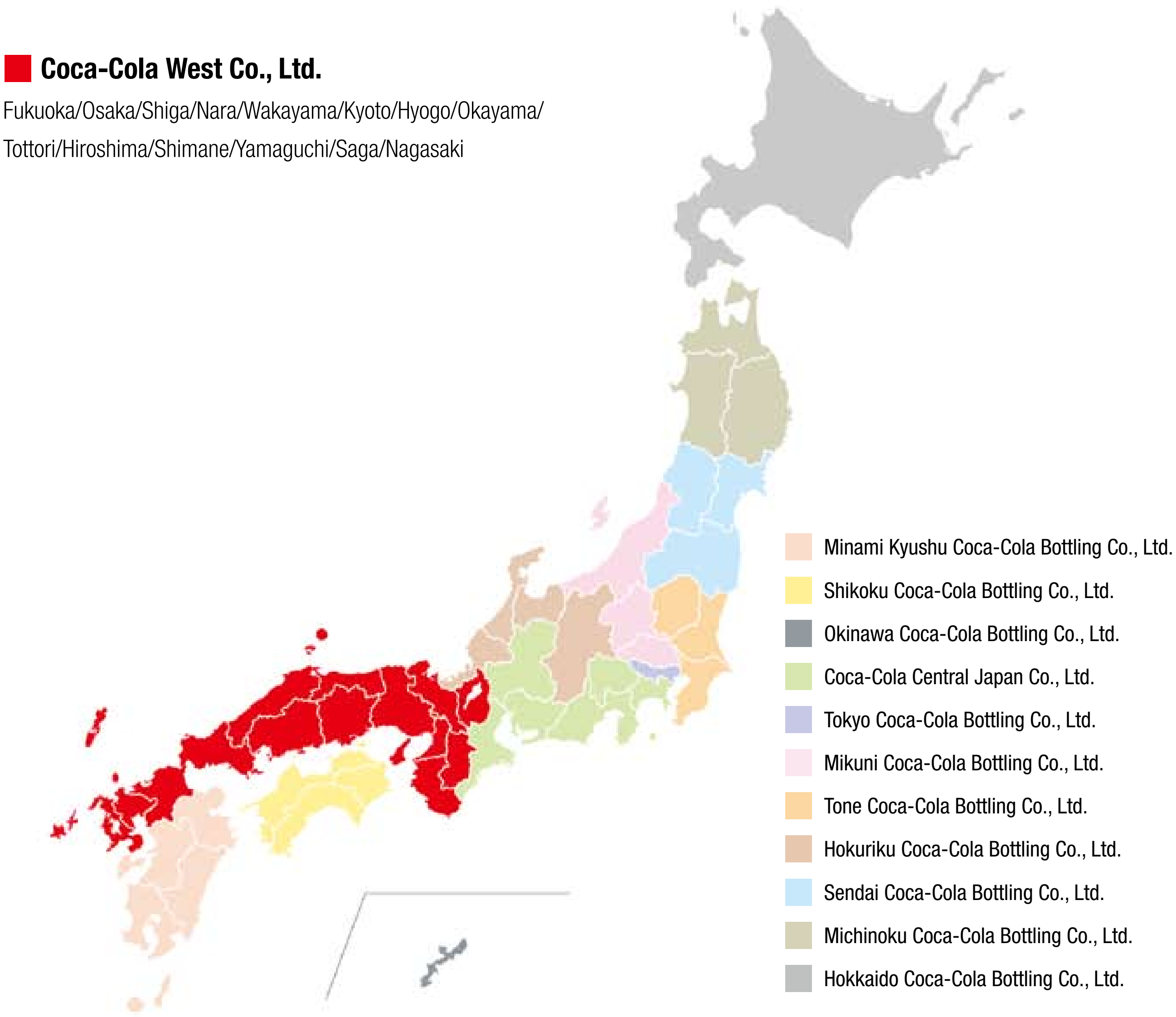
(As of December 31, 2010)

The Coca-Cola System in Japan consists of Coca-Cola (Japan) Co., Ltd. the regional bottling companies, and their affiliates. While Coca-Cola (Japan) Co., Ltd. is planning/developing new products, producing syrup concentrate and advertising, the regional bottling companies and their affiliates are producing and selling the beverage in their region.

Role of Coca-Cola (Japan) Co., Ltd. and Bottlers

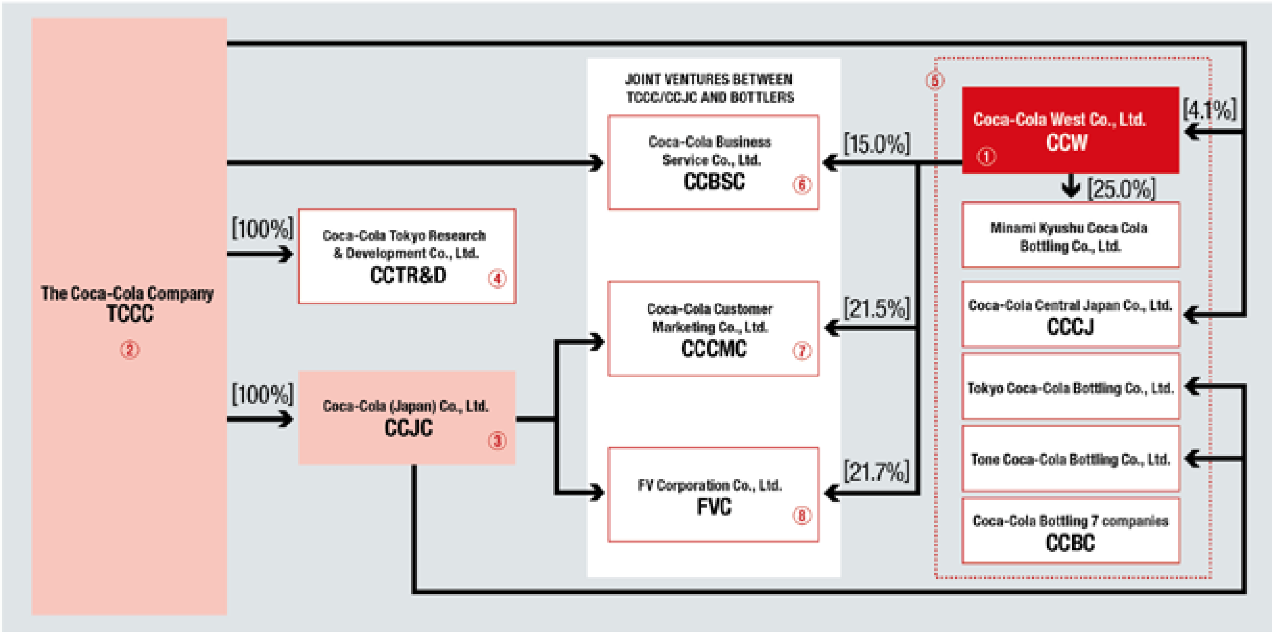


Bottlers (12 bottling companies)



Investment

Note: Figures in brackets show the percentage of shares owned, corresponding to voting rights



① Coca-Cola West Co., Ltd. (CCW)

In July 2006, Coca-Cola West Japan Co., Ltd. (CCWJ) and Kinki Coca-Cola Bottling Co., Ltd. merged their management to establish a joint holding company, Coca-Cola West Holding Co., Ltd. (CCWH), the largest bottling company in Japan. In March 2007, CCWH entered into a financial alliance with Minami Kyushu Coca-Cola Bottling Co., Ltd. On January 1, 2009, CCWH, CCWJ, Kinki Coca-Cola Bottling Co., Ltd. and Mikasa Coca-Cola Bottling Co., Ltd. merged to establish Coca-Cola West Co., Ltd.

② The Coca-Cola Company (TCCC)

Established in Atlanta Georgia in 1919. The Coca-Cola Company holds the rights to grant licenses to bottling companies to produce and sell Coca-Cola products. The Coca-Cola Company and its subsidiaries enter into licensing agreements with bottling companies.

③ Coca-Cola (Japan) Co., Ltd. (CCJC)

Established in 1957 in Tokyo as a wholly owned subsidiary of the Coca-Cola Company under the name of Nippon Inryo Kogyou K.K. The company name was changed to Coca-Cola (Japan) Co., Ltd. in 1958. It is responsible for marketing, planning, manufacturing and distributing the syrup concentrate in Japan.

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

Established in January 1993 as a 100% subsidiary of the Coca-Cola Company. It has been carrying out product development and technical support since January 1995 in response to the needs of the Asian region.

⑤ Coca-Cola Bottling Companies (CCBC)

There are 12 bottling companies in Japan. They are producing and distributing Coca-Cola products in their respective territories.

⑥ Coca-Cola Business Service Co., Ltd. (CCBSC)

Established in June 1999 as a joint venture among the Coca-Cola Company and all of its bottling companies. Its responsibilities are (1) procurement of raw materials and supplies for the Coca-Cola System in Japan, (2) business consulting to the Coca-Cola organization in Japan, (3) development of an information system and maintenance and operation of the information system.

⑦ Coca-Cola Customer Marketing Co., Ltd. (CCCMC)

Established in January 2007 as a joint venture with Coca-Cola (Japan) Co., Ltd. and all of its bottling companies. Its responsibilities are (1) business negotiation with nationwide retail stores such as convenience stores and supermarkets and (2) creating proposals for sales promotion and storefront activities.

⑧ FV Corporation Co., Ltd. (FVC)

Established in May 2001 as a joint venture with Coca-Cola (Japan) Co., Ltd. and all of its bottling companies. Its responsibilities are to carry the marketing of the vending machine business to corporations operating in a wide range of territories. It also handles products other than Coca-Cola products.

-Creating a happy tomorrow for everyone-

みんなの　あしたに　ハッピーを

Coca-Cola West

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