



*-Creating a happy tomorrow for everyone-*

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***Coca-Cola* West**

**2011**  
ANNUAL REVIEW

*Coca-Cola West Company, Limited*

-Creating a happy tomorrow for everyone-

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*Coca-Cola* West

## TABLE OF CONTENTS

<b>Consolidated Financial Data : Trends in Key Financial Index</b>	<b>2</b>
<b>To Our Shareholders</b>	<b>3</b>
<b>Long-Term Management Framework 2020</b>	<b>5</b>
Long-Term Management Framework 2020	5
Mid-Term Management Plan 2011-2013	6
<b>Overview of Sales Results</b>	<b>7</b>
Soft Drink Market in Japan	7
Trade Marketing	8
Overview of Sales Structure	9
Our Brand Lineup	11
Spotlight on Our Major Brands	12
<b>Supply Chain Management Activities</b>	<b>14</b>
<b>Corporate Social Responsibility Activities</b>	<b>15</b>
Global Environmental Protection Activities	15
Quality Assurance	17
Business Activities Contributing to Local Communities	18
Together with Local Communities	19
<b>Financial Information</b>	<b>21</b>
Analysis of Operating Results	21
Segment Information	22
Consolidated Balance Sheets	23
Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	25
Consolidated Statements of Changes in Shareholders' Equity	26
Consolidated Statements of Cash Flows	27
<b>Other Information</b>	<b>28</b>
Risk Information	28
Corporate Governance	29
Top Management	34
Dividend Policy and Shareholder Reward Points System	35
Stock Information	36
Coca-Cola System in Japan	37

## CONSOLIDATED FINANCIAL DATA : TRENDS IN KEY FINANCIAL INDEX

	2007	2008	2009	2010	2011
Net Revenues (Millions of Yen)	409,521	395,556	369,698	375,764	399,717
Growth Rate in Net Revenues (%)	24.9	(3.4)	(6.5)	1.6	6.4
Operating Income (Millions of Yen)	16,056	10,521	2,242	12,003	16,469
Operating Income / Net Revenues (%)	3.9	2.7	0.6	3.2	4.1
Recurring Income (Millions of Yen)	17,493	11,048	2,085	12,659	16,044
Recurring Income / Net Revenues (%)	4.3	2.8	0.6	3.4	4.0
Income (Loss) before Income Taxes, minority interests and other adjustments (Millions of Yen)	14,254	2,402	(10,446)	12,982	14,013
Income (Loss) before Income Taxes, minority interests and other adjustments / Net Revenues (%)	3.5	0.6	(2.8)	3.5	3.5
Net Income (Loss) (Millions of Yen)	9,375	129	(7,594)	7,582	6,997
Return on Sales (%)	2.3	0.0	(2.1)	2.0	1.8
Comprehensive Income (Millions of Yen)	–	–	–	–	5,605
Net Income (Loss) per share (Yen)	88.29	1.25	(75.96)	75.84	69.99
Return on Equity (%)	3.7	0.1	(3.3)	3.4	3.1
Return on Assets (%)	5.6	3.7	0.7	3.8	4.7
Total Assets (Millions of Yen)	315,672	277,696	326,818	346,032	342,560
Net Assets (Millions of Yen)	254,025	234,521	222,816	226,267	227,864
Equity Ratio (%)	80.5	84.4	68.2	65.3	66.4
Net Assets per share (Yen)	2,391.83	2,345.03	2,227.96	2,260.03	2,275.55
Price Book Value Ratio (PBR) (times)* <sup>1</sup>	1.0	0.8	0.7	0.7	0.6
Price Earnings Ratio (PER) (times)* <sup>2</sup>	28.0	1,549.5	(21.6)	19.4	19.1
Cash Flow from Operating Activities (Millions of Yen)	33,000	16,180	28,747	31,732	39,960
Cash Flow from Investing Activities (Millions of Yen)	(23,306)	2,153	(23,447)	(49,203)	(34,050)
Cash Flow from Financing Activities (Millions of Yen)	3,586	(31,486)	43,297	(16,316)	(8,780)
Cash and Cash Equivalents at end of fiscal year (Millions of Yen)	35,564	22,412	71,221	37,434	34,564
Dividend Payout Ratio (Consolidated) (%)	48.7	3,440.0	–	52.7	58.6
Dividend per Share (Yen)	43.00	43.00	42.00	40.00	41.00
(Interim dividend amount per share) (Yen)	(21.00)	(21.00)	(21.00)	(20.00)	(20.00)
Interest Coverage Ratio (times)* <sup>3</sup> (Operating Cash Flow / Interest Paid)	285.4	462.7	97.2	35.4	58.1
Depreciation (Millions of Yen)	22,533	21,741	21,900	22,405	21,371
Capital Expenditure (Millions of Yen)	19,951	18,032	25,201	16,524	21,201
Capital Expenditure for Vending Machines (Millions of Yen)	10,012	10,359	8,760	7,604	9,518
(Share of Capital Expenditure for Vending Machine)	(50%)	(57%)	(35%)	(46%)	(45%)

\*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

## TO OUR SHAREHOLDERS

We would like to express our sincerest gratitude to shareholders and investors for their continuing interest in the company.

Also, we feel deep sympathy for people in areas affected by the Great East Japan Earthquake and other related parties, and sincerely hope that the disaster-stricken areas will recover as soon as possible.

### Overview of Business Results for the Fiscal Year 2011

In 2011, partly because the rainy season ended earlier than usual, sales volume in the soft drink industry was brisk during the summer, the period of peak demand. As a result, sales in the overall market were almost the same as 2010, when the summer was extremely hot. However, retail prices have continued to fall due to budget-minded mentality of consumers, which primarily stemmed from the uncertain economic outlook. In addition, as competition among the soft drink companies has been intensifying, business conditions surrounding the Group have been increasingly difficult.

Under such business conditions, in order to expand profits and sales volume/market share, and to establish a solid business foundation for future sustainable growth, we carried out various activities in 2011, which is the first year of the phase of “Grow with breakthrough” in the Mid-Term Management Plan 2011-2013.

As for sales, with the aim of expanding sales volume and market share, we mainly focused on conducting finely tuned sales activities to meet diverse consumer needs in each sales channel. Specifically, for the chain store channel (supermarket, etc.), we researched and analyzed the purchase patterns of consumers in each retail store, and we developed product lineups and promotion activities based on the results of the analysis. For vending machines, we focused on adjusting product lineups (brands, packages, and prices) according to the features of the locations and seasonality. As a result, sales volume increased from the previous fiscal year, led by our core 8 brands—Coca-Cola, Coca-Cola Zero, Fanta, Georgia, Sokenbicha, Aquarius, Ayataka, and I LOHAS, which account for approximately 60% of the total sales.

With regard to Supply Chain Management (SCM), for productivity improvement we engaged in capital investment, updating manufacturing equipment and introducing new technologies. Also, we focused our efforts on reducing costs in procuring raw and interme-

diates materials, as well as strengthening coordination between the SCM department and the sales department so as to improve the accuracy in supply and demand matching. The result of these efforts has led to the stable supply of products, dramatically reducing SCM-related expenses from the previous fiscal year.

In administrative and indirect departments, for the sake of cost reduction, we worked to advance structural reforms across the company, including a review of all business processes.

Also, in order to deal with the problem of nationwide electricity shortage, we implemented various electricity saving measures as part of the policies to control the total volume of energy usage of the Group. These measures include suspending the cooling function of vending machines on a rotational basis, always remembering to turn off unnecessary lights, and introducing LED lights in the head office, factory offices, and other places.

As for Corporate Social Responsibility (CSR), we continued our effort to contribute to local communities through continuous support for social welfare, sports activities, and cultural and educational activities. We also continued to conduct local environment improvement activities, including forest conservation activities and cleanup activities in cooperation with local communities.

As a result, in fiscal 2011, the consolidated net revenues increased ¥23,952 million, year-on-year, totaling ¥399,717 million (6.4% increase compared to the previous fiscal year). The operating income increased ¥4,466 million, year-on-year, totaling ¥16,469 million (37.2% increase compared to the previous fiscal year), and the recurring income increased ¥3,384 million, year-on-year, totaling ¥16,044 million (26.7% increase compared to the previous fiscal year). The net income decreased ¥584 million, year-on-year, resulting in ¥6,997 million (7.7% decrease compared to the previous fiscal year).

We achieved the results of increased operating income and recurring income compared to the previous fiscal year, making a good start in the Mid-Term Management Plan 2011-2013.

### Fiscal 2012 Management Policies

As for future prospects, business conditions surrounding the Group are expected to remain difficult, marked by sluggish consumption and declining product prices in the soft drink industry.

Under such business conditions, in 2012, which is the second year of the Mid-Term Management Plan 2011-2013, we will strive to achieve business targets and build a foundation to continue to develop in the future and enhance profitability, by way of: (1) steadily implementing consumer-oriented strategies in the markets to achieve the sustainable growth of profits and sales volume/market share; and (2) carrying out “8 Initiatives of Business Model Innovation” to establish a business foundation from mid- and long-term perspectives.

### 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 2011, 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 ¥21 per share, and the annual payout, including the interim payout, as ¥41 per share (increased by ¥1 from the previous fiscal year).

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



Tamio Yoshimatsu  
Representative Director & President

*Tamio Yoshimatsu*

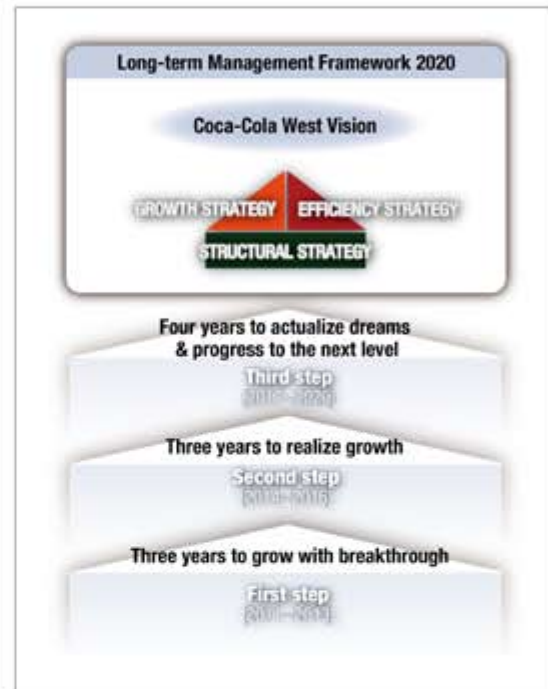
## LONG - TERM MANAGEMENT FRAMEWORK 2020

### LONG-TERM MANAGEMENT FRAMEWORK 2020

With the aim of ensuring a significant leap forward over a long period of time and an ongoing survival as a corporation, we have developed “Long-Term Management Framework 2020” for 10 years beginning in 2011 as a guide focusing on the strategically planned growth, efficiency improvement, and organization activities. Based on these three strategies, we are working on a variety of activities.

We divided the next 10 years until 2020 into the following three phases to reliable transition toward achieving the 2020 targets: Three years to grow with breakthrough, Three years to realize growth, and Four years to actualize dreams & progress to the next level.

#### Phase Progression toward Long-term Management Framework 2020



#### 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.**

In the business field primarily for drinks, we will continue to discover new needs of consumers, as well as the provision of safe and secure high-quality products and services. In addition, our corporate philosophy expresses that we will offer products and services that enjoy new values through uninterrupted innovations; thereby,

- we contribute to the physical and mental wellbeing (that is, “happiness”) for people to lead a forward-looking life, such as taste, fun, health, and comfort, in the diverse lifestyle of our consumers, and
- we definitely keep in mind contribution to environmental preservation and coexistence with local communities in our business activities, and based on these efforts, we contribute to development of a sustainable society.

#### West Vision

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

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

#### Corporate Message

*-Creating a happy tomorrow for everyone-*  
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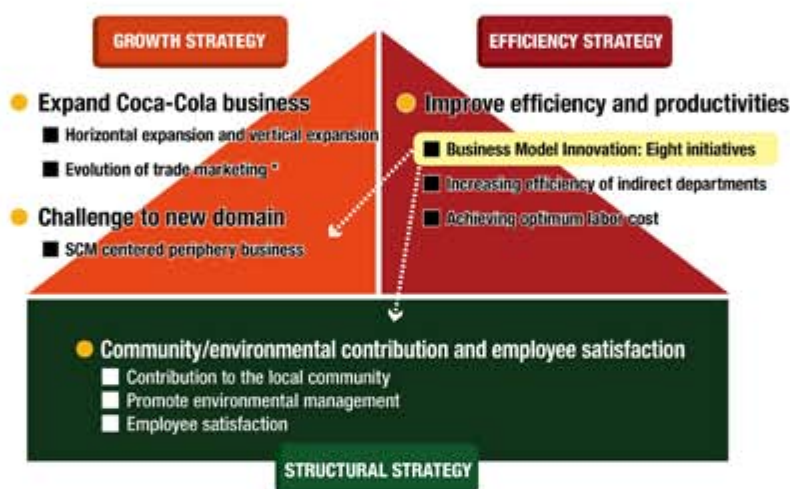
**Coca-Cola West**

The corporate message “Creating a happy tomorrow for everyone” expresses our sincere desire to provide happiness to all of our stakeholders.

## MID-TERM MANAGEMENT PLAN 2011–2013

We developed, as the first phase toward the Long-Term Management Framework 2020, the Mid-Term Management Plan 2011–2013 with placing the first three years beginning in 2011 as Growth with breakthroughs.

We will ensure implementation of the three basic strategies: Growth Strategy, Efficiency Strategy, and Structural Strategy. This is to expand sales and profit toward achieving the earnings projection in 2013 and bring “Happiness” to all of our stakeholders.



\* 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 through consumer-related knowledge management. And in order to deliver sales volume and value, trade marketing support sales forces with well-designed fundamental enhancement plans.

In 2011, coupled with an increase of profit, sales volume, and an expansion of market share, we were seeking to create a basis for growth and profit for the future. To this end, we were engaged in various activities in the area of sales and SCM (supply chain management) and made investments. Through these efforts, operating income in the fiscal year ended December 2011 was more than projected, marking a good start toward actualizing the 10-year Long-Term Management Framework.

In 2012, we will implement the reform of business model toward establishing a solid management basis from the mid- and long-term viewpoint. In addition, with the aim of attaining sustainable growth of profit, sales volume, and market share, we will enhance our ability in business activities in the market while increasing efficiency to cut down costs in SCM as well.

### Business Model Innovation

#### - Eight Initiatives -

In our every activity in the process until the delivery of products to consumers, we will create a consumer-oriented business model by pushing forward a company-wide reform.

We will make clear an optimal service model that should be provided to each customer and vending machine and execute market activities in line with each model. Along with measures, we will put into action eight initiatives in the reform of the business model, including the reform of distribution process toward introducing more efficient vending machine business and consolidating inventories, as well as the optimal allotment of manufacturing bases and the improvement of productivity in the manufacturing field.

These consumer-oriented initiatives will be interconnected and linked together, thereby maximizing effectiveness and efficiency and ensuring a competitive edge. With these, we will further reduce costs.

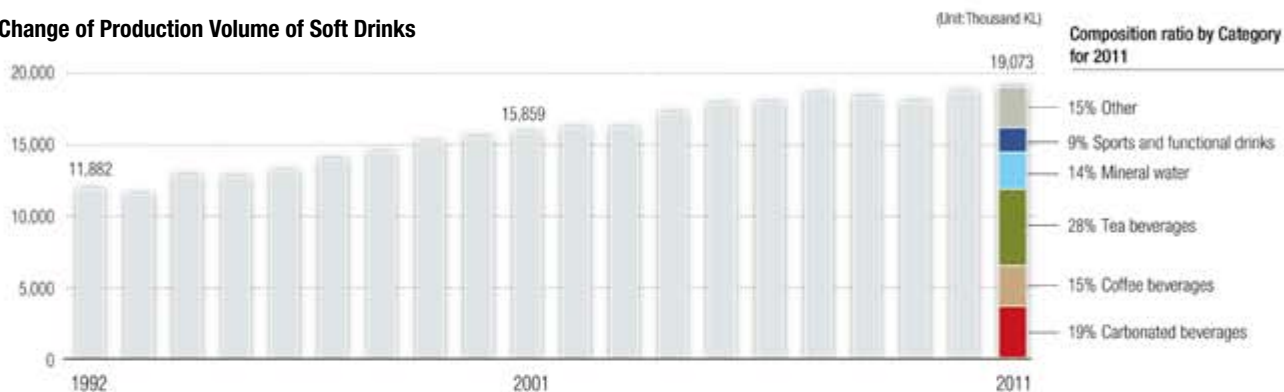
## OVERVIEW OF SALES RESULTS

### Soft Drink Market in Japan

#### Market Trends

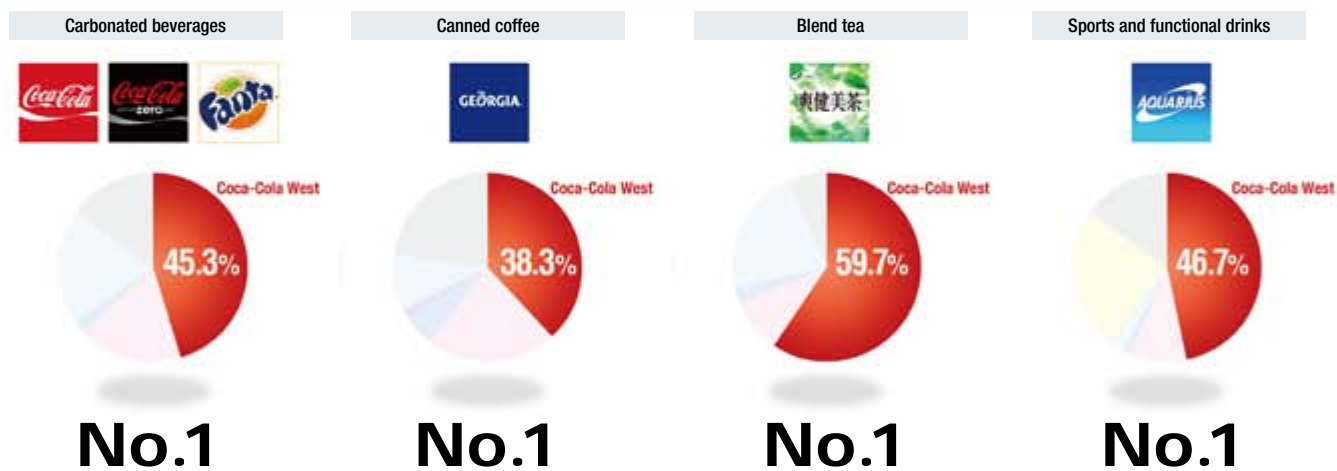
In 2011, production volume of soft drinks exceeded that marked in 2010 when we experienced extremely hot weather and hit a record high. By product category, production volume of carbonated beverages, coffee beverages, and mineral water all increased from the previous year. The soft drink market has seen nearly 60% growth in the last 20 years.

#### Change of Production Volume of Soft Drinks



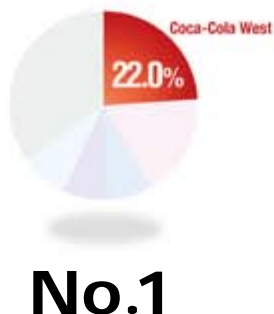
Source: *Statistical Report on Soft Drinks*, Japan Soft Drink Association, a General Incorporated Association (Data for the year 2011 is preliminary.)

#### Over-the-Counter Sales Market Share by Category for 2011 (excluding vending machines)



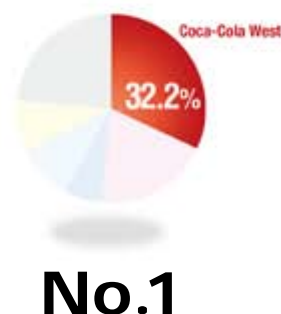
Source: MBI conducted by Intage, Inc.

#### Over-the-Counter Sales Market Share for 2011 (excluding vending machines)



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

#### Outdoor Vending Machines Market Share for 2011



Source: *Survey of Vending Machines*, Intage, Inc. (survey period from June 2011 to July 2011)



## Trade Marketing

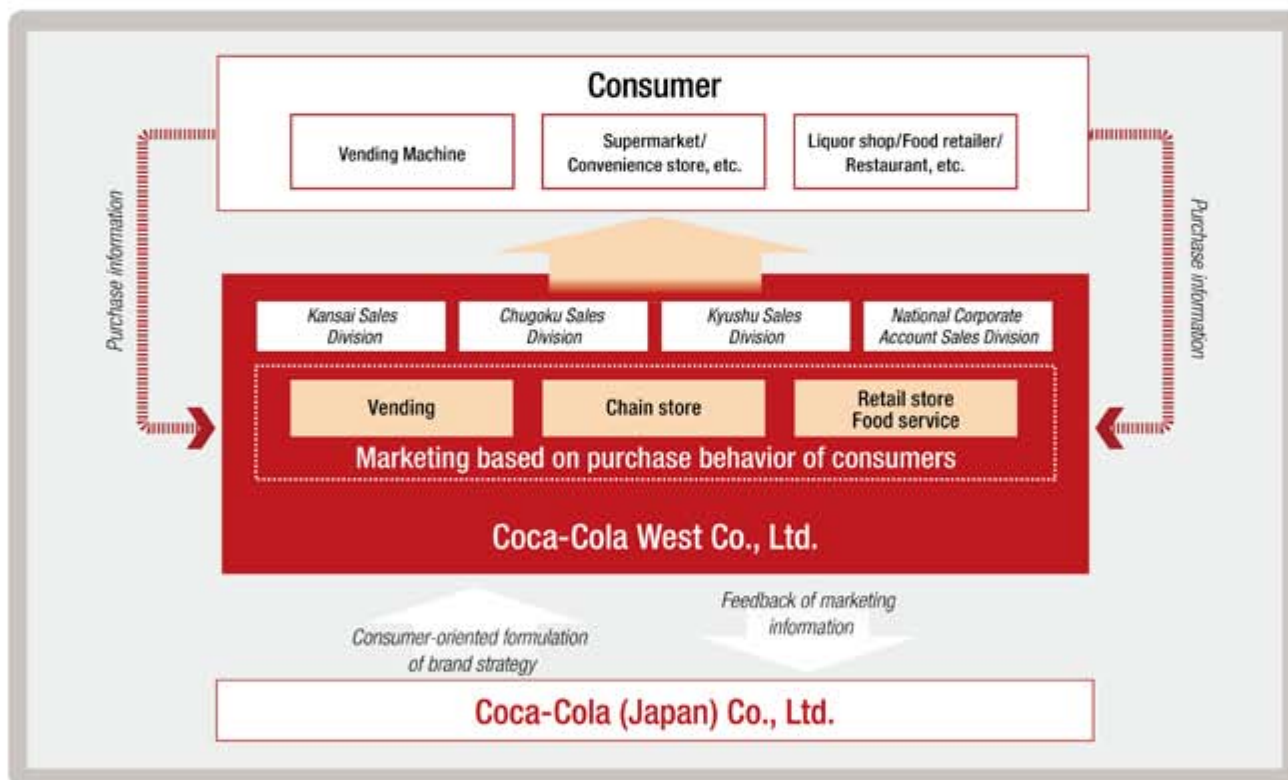
We operate our business activities in the market by establishing sales divisions by sales territory under the “Trade Marketing\*,” a marketing technique based on consumers’ purchasing behaviors.

\*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 through 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

Our efforts for differentiation and diversification of our sales methods (including brands, packages, 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-oriented viewpoint, we are seeking to increase sales volume and profits and expand our market share.

As for vending machines, we will pursue vending machines that are attractive to consumers and select products depending on characteristics of the location and the season along with thorough price strategies. Through these efforts, we will increase sales volume per vending machine. In terms of 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.



### Point of Sales

[Vending]



Assortment of products varied with the seasons

[Supermarket]



Sales sites expansion depending on consumers’ drinking preferences.

## Overview of Sales Structure

The number of customers in our sales 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.

### CHAIN STORE (SUPERMARKET/CONVENIENCE STORES, etc)

We analyze consumers' behavioral intentions and purchase motives for each supermarket to provide the best product assortment available. We also support creating a comfortable shopping experience by proposing the most appropriate product—for example, small bottles of Coca-Cola or Coca-Cola Zero placed in the pizza section and small bottles of Sokenbicha and Ayataka in the bento meal section. We also carry out seasonal and holiday campaigns to strengthen sales, such as Aquarius for prevention of summer heat strokes and large-sized Coca-Cola bottles for Christmas parties.



### VENDING

As of December 31, 2011, we have about 270,000 vending machines installed both indoors and outdoors. We have been selecting products suited for the installed areas (outdoors, offices, factories, schools, etc.) and providing larger breadth of size and price, seeking more sales per machine. Additionally, seasonal products and campaigns are implemented to meet the needs of the consumers.

We are also actively introducing Cashless Vending Machines and Energy-Saving Vending Machines with solar panels and LED lighting in order to cater to our customers' and consumers' environmentally conscious needs while improving levels of convenience.



### RETAIL STORE, FOOD SERVICE

The retail store/food service channel represents retailers such as liquor stores and kiosks, and food service such as food courts, restaurants, and movie theaters.

We support creating enjoyable shopping spaces by proposing the most appropriate selling devices well suited for our customers' preference and providing advertising materials depending on the season or media tie-ups.

Additionally, for food courts and restaurants, we propose original set menus for each facility and support hygiene management of selling equipment, ensuring high-quality merchandise and services for the consumer.

We also put effort into new business transactions and propose table-top coolers for new customers, striving for business expansions.

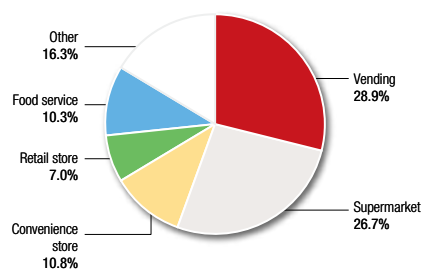


### Sales volume by Channel

(Unit: Thousand cases)

	2010	2011	Percentage change
■ Vending	57,817	54,205	(6.2)%
■ Supermarket	49,026	50,099	+2.2%
■ Convenience store	19,469	20,312	+4.3%
■ Retail store	12,978	13,166	+1.4%
■ Food service	18,690	19,302	+3.3%
□ Other	25,941	30,690	+18.3%
<b>Total</b>	<b>183,921</b>	<b>187,773</b>	<b>+2.1%</b>

Composition of Sales Figures in 2011

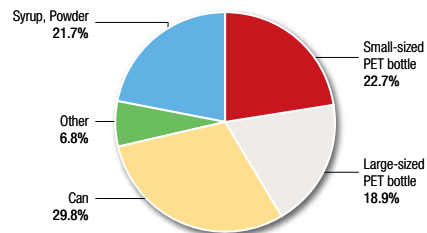


### Sales volume by Package

(Unit: Thousand cases)

	2010	2011	Percentage change	
PET	■ Small-sized (less than 1,021ml)	41,519	42,661	+2.8%
	■ Large-sized (more than 1,021ml)	35,123	35,550	+1.2%
	Subtotal	76,642	78,212	+2.0%
■ Can	54,934	55,980	+1.9%	
■ Other	14,638	12,744	(12.9)%	
■ Syrup, Powder	37,708	40,837	+8.3%	
<b>Total</b>	<b>183,921</b>	<b>187,773</b>	<b>+2.1%</b>	

Composition of Sales Figures in 2011



### Major examples of packages

Small-sized PET bottle



Large-sized PET bottle



Can



Syrup and powder form



## Our Brand Lineup

Our investment and sales are centered on the core 8 brands—Coca-Cola, Coca-Cola Zero, Fanta, Georgia, Sokenbicha, Aquarius, Ayataka, and I LOHAS. We are also promoting Sprite, Huang, and Qoo to meet the diverse needs of consumers.

### The core 8 brands

Coca-Cola



Coca-Cola Zero



Fanta



Georgia



Sokenbicha



Aquarius



Ayataka



I LOHAS



### Others

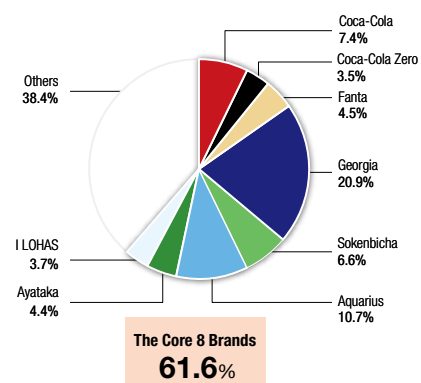


### Sales Volume by Brand

(Unit: Thousand cases)

	2010	2011	Percentage change
<b>The Core 8 Brands</b>			
■ Coca-Cola	13,742	13,962	+1.6%
■ Coca-Cola Zero	6,135	6,509	+6.1%
■ Fanta	8,560	8,424	(1.6)%
■ Georgia	38,297	39,176	+2.3%
■ Sokenbicha	12,284	12,348	+0.5%
■ Aquarius	20,774	19,999	(3.7)%
■ Ayataka	4,833	8,298	+71.7%
■ I LOHAS	5,686	6,889	+21.2%
□ Others	73,610	72,168	(2.0)%
<b>Total</b>	<b>183,921</b>	<b>187,773</b>	<b>+2.1%</b>

Composition of Sales Figures in 2011



## Spotlight on Our Major Brands

### Coca-Cola



To commemorate the 125th anniversary of Coca-Cola, the revision of the “heritage” series has been released in 2011 in limited quantities. Additionally, promotion activities combining Coca-Cola with various foods have been held at supermarkets, striving for an expansion of consumer drinking opportunities. Various bottle packaging such as limited winter-designed PET bottles and 2L PET bottles perfectly sized for parties have also been released to meet the needs of the consumers.



Revision of the “Heritage” series

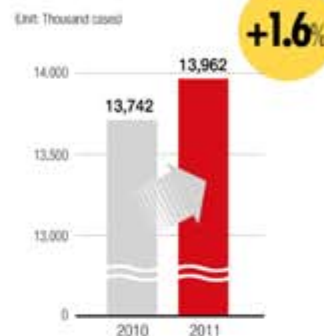


Winter Design



“Coke & Meals” Campaign

#### Coca-Cola Progression of Sales volume



### Coca-Cola Zero

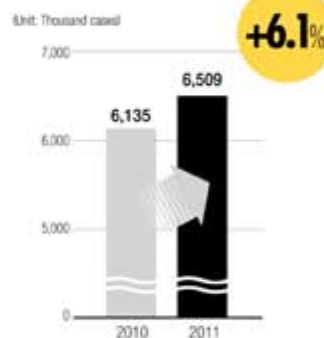


The zero-calorie drink Coca-Cola Zero has made “zero sugar, zero preservatives, zero synthetic fragrances” a reality, having rapidly growing sales owing to the increasing number of health-conscious consumers. In 2011, by selling sets of Coca-Cola Zero combined with snacks in venues such as supermarkets, we were able to promote health awareness while having a delicious bite at the same time.



“Coke Zero & Snacks” campaign

#### Coca-Cola Zero Progression of Sales volume



### Georgia



In 2011, we reinforced the product selection of the Georgia brand, by releasing new regional-limited products and “WA-Style” showcasing new Japanese flavors for the fall and winter season, and iced coffee and iced café au lait products for the summer. Additionally, the consumer-participatory “Georgia EMEMAN Battle” campaign, which featured four Emerald Mountain Blend products where the consumers voted for the 1st place spot, garnered much attention.



“WA-Style”

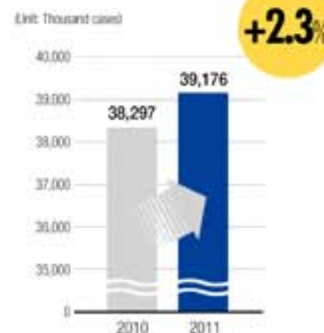


Regional-limited Products



“Georgia EMEMAN Battle” Campaign

#### Georgia Progression of Sales volume



## Spotlight on Our Major Brands

### Ayataka



Ayataka, with its renewed design and freshly brewed richness and savory taste, enables the consumer to have an authentic green tea experience. We have promoted the product through TV spots, vending machine placement, and sample tasting at supermarkets, earning support from a wide range of consumers and enhancing the visibility of Ayataka's characteristics. Additionally, we have released a new product "Maccha-Latte," to good reviews.

Ayataka sales have steadily grown in the green tea market.



"All-Japan Ayataka Test" TV Spot Series

#### New Products



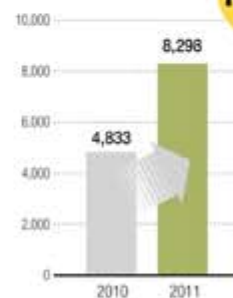
"Maccha-Latte"



New Label Design for 2011

#### Ayataka Progression of Sales volume

Unit: Thousand cases



**+71.7%**

## Featured Products

### Glacéau Vitaminwater



This stylish drink that enables vitamin and mineral intake while obtaining fluids has five different types to choose from according to one's lifestyle and mood. We are reinforcing sales with focus on supermarkets and drug stores.



### Real Ukon



This first-ever carbonated turmeric drink has a pineapple taste and no trace of the distinctive turmeric aroma—good news for the consumers who have had a disliking for turmeric drinks. Ever since its launch in October 2011, sales have been rising steadily in convenience stores. We have also expanded sales focused on the liquor section of supermarkets.



## SUPPLY CHAIN MANAGEMENT ACTIVITIES

In our activities for a stable product supply and reduction of SCM (supply chain management) cost and environmental burden, we are undergoing a variety of activities in procurement, manufacturing, and logistics.

As for procurement, we have made bottles lighter and labels thinner, focusing on environmental considerations while reducing material cost.

In manufacturing, we have heightened the extraction rate of production lines and self-manufacturing average, cutting down costs. Additionally, reinforced communications between the SCM department and the sales department has led to enhanced supply-demand accuracy, resulting in a reduction in disposal products for 2011 compared to the previous year. By investing in renewed production lines and the introduction of the in-line blow molder\*<sup>1</sup>, we are aiming for a medium-term manufacturing cost reduction while providing for our consumers' diverse needs.

In the logistics field, we are continuing our installation of a stock-intensive "distribution center," which will allow streamlined distribution from our logistic facilities to our consumers and customers, reducing distribution costs and allowing a long-term restructuring of the logistics process. In 2012, we will start a new distribution network in Nagasaki and Osaka and validate the effects with a goal of full-scale expansion within our sales region.

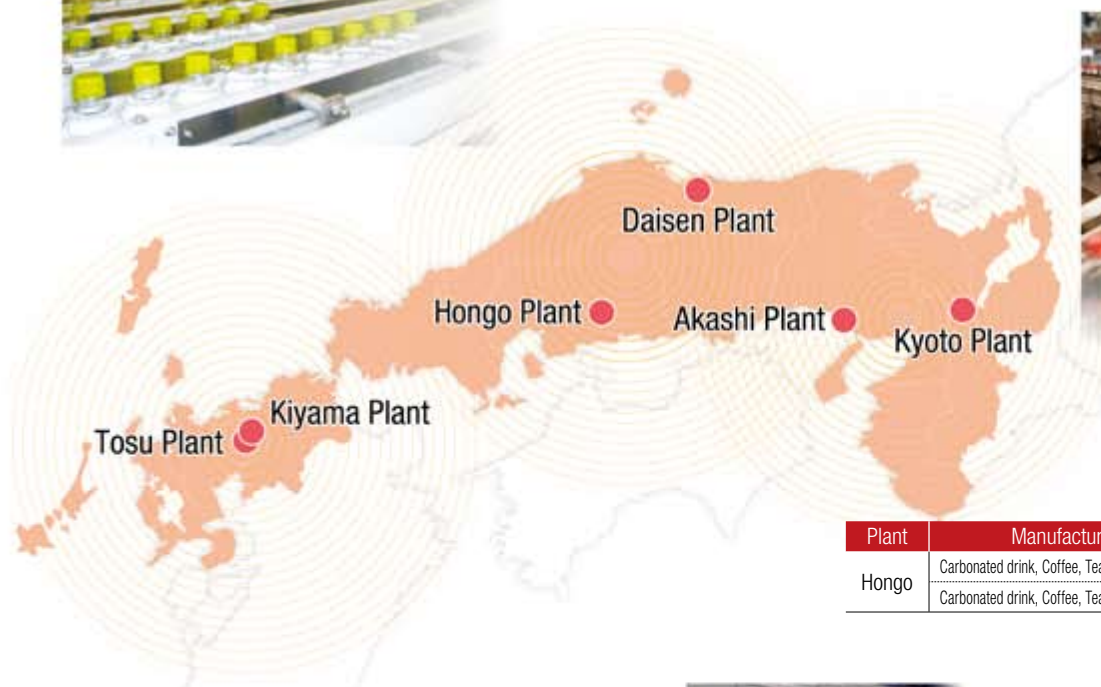
\*1 In-line blow molder: our own PET bottle-molding device

Plant	Manufactured items	Package
Daisen	Mineral water	PET bottle



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* <sup>2</sup> , BIB* <sup>2</sup>
	Coffee	Roasting* <sup>2</sup>
Akashi	Carbonated drink, Coffee, Tea, Sports drinks, Fruit juice	PET bottle

\*2 Articles for cup vending machines and for dispensers.



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* <sup>2</sup>
	Carbonated drink, Fruit juice	Bottle
Tosu	Carbonated drink, Sports drinks	PET bottle
	Coffee, Tea	Can
	Coffee	Roasting* <sup>2</sup>

\*2 Articles for cup vending machines and for dispensers.



Distribution Centers

# CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

## Global Environmental Protection Activities

### Initiative for Energy Usage Reduction

Our Group is working as one toward our greenhouse gas reduction goal. As a result of activities in the Vending Machines Department and the Transport Department, our Group's CO<sub>2</sub> emissions for 2011 decreased by 4% from the previous year, showing a 25% decrease from 2004.

#### Efforts by Vending Machines Department

We are actively pursuing a more environmentally friendly vending machine, by implementing LED lighting and natural refrigerant that has less impact on the earth's environment, and we have installed "solar-panel equipped vending machines" and "heat-pump\*1 method non-freon type vending machines" with enhanced insulation and a system that uses waste heat for warming.

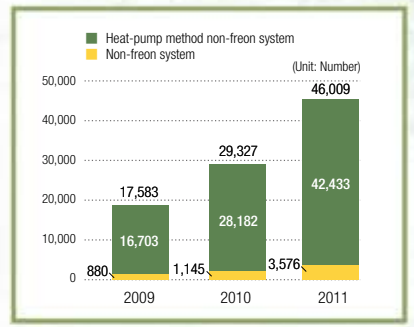
In our endeavors to stop global warming, the installed numbers of our environmentally conscious vending machines should reach approximately 46,000 machines by the end of 2011.

\*1 The heat-pump method: a method that uses heat emitted from the machine during the cooling process and uses that heat instead of electric heaters to warm products efficiently.



Vending machine outfitted with solar panel

#### The Number of Environmentally friendly Vending Machines



#### Efforts by Transport Department

We are actively using larger vehicles for more efficient distribution, and implementing the Modal Shift\*2 for transport between factories and warehouses. The Group as a whole promotes eco-driving such as idling stop, economical speed driving, and axel off during speed reduction. Additionally, we have installed safety recorders in delivery vehicles to analyze and check driving conditions, and to improve fuel efficiency and implement safe driving.

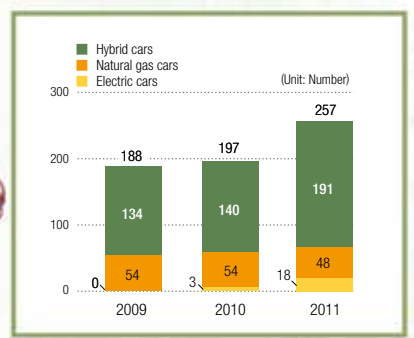
Moreover, introduction of the zero CO<sub>2</sub> emission electric car and streamlined distribution have contributed to our goal of fuel-usage reduction.

\*2 Modal Shift: To change from truck transportation to railroad transportation or shipping, which is energy saving, low pollution, and more adapted for mass transport.

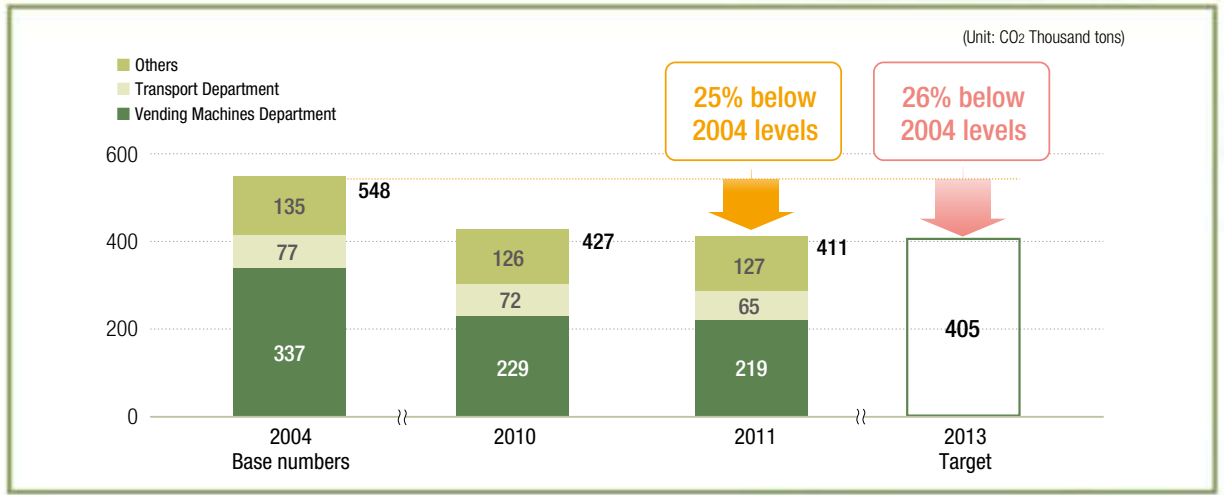


Electric car

#### The Number of Eco-cars in Operation



#### CO<sub>2</sub> Emissions





## Water Reduction Activities

We feel it is our social responsibility to pursue the efficient use of water, which is the base of our products and an invaluable resource. In 2011, we have successfully reduced water usage at all of our factories, resulting in 7% or 5.7 L/L (Liters needed/Per product liter) less water per primary unit\*.

\* Primary unit: water needed to create 1 liter of a product.

### Water Usage

	2010	2011	Percentage Change
Used amount (per thousand m <sup>3</sup> )	7,616	7,479	(2)%
Primary unit (L/L)	6.1	5.7	(7)%

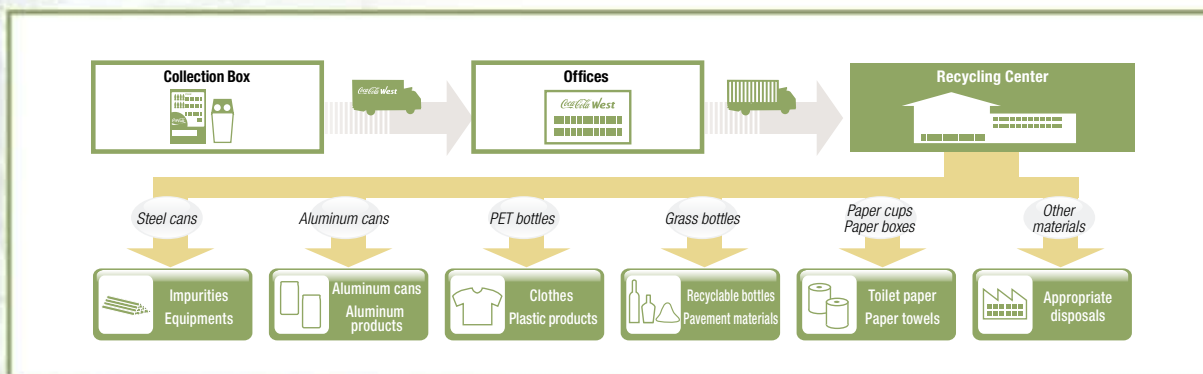
## Waste Recycling Activities

We have actively been collecting used bottles and cans and recycling industrial waste to promote beneficial use of all 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 2011.

#### Empty Containers Recycling Flow



### Recycling of Retired Vending Machines

All retired vending machines are 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. Additionally, we properly collect freon gas that can cause ozone layer depletion and global warming.

### 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 waste recycling rate of over 99%). 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 in 2011

Waste type	Volume Generated (Tons)	Recycling Rate	Recycling Usage
Coffee grounds	23,316	100.00%	Organic fertilizer
Tea leaves	10,123	100.00%	
Grime	4,881	100.00%	
Waste plastic	887	99.87%	Recycled plastic fuel
Glass	311	99.98%	Recycled cullet
Metals	334	99.80%	Recycled iron and steel, aluminum Cans
Paper	970	100.00%	Cardboard, Recycled paper
Waste oil	12	98.95%	Recycled oil
Other	166	99.83%	Base course material
<b>Total</b>	<b>41,000</b>	<b>99.994%</b>	

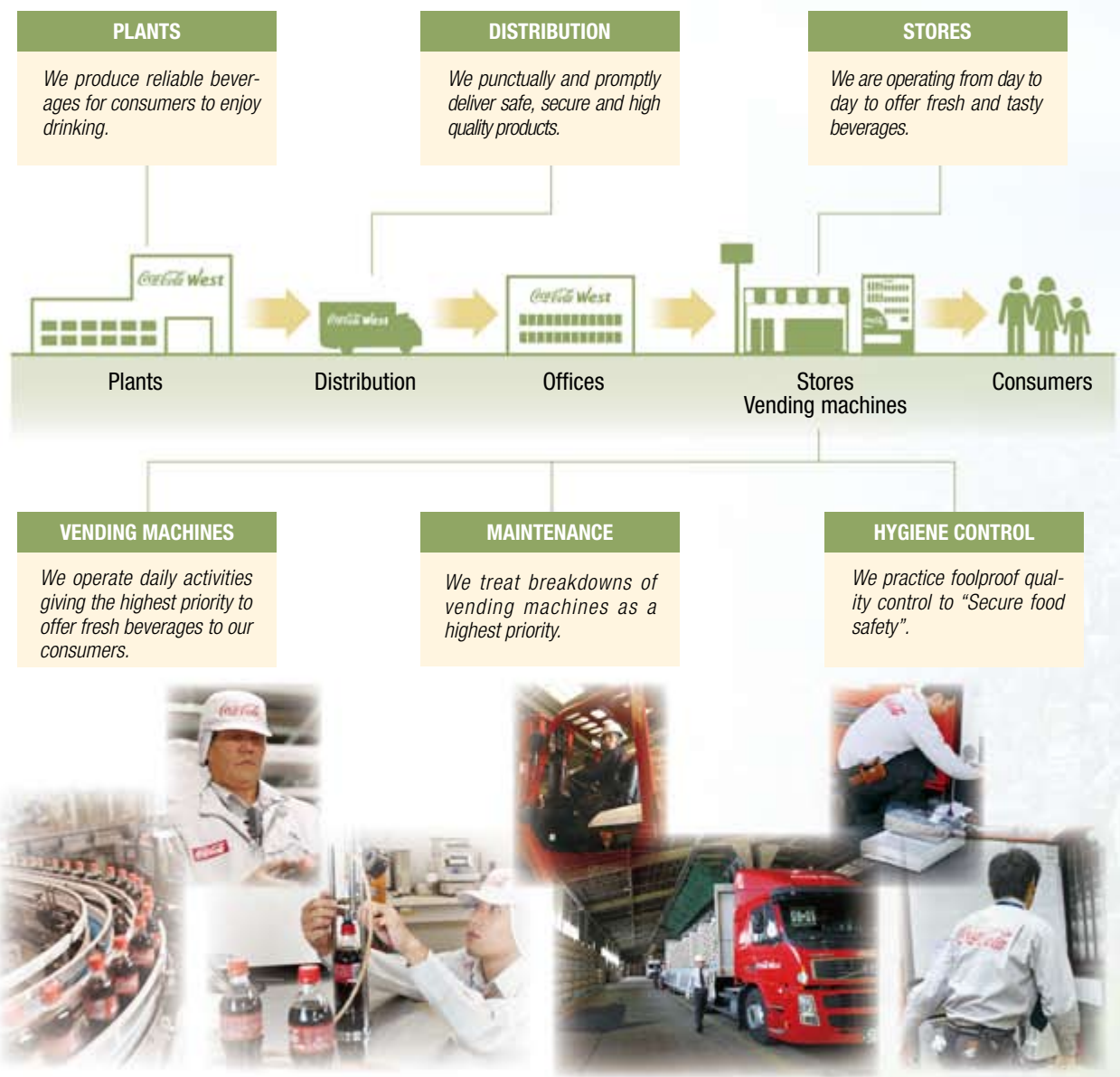
## Quality Assurance

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 are in our consumers' hands.

### Quality Assurance

We have 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 (ISO9001\*1, FSSC22000\*2) at our manufacturing plants, we carry out quality control in warehouses, in logistics facilities, at outlet stores, and other sales channels so our consumers are able to receive high-quality products.

\*1 ISO9001: Quality Management System  
 \*2 FSSC22000: Food Safety Management System



## Business Activities Contributing to Local Communities

To support local residents and communities, we have installed “Community Contribution Vending Machines.” These include “Community-Support-Type Vending Machines” and “Disaster-Response Vending Machines,” by which we assist the development of local communities and safe and secure living conditions for its residents.

### “Community-Support-Type Vending Machines” to support local communities

A portion of the sales revenue for the “Community-Support-Type Vending Machines” is returned to the local community to fund social contribution activities, civic events, and sports organizations. 3,561 machines have been installed as of December 31, 2011.

#### Scheme to support local activities through Community-Support-Type Vending Machines



Support for welfare	Support for Town Development	Support for Tourism	Support for Environment	Support for Professional Sports
<b>Special Olympics Nippon (SON) Nara region supporting vending machine</b> Other examples <ul style="list-style-type: none"> <li>Special Olympics Nippon Shiga Establishment preparation committee</li> <li>SON Wakayama</li> <li>SON Osaka</li> </ul>	<b>Shodo Osaka supporting vending machine</b> Other examples <ul style="list-style-type: none"> <li>Shiraishi-cho town development</li> <li>Unan-shi town development</li> <li>Taku-shi town development</li> </ul>	<b>Chikujo-cho tourism supporting vending machine</b> Other examples <ul style="list-style-type: none"> <li>Awaji-island fiesta</li> <li>Shimonoseki tourism</li> </ul>	<b>Settsu-shi environmental-support vending machine</b> Other examples <ul style="list-style-type: none"> <li>Greening of Fukuoka-shi</li> <li>Environmental conservation and research for nihonawa coral</li> </ul>	<b>INAC Kobe Leonessa supporting vending machine</b> Other examples <ul style="list-style-type: none"> <li>Gamba Osaka</li> <li>Serezo Osaka</li> <li>Sanfrece Hiroshima</li> <li>Avispa Fukuoka support</li> </ul>

### “Disaster-Response Vending Machines” to provide relief during emergencies

In the event that supply lines are severely disrupted by earthquakes or other disasters, “Disaster-Response 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. As of December 31, 2011, we have installed a total of 266 “Disaster-Response Vending Machines” to contribute to the safety of local residents.

#### Scheme of Disaster-Response Vending Machines



Disaster-Response 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 (14 prefectures). We carry out continuous actions on approval of shareholders.

### Resolutions of the general meeting of shareholders

#### Appropriation of funding retained earnings

- Dividend
- Reserve fund
  - Reserves for local communities' contribution
  - Reserves for local communities' environmental protection
- Retained earnings at beginning

## 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 social welfare, sports activities, cultural and educational activities, and major regional events.



### Donation of Educational Materials to Special-Needs Schools

We have been donating information equipment (computers and peripherals) to special-needs schools since 1993 to help mentally and physically disabled students gain self-reliance. In 2011, we donated teaching tools to 14 schools in our sales territory.



### 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 have been donating unicycles to public elementary schools since 1994. 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 and for fun.

We donated 1,000 unicycles to 100 schools in our sales territory in 2011.



### Rugby Clinic

Our rugby club members provide guidance for high-school students to help improve their rugby skills. This guidance is of help to them in understanding the safety of the game and the importance of fundamentals by implementing a clinic with both students and coaches.



### Classical Music Concerts

To create an affluent society (cultivation of spiritual human resources), we have been sponsoring "Coca-Cola West Classic Concert" for local residents since 1989 to enjoy live performances of the finest classical music.

In 2011, we held "Wiener Ring Ensemble New Year Concert" in Fukuoka and "Franz Liszt Chamber Orchestra & Hiroko Koda (Soprano)" in Osaka, where masterful performances were offered and local residents we invited enjoyed the fantastic concerts.



### Family Musicals

During the summer holidays since 2000, we hold "Coca-Cola West Family Musicals" as an activity to foster the bond between parents and children where children and their parents can enjoy musical performances.

In 2011, we held, at three locations, in Fukuoka Prefecture, in Hiroshima Prefecture, and in Osaka Prefecture, "Rudolf and Ippaiattena," which is based on the children's book read for nearly 25 years. We invited local residents and their families had a pleasant time.



### Ichimura Shizenjuku-Kyushu

The school has been supporting healthy development and growth of children under the basic ideal of "Learn energy to live from the earth" since it was launched in 2003. Through farming activities and communal life, the program offers children some opportunities to learn moral principles and to promote independence and creativity.

## LOCAL ENVIRONMENT IMPROVEMENT ACTIVITIES

We recognize global environmental protection as one of the crucially important issues, and therefore, we contribute to the development of sustainable society 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 of recharging irreplaceable clean water resource produced from forests, we have been conducting forest conservation activities at “Sawayaka Shizen-no-Mori” since 2006, under co-management agreements with the communities in the suburbs of our all plants.

In 2011, about 200 participants, including our employees and their families together with local citizens, gathered to thin trees, to improve cutting, and to build trails at 5 locations in Kyoto, in Hyogo, in Tottori, in Hiroshima, and in Saga.



### ■ Mt. Daisen “Environmental Class of Water”

As a corporation utilizing irreplaceable clean water, we hold an environmental class so that children can increase understanding of forest-produced water and the global environment.

In 2011, 90 elementary school students from Kansai, Chugoku, and Kyushu areas participated, as a place of activity with the Daisen factory, a factory for water located in Mt. Daisen, which is the highest mountain in the Chugoku Mountains, and at the foot of Mt. Daisen. The children had a valuable experience not perceivable in daily life by seeing the process of manufacturing the natural mineral water “I LOHAS” and visiting facilities introducing the nature, history, and culture of Mt. Daisen.



### ■ Support for Tree Planting Activities

We perform a tree-planting activity “Create an Acorn Forest” as a part of environmental and educational support programs for local communities. Through these programs, children and local residents gained understanding of the importance of nature and environment conservation. At the same time, we consider these activities could prevent global warming through an increase of greenhouse gas absorption.

We planted 440 new broadleaf trees, such as quercus serrate and oak trees, according to the local vegetation in 2011.



### ■ Summer School of Ecological Experiences

We hold learning programs on natural environment so that children as leaders of the next generation can understand the splendor and richness of nature with actual experiences.

In 2011, 30 elementary school children from Fukuoka Prefecture and Saga Prefecture and 30 elementary school children from Kyoto participated in a two-day, one-night program. Children learned about relations between lives and forests as well as the importance of the water-retaining function of forests with the help of expert instructors.



### ■ Local Community Cleanup Activities

Our employees of each business establishment proactively participate in Local Community Cleanup Activities organized by each municipality, considering them as occasions to communicate directly with local residents.

In 2011, about 650 employees and their families took part, at 7 locations, in our sales territory, thereby contributing to local beautification. We will continue participating in these activities and strive to contribute to a community.

# FINANCIAL INFORMATION

## Analysis on Operating Results

### Outline of Business Results of Fiscal 2011

#### Operating Results

##### ■ Net Revenues

In the soft drink business, although we faithfully engaged in finely tuned marketing activities according to the characteristics of each channel, net revenues decreased slightly, due primarily to the effect of declining product prices. Meanwhile, we acquired the shares of Q' SAI, CO., LTD. on October 1, 2010, and since then it and its five subsidiaries have been included in the scope of consolidation. Consequently, the total net revenues of segments increased by ¥23,952 million, or 6.4%, from the previous fiscal year, to ¥399,717 million.

##### ■ Operating Income

In addition to the aforementioned effect of newly consolidated companies, we reduced manufacturing costs through such methods as starting in-house PET bottle production and improved productivity by reorganizing the personnel structure. Consequently, operating income increased by ¥4,466 million, or 37.2%, from the previous fiscal year, to ¥16,469 million.

##### ■ Recurring Income

Due primarily to an increase in operating income, recurring income increased by ¥3,384 million, or 26.7%, from the previous fiscal year, to ¥16,044 million.

##### ■ Net Income

Although recurring income increased, net income decreased by ¥584 million, or 7.7%, from the previous fiscal year, to ¥6,997 million. This was mainly attributed to the recording of extraordinary losses in relation to adjustment for changes of accounting standard for asset retirement obligations, and the occurrence of loss on retirement of noncurrent assets.

#### Financial Position

Equity ratio as of the end of the fiscal year stood at 66.4%, so we deem that we continue to maintain financial soundness.

##### ■ Assets and Liabilities

Total assets as of the end of the fiscal year decreased by ¥3,471 million, or 1.0%, from the end of the previous fiscal year, to ¥342,560 million.

Total liabilities as of the end of the fiscal year decreased by ¥5,069 million, or 4.2%, from the end of the previous fiscal year, to ¥114,695 million. Upon unification on January 1, 2011 of the retirement benefit plans of the company and consolidated subsidiaries engaging in the soft drink business, which had been different among pre-merger companies (Coca-Cola West Japan Co., Ltd., Kinki Coca-Cola Bottling Co., Ltd., and Mikasa Coca-Cola Bottling Co., Ltd.), the amounts of

prepaid pension costs and provision for retirement benefits, which had formerly been recorded by each plan, were netted. This resulted in prepaid pension costs and provision for retirement benefits decreasing by the same amount, which are the main reasons for decreases in total assets and liabilities.

##### ■ Net Assets

Net Assets as of the end of the fiscal year increased by ¥1,597 million, or 0.7%, from the end of the previous fiscal year, to ¥227,864 million. This is mainly attributable to net income for the fiscal year.

##### ■ Consolidated Cash Flows

###### Net Cash provided by Operating Activities

Net cash provided by operating activities resulted in a cash inflow of ¥39,960 million (25.9% increase compared to the previous fiscal year). Due primarily to the impacts of an increase in income before income taxes, minority interests, and other adjustments and an increase in notes and accounts payable-trade in the soft drink business, net cash provided by operating activities for the fiscal year increased by ¥8,227 million from the previous fiscal year.

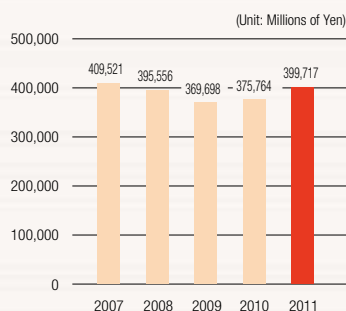
###### Net Cash provided by (used in) Investing Activities

Net cash provided by (used in) investing activities resulted in a cash outflow of ¥34,050 million (compared to a cash outflow of ¥49,203 million for the previous fiscal year). The acquisition of the shares of Q' SAI, CO., LTD. in the previous fiscal year has a major impact on net cash provided by (used in) investing activities, causing a difference of ¥15,153 million between the cash outflows of the fiscal year and the previous fiscal year.

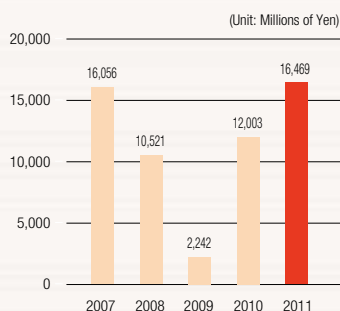
###### Net Cash provided by (used in) Financing Activities

Net cash provided by (used in) financing activities resulted in a cash outflow of ¥8,780 million (compared to a cash outflow of ¥16,316 million for the previous fiscal year). The partial repayment of long-term loans payable of Q' SAI, CO., LTD., the company's consolidated subsidiary, at the time of refinancing has a major impact on net cash provided by (used in) financing activities, causing a difference of ¥7,535 million between the cash outflows of the fiscal year and the previous fiscal year. As a result, cash and cash equivalents as of the end of the fiscal year decreased by ¥2,870 million, or 7.7%, from the end of the previous fiscal year, to ¥34,564 million.

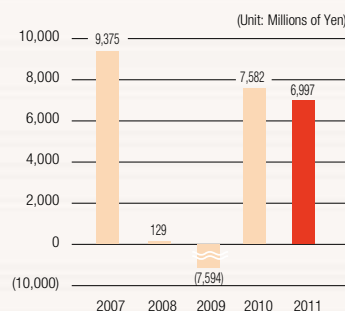
Net Revenues



Operating Income



Net Income



## Segment Information

### Business Results by Business Segment

#### ■ Soft Drink Business

As for product strategy, we concentrated our investment in core 8 brands and strengthened sales activities to expand sales. With regard to channel strategy, we expanded sales by proactively using coolers or racks to raise the number of selling places in supermarkets, as well as by displaying small-package products to increase immediate consumption opportunities. For vending channel (vending machines), we worked on the expansion of sales per machine by developing product lineups and setting prices according to the features of the locations.

Moreover, based on a strategic partnership with the Coca-Cola Company and Coca-Cola (Japan) Co., Ltd., we have reinforced marketing cooperation and promoted various efforts to achieve the sustainable growth of the Coca-Cola business.

With regard to SCM, we developed the supply system in line with business strategies to reduce unsellable products. Also, we engaged in capital investment through such methods as updating manufacturing equipment and introducing new technologies, and achieved productivity improvement and the resultant cost reduction.

As a result, in fiscal 2011 net revenues and operating income for the segment amounted to ¥363,469 million and ¥11,475 million, respectively.

#### ■ Health Foods Business

The Group's health foods business is conducted by Q' SAI, CO., LTD., the company's subsidiary, and its five subsidiaries.

As for product strategy, focusing on healthcare products "Hyaluronan collagen" and "Peptide ace (Food for Specified Health Uses)" and skin care products "Basic skin care," we used advertising expenses, taking into account efficiency, to attract new consumers and encourage existing consumers to continue to use our products. In addition, with the aim of expanding sales in the mail order channel, which is the main sales channel for the products, we changed the order acceptance system to improve our capacity to meet consumer needs and focused on training telephone communicators, who function as contact points with consumers.

As a result, in fiscal 2011 net revenues and operating income for the segment amounted to ¥34,788 million and ¥4,989 million, respectively.

#### ■ Other Businesses

Other businesses formerly consisted of the transportation business (general cargo) and the food service business. However, for the purpose of the concentration of management resources of the Group, on November 18, 2011 we transferred all the shares of Akiyoshi Systems Co., Ltd., which engages in the food service business.

In fiscal 2011 net revenues and operating income for the segment amounted to ¥1,458 million and ¥5 million, respectively.

(Unit: Millions of Yen)

	2010				2011			
	Soft Drink Business	Health Foods Business	Other Businesses	Total	Soft Drink Business	Health Foods Business	Other Businesses	Total
Net revenues	¥365,680	¥8,378	¥1,705	¥375,764	¥363,469	¥34,788	¥1,458	¥399,717
Segment income* <sup>1</sup>	¥10,809	¥1,124	¥69	¥12,003	¥11,475	¥4,989	¥5	¥16,469

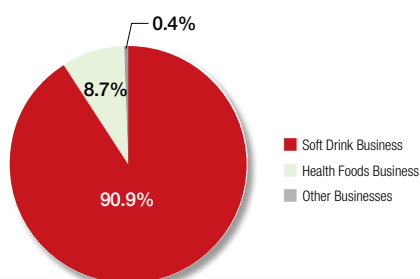
(Unit: Thousands of U.S. Dollars)<sup>\*2</sup>

	2010				2011			
	Soft Drink Business	Health Foods Business	Other Businesses	Total	Soft Drink Business	Health Foods Business	Other Businesses	Total
Net revenues	\$4,745,394	\$108,730	\$22,128	\$4,876,253	\$4,716,709	\$451,449	\$18,930	\$5,187,089
Segment income* <sup>1</sup>	\$140,270	\$14,597	\$895	\$155,764	\$148,916	\$64,744	\$65	\$213,726

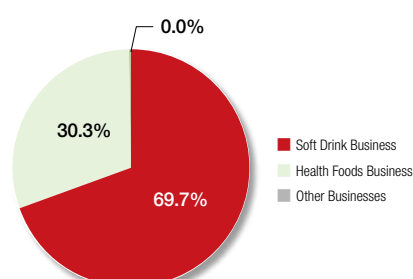
\*1 Segment income concurs with operating income in the consolidated statements of income.

\*2 Amounts in U.S. dollars are presented for the purpose of convenience only. Exchange rate of 77.06 yen against the U.S. dollar (as of December 31, 2011; amounts less than one unit are truncated) is used for conversion.

Net Revenues Composition Ratio for 2011



Operating Income Composition Ratio for 2011



# Consolidated Balance Sheets

(As of December 31)

	2009	2010	(Unit: Millions of Yen) 2011	(Unit: Thousands of U.S. Dollars)* 2011
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Deposits	¥20,634	¥24,208	¥25,208	\$327,122
Trade Notes and Accounts Receivable	21,630	23,507	25,335	328,781
Marketable Securities	51,335	15,737	26,738	346,979
Merchandise and Finished Goods	22,861	22,355	21,954	284,901
Work in Process	0	231	464	6,030
Raw Materials and Supplies	2,055	1,396	1,450	18,827
Deferred Tax Assets (Current Portion)	3,288	2,722	4,373	56,750
Other	14,490	13,823	14,177	183,976
Allowance for Doubtful Accounts	(131)	(186)	(504)	(6,551)
<b>Total Current Assets</b>	<b>136,164</b>	<b>103,796</b>	<b>119,197</b>	<b>1,546,818</b>
<b>Fixed Assets:</b>				
<b>Property, Plant and Equipment</b>				
Buildings and Structures, net	34,907	34,992	33,525	435,052
Machinery, Equipment, Vehicles, net	19,010	20,155	20,497	265,998
Sales Equipment, net	23,905	21,209	20,820	270,184
Land	53,006	53,982	52,774	684,844
Leased Assets, net	4,605	2,066	963	12,504
Construction in Progress	385	7	395	5,135
Other, net	1,801	1,528	1,241	16,107
<b>Total Property, Plant and Equipment</b>	<b>137,622</b>	<b>133,943</b>	<b>130,218</b>	<b>1,689,827</b>
<b>Intangible Assets:</b>				
Goodwill	2,112	50,172	47,474	616,076
Software, etc	4,344	4,282	4,723	61,301
<b>Total Intangible Assets</b>	<b>6,457</b>	<b>54,454</b>	<b>52,198</b>	<b>677,377</b>
<b>Investments and Other Assets:</b>				
Investment Securities	27,658	26,690	24,583	319,019
Deferred Tax Assets	728	9,571	4,321	56,075
Advanced Payments for Retirement Expenses	11,606	10,934	5,827	75,626
Other	7,025	7,201	6,788	88,091
Allowance for Doubtful Accounts	(445)	(560)	(574)	(7,461)
<b>Total Investments and Other Assets</b>	<b>46,573</b>	<b>53,838</b>	<b>40,946</b>	<b>531,352</b>
<b>Total Fixed Assets</b>	<b>190,653</b>	<b>242,236</b>	<b>223,362</b>	<b>2,898,557</b>
<b>Total Assets</b>	<b>¥326,818</b>	<b>¥346,032</b>	<b>¥342,560</b>	<b>\$4,445,376</b>

\* Amounts in U.S. dollars are presented for the purpose of convenience only. Exchange rate of 77.06 yen against the U.S. dollar (as of December 31, 2011; amounts less than one unit are truncated) is used for conversion.



	2009	2010	(Unit: Millions of Yen) 2011	(Unit: Thousands of U.S. Dollars)* 2011
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Trade Notes and Accounts Payable	¥17,309	¥14,615	¥18,657	\$242,113
Current Portion of Long-Term Loans Payable	–	2,567	2,542	32,999
Lease Obligations	2,645	1,031	461	5,989
Accrued Income Taxes	783	1,616	2,750	35,687
Other Accounts Payable	13,925	15,558	15,656	203,171
Provision for Sales Promotion Expenses	–	169	160	2,082
Other	6,440	7,854	6,350	82,412
<b>Total Current</b>	<b>41,105</b>	<b>43,415</b>	<b>46,579</b>	<b>604,456</b>
<b>Long-Term Liabilities:</b>				
Bonds Payable	50,000	50,000	50,000	648,845
Long-Term Loans Payable	–	12,816	10,273	133,321
Lease Obligations	2,050	1,231	778	10,097
Deferred Tax Liabilities	1,536	3,620	2,319	30,098
Allowance for Employees' Retirement Benefits	5,512	5,622	1,018	13,216
Liabilities for Directors' and Corporate Auditors'	16	102	117	1,520
Negative Goodwill	622	207	–	–
Other	3,158	2,748	3,609	46,839
<b>Total Long-Term Liabilities</b>	<b>62,897</b>	<b>76,349</b>	<b>68,116</b>	<b>883,939</b>
<b>Total Liabilities</b>	<b>104,002</b>	<b>119,765</b>	<b>114,695</b>	<b>1,488,396</b>
<b>NET ASSETS</b>				
<b>SHAREHOLDERS' EQUITY:</b>				
<b>Common Stock</b>			15,231	197,664
Capital Surplus	15,231	15,231	109,072	1,415,418
Retained Earnings	109,072	109,072	130,655	1,695,498
Treasury Stock	124,174	127,657	(25,764)	(334,339)
Total Shareholders' Equity	(25,759)	(25,761)	229,195	2,974,242
<b>Other Accumulated Comprehensive Income</b>	<b>222,718</b>	<b>226,199</b>		
<b>Net unrealized gain(loss) on Other Marketable Securities</b>				
Total Other Accumulated Comprehensive Income	23	(255)	(1,703)	(22,102)
<b>Minority Interests</b>	<b>23</b>	<b>(255)</b>	<b>(1,703)</b>	<b>(22,102)</b>
<b>Total Net Assets</b>	<b>74</b>	<b>324</b>	<b>373</b>	<b>4,840</b>
<b>Total Liabilities and Net Assets</b>	<b>222,816</b>	<b>226,267</b>	<b>227,864</b>	<b>2,956,980</b>
<b>Total Liabilities and Net Assets</b>	<b>¥326,818</b>	<b>¥346,032</b>	<b>¥342,560</b>	<b>\$4,445,376</b>

\* Amounts in U.S. dollars are presented for the purpose of convenience only. Exchange rate of 77.06 yen against the U.S. dollar (as of December 31, 2011; amounts less than one unit are truncated) is used for conversion.

# Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(From January 1 to December 31)

Consolidated Statements of Income	2009	2010	(Unit: Millions of Yen)	(Unit: Thousands of U.S. Dollars)*
			2011	2011
<b>Net Revenues</b>	<b>¥369,698</b>	<b>¥375,764</b>	<b>¥399,717</b>	<b>\$5,187,089</b>
<b>Cost of Goods Sold</b>	<b>206,240</b>	<b>203,307</b>	<b>204,472</b>	<b>2,653,417</b>
<b>Gross Profit</b>	<b>163,457</b>	<b>172,456</b>	<b>195,244</b>	<b>2,533,672</b>
<b>Selling, General and Administrative Expenses</b>	<b>161,214</b>	<b>160,452</b>	<b>178,775</b>	<b>2,319,945</b>
<b>Operating Income</b>	<b>2,242</b>	<b>12,003</b>	<b>16,469</b>	<b>213,726</b>
<b>Non-Operating Income</b>	<b>1,074</b>	<b>2,009</b>	<b>1,272</b>	<b>16,511</b>
Interest Income	97	122	70	914
Dividends	251	263	284	3,695
Amortization of Negative Goodwill	360	414	207	2,692
Equity in Earnings of Affiliates	—	806	139	1,814
Other Non-Operating Income	364	401	569	7,394
<b>Non-Operating Expenses</b>	<b>1,231</b>	<b>1,352</b>	<b>1,698</b>	<b>22,036</b>
Interest Expenses	316	708	685	8,901
Loss on Disposal of Property, Plant and Equipment	298	371	629	8,169
Equity in Loss of Affiliates	74	—	—	—
Expense for Bond Issuance	260	—	—	—
Other Non-Operating Expenses	282	273	382	4,965
<b>Recurring Income</b>	<b>2,085</b>	<b>12,659</b>	<b>16,044</b>	<b>208,201</b>
<b>Extraordinary Income</b>	<b>197</b>	<b>371</b>	<b>431</b>	<b>5,602</b>
Gain on Sales of Property, Plant and Equipment	—	218	382	4,960
Gain on Sales of Investment Securities	12	—	49	642
Subsidiary Income	165	118	—	—
Gain on Transfer of Business	19	34	—	—
<b>Extraordinary Losses</b>	<b>12,729</b>	<b>48</b>	<b>2,462</b>	<b>31,955</b>
Loss from Disaster	19	—	43	563
Loss on Disposal of Property, Plant and Equipment	740	—	715	9,284
Loss on Sales of Shares of Subsidiaries	—	—	85	1,110
Write-down of Investment Securities	51	48	31	406
Write-down of Golf Club Memberships	21	—	16	211
Loss on Disposal of Inventories	—	—	490	6,368
Expense for Provision for Power Saving	—	—	352	4,576
Loss on Adjustment for Changes of Accounting Standard for Asset Retirement Obligations	—	—	726	9,433
Impairment Loss	6,092	—	—	—
Group Restructuring Expenses	904	—	—	—
Expense for Provision for Sales Equipment Installation	2,716	—	—	—
Head Office Relocation Expense	362	—	—	—
Early Retirement Bonuses	617	—	—	—
Employee Transfer Fees	1,150	—	—	—
Effect of Applying Lease Accounting Standards	52	—	—	—
<b>Income (Loss) Before Income Taxes, Minority Interests and Other Adjustments</b>	<b>(10,446)</b>	<b>12,982</b>	<b>14,013</b>	<b>181,848</b>
<b>Income Taxes</b>	<b>1,018</b>	<b>1,881</b>	<b>3,878</b>	<b>50,324</b>
<b>Income Tax Deferred</b>	<b>(3,878)</b>	<b>3,488</b>	<b>3,082</b>	<b>39,999</b>
<b>Total Income Taxes</b>	<b>(2,859)</b>	<b>5,369</b>	<b>6,960</b>	<b>90,324</b>
<b>Income before Minority Interests</b>	<b>—</b>	<b>—</b>	<b>7,052</b>	<b>91,524</b>
<b>Minority Interests</b>	<b>8</b>	<b>30</b>	<b>55</b>	<b>722</b>
<b>Net Income (Loss)</b>	<b>¥(7,594)</b>	<b>¥7,582</b>	<b>¥6,997</b>	<b>\$90,802</b>

Consolidated Statements of Comprehensive Income	2009	2010	(Unit: Millions of Yen)	(Unit: Thousands of U.S. Dollars)*
			2011	2011
<b>Income before Minority Interests</b>	<b>—</b>	<b>—</b>	<b>¥7,052</b>	<b>\$91,524</b>
<b>Other Comprehensive Income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Net Unrealized Gain (Loss) on Other Marketable Securities	—	—	(1,455)	(18,891)
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	—	—	8	109
Total Other Comprehensive Income	—	—	(1,447)	(18,782)
<b>Comprehensive Income</b>	<b>—</b>	<b>—</b>	<b>5,605</b>	<b>72,741</b>
(Breakdown)				
Comprehensive Income Attributable to Owners of the Parent Company	—	—	5,549	72,019
Comprehensive Income Attributable to Minority Interests	—	—	¥55	\$722

\* Amounts in U.S. dollars are presented for the purpose of convenience only. Exchange rate of 77.06 yen against the U.S. dollar (as of December 31, 2011; amounts less than one unit are truncated) is used for conversion.

## Consolidated Statements of Changes in Shareholders' Equity

(From January 1 to December 31)

(Unit : Millions of Yen)

	Shareholders' Equity					Other Accumulated Comprehensive Income		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 Other Accumulated Comprehensive Income		
Balance as of December 31, 2010	¥15,231	¥109,072	¥127,657	¥(25,761)	¥226,199	¥(255)	¥(255)	¥324	¥226,267
<b>Changes during the Consolidated Fiscal Year 2011</b>									
Distribution of Dividends	–	–	(3,998)	–	(3,998)	–	–	–	(3,998)
Net Income	–	–	6,997	–	6,997	–	–	–	6,997
Acquisition of Treasury Stock	–	–	–	(3)	(3)	–	–	–	(3)
Cancellation of Treasury Stock	–	–	(0)	0	0	–	–	–	0
Net Changes in items other than shareholders' equity during the fiscal year.	–	–	–	–	–	(1,447)	(1,447)	48	(1,398)
<b>Total Changes during the Fiscal Year</b>	<b>–</b>	<b>–</b>	<b>2,997</b>	<b>(2)</b>	<b>2,995</b>	<b>(1,447)</b>	<b>(1,447)</b>	<b>48</b>	<b>1,597</b>
Balance as of December 31, 2011	¥15,231	¥109,072	¥130,655	¥(25,764)	¥229,195	¥(1,703)	¥(1,703)	¥373	¥227,864

(Unit : Thousands of U.S. Dollars)\*

	Shareholders' Equity					Other Accumulated Comprehensive Income		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 Other Accumulated Comprehensive Income		
Balance as of December 31, 2010	\$197,664	\$1,415,418	\$1,656,594	\$(334,310)	\$2,935,366	\$(3,320)	\$(3,320)	\$4,206	\$2,936,252
<b>Changes during the Consolidated Fiscal Year 2011</b>									
Distribution of Dividends	–	–	(51,893)	–	(51,893)	–	–	–	(51,893)
Net Income	–	–	90,802	–	90,802	–	–	–	90,802
Acquisition of Treasury Stock	–	–	–	(39)	(39)	–	–	–	(39)
Cancellation of Treasury Stock	–	–	(3)	10	7	–	–	–	7
Net Changes in items other than shareholders' equity during the fiscal year.	–	–	–	–	–	(18,782)	(18,782)	634	(18,148)
<b>Total Changes during the Fiscal Year</b>	<b>–</b>	<b>–</b>	<b>38,904</b>	<b>(29)</b>	<b>38,875</b>	<b>(18,782)</b>	<b>(18,782)</b>	<b>634</b>	<b>20,727</b>
Balance as of December 31, 2011	\$197,664	\$1,415,418	\$1,695,498	\$(334,339)	\$2,974,242	\$(22,102)	\$(22,102)	\$4,840	\$2,956,980

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# Consolidated Statements of Cash Flows

(Years Ended December 31)

	2009	2010	(Unit: Millions of Yen) 2011	(Unit: Thousands of U.S. Dollars)* 2011
<b>Cash Flows from Operating Activities:</b>				
Income (Loss) Before Income Taxes, Minority Interests and Other Adjustments	¥(10,446)	¥12,982	¥14,013	\$181,848
Depreciation and Amortization	24,069	22,405	21,371	277,334
Impairment Gains	6,092	—	—	—
Amortization of Goodwill	—	844	2,697	35,003
Amortization of Negative Goodwill	(360)	(414)	(207)	(2,692)
Increase (Decrease) in Liabilities for Directors' and Corporate Auditors' Retirement Benefits	9	(3)	15	196
Increase (Decrease) in Liabilities for Retirement Benefits	107	(94)	(4,601)	(59,718)
Decrease (Increase) in Advance Payments for Retirement Expenses	1,701	671	5,106	66,268
Interest and Dividend Income	(348)	(385)	(355)	(4,609)
Interest Expense	316	708	685	8,901
Equity in Earnings (Gain) of Affiliates	74	(806)	(139)	(1,814)
Loss (Gain) on Sales of Marketable and Investment Securities	(12)	—	(49)	(642)
Loss on Sales of Shares of Subsidiaries	—	—	85	1,110
Write-down of Marketable and Investment Securities	51	48	31	406
Loss (Gain) on Sales of Fixed Assets	(4)	(234)	(404)	(5,244)
Loss on Disposal of Fixed Assets	1,188	327	1,299	16,869
Decrease (Increase) in Accounts Receivable	42	100	(1,834)	(23,805)
Decrease (Increase) in Inventories	(12,159)	2,446	112	1,459
Decrease (Increase) in Other Assets	5,361	1,083	(560)	(7,267)
Increase (Decrease) in Accounts Payable	13,291	(3,138)	4,052	52,592
Increase (Decrease) in Other Liabilities	(432)	(2,544)	336	4,371
Loss on Adjustment for Changes of Accounting Standard for Asset Retirement Obligations	—	—	726	9,433
Other	216	153	228	2,970
<b>Sub-total</b>	<b>28,759</b>	<b>34,149</b>	<b>42,612</b>	<b>552,971</b>
Interest and Dividends Received	342	394	351	4,558
Interest Paid	(295)	(897)	(687)	(8,927)
Income Taxes Paid	(3,287)	(2,094)	(2,746)	(35,643)
Income Taxes Refunds	3,228	181	431	5,602
<b>Net Cash provided by Operating Activities</b>	<b>28,747</b>	<b>31,732</b>	<b>39,960</b>	<b>518,561</b>
<b>Cash Flows from Investing Activities:</b>				
Acquisition of Marketable and Investment Securities	(33)	(2,230)	(19,302)	(250,481)
Proceeds from Sales of Marketable Securities and Investment Securities	1,895	2,105	4,649	60,340
Acquisition of Fixed Assets	(24,613)	(15,250)	(21,890)	(284,069)
Proceeds from Sales of Fixed Assets	579	1,176	2,429	31,530
Proceeds from Recovery of Investments	2,042	—	—	—
Acquisition of Share of Subsidiaries with Change in Scope of Consolidation	(2,509)	(35,366)	—	—
Expense for Acquisition of Subsidiaries with Change in Scope of Consolidation	—	—	(21)	(283)
Acquisition of Shares of Affiliates	—	(153)	—	—
Proceeds from Transfer of Business	—	628	—	—
Long-Term Loans	(1,086)	(243)	(360)	(4,672)
Proceeds from Collection of Long-Term Loans	372	295	474	6,155
Increase in Time Deposits	(191)	(484)	(334)	(4,343)
Proceeds from Refund of Time Deposits	97	320	315	4,097
Other	—	—	(10)	(138)
<b>Net Cash provided by (used in) Investing Activities</b>	<b>(23,447)</b>	<b>(49,203)</b>	<b>(34,050)</b>	<b>(441,863)</b>
<b>Cash Flows from Financing Activities:</b>				
Proceeds from Long-Term Loans Payable	—	15,000	—	—
Payment for Repayment of Long-term Loans	(194)	(25,613)	(2,567)	(33,324)
Proceeds from Issuance of Bonds	50,000	—	—	—
Expense for Repayment of Lease Obligations	(2,200)	(1,568)	(2,204)	(28,604)
Payments for Acquisition of Treasury Stock	(5)	(3)	(3)	(39)
Proceeds from Sales of Treasury Stock	2	0	0	7
Dividends Paid	(4,299)	(4,098)	(3,998)	(51,893)
Dividends Paid to Minority Interests	(4)	(33)	(6)	(88)
<b>Net Cash provided by (used in) Financing Activities</b>	<b>43,297</b>	<b>(16,316)</b>	<b>(8,780)</b>	<b>(113,943)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>48,596</b>	<b>(33,787)</b>	<b>(2,870)</b>	<b>(37,245)</b>
<b>Cash and Cash Equivalents, at beginning of year</b>	<b>22,412</b>	<b>71,221</b>	<b>37,434</b>	<b>485,783</b>
<b>Increase in Cash and Cash Equivalents due to change in Scope of Consolidation</b>	<b>212</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Cash and Cash Equivalents at end of year</b>	<b>¥71,221</b>	<b>¥37,434</b>	<b>¥34,564</b>	<b>\$448,537</b>

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## OTHER INFORMATION

### Risk Information

Financial information and other data 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. Forward-looking statements herein reflect the judgment of management as of March 23, 2012.

#### (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.

## Corporate Governance

### (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 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. In addition, at the Board of Directors meetings held on February 7, 2008, and on February 7, 2012, 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 regularly report compliance and other important activities related to the internal control system 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**

Coca-Cola West arranges assistant employees of Corporate Auditors. The assistant employees assist with the performance of the directors' duties under corporate auditors' directives and do not receive directives of directors and other executives.

**g. System for corporate officers and employees to report to corporate auditors**

The members of the Board of Directors arrange 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 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 (7 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	7 years
Designated Liability Partner	Takaki Okano	3 years
Designated Liability Partner	Junichi Adachi	4 years

The auditing team has 10 CPAs and 15 other members.

**(6) Outside Directors and Outside Corporate Auditors**

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

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

Division	Name	Relationship with our Company	Background to Appointment
Outside Director	Vikas Tiku	<p>Mr. Vikas Tiku is Representative Director, Executive Vice President and CFO of Coca-Cola (Japan) Co., Ltd. (hereinafter, "CCJC.")</p> <p>Our company and CCJC entered into an agreement with respect to production and sales of Coca-Cola and other products and usage of Coca-Cola trademarks. We purchase the original Coca-Cola syrup and other beverages from CCJC and also receive rebates for sales promotion. CCJC is thus a special interest company.</p>	<p>We appointed Mr. Vikas Tiku as the outside director in order for us to enhance the strategic partnership with The Coca-Cola Company and CCJC.</p> <p>Although CCJC is a major business partner with the special interests outlined on the left, Mr. Tiku is the only director who duly serves as member of the Board of Directors of CCJC, which is less than the majority within our Board of Directors. His decision making capabilities regarding the company's activities, management directions, and execution of operations are based on our company's decisions. Consequently, we concluded that (1) our company's independence from CCJC can be maintained, (2) Mr. Tiku is not a person who has influence over our management team, and (3) there is little possibility of a conflict of interest with other shareholders.</p>
Outside Director	Hideharu Takemori	<p>Mr. Hideharu Takemori is Representative Director and President of Minami Kyushu Coca-Cola Bottling Co., Ltd.</p> <p>Minami Kyushu Coca-Cola Bottling has a business relationship with our company. It purchases and sells beverages, such as Coca-Cola, between our companies, and is an equity method affiliate. It is thus a special interest company.</p>	<p>Our company entered into business and capital alliance with Minami Kyushu Coca-Cola Bottling. In order for us to promote mutual understanding and strengthen our relationship, we appointed Mr. Takemori as an outside director.</p> <p>As Minami Kyushu Coca-Cola has a business relationship with our company and is an equity method affiliate, 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. Takemori, which is less than the majority within our Board of Directors. His decision making capabilities regarding the company's activities, management directions, and execution of operations are based on our company's decisions. Consequently, we concluded that (1) our company's independence from Minami Kyushu Coca-Cola can be maintained, (2) Mr. Takemori is not a person who has influence over our management team, and (3) there is little possibility of a conflict of interest with other shareholders.</p>
Outside Corporate Auditor	Zenji Miura	<p>Mr. Zenji Miura is Representative Director and Deputy President of Ricoh Company, Ltd.</p> <p>Ricoh Company, Ltd. is classed as "other related companies".</p>	<p>Mr. Zenji Miura has a long professional career in the area of finance and accounting at Ricoh. We appointed him as outside corporate auditor as we believe that he would be able to utilize his experience for the auditing of our company.</p> <p>Ricoh is a major shareholder but we are engaged in a different industry to the Ricoh group. We sell beverages to the Ricoh group and there is a business relationship in place where the Ricoh group provides technical maintenance of our company systems. The scale of the business relationship is very small and we believe that the Ricoh group is not in a position where it can interrupt our independent business activities. One of the Ricoh directors is serving as our director, however there is only one director, which is less than the majority within our Board of Directors, and that appointment is based on a request from our company. Although both companies are closely related in terms of personnel and capital, his decision making capabilities regarding the company's activities, management directions, and execution of operations are based on our company's decisions. Consequently, we concluded that (1) our company's independence from Ricoh Company, Ltd. can be maintained, (2) Mr. Miura is not a person who has influence over our management team, and (3) there is little possibility of a conflict of interest with other shareholders. Thus we appointed Mr. Zenji Miura as an independent director.</p>
Outside Corporate Auditor	Kazushige Higuchi	<p>Mr. Kazushige Higuchi is Representative Director and Vice President of The Nishi-Nippon City Bank, Ltd.</p> <p>Our company has a business relationship with the bank, with which we have transactions such as fund deposits.</p>	<p>Mr. Kazushige Higuchi has a long professional career at The Nishi-Nippon City Bank. We appointed him as an outside corporate auditor as we believe that he would be able to utilize his experience for the auditing of our company.</p> <p>Although our company has a business relationship with The Nishi-Nippon City Bank, including fund deposits, none of our directors are serving as directors for The Nishi-Nippon City Bank. With this in mind, we concluded that (1) our company's independence from The Nishi-Nippon City Bank can be maintained, (2) Mr. Higuchi is not a person who has influence over our management team, and (3) there is little possibility of a conflict of interest with other shareholders.</p>
Outside Corporate Auditor	Yukiko Kyokane	<p>Ms. Yukiko Kyokane is Attorney and Representative of Kyokane Law Office.</p> <p>There is no relationship between our company and Kyokane Law Office.</p>	<p>We appointed Ms. Kyokane as outside corporate auditor as we believe that she would be able to utilize her long career as an attorney for the auditing of our company.</p> <p>Additionally, Ms. Kyokane has no special relationship with our management team. We concluded that there is little possibility of a conflict of interest with other shareholders, and thus appointed Ms. Yukiko Kyokane as an independent director.</p>



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

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

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

Outside directors and Outside 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 Outside 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.

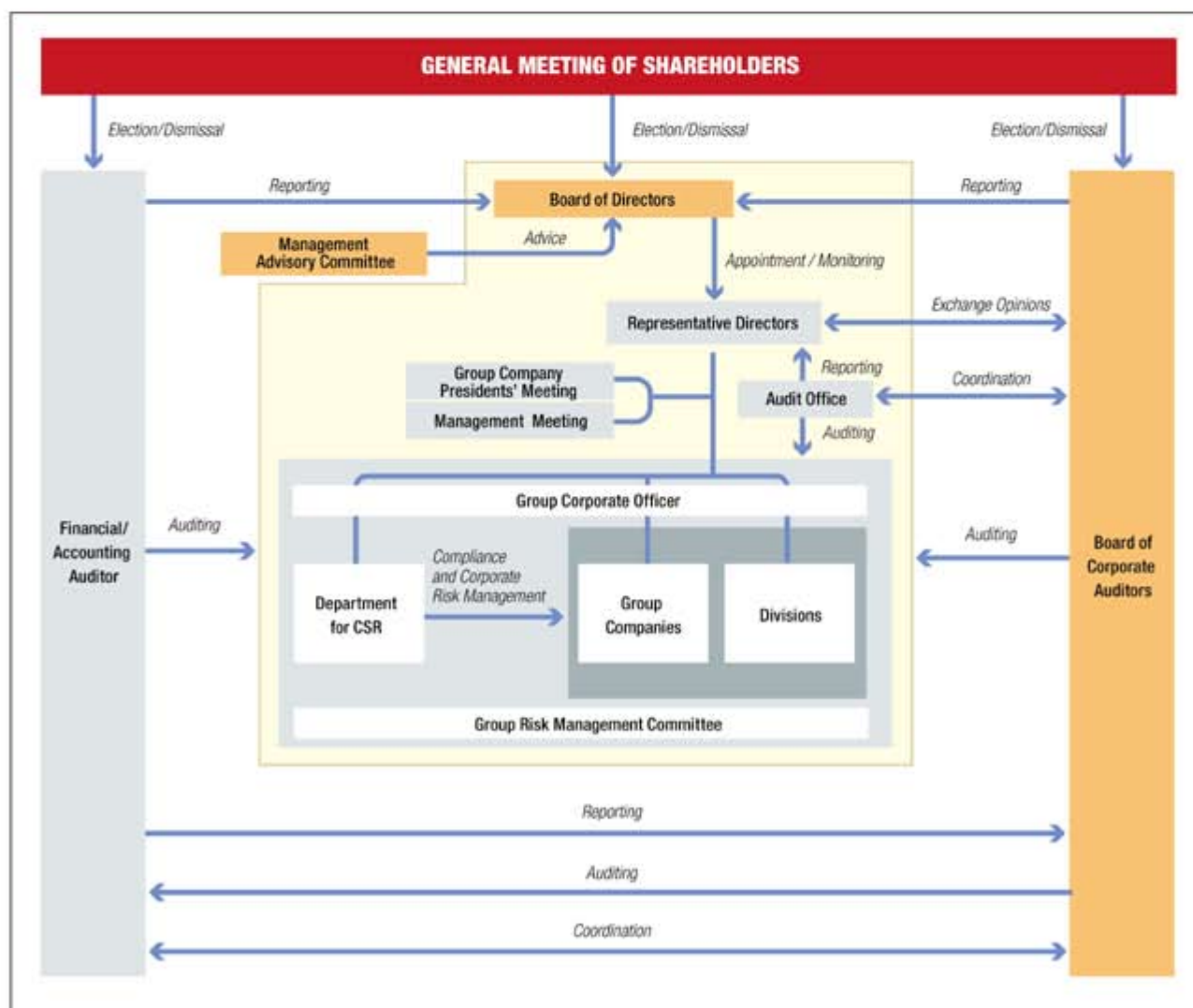
One Outside director and three Outside Corporate auditors entered into agreement with our company with regard to limited liabilities due to negligence of duties, based on Article 427, Paragraph 1 of Corporate Law. The limit of liabilities is the minimum amount determined by law.

#### e. Supporting Staff for Outside Directors and Outside Corporate Auditors

The staff of the General Affairs Department and the staff (assistant employee) of the Audit Office support outside directors and outside 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)			Number of members (Number)	Total of Remuneration (Millions of Yen)			Number of members (Number)	Total of Remuneration (Millions of Yen)		
		Base Remuneration (Millions of Yen)	other (Millions of Yen)			Base Remuneration (Millions of Yen)	other (Millions of Yen)			Base Remuneration (Millions of Yen)	other (Millions of Yen)	
Remuneration and others based on resolution of general shareholders' meeting	11	337	337	–	5	44	44	–	16	382	382	–
Internal	8	323	323	–	2	33	33	–	10	357	357	–
External	3	14	14	–	3	10	10	–	6	25	25	–

\* The remuneration figures shown above include the remuneration paid to one outside director who retired at the adjournment of the 53rd General Shareholders' Meeting held on March 24, 2011, and one director who resigned as of December 31, 2011.

**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: 137, the amounts of invested common stocks: ¥8,015 million

**b. Excluding the Trade Purpose Securities and Referring to the Companies Listed in the Stock Market Number of Companies Invested, Stock Holding Classification, 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	Name of Companies Invested	Number of shares	Amounts shown on the Balance Sheet (Millions of Yen)	Purpose of Stockholding
Royal Holdings Co., Ltd.	962,440	884	Maintain favorable relationship with the companies invested.	ZENRIN CO., LTD.	183,414	126	Maintain favorable relationship with the companies invested.
Ricoh Leasing Company, LTD.	502,000	863	Maintain favorable relationship with the companies invested.	TOYO SEIKAN KAISHA, Ltd.	97,460	102	Maintain favorable relationship with the companies invested.
Nishi-Nippon Railroad, Co., Ltd.	2,000,000	736	Maintain favorable relationship with the companies invested.	Kansai Super Market Ltd.	113,200	86	Maintain favorable relationship with the companies invested.
THE NISHI-NIPPON CITY BANK, LTD.	3,024,811	668	Maintain favorable relationship with the companies invested.	Yamaguchi Financial Group, Inc.	100,000	73	Maintain favorable relationship with the companies invested.
SAN-AI OIL CO., LTD.	1,308,125	427	Maintain favorable relationship with the companies invested.	ISETAN MITSUKOSHI HOLDINGS	87,015	70	Maintain favorable relationship with the companies invested.
FUJI CO., LTD.	195,366	352	Maintain favorable relationship with the companies invested.	AEON Co., Ltd.	65,497	69	Maintain favorable relationship with the companies invested.
Kyusyu Leasing Service CO., LTD.	2,000,000	320	Maintain favorable relationship with the companies invested.	Nishikawa Rubber Co., Ltd.	99,445	68	Maintain favorable relationship with the companies invested.
Mitsubishi Heavy Industries, Ltd.	900,000	295	Maintain favorable relationship with the companies invested.	Izumiya Co., Ltd.	151,308	61	Maintain favorable relationship with the companies invested.
IZUMI CO., LTD.	231,000	294	Maintain favorable relationship with the companies invested.	POPLAR CO., LTD.	104,947	49	Maintain favorable relationship with the companies invested.
OKUWA CO., LTD	170,607	200	Maintain favorable relationship with the companies invested.	Fujio Food System Co., Ltd.	284	42	Maintain favorable relationship with the companies invested.
Mitsubishi UFJ Financial Group, Inc.	522,420	170	Maintain favorable relationship with the companies invested.	THE SAN-IN GODO BANK, LTD.	72,450	41	Maintain favorable relationship with the companies invested.
AEON KYUSHU CO., LTD.	114,400	163	Maintain favorable relationship with the companies invested.	Sumitomo Mitsui Trust Holdings, Inc	182,898	41	Maintain favorable relationship with the companies invested.
F&A Aqua Holdings, Ink	203,400	156	Maintain favorable relationship with the companies invested.	Nihon Yamamura Grass Co., Ltd.	187,000	36	Maintain favorable relationship with the companies invested.
Plenus Company Limited	115,261	144	Maintain favorable relationship with the companies invested.	Marukyu Co., Ltd.	41,033	34	Maintain favorable relationship with the companies invested.
West Japan Railway Company	42,000	140	Maintain favorable relationship with the companies invested.	Central Japan Railway Company	51	33	Maintain favorable relationship with the companies invested.

**c. Common stock for trade purpose in the previous and current fiscal years and also dividend received, capital gain/loss and evaluation gain/loss of common stocks for the trade purpose in the current fiscal year.**

None

# Top Management

(As of April 1, 2012)

## Directors



Representative Director  
& Chairman  
Norio Sueyoshi



Representative Director  
& President  
Tamio Yoshimatsu  
*(& Department Manager of Career  
Development Office)*



Representative Director  
& Executive Vice President  
Calin Dragan  
*Value Chain  
(& General Manager of Business Model  
Innovation Headquarters)*



Director  
& Executive Vice President  
Nobuo Shibata  
*General Affairs*



Director  
& Executive Corporate Officer  
Jiro Wakasa  
*(General Manager of SCM Headquarters)*



Director  
& Executive Corporate Officer  
Sean Cunial  
*(General Manager of Commercial  
Headquarters & Department Manager of  
Sales Academy Department)*



Director  
& Executive Corporate Officer  
Yoshinori Nakamura  
*President's Office,  
CSR & Finance*



Director  
Masamitsu Sakurai  
*Chairman of the Board  
Ricoh Company, Ltd.*



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



Outside Director  
Hideharu Takemori  
*Representative Director  
& President  
Minami Kyushu Coca-Cola Bottling Co., Ltd.*

## Auditors

Executive Corporate Auditor	<b>Tadatsugu Harada</b>	<i>Standing</i>
Corporate Auditor	<b>Tadamasa Amitsuka</b>	<i>Standing</i>
Corporate Auditor	<b>Hiro Yoshi Miyaki</b>	<i>Standing</i>
Outside Corporate Auditor	<b>Zenji Miura*</b>	<i>Representative Director and Deputy President Ricoh Company, Ltd.</i>
Outside Corporate Auditor	<b>Kazushige Higuchi</b>	<i>Representative Director and Vice President, THE NISHI-NIPPON CITY BANK, LTD.</i>
Outside Corporate Auditor	<b>Yukiko Kyokane*</b>	<i>Attorney Representative of Kyokane Law Office</i>

\* 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

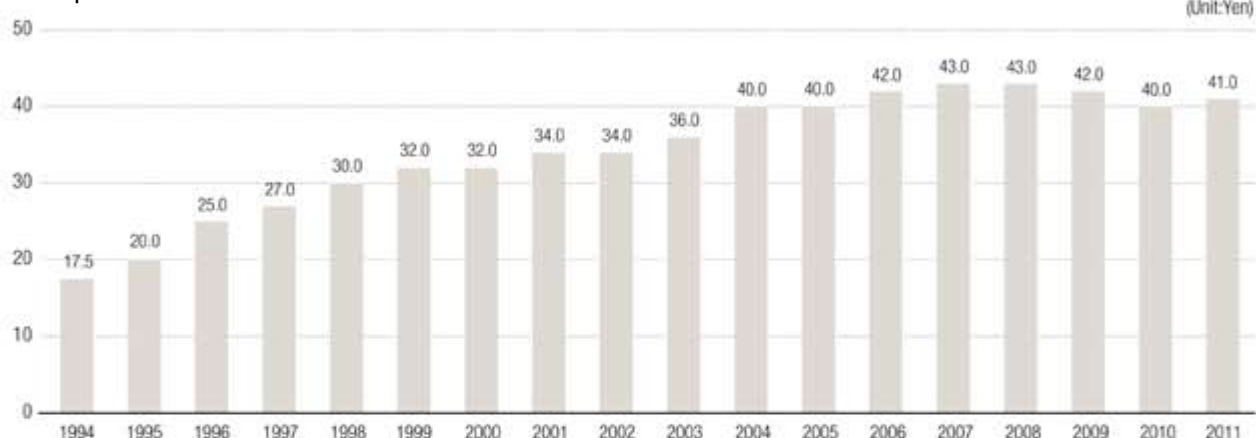
Chairman	<b>Masamitsu Sakurai</b>	<i>Chairman of the Board Ricoh Company, Ltd.</i>
Member	<b>Masahiko Uotani</b>	<i>Representative Director &amp; President Brand Vision Co., Ltd.</i>
Member	<b>Shingo Matsuo</b>	<i>Honorary Adviser Kyushu Electric Power Co., Inc.</i>
Member	<b>Isao Kubota</b>	<i>Representative Director &amp; President THE NISHI-NIPPON CITY BANK, LTD.</i>
Member	<b>Kazuhiko Enomoto</b>	<i>Representative Director &amp; Chairman FUKUOKA JISHO CO., LTD.</i>
Member	<b>Susumu Ishihara</b>	<i>Representative Director &amp; Chairman Kyushu Railway Company</i>
Member	<b>Takashi Matsuzaki</b>	<i>Attorney Tokunaga, Matsuzaki &amp; Saito Law Office</i>
Member	<b>Eiji Muto</b>	<i>Organization for Promoting Urban Development</i>
Member	<b>Kunio Ito</b>	<i>Professor Hitotsubashi University</i>

## 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 early September of the year and late March of the following year to shareholders with 100 or more shares as of June 30 and December 31, respectively.

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, etc.

#### Awarding Criteria

Effective Date	Number of Shares Owned	Details	Time of Award
JUNE 30	100 to 499 shares	30 Reward Points	Early September of the 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	Late March 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 Shizenjuku-Kyushu

## Stock Information

(As of December 31, 2011)

**Stock Code :** 2579

**Authorized Shares :** 270,000,000

**Outstanding Shares :** 111,125,000

**Number of Shareholders :** 36,885

**Number of Shares per Trading Unit :** 100

### Stock Exchange Listings:

Tokyo Stock Exchange (First Section)

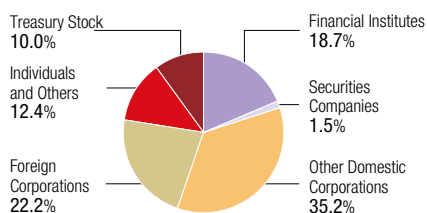
Osaka Securities Exchange (First Section)

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)
Financial Institutes .....	66	20,783
Securities Companies .....	30	1,641
Other Domestic Corporations ..	506	39,122
Foreign Corporations .....	318	24,654
Individuals and Others .....	35,964	13,769
Treasury Stock .....	1	11,153
<b>Total .....</b>	<b>36,885</b>	<b>111,125</b>

### Composition of Shareholders

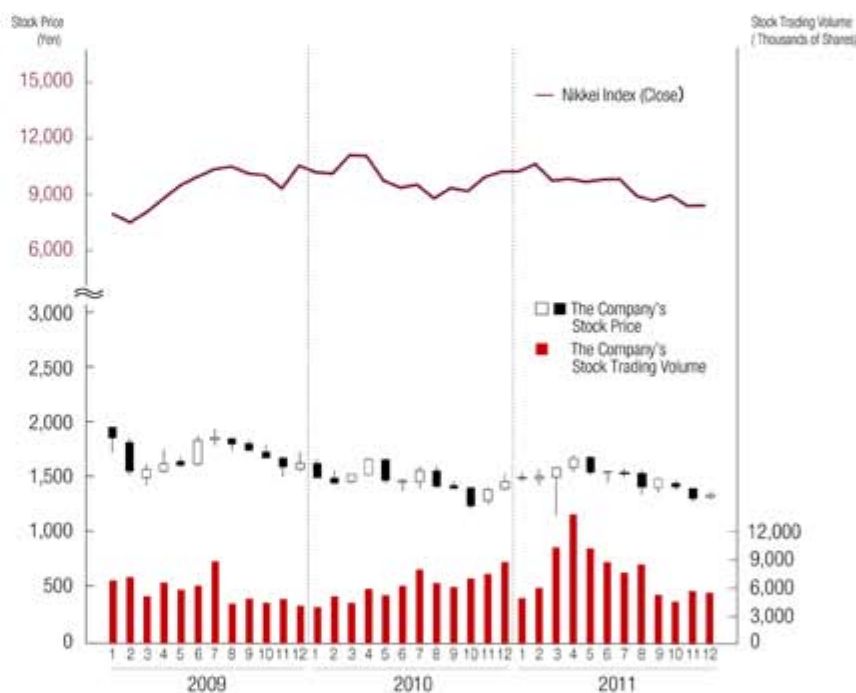


## Major Shareholders

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) .....	4,547	4.5
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) .....	3,129	3.1
MCA Holding CO., LTD. ....	2,191	2.2
STATE STREET BANK AND TRUST COMPANY .....	1,882	1.9
NORTHERN TRUST CO. (AVFC) SUB A/C AMERICAN CLIENTS .....	1,506	1.5

Note: 11,153 thousand shares of treasury stock are not shown in the table above and are excluded from the calculation of the shareholding ratios.

## Stock Price and Trends in Stock Trading Volume



	2007	2008	2009	2010	2011
<b>Stock Price at year end (Yen)</b>	2,475	1,945	1,639	1,471	1,335

## Credit Rating Information

	2007	2008	2009	2010	2011
<b>Japan Credit Rating Agency, Ltd. (JCR) Long-term senior debt</b>	AA-	AA-	AA-	AA-	AA-
<b>Rating and Investment Information, Inc. (R&amp;I) Long-term senior debt</b>	A+	A+	A+	A+	A+

# Coca-Cola System in Japan

We consolidated with three bottlers in and after 1999 and became the largest bottler in Japan with the sales territory in 14 prefectures in 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 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.

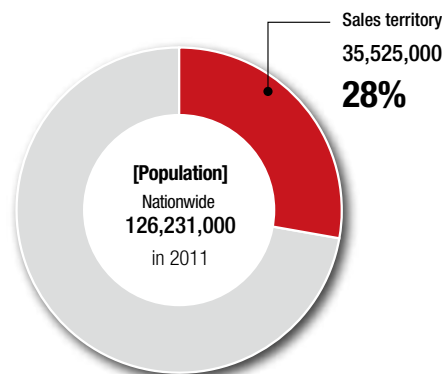
## Corporate History

<b>1960</b>	The company was established. (Nichibei Inryo Co., Ltd., and thereafter, the corporate name changed to Kita kyushu Coca-Cola Bottling Co., Ltd.)
<b>1999</b>	Merged with Sanyo Coca-Cola Bottling Co., Ltd. ▶ Trade name changed to Coca-Cola West Japan Co., Ltd. (CCWJ).
<b>2001</b>	Made Mikasa Coca-Cola Bottling Co., Ltd. (Mikasa CCBC) a subsidiary.
<b>2006</b>	Integrated the management of Kinki Coca-Cola Bottling Co., Ltd. (Kinki CCBC) ▶ Joint stock holdings company Coca-Cola West Holdings Co., Ltd. (CCWH) was established.
<b>2007</b>	Entered into a capital and business alliance with Minami Kyushu Coca-Cola Bottling Co., Ltd. (Minami Kyushu CCBC) ▶ Made a 20-percent investment in Minami Kyushu CCBC and made it an equity-method affiliate.
<b>2009</b>	CCWH, CCWJ, Kinki CCBC, and Mikasa CCBC merged. ▶ Coca-Cola West was established.

### In and before 1998



### In 2011



The Coca-Cola System in Japan consists of Coca-Cola (Japan) Co., Ltd. and 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 throughout Japan.

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

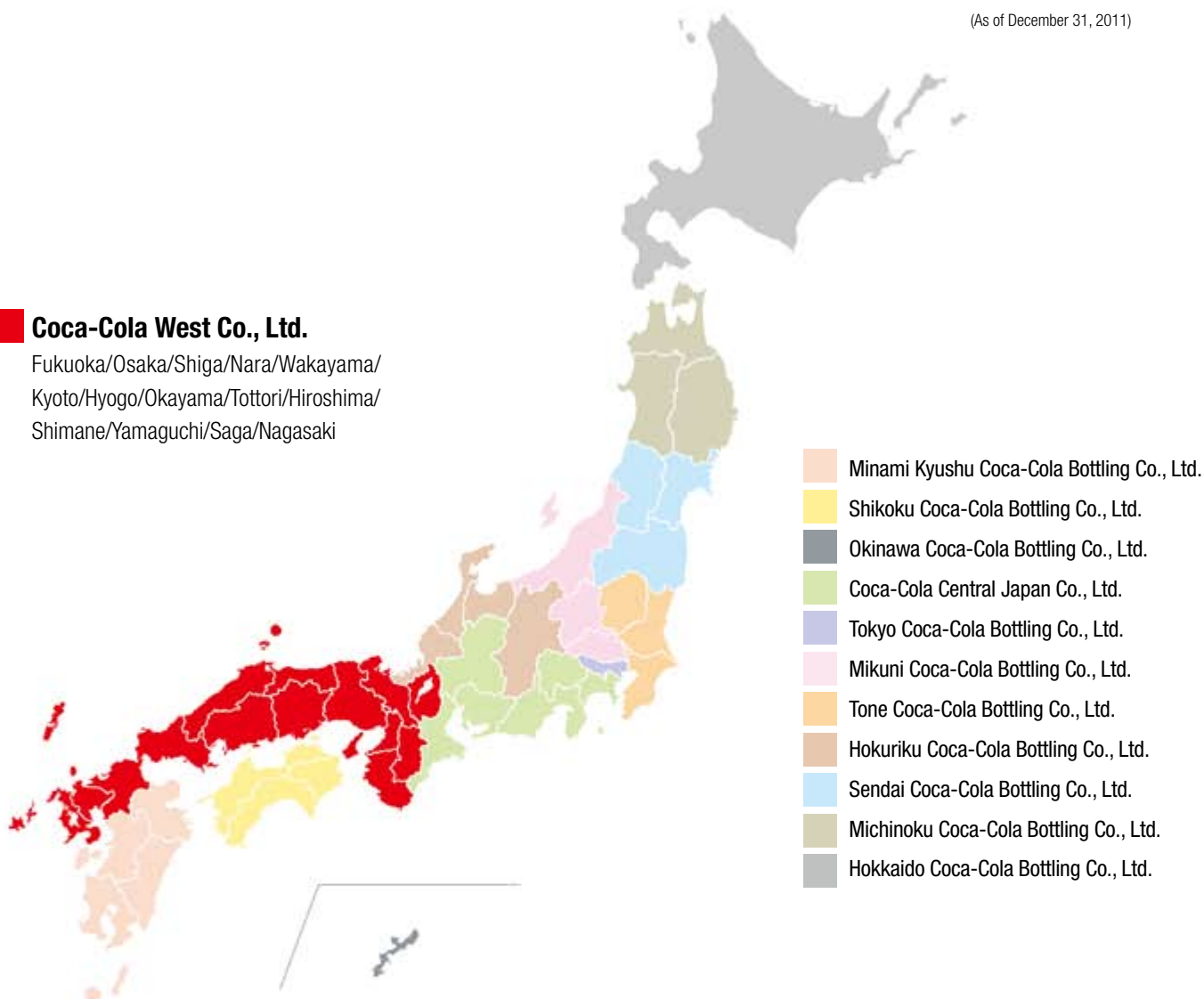


**Sales Territories of 12 Bottlers**

(As of December 31, 2011)

**Coca-Cola West Co., Ltd.**

Fukuoka/Osaka/Shiga/Nara/Wakayama/  
Kyoto/Hyogo/Okayama/Tottori/Hiroshima/  
Shimane/Yamaguchi/Saga/Nagasaki

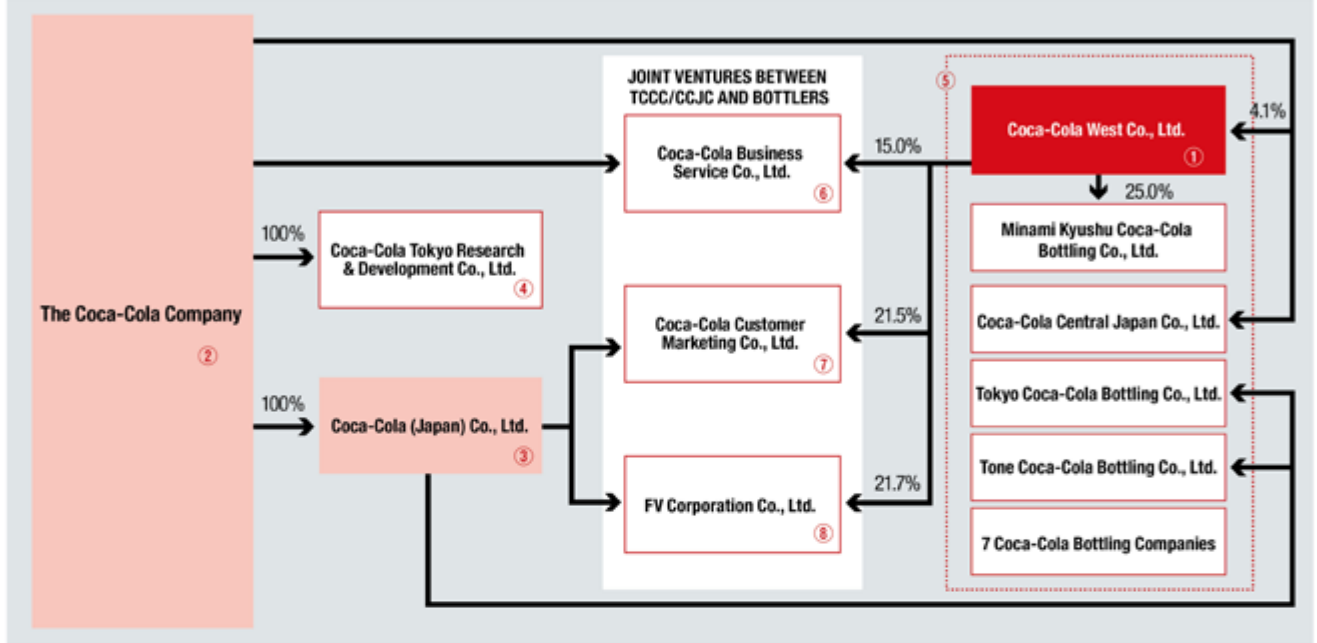


## Coca-Cola System in Japan

### Investment

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

(As of December 31, 2011)



#### ① Coca-Cola West Co., Ltd. (CCW)

In July 2006, Coca-Cola West Japan Co., Ltd. (CCWJ) and Kinki Coca-Cola Bottling Co., Ltd. (Kinki CCBC) merged their management to establish a joint holding company, Coca-Cola West Holdings 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 CCBC 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 Kogyo 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. (CTR&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.



(As of December 31, 2011)

**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)** : 8,105

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

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



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**Coca-Cola West**

● 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."

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*Coca-Cola* **West**

*Coca-Cola West Company, Limited*

7-9-66 Hakozaiki, Higashi-ku, Fukuoka 812-8650, Japan  
Investor Relations (President's Office) Tel: +81-92-641-8774  
<http://www.cctest.co.jp/english/>

