

*-Creating a happy tomorrow for everyone-*

みんなの あしたに ハッピーを

*Coca-Cola* **West**

**2012**

ANNUAL REVIEW

*Coca-Cola West Company, Limited*

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## Company Profile

(As of December 31, 2012)

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: 7,877 (consolidated)	
Primary business:	Manufacturing and sales of Coca-Cola and other soft drinks

## Website

<http://www.cwest.co.jp/english/>



## Notes

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

## Consolidated Financial Data: Trends in Key Financial Indices

	2008	2009	2010	2011	2012
Net Revenues (million yen)	395,556	369,698	375,764	399,717	386,637
Growth Rate in Net Revenues (%)	(3.4)	(6.5)	1.6	6.4	(3.3)
Operating Income (million yen)	10,521	2,242	12,003	16,469	13,463
Operating Income / Net Revenues (%)	2.7	0.6	3.2	4.1	3.5
Recurring Income (million yen)	11,048	2,085	12,659	16,044	13,845
Recurring Income / Net Revenues (%)	2.8	0.6	3.4	4.0	3.6
Income (Loss) before Income Taxes, Minority Interests and Other Adjustments (million yen)	2,402	(10,446)	12,982	14,013	12,186
Income (Loss) before Income Taxes, Minority Interests and Other Adjustments / Net Revenues (%)	0.6	(2.8)	3.5	3.5	3.2
Net Income (Loss) (million yen)	129	(7,594)	7,582	6,997	6,031
Return on Sales (%)	0.0	(2.1)	2.0	1.8	1.6
Comprehensive Income (million yen)	—	—	—	5,605	7,326
Net Income (Loss) per Share (yen)	1.25	(75.96)	75.84	69.99	60.33
Return on Equity (%)	0.1	(3.3)	3.4	3.1	2.6
Return on Assets (%)	3.7	0.7	3.8	4.7	4.1
Total Assets (million yen)	277,696	326,818	346,032	342,560	337,348
Net Assets (million yen)	234,521	222,816	226,267	227,864	231,056
Equity Ratio (%)	84.4	68.2	65.3	66.4	68.4
Net Assets per Share (yen)	2,345.03	2,227.96	2,260.03	2,275.55	2,307.44
Price Book Value Ratio (PBR) (times) <sup>*1</sup>	0.8	0.7	0.7	0.6	0.6
Price Earnings Ratio (PER) (times) <sup>*2</sup>	1,549.5	(21.6)	19.4	19.1	22.1
Cash Flow from Operating Activities (million yen)	16,180	28,747	31,732	39,960	26,324
Cash Flow from Investing Activities (million yen)	2,153	(23,447)	(49,203)	(34,050)	(14,243)
Cash Flow from Financing Activities (million yen)	(31,486)	43,297	(16,316)	(8,780)	(7,149)
Cash and Cash Equivalents at End of Fiscal Year (million yen)	22,412	71,221	37,434	34,564	39,495
Dividend Payout Ratio (Consolidated) (%)	3,440.0	—	52.7	58.6	68.0
Dividend per Share (yen)	43.00	42.00	40.00	41.00	41.00
(Interim Dividend Amount per Share) (yen)	(21.00)	(21.00)	(20.00)	(20.00)	(20.00)
Interest Coverage Ratio (times) <sup>*3</sup>	462.7	97.2	35.4	58.1	41.8
Depreciation (million yen)	21,741	21,900	22,405	21,371	20,643
Capital Expenditure (million yen)	18,032	25,201	16,524	21,201	20,031
Capital Expenditure for Vending Machines (million yen)	10,359	8,760	7,604	9,518	8,704
(Share of Capital Expenditure for Vending Machines)	(57%)	(35%)	(46%)	(45%)	(43%)

<sup>\*1</sup> Price Book Value Ratio (PBR) = Market Value at End of Period ÷ Equity per Share

<sup>\*2</sup> Price Earnings Ratio (PER) = Market Value at End of Period ÷ Net Income per Share

<sup>\*3</sup> Interest Coverage Ratio = Operating Cash Flow ÷ Interest Paid

## To Our Shareholders

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We are deeply grateful to all of our shareholders and investors for their continued support.

This report presents information on our business conditions and performance for the year ended December 2012.

### Overview of Business Results for the Fiscal Year 2012

The soft drink business experienced positive growth in 2012 due to the rebound from the effects of the Great East Japan Earthquake in the previous year and the effects of a hot summer season. Nonetheless, the business environment facing soft drink companies is growing ever tougher, as sales competition continues to be fierce and store prices continue to fall as an outcome of ongoing deflationary conditions in the economy and a focus on saving among consumers.

The year 2012 was the second of the "three years to grow with breakthrough" outlined in the Mid-Term Management Plan 2011-2013, which were stipulated as the first phase of the Long-Term Management Framework 2020. Given the business conditions described above, we have been (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 Transformation" to establish a business foundation from mid- and long-term perspectives. In doing so, we strove to achieve our business goals, to continue to achieve growth long into the future, and to promote the construction of business foundations that will increase our earning capacity.

First, on the sales side, we aimed to increase sales volumes and market share as we increased net revenues and profits. In each of our sales channels, we made distinctions in the products and sales methods used in specific retail locations, and implemented sales activities that were carefully tailored to the buying habits and needs of consumers.

In the field of supply chain management (SCM), we strove to reduce costs by improving productivity and efficiency, and introduced new technologies and made upgrades to our production lines in order to better meet the diversified needs of

consumers. Also, in the Nagasaki and Osaka areas, we launched a new logistics network aimed at creating a low-cost supply structure through the construction of optimal logistics processes.

Through our ongoing promotion of corporate social responsibility (CSR) efforts, we continued to conduct activities that contribute to our local communities, such as social welfare support and sports activity support, and activities that promote community environmental efforts, such as forestry preservation activities.

In spite of these efforts, our consolidated performance for the period ended December 2012 reflects the challenging business environment; from the previous year, net revenues fell ¥13,079 million to ¥386,637 million (down 3.3%), operating income fell ¥3,005 million to ¥13,463 million (down 18.3%), recurring income fell ¥2,198 million to ¥13,845 million (down 13.7%), and net income fell ¥965 million to ¥6,031 million (down 13.8%).

### Management Policy for Period Ending December 2013

Projections indicate that the business environment facing the entire Coca-Cola West Group will continue to be challenging due to low consumption and falling product prices in the soft drink industry, ongoing yen depreciation, as well as increases in the prices of raw ingredients and materials.

Given this management environment, in 2013, the final year of our current Mid-Term Management Plan 2011-2013, Coca-Cola West will focus its management policy on (1) being committed to hitting our chain store channel revenue target, vending channel VPM (sales volume per vending machine) target and net vending machine placement target, and (2) successfully completing the full rollout of Logistics Process Transformation and Service Model Optimization to establish a solid business foundation. Through these endeavors we are striving to create business foundations that will allow us to continue growing and expanding our earning capacity long into the future.

Minami Kyushu Coca-Cola Bottling Co., Ltd. became our wholly owned subsidiary as of April 1, 2013. This will help maximize our synergies and establish our competitive advantage, allowing both companies to increase their corporate value.

## Dividends

We issue dividends with the stable and continued distribution of dividends to shareholders as our top priority. Taking the company's performance this period and the business environment facing us going forward into comprehensive consideration, the dividend for the period ended December 2012 was set at ¥21 per share. This puts the annual dividend, which includes the interim dividend, at ¥41 per share.

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



*Tamio Yoshimatsu*

Tamio Yoshimatsu  
Representative Director & President

## 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 stakeholders, encompassing consumers, customers, shareholders, employees and the community!**

Coca-Cola West vision statement describes where we want to be in the year 2020 in a bid 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.

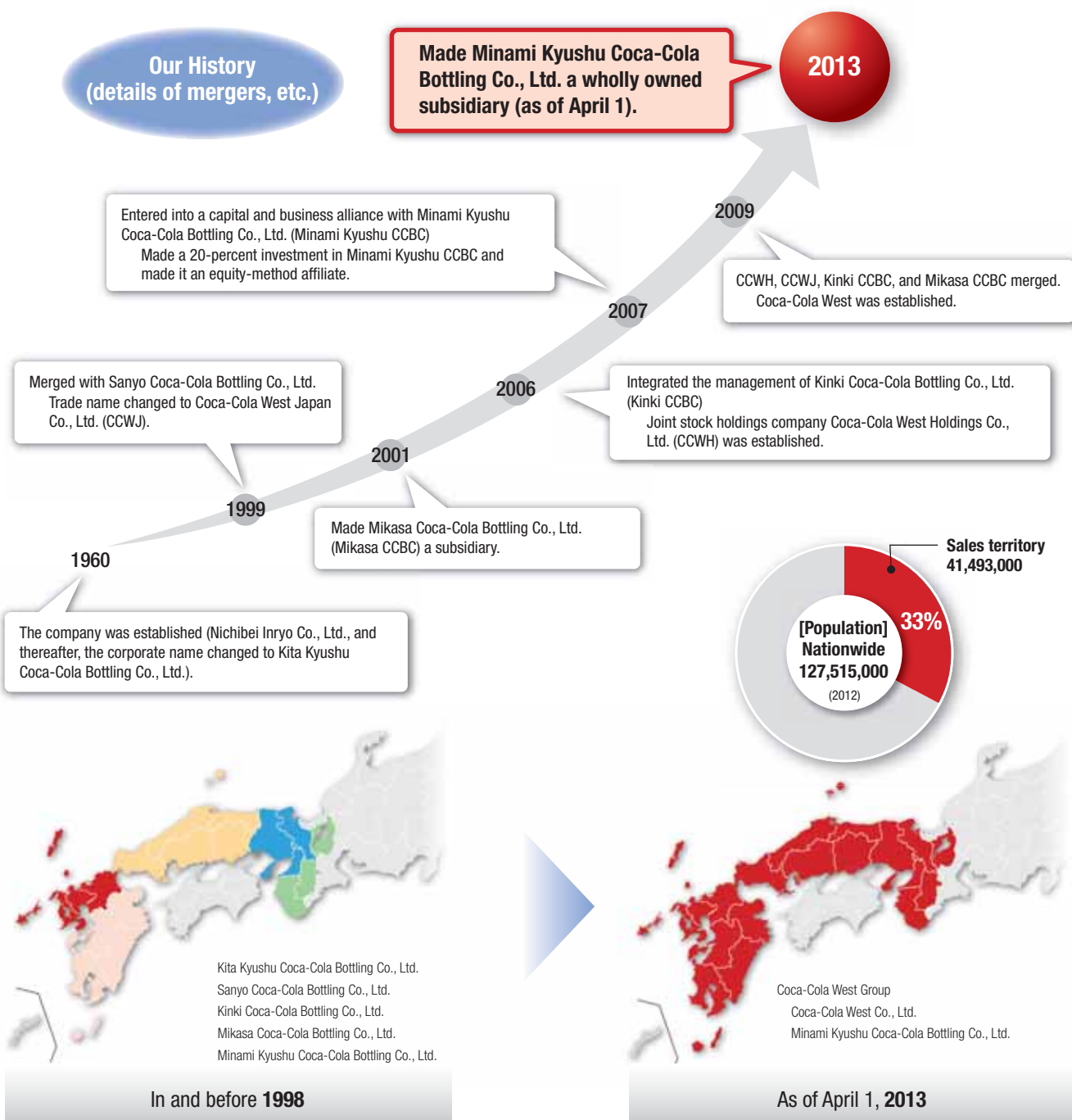
# Special Feature

## Creating More Corporate Value

### The New Coca-Cola West Group

The addition of the Minami Kyushu Coca-Cola Bottling Co., Ltd. as a wholly owned subsidiary (as of April 1, 2013) will expand the sales territory of the Coca-Cola West Group to 18 prefectures across western Japan.

Since 1999, we have merged with three bottlers, and have been striving to improve our corporate value. Working in cooperation with our strategic partners, The Coca-Cola Company and Coca-Cola (Japan) Co., Ltd., we have played a leading role in reforming the Coca-Cola business in Japan. The new Coca-Cola West Group, which includes the Minami Kyushu Coca-Cola Bottling Co., Ltd., will continue working to further strengthen the Coca-Cola business in western Japan.



## Business Model Transformation

To be a company that will continue growing over the long term, we are striving to implement Business Model Transformation aimed at integrating our procurement, manufacturing, logistics, and sales activities from a consumer-oriented perspective.



### Service Model Optimization (Sales Activity Initiatives)

To offer the best possible service to each and every one of our customers, we are implementing quantitative and qualitative sales improvements. In 2012, we developed sales activities based on a new model in the Osaka area.

We divided our customers into groups based on business pattern and size and implemented sales activities deemed to be optimal for each group. We did this to improve both our services and the productivity of our sales activities. We used IT tools to increase the number of customers we can visit per day and the sales activity hours in stores, and thus expanded the points of contact with our customers.

We also undertook new efforts to build and strengthen relationships with our customers by developing sales activities carefully tailored to their needs. For example, we began using our Contact Center, which has the primary function of taking orders and handling machine repair requests, to make regular contact with them.



### Logistics Process Transformation (Logistics Initiatives)

We are striving to build a new logistics network structure so that we can improve our logistics services while minimizing costs. In 2012, we established new logistics networks in the Nagasaki and Osaka areas, which are currently on trial to verify their effectiveness with a view to creating the foundations needed for expanding our networks to our entire coverage area.

By concentrating inventory previously stored at each sales warehouse at our newly created Distribution Centers, and thus managing those products centrally, we are able to reduce inventory and improve product freshness. We also shifted to a more efficient, flexible logistics system through shipment planning using advanced IT tools.

Moving forward, we will strive to improve the service we offer to consumers by efforts such as trial implementation of a system for collecting vending machine sales information online, which will help keep vending machines well stocked and meet consumer needs more accurately.

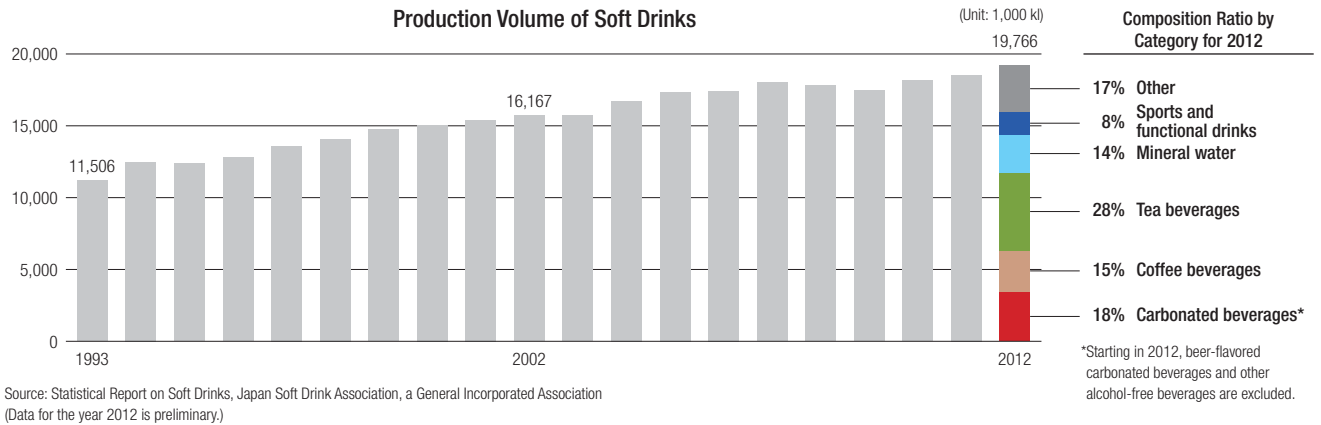


## Overview of Sales Results

### Soft Drink Market in Japan

#### Soft Drink Market Trends

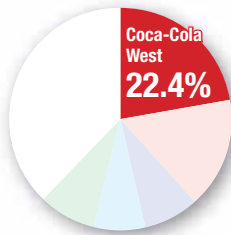
The production volume of soft drinks hit the highest level ever in 2012, making this the third consecutive year of continued market growth. By product category, increases from the previous year were reported in carbonated beverages, coffee beverages, tea beverages and mineral water. Over the past 20 years, the Japanese soft drink market has grown about 1.7 times in size.



#### Overview of Our Sales Territory

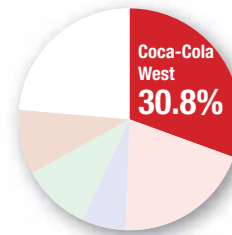
Our company has secured the number one spot in the soft drink industry, and is number one in market share in many of the major categories, including carbonated beverages and canned coffee.

**Over-the-Counter Sales Market Share for 2012 (excluding vending machines)**



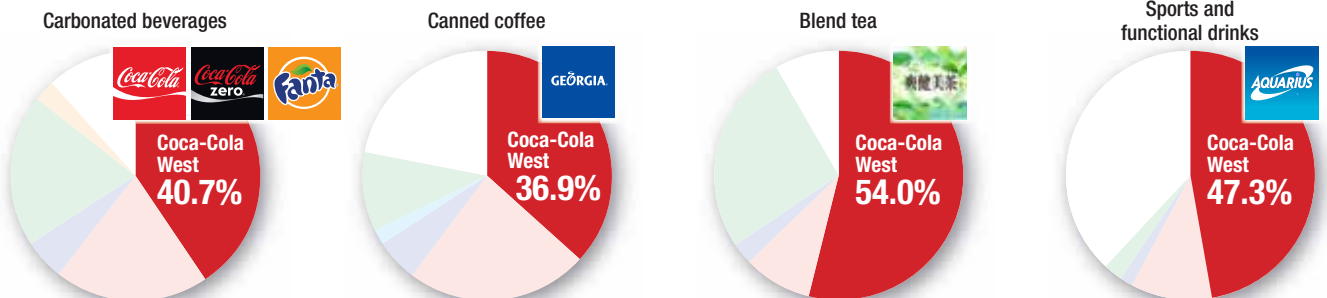
Source: Store Audit, Intage, Inc.

**Installed Outdoor Vending Machine Share for 2012**



Source: Survey of Vending Machines, Intage, Inc. (survey period from May 2012 to June 2012)

#### Over-the-Counter Sales Market Share by Category for 2012 (excluding vending machines)



Source: MBI conducted by Intage, Inc.



## Trade Marketing

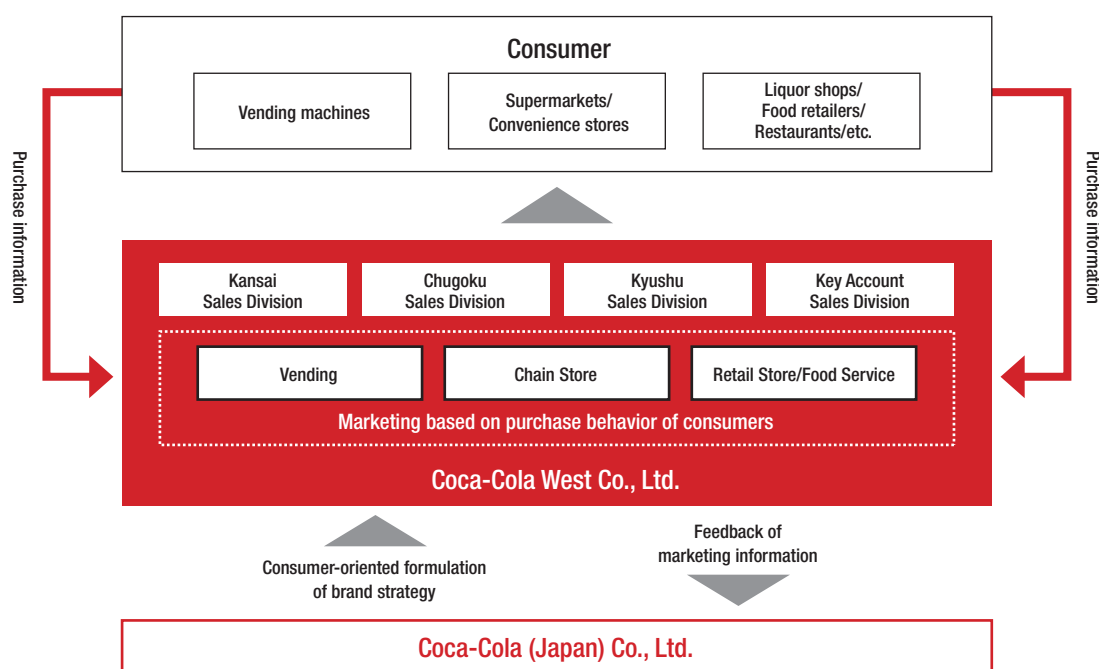
We operate our business activities in the market by establishing sales divisions by sales territory under the "Trade Marketing\*" method, a marketing technique based on consumers' purchasing behaviors.

\*Trade Marketing: A brand marketing expansion method at sales sites. Its purpose is to build sales site strategy for increasing the volume and value of purchased items through customer- and consumer-related knowledge management. In order to deliver increased sales volume and value, trade marketing supports sales teams with well-designed fundamental enhancement plans.

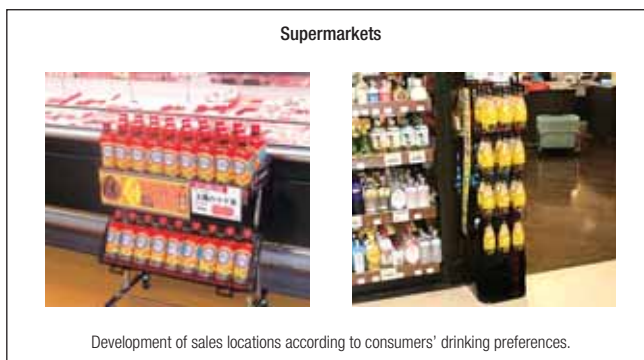
### Approach for Trade Marketing

Our efforts for differentiation and diversification of sales methods (including brands, packages, sizes, and prices) according to business categories or sales sites lead to the provision of products suitable to 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.

In vending, 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 store, we will attend reliably to consumers' needs by differentiating and diversifying our assortment (in terms of category, size, and price) according to particular business conditions and sales sites. In retail stores and food service, we will strengthen relationships with our customers by proposing products and sales methods that suit their business environments, thereby improving our service to them.



### Point of Sales



## Sales Activities by Channel

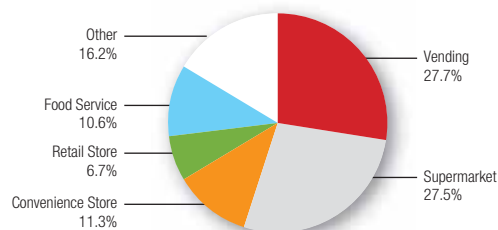
We have about 300,000 customers in our sales territory. We are working on developing specialized systems for the specific sales formats (channels) in which each customer operates, conducting various activities in collaboration with those customers, and improving consumer satisfaction.

Sales Volume by Channel

(Unit: 1,000 cases, %)

	2011	2012	Percentage change
Vending	54,205	51,796	(4.4)
Supermarket	50,099	51,290	+2.4
Convenience Store	20,312	21,080	+3.8
Retail Store	13,166	12,556	(4.6)
Food Service	19,302	19,828	+2.7
Other	30,690	30,264	(1.4)
Total	187,773	186,814	(0.5)

Composition of Sales Figures in 2012



### Chain Store (Supermarkets, Convenience Stores, etc.)



In the chain store channel we maintain our presence in supermarkets, convenience stores, and other outlets, designing product selections to suit store conditions and consumer needs and conducting campaigns that are linked with specific seasons or topical events.

In 2012, we installed sales equipment such as coolers and racks in supermarkets, and enriched our selection of small-container products. During special events, we made every effort to create sales spaces that would appeal to consumers, such as large-scale product displays that tied in with the London Olympics. As a result, our supermarket sales volume for 2012 was up over the previous year.

### Retail Store/Food Service



In the retail store/food service channel, we conduct sales through retailers, restaurants, and bars. We install sales equipment suitable to each customer's field of business, including soda fountains, regular coffee machines, and coolers, so as to offer consumers a full variety of beverages.

In 2012, we proposed sales methods tailored to each customer's business style, hence working to improve the services we provide to both customers and consumers. Examples included the sale of sets combining small containers of Ayataka or Sokenbicha with lunch boxes in retail locations and all-you-can-drink programs at restaurants through the use of soda fountains.

## Vending (Vending Machines)



Through the vending channel, we deliver products directly to consumers through vending machines.

In 2012, we strove to improve the value our vending machines offer to consumers by introducing new and redesigned products and by conducting the Happy Can campaign, through which pin-back buttons and other prizes were distributed with vending machine purchases. We have also been conducting activities aimed at achieving optimal product selections for specific machine locations. For example, we are stocking machines in offices with screw-top cans and PET bottle products that are resealable and easily portable, and loading machines in schools with hydrating sports drinks.

In 2013, we conduct activities including the strengthening of new market exploration activities at indoor locations such as offices and hospitals, with the goal of increasing our total vending machine numbers. We plan to install 6,400 of our new Peak Shift Vending Machines\*<sup>1</sup> over the course of the year and achieve a net increase in our number of vending machines while responding to the needs of customers and consumers.

Furthermore, through collection and analysis of sales information, we will pour our efforts into the development of promotions that make the best use of optimal product lineups and installation locations. In these and other ways, we strive to ensure that our vending machines provide optimal support for consumers' daily lives.

\*1

### Peak Shift Vending Machines

Peak Shift Vending Machines are machines that, in the daytime during the summer, use no electricity for cooling and cut power consumption by 95%, while continuing to supply cold products for as many as 16 hours. These machines shift the consumption of electricity used for cooling from the daytime hours when power demand generally peaks to the nighttime hours when demand is relatively less.

We also improved the insulation and airtightness of our vending machines compared to previous models. This has not only enhanced product cooling efficiency, especially during high-temperature seasons, but reduced the consumption of electricity used for heating by increasing product heating efficiency during winter, thus allowing electricity consumption to be reduced throughout the year.



Peak Shift Vending Machines

### Six Achievements of Our Peak Shift Vending Machines

**1**

**16 hours**  
Keep products cold for 16 hours

Can supply chilled products even if the cooling system is shut off for 16 hours during the daytime in summer.

**2**

Cuts daytime summer electricity consumption

**-95%**

Cuts electricity consumption by 95%.

**3**

No machine noise when the cooling system is off

**0**

Absolutely quiet during the day.

**4**

Higher energy efficiency than a heat pump (amount of electricity consumed)

**8.5 times**

Offers 8.5 times the energy savings of heat pump vending machines, even in the winter.\*<sup>2</sup>

**5**

Shorter cooling times

**25%**

Because of the high cooling efficiency, the amount of cooling time needed after restocking is cut by 25%.\*<sup>2</sup>

**6**

Reduces annual electricity consumption

**10% or more**

Reduces electricity consumption by 10% or more not only during the summer peak usage period, but year round.\*<sup>2</sup>

\*<sup>2</sup> Compared to average for same category machines manufactured in 2012; according to survey conducted by Coca-Cola (Japan) Co., Ltd.

## Sales Activities by Brand

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.

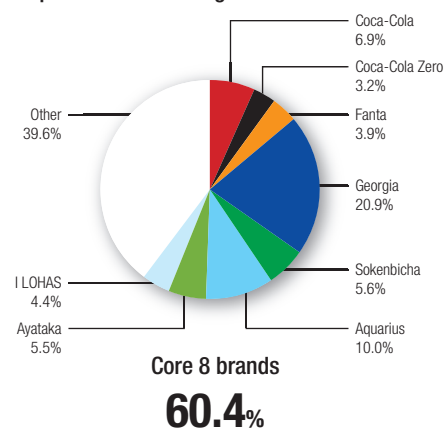


### ● Sales Volume by Brand

(Unit: 1,000 cases, %)

	2011	2012	Percentage change
Core 8 brands	■ Coca-Cola	13,962	12,882 (7.7)
	■ Coca-Cola Zero	6,509	5,945 (8.7)
	■ Fanta	8,424	7,304 (13.3)
	■ Georgia	39,176	38,984 (0.5)
	■ Sokenbicha	12,348	10,446 (15.4)
	■ Aquarius	19,999	18,769 (6.1)
	■ Ayataka	8,298	10,192 +22.8
	■ I LOHAS	6,889	8,295 +20.4
□ Other	72,168	73,997 +2.5	
<b>Total</b>	<b>187,773</b>	<b>186,814 (0.5)</b>	

### ■ Composition of Sales Figures in 2012



## Coca-Cola / Coca-Cola Zero



In 2012, taking full advantage of The Coca-Cola Company's status as a Worldwide Olympic Partner, we sold Coca-Cola and Coca-Cola Zero in limited-edition original packaging for the London Olympic Games. To mark the 5th anniversary of Coca-Cola Zero sales, we conducted campaigns well suited to our brand image, including a tie-up with the latest James Bond movie.

Since its launch in 2007, sales volume for Coca-Cola Zero has continued to grow steadily, and in 2012, total sales for Coca-Cola and Coca-Cola Zero were up 29.2% from 2007.

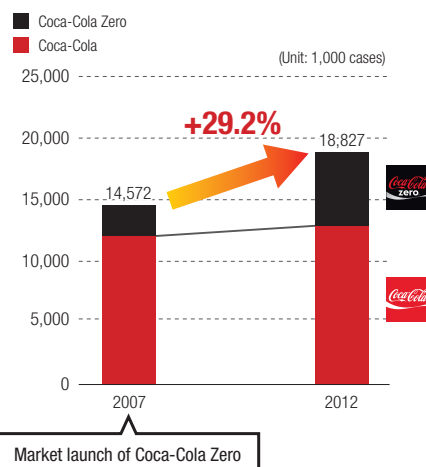


James Bond movie tie-up



Packaging for the London Olympic Games

Sales Volume for Coca-Cola and Coca-Cola Zero



## Georgia



In 2012, we took steps to revitalize our branding and strengthen sales by redesigning the packaging of our Emerald Mountain Blend Series and our European Series, two core product lines that account for about 60% of our Georgia brand sales volume. The 2012 sales volume for these core products rose 11.9% over the previous year.

Furthermore, we strove to increase sales by conducting a nationwide campaign around our custom-designed courier bag and a Happy Can campaign at vending machines, where Georgia products account for a large share of total sales. At supermarkets and convenience stores, we are strengthening our lineup of products that better satisfy consumer needs, with such efforts as the introduction of new slim PET bottles designed for easier portability.



Happy Can campaign



Emerald Mountain Blend Series redesign

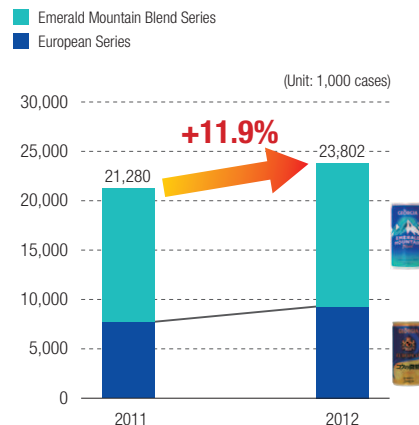


Slim PET bottles



European Series redesign

Sales Volume for Georgia Core Product Lines

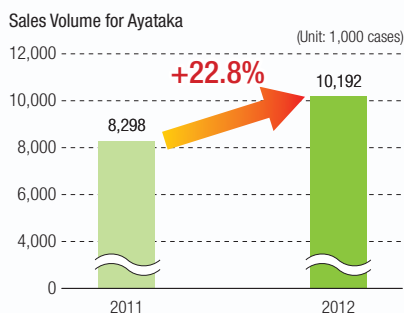


## Ayataka



Made from tea leaves produced in carefully selected growing regions across Japan, Ayataka is distinctive for its "genuine flavor and inherent cloudiness of classic Japanese green tea that tastes fresh-poured from the pot." In 2012, we deployed a Nationwide Ayataka Taste Test campaign to highlight the product's appeal, encouraging consumers to compare the taste of this tea to other green teas. We made an all-out effort to place this tea in the optimal sales locations in supermarkets and other stores, displaying it alongside everyday side dishes and typical Japanese-style confections.

As a result of these activities, sales volume for Ayataka in 2012 rose 22.8% over the previous year.



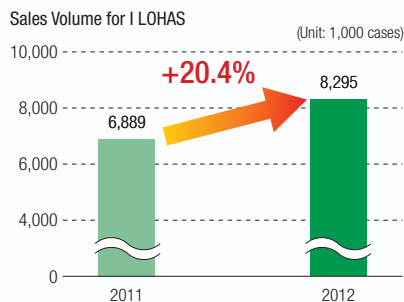
Nationwide Ayataka Taste Test campaign

## I LOHAS



In 2012, we conducted a program to donate a portion of sales revenues to Local Water support projects for the preservation of regional water resources. We also launched new packaging in the form of a 340 ml PET bottle and bolstered sales efforts primarily at convenience stores. In addition, we strengthened our product lineup with the addition of I LOHAS RINGO, a flavored water made using extract from apples produced in Nagano Prefecture.

As a result of these activities, sales volume for I LOHAS in 2012 rose 20.4% over the previous year.



Local Water support project



340 ml PET bottle



I LOHAS RINGO

## 2012 New Products

### Taiyo-no Matecha



Made using 100% *mate* tea leaves, Taiyo-no Matecha is a much loved tea in South America. While raising consumer awareness via TV commercials, we established large product displays at supermarkets and sales locations near premium meat sections.



### Schweppes British Lemon Tonic



This reduced-calorie beverage offers the real fruit taste of 3% fruit juice content. Focusing on convenience stores and supermarkets, we worked to expand sales for this product as a staple carbonated beverage.



## Sales Activities by Packaging

Coca-Cola West has developed various packaging (both in terms of capacity and container) for each product it sells. We provide products that meet consumer needs by developing the optimal packaging for each category of customer and sales venue.

### ● Main Packaging Formats

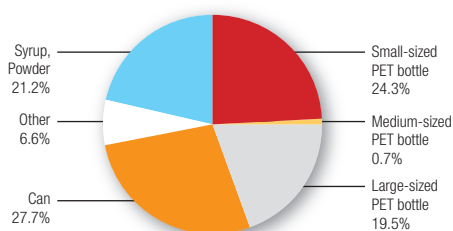


### ● Sales Volume by Packaging

(Unit: 1,000 cases, %)

	2011	2012	Percentage change
PET	■ Small-sized (less than 1,000 ml)	41,524	45,403 (+9.3)
	■ Medium-sized (less than 1,500 ml)	1,138	1,318 (+15.8)
	■ Large-sized (1,500 ml or more)	35,550	36,497 (+2.7)
	Subtotal	78,212	83,218 (+6.4)
■ Can	55,980	51,765 (7.5)	
□ Other	12,744	12,292 (3.5)	
■ Syrup, Powder	40,837	39,539 (3.2)	
<b>Total</b>	<b>187,773</b>	<b>186,814 (0.5)</b>	

### ■ Composition of Sales Figures in 2012



# Corporate Social Responsibility Activities

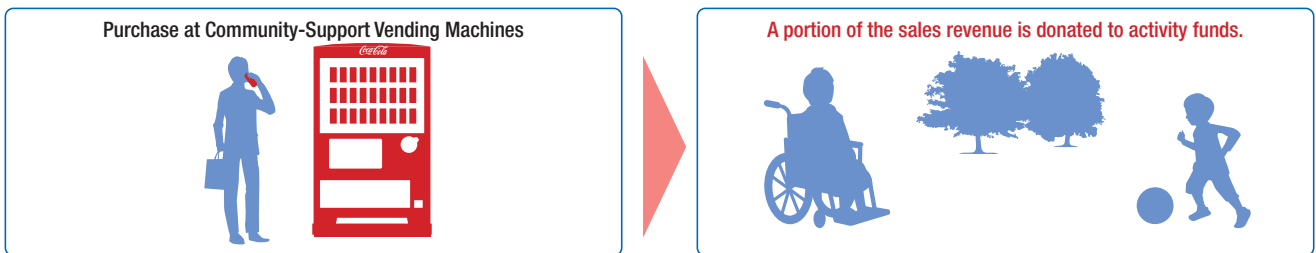
## Initiatives through Our Business Activities as a Community-Oriented Company

Through our vending machine business, which is a major sales channel for the company, we are striving to contribute to the development of local communities and to facilitate the creation of communities where residents can enjoy safety and peace of mind.

### Community-Support Vending Machines that support local communities

We engage in activities that support local communities through our vending machines. When consumers purchase soft drinks from these vending machines, a portion of the sales revenues is used to support social projects, events, and sports organizations within the community. This allows us to work together with our customers and consumers in supporting local communities. As of the end of 2012, 4,049 of these vending machines were in service.

Scheme for the Support of Local Activities through Community-Support Vending Machines



Support for Welfare	Support for Town Development	Support for Tourism	Support for Environment	Support for Professional Sports
<b>Cancer Eradication Campaign Support Vending Machine</b> Other examples <ul style="list-style-type: none"> <li>Japanese Red Cross</li> <li>Orange Ribbon Campaign</li> <li>Child Abuse Prevention Campaign</li> </ul>	<b>Takahashi-shi Town Development Support Vending Machine</b> Other examples <ul style="list-style-type: none"> <li>Tachiarai-machi Town Development</li> <li>Unnan-shi Town Development</li> <li>Nakazaki-cho Town Development</li> </ul>	<b>Karatsu Tourism Support Vending Machine</b> Other examples <ul style="list-style-type: none"> <li>Shimonoseki Tourism</li> <li>Tsuyama City Tourist Agency</li> <li>Awaji Island Festival</li> </ul>	<b>Fukuoka City Greenery Association Support Vending Machine</b> Other examples <ul style="list-style-type: none"> <li>Daisy Coral Environmental Preservation and Survey</li> <li>Settsu City Environment</li> <li>Toyooka City Oriental Stork</li> </ul>	<b>Gamba Osaka Support Vending Machine</b> Other examples <ul style="list-style-type: none"> <li>Avispa Fukuoka</li> <li>Fagiano Okayama</li> <li>Ange Violet Hiroshima</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 can be set to provide free soft drinks to residents in disaster-stricken areas by remote control from local administrative offices via telecommunications network. These machines are also outfitted with digital displays that provide real-time information such as emergency evacuation sites and maps. As of December 31, 2012, we have installed a total of 499 Disaster-Response Vending Machines to contribute to the safety of local residents.

Scheme of Disaster-Response Vending Machines



Disaster-Response Vending Machine



## Quality Control Initiatives

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 consumers' hands.

We have established a stringent quality control structure under the "KORE\*1" management system, a system uniquely formulated by the Coca-Cola System as a global standard. Starting with obtaining international standard certification (ISO9001\*2, FSSC22000\*3, OHSAS18001\*4, ISO14001\*5) at our manufacturing plants, we carry out quality control in warehouses, in logistics facilities, at outlet stores, and other sales channels so that we can ensure the high quality of our products at the point of consumption.

\*1 KORE: Coca-Cola Operating Requirements  
 \*2 ISO9001: Quality Management System  
 \*3 FSSC22000: Food Safety Management System  
 \*4 OHSAS18001: Occupational Health and Safety Assessment Series  
 \*5 ISO14001: Environmental Management Systems



### Manufacturing

We produce reliable beverages for consumers to enjoy drinking.

### Logistics (Storage / Transportation)

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

### Sales

We work day in day out to offer fresh and tasty beverages.



Plants

Warehouses

Stores,  
Vending machines

Consumers



**Maintenance**  
 We treat breakdowns of vending machines as a highest priority.

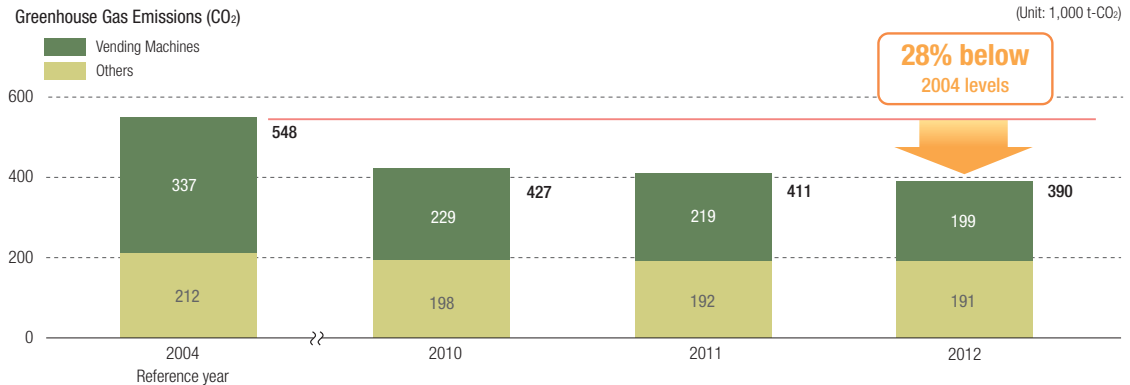
**Hygiene Control**  
 We practice reliable quality control to "secure food safety."



## Global Environmental Protection Activities

### Initiative for Energy Usage Reduction – Our Global Warming Initiative –

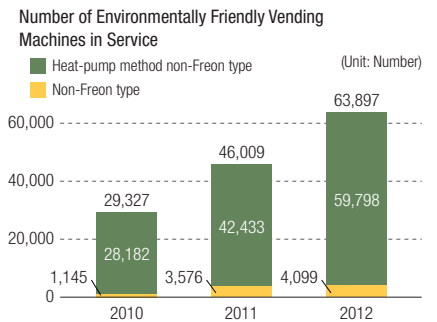
Because we want to leave a habitable global environment for future generations, we are striving to reduce our energy usage and greenhouse gas emissions, which cause global warming. In 2012 our vending machine initiatives continued, and we were able to reduce our greenhouse gas emissions by 5% from the previous year, for a total of reduction of 28% from 2004 levels.



#### Vending Machine Initiatives

We are promoting the introduction of more non-Freon Environmentally Friendly Vending Machines that have a low global warming effect. We are striving to reduce electricity consumption by promoting the use of machines that efficiently heat products using the heat pump method and machines equipped with solar panels and LED lighting. As of the end of 2012, as part of our efforts to prevent global warming, we had placed about 64,000 Environmentally Friendly Vending Machines using natural coolants in service.

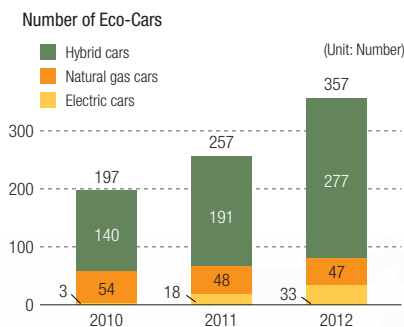
Also, we have been continuing with the installation of Peak Shift Vending Machines since the start of 2013, which reduce daytime electricity consumption by 95%.



#### Other Initiatives

##### ▶ Transportation

We are improving the efficiency of our shipping activities by using large vehicles to transport products between plants and warehouses, and are working to cut down on vehicle fuel consumption by promoting the use of compact vehicles for sales activities, such as visits to our customers. Furthermore, in 2012 we pushed forward with the adoption of eco-cars that are friendlier to the environment, such as hybrid and electric vehicles. A total of 100 eco-cars were introduced.



##### ▶ Manufacturing

In the manufacturing processes used at our plants, we are shifting to the use of natural gas, which offers lower CO<sub>2</sub> emissions than heavy oil, and introducing co-generation systems.\*

\*Co-generation system: A system that generates power using a gas engine, uses the waste heat created in the power generation process to create hot water or steam, and then simultaneously supplies both electricity and heat.

##### ▶ Offices

In our offices, we are making efforts to be pro-environment and considerate of local communities by, for example, switching to LED lighting, promoting seasonally appropriate work attire, and periodically shutting off air-conditioners during summer.

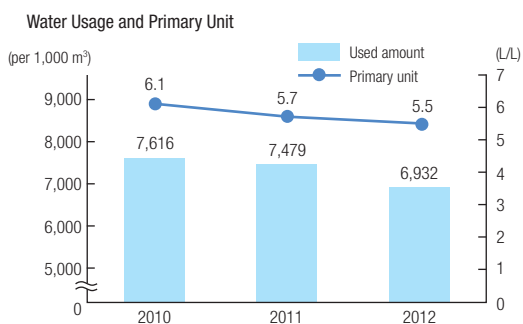
## Water Resource Protection Activities

To fulfill our social responsibility as a company that uses water as an irreplaceable key ingredient in our products, we are engaged in efforts to reduce our water use, recycle water, and protect local water resources.

### Reduction of Water Consumption

We strive to make effective use of water in our manufacturing processes. Our water use in 2012 was down 4% from the previous year on a primary unit\* basis to 5.5 L/L.

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



### Local Water Resource Protection

As a company that strives to be a good partner for local communities, we work with local residents on forest preservation activities at the forests that provide water resources to our six plants, and in so doing are striving to protect these water-producing regions.

## Waste Recycling Initiatives

We encourage the effective use of resources by actively promoting the collection and recycling of empty containers and the recycling of waste produced as a result of our business activities.

At the Kita Kyushu Sawayaka Recycling Center, which began operations in 2003, collected containers are sorted into steel cans, aluminum cans, PET bottles, and glass bottles for efficient recycling. Even our vending machines are subject to waste processing. At the end of their life cycle, they are disassembled and sorted into their component parts so that they can be recycled into steel materials and other items.

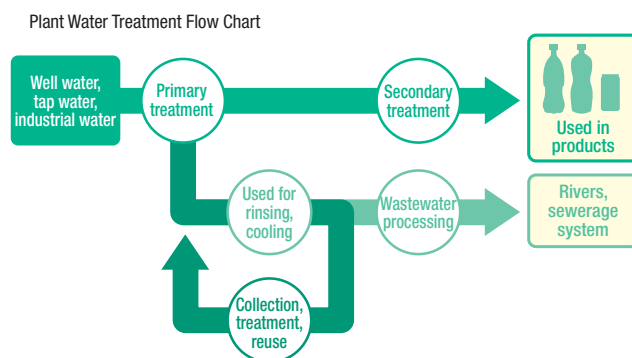
In addition to trying to reduce waste generated by our manufacturing process, we also work to sort and recycle any waste produced. We recycle more than 99% of all our waste products, converting spent coffee grounds and tea leaves into organic fertilizer and combustion aids, and turning paper waste into cardboard and recycled paper.



Kita Kyushu Sawayaka Recycling Center

### Water Recycling

We carefully collect the water used during the manufacturing process and recycle it by using it for rinsing and cooling purposes. We control the quality of wastewater we release into the river system, ensuring that it meets company standards that are even more stringent than what is required by law, and thus are reducing the burden our activities place on the environment.



Volume and Recycling Rate of Waste from Production Plants in 2012

Waste Type	Volume Generated (tons)	Recycling Rate	Recycling Usage
Coffee grounds	22,299	100.00%	Organic fertilizer, combustion aids
Tea leaves	10,069	100.00%	
Slurry	5,396	100.00%	
Waste plastic	940	99.66%	Recycled plastic fuel
Glass	181	99.96%	Recycled cullet
Metals	416	98.52%	Recycled iron and steel, aluminum cans
Paper	11	99.17%	Cardboard, recycled paper
Waste oil	1,008	100.00%	Recycled oil
Other	632	99.81%	Base course material, etc.
<b>Total</b>	<b>40,952</b>	<b>99.974%</b>	

## Local Community Contribution Activities, Local Environment Improvement Activities

With the consent of our shareholders, we use surplus financial resources to fund activities that contribute to local communities and promote the local environment.

The activities we supported in 2012 are described below.

## Resolutions of the general meeting of shareholders

## Appropriation of funding retained earnings

■ Dividends	
■ Reserve fund	<ul style="list-style-type: none"> <li>• Reserves for contribution to local communities</li> <li>• Reserves for environmental protection of local communities</li> </ul>
■ Retained earnings at beginning	

## Local Community 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 2012, we donated teaching tools to 15 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 for their role in helping develop the nervous system and improve reflexes and are included in the curriculum guidelines established by the Ministry of Education, Culture, Sports, Science and Technology as instructional tools that can be used for teaching children.

We donated 1,000 unicycles to 100 schools in our sales territory in 2012.



## Hockey Clinic

Our company hockey team members provide hockey instruction to a wide range of age groups, from young children to university students, to help them improve their hockey skills. By holding clinics not only for students, but also for instructors, we are able to convey the importance of basic skills and safe ways to compete in the sport.

In 2012, hockey clinics were held in Osaka and Hiroshima Prefectures.



## Classical Music Concerts

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

In 2012, we held the Wiener Ring Ensemble New Year's Concert in Fukuoka, the London Symphony Orchestra Brass Quintet Concert in Hiroshima, and the Hans-Jörg Schellenberger & Camerata Salzburg Concert in Osaka. These masterful performances were a real treat for the local residents who had the pleasure of attending.



## Family Musical

Held during summer break since 1994, Coca-Cola West Family Musical fosters family ties by providing a place where children and parents alike can enjoy musical performances together.

In 2012, we arranged performances of *Kiri no muko no fushigina machi*, a long-popular fantasy which was the original basis for the animated movie *Spirited Away*, at three locations in Fukuoka, Hiroshima and Osaka Prefectures. We invited local residents to come out and enjoy the performances with their families.



## Ichimura Shizenjuku-Kyushu

This 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 established in 2003. The year 2012 marked the 10th anniversary of its foundation. Through farming activities and communal life, the program offers children some opportunities to learn moral principles and promotes independence and creativity.

## Local Environment Improvement Activities

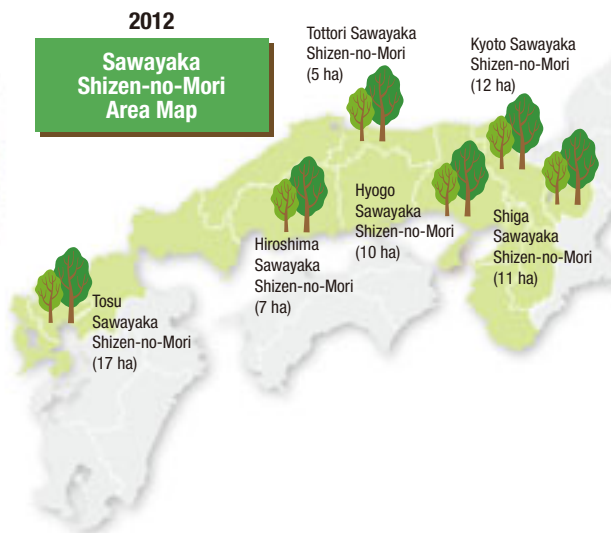
We recognize global environmental protection as a crucially important issue, and therefore, we contribute to the development of sustainable society with the slogan of "Sawayaka for people and the environment (fine people and pleasant environment)."



### Conservation Activities at "Sawayaka Shizen-no-Mori"

We have designated the forests that provide water resources to our six plants as "Sawayaka Shizen-no-Mori" and we work with local governments in each area to conduct forest preservation activities that help protect those water resources.

In 2012, as many as 425 community residents, including our employees and their family members, participated in activities at the Sawayaka Shizen-no-Mori in the prefectures of Shiga, Kyoto, Hyogo, Tottori, Hiroshima, and Saga. Through pruning and trimming activities, we worked to protect the forest and strove to promote environmental education among children.



### Environmental Instructor Trainings

We hold Environmental Instructor Trainings for elementary school teachers who teach young children and help raise environmental awareness in the classroom.

In 2012, we contributed to environmental education in elementary schools by holding lectures, hands-on lessons, and workshops on developmental lessons in science education for a total of 84 teachers from the prefectures of Fukuoka, Okayama, and Hyogo.



### Environment Classes at Schools

We hold Environment Classes at Schools to help children better understand the importance of the environment in which we live.

In 2012, expert instructors visited elementary schools in Fukuoka and Okayama Prefectures where they held hands-on, practical lessons on the environment. In Kyoto Prefecture, we held hands-on lessons in tree growth, from the cultivation of seedlings to the planting of trees, at local forested parks throughout the year.



### Local Community Cleanup Activities

To facilitate communication between our employees and local residents, our employees actively participate in cleanup activities sponsored by the local governments of the areas where our business establishments are located.

In 2012, as many as 1,200 employees and their family members participated in activities conducted at 26 locations within our sales territory, contributing to the beautification of those communities.

# Financial Information

## Analysis of Operating Results

### Outline of Business Results for Fiscal 2012

#### Operating Results

##### Net Revenues

In the Soft Drink Business, net revenues fell ¥13,359 million from the previous year, to ¥350,110 million (a 3.7% year-on-year (YoY) decrease) due mainly to changes in the sales mix associated with a heightened consumer interest in saving money. In the Health Food Business, on the other hand, net revenues rose ¥1,738 million from the previous year to reach ¥36,527 million (a 5.0% YoY increase) due mainly to favorable sales conditions for skin care products. Our consolidated net revenues fell ¥13,079 million to ¥386,637 million (a 3.3% YoY decrease).

##### Operating Income

In the Soft Drink Business, efforts were made to cut costs by increasing productivity, but operating income nonetheless fell ¥3,413 million to ¥8,061 million (a 29.7% YoY decrease) due mainly to the effects of decreased net revenues and high prices on raw ingredients and materials. The Health Food Business, meanwhile, was a major driver of increased sales, with operating income in that business increasing ¥413 million over the previous year to ¥5,402 million (an 8.3% YoY increase). As a result, consolidated operating income fell ¥3,005 million to ¥13,463 million (an 18.3% YoY decrease).

##### Recurring Income / Net Income

Recurring income dropped ¥2,198 million to ¥13,845 million (a 13.7% YoY decrease) largely as a result of the decline in operating income. Net income dropped ¥965 million to ¥6,031 million (a 13.8% YoY decrease) largely as a result of the decline in recurring income.

#### Financial Position

Our equity ratio for the current period was 68.4%, indicating that the company remains in sound financial standing.

##### Assets and Liabilities

Our total assets at the end of the current period fell ¥5,211 million from the previous period to ¥337,348 million (a 1.5% decrease from the end of the

previous period). This was largely due to amortization of goodwill.

Our liabilities at the end of the current period fell ¥8,403 million from the previous period to ¥106,292 million (a 7.3% decrease from the end of the previous period). This was primarily due to a decrease in our accounts payable and scheduled payments on our long-term loans payable.

##### Net Assets

Net assets as of the end of the current period increased by ¥3,191 million, or 1.4%, from the end of the previous period, to ¥231,056 million. This is mainly attributable to net income for the current period.

##### Consolidated Cash Flows

##### Net Cash Provided by Operating Activities

Net cash provided by operating activities was positive ¥26,324 million (positive ¥39,960 million in the year-ago period). Expenditures of working capital caused by changes in inventory assets and accounts payable increased ¥10,811 million, and income taxes paid increased ¥1,488 million. As a result, net cash provided by operating activities fell from the previous year by ¥13,636 million.

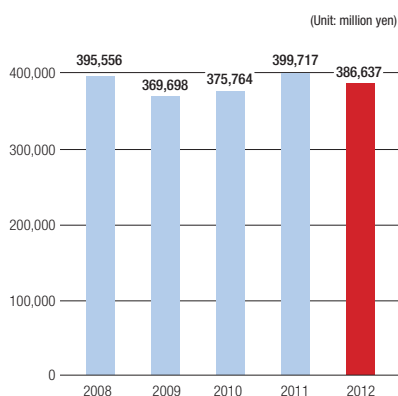
##### Net Cash Provided by/Used in Investing Activities

Net cash provided by/used in investing activities was negative ¥14,243 million (negative ¥34,050 million in the year-ago period). In the current period, due mainly to revenues of ¥31,843 million from the redemption of marketable securities, the net cash provided by/used in investing activities increased ¥19,806 million from the previous year.

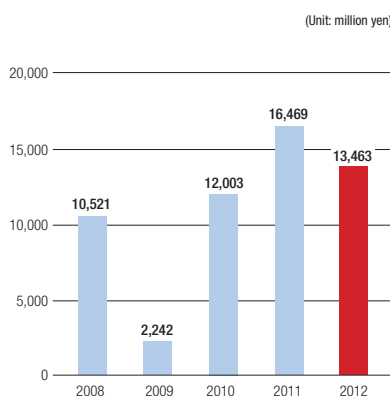
##### Net Cash Provided by/Used in Financing Activities

Net cash provided by/used in financing activities was negative ¥7,149 million (negative ¥8,780 million in the year-ago period). Due to expenses for the repayment of lease obligations falling, net cash provided/used by financing activities for the current period increased ¥1,630 million from the previous period.

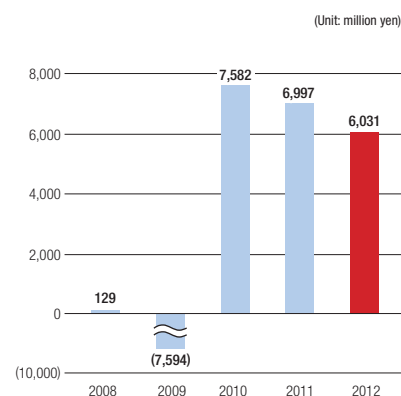
Net Revenues



Operating Income



Net Income



## Segment Information

### Business Results by Business Segment

#### Soft Drink Business

Following our product strategy, we continued to concentrate our investments in our eight core brands and strengthened our sales to increase revenues. Pursuant to our channel strategy, we worked to install coolers, racks, and other sales equipment in chain stores (such as supermarkets) and to display our products in the manner best suited to the sales location, all in an effort to increase sales of small-container products suitable for immediate consumption. In our vending (vending machine) channel, we introduced new and redesigned products tailored to each season and selected product lineups based on the characteristics of the vending machine location, thus striving to make our vending machines more appealing to consumers.

Based on our strategic partnership with The Coca-Cola Company and Coca-Cola (Japan) Co., Ltd., we strengthened our joint marketing efforts and developed various initiatives tied to the continued growth of the Coca-Cola business.

In the field of supply chain management (SCM), we worked to provide products and packages that meet our consumers' diverse needs and achieve cost reductions through improved productivity by making capital investments in upgrades to our production lines and the introduction of new technologies.

As a result of these efforts, our net revenues in this business for the period ended December 2012 were ¥350,110 million with operating income of ¥8,061 million.

#### Health Food Business

In the Health Food Business, we are moving forward with our subsidiary Q'sai Co., Ltd. and its five subsidiaries.

Our product strategy this year was to strengthen sales of our core health care products, including Kale Powder, Hyaluronan Collagen, and Peptide Ace (food for specified health uses), and our Basic Skin Care brand. We also strove to increase sales by introducing a new product to our health care product offerings, Glucosamine Z. In our key sales channel, the mail order channel, we made efforts to reach out to consumers and maintain our existing base by bolstering the content of mail order television programming and investing in advertisements designed for efficiently drawing in consumers.

As a result of these efforts, our net revenues in this business for the period ended December 2012 were ¥36,527 million with operating income of ¥5,402 million.

(Unit: million yen)

	2011				2012		
	Soft Drink Business	Health Food Business	Other Businesses <sup>2</sup>	Total	Soft Drink Business	Health Food Business	Total
Net revenues	¥363,469	¥34,788	¥1,458	¥399,717	¥350,110	¥36,527	¥386,637
Segment income <sup>1</sup>	¥11,475	¥4,989	¥5	¥16,469	¥8,061	¥5,402	¥13,463

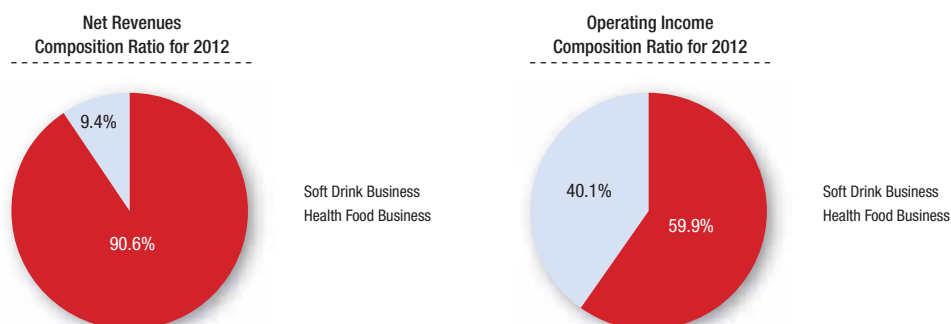
(Unit: 1,000 U.S. dollars)<sup>3</sup>

	2011				2012		
	Soft Drink Business	Health Food Business	Other Businesses <sup>2</sup>	Total	Soft Drink Business	Health Food Business	Total
Net revenues	\$4,190,335	\$401,068	\$16,817	\$4,608,221	\$4,036,320	\$421,112	\$4,457,433
Segment income <sup>1</sup>	\$132,297	\$57,519	\$58	\$189,874	\$92,941	\$62,281	\$155,222

<sup>1</sup> Segment income concurs with operating income in the consolidated statements of income.

<sup>2</sup> We sold all the shares we owned in Chugoku Piano Transport Co., Ltd, which previously made up our "Other Businesses" segment, as of January 31, 2012 and divested that company from our consolidated business using the sale date of January 1, 2012. Starting with the fiscal year ended December 2012, we will only be reporting on our two remaining business segments, the Soft Drink Business and Health Food Business.

<sup>3</sup> Amounts in U.S. dollars are presented for the purpose of convenience only. Exchange rate of 86.74 yen against the U.S. dollar (as of December 31, 2012; amounts less than one unit are truncated) is used for conversion.



## Consolidated Balance Sheets (As of December 31)

	2010	2011	(Unit: million yen) 2012	(Unit: 1,000 U.S. dollars)* 2012
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and Deposits	¥24,208	¥25,208	¥22,157	\$255,449
Trade Notes and Accounts Receivable	23,507	25,335	23,472	270,611
Marketable Securities	15,737	26,738	30,702	353,965
Merchandise and Finished Goods	22,355	21,954	24,226	279,298
Work in Process	231	464	472	5,442
Raw Materials and Supplies	1,396	1,450	1,662	19,164
Deferred Tax Assets (Current Portion)	2,722	4,373	3,885	44,798
Other	13,823	14,177	14,245	164,236
Allowance for Doubtful Accounts	(186)	(504)	(414)	(4,778)
<b>Total Current Assets</b>	<b>103,796</b>	<b>119,197</b>	<b>120,411</b>	<b>1,388,189</b>
<b>Fixed Assets:</b>				
<b>Property, Plant and Equipment</b>				
Buildings and Structures, net	34,992	33,525	32,259	371,915
Machinery, Equipment, Vehicles, net	20,155	20,497	18,487	213,136
Sales Equipment, net	21,209	20,820	20,727	238,959
Land	53,982	52,774	52,208	601,892
Leased Assets, net	2,066	963	652	7,526
Construction in Progress	7	395	2,245	25,886
Other, net	1,528	1,241	1,173	13,529
<b>Total Property, Plant and Equipment</b>	<b>133,943</b>	<b>130,218</b>	<b>127,754</b>	<b>1,472,847</b>
<b>Intangible Assets:</b>				
Goodwill	50,172	47,474	44,723	515,603
Software, etc.	4,282	4,723	5,190	59,841
<b>Total Intangible Assets</b>	<b>54,454</b>	<b>52,198</b>	<b>49,914</b>	<b>575,444</b>
<b>Investments and Other Assets:</b>				
Investment Securities	26,690	24,583	25,738	296,728
Deferred Tax Assets	9,571	4,321	2,206	25,441
Advanced Payments for Retirement Expenses	10,934	5,827	4,729	54,523
Other	7,201	6,788	7,070	81,512
Allowance for Doubtful Accounts	(560)	(574)	(476)	(5,491)
<b>Total Investments and Other Assets</b>	<b>53,838</b>	<b>40,946</b>	<b>39,268</b>	<b>452,714</b>
<b>Total Fixed Assets</b>	<b>242,236</b>	<b>223,362</b>	<b>216,937</b>	<b>2,501,007</b>
<b>Total Assets</b>	<b>¥346,032</b>	<b>¥342,560</b>	<b>¥337,348</b>	<b>\$3,889,196</b>

\*Amounts in U.S. dollars are presented for the purpose of convenience only. Exchange rate of 86.74 yen against the U.S. dollar (as of December 31, 2012; amounts less than one unit are truncated) is used for conversion.



	2010	2011	(Unit: million yen) 2012	(Unit: 1,000 U.S. dollars)* 2012
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Trade Notes and Accounts Payable	¥14,615	¥18,657	¥14,502	\$167,193
Current Portion of Long-Term Loans Payable	2,567	2,542	2,517	29,028
Lease Obligations	1,031	461	403	4,649
Accrued Income Taxes	1,616	2,750	3,006	34,665
Other Accounts Payable	15,558	15,656	14,630	168,670
Provision for Sales Promotion Expenses	169	160	173	2,002
Other	7,854	6,350	5,753	66,331
<b>Total Current Liabilities</b>	<b>43,415</b>	<b>46,579</b>	<b>40,988</b>	<b>472,541</b>
<b>Long-Term Liabilities:</b>				
Bonds Payable	50,000	50,000	50,000	576,435
Long-Term Loans Payable	12,816	10,273	7,755	89,414
Lease Obligations	1,231	778	452	5,218
Deferred Tax Liabilities	3,620	2,319	2,624	30,261
Allowance for Employees' Retirement Benefits	5,622	1,018	947	10,920
Provision for Directors' Retirement Benefits	102	117	130	1,502
Negative Goodwill	207	–	–	–
Other	2,748	3,609	3,393	39,117
<b>Total Long-Term Liabilities</b>	<b>76,349</b>	<b>68,116</b>	<b>65,303</b>	<b>752,870</b>
<b>Total Liabilities</b>	<b>119,765</b>	<b>114,695</b>	<b>106,292</b>	<b>1,225,411</b>
<b>Net Assets</b>				
<b>Shareholders' Equity:</b>				
Common Stock	15,231	15,231	15,231	175,605
Capital Surplus	109,072	109,072	109,072	1,257,460
Retained Earnings	127,657	130,655	132,587	1,528,561
Treasury Stock	(25,761)	(25,764)	(25,765)	(297,045)
<b>Total Shareholders' Equity</b>	<b>226,199</b>	<b>229,195</b>	<b>231,125</b>	<b>2,664,582</b>
<b>Other Accumulated Comprehensive Income</b>				
Net Unrealized Gain (Loss) on Other Marketable Securities	(255)	(1,703)	(449)	(5,185)
<b>Total Other Accumulated Comprehensive Income</b>	<b>(255)</b>	<b>(1,703)</b>	<b>(449)</b>	<b>(5,185)</b>
<b>Minority Interests</b>	<b>324</b>	<b>373</b>	<b>380</b>	<b>4,387</b>
<b>Total Net Assets</b>	<b>226,267</b>	<b>227,864</b>	<b>231,056</b>	<b>2,663,784</b>
<b>Total Liabilities and Net Assets</b>	<b>¥346,032</b>	<b>¥342,560</b>	<b>¥337,348</b>	<b>\$3,889,196</b>

\*Amounts in U.S. dollars are presented for the purpose of convenience only. Exchange rate of 86.74 yen against the U.S. dollar (as of December 31, 2012; amounts less than one unit are truncated) is used for conversion.

## Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (January 1 to December 31)

(Consolidated Statements of Income)	2010	2011	(Unit: million yen)	(Unit: 1,000 U.S. dollars)*
			2012	2012
<b>Net Revenues</b>	<b>¥375,764</b>	<b>¥399,717</b>	<b>¥386,637</b>	<b>\$4,457,433</b>
<b>Cost of Goods Sold</b>	<b>203,307</b>	<b>204,472</b>	<b>195,842</b>	<b>2,257,810</b>
<b>Gross Profit</b>	<b>172,456</b>	<b>195,244</b>	<b>190,795</b>	<b>2,199,622</b>
<b>Selling, General and Administrative Expenses</b>	<b>160,452</b>	<b>178,775</b>	<b>177,331</b>	<b>2,044,400</b>
<b>Operating Income</b>	<b>12,003</b>	<b>16,469</b>	<b>13,463</b>	<b>155,222</b>
<b>Non-Operating Income</b>	<b>2,009</b>	<b>1,272</b>	<b>1,492</b>	<b>17,207</b>
Interest Income	122	70	85	985
Dividends	263	284	271	3,129
Amortization of Negative Goodwill	414	207	—	—
Equity in Earnings of Affiliates	806	139	631	7,282
Other Non-Operating Income	401	569	503	5,809
<b>Non-Operating Expenses</b>	<b>1,352</b>	<b>1,698</b>	<b>1,110</b>	<b>12,807</b>
Interest Expenses	708	685	626	7,217
Loss on Disposal of Property, Plant and Equipment	371	629	303	3,500
Other Non-Operating Expenses	273	382	181	2,090
<b>Recurring Income</b>	<b>12,659</b>	<b>16,044</b>	<b>13,845</b>	<b>159,622</b>
<b>Extraordinary Income</b>	<b>371</b>	<b>431</b>	<b>64</b>	<b>742</b>
Gain on Sales of Property, Plant and Equipment	218	382	—	—
Gain on Sales of Investment Securities	—	49	64	742
Subsidiary Income	118	—	—	—
Gain on Transfer of Business	34	—	—	—
<b>Extraordinary Losses</b>	<b>48</b>	<b>2,462</b>	<b>1,723</b>	<b>19,872</b>
Impairment Loss	—	—	183	2,116
Loss from Disaster	—	43	39	453
Loss on Disposal of Property, Plant and Equipment	—	715	—	—
Loss on Sales of Shares of Subsidiaries	—	85	—	—
Write-down of Investment Securities	48	31	317	3,654
Write-down of Golf Club Memberships	—	16	10	115
Loss on Disposal of Inventories	—	490	—	—
Expense for Provision for Power Saving	—	352	—	—
Losses Due to Provision for Quality Problems	—	—	1,173	13,531
Loss on Adjustment for Changes of Accounting Standard for Asset Retirement Obligations	—	726	—	—
<b>Income before Income Taxes, Minority Interests and Other Adjustments</b>	<b>12,982</b>	<b>14,013</b>	<b>12,186</b>	<b>140,492</b>
<b>Income Taxes</b>	<b>1,881</b>	<b>3,878</b>	<b>3,895</b>	<b>44,907</b>
<b>Income Tax Deferred</b>	<b>3,488</b>	<b>3,082</b>	<b>2,218</b>	<b>25,574</b>
<b>Total Income Taxes</b>	<b>5,369</b>	<b>6,960</b>	<b>6,113</b>	<b>70,482</b>
<b>Income before Minority Interests</b>	<b>—</b>	<b>7,052</b>	<b>6,072</b>	<b>70,010</b>
<b>Minority Interests</b>	<b>30</b>	<b>55</b>	<b>41</b>	<b>475</b>
<b>Net Income</b>	<b>¥7,582</b>	<b>¥6,997</b>	<b>¥6,031</b>	<b>\$69,534</b>

\*Amounts in U.S. dollars are presented for the purpose of convenience only. Exchange rate of 86.74 yen against the U.S. dollar (as of December 31, 2012; amounts less than one unit are truncated) is used for conversion.

(Consolidated Statements of Comprehensive Income)	2010	2011	(Unit: million yen)	(Unit: 1,000 U.S. dollars)*
			2012	2012
<b>Income before Minority Interests</b>	<b>—</b>	<b>¥7,052</b>	<b>¥6,072</b>	<b>\$70,010</b>
<b>Other Comprehensive Income</b>				
Net Unrealized Gain (Loss) on Other Marketable Securities	—	(1,455)	1,245	14,358
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	—	8	8	92
Total Other Comprehensive Income	—	(1,447)	1,253	14,451
<b>Comprehensive Income</b>	<b>—</b>	<b>¥5,605</b>	<b>¥7,326</b>	<b>\$84,461</b>
<b>(Breakdown)</b>				
Comprehensive Income Attributable to Owners of the Parent Company	—	5,549	7,284	83,986
Comprehensive Income Attributable to Minority Interests	—	55	41	475

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## Consolidated Statements of Changes in Shareholders' Equity (January 1 to December 31)

(Unit: million 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 January 1, 2012	¥15,231	¥109,072	¥130,655	¥(25,764)	¥229,195	¥(1,703)	¥(1,703)	¥373	¥227,864
Changes during the Consolidated Fiscal Year 2012									
Distribution of Dividends	—	—	(4,098)	—	(4,098)	—	—	—	(4,098)
Net Income	—	—	6,031	—	6,031	—	—	—	6,031
Acquisition of Treasury Stock	—	—	—	(2)	(2)	—	—	—	(2)
Cancellation of Treasury Stock	—	—	(0)	0	0	—	—	—	0
Net Changes in Items Other than Shareholders' Equity during the Fiscal Year	—	—	—	—	—	1,253	1,253	7	1,260
<b>Total Changes during the Fiscal Year</b>	<b>—</b>	<b>—</b>	<b>1,932</b>	<b>(1)</b>	<b>1,930</b>	<b>1,253</b>	<b>1,253</b>	<b>7</b>	<b>3,191</b>
Balance as of December 31, 2012	¥15,231	¥109,072	¥132,587	¥(25,765)	¥231,125	¥(449)	¥(449)	¥380	¥231,056

(Unit: 1,000 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 January 1, 2012	\$175,605	\$1,257,460	\$1,506,284	\$(297,027)	\$2,642,322	\$(19,636)	\$(19,636)	\$4,300	\$2,626,987
Changes during the Consolidated Fiscal Year 2012									
Distribution of Dividends	—	—	(47,254)	—	(47,254)	—	—	—	(47,254)
Net Income	—	—	69,534	—	69,534	—	—	—	69,534
Acquisition of Treasury Stock	—	—	—	(26)	(26)	—	—	—	(26)
Cancellation of Treasury Stock	—	—	(3)	8	5	—	—	—	5
Net Changes in Items Other than Shareholders' Equity during the Fiscal Year	—	—	—	—	—	14,451	14,451	86	14,537
<b>Total Changes during the Fiscal Year</b>	<b>—</b>	<b>—</b>	<b>22,276</b>	<b>(17)</b>	<b>22,259</b>	<b>14,451</b>	<b>14,451</b>	<b>86</b>	<b>36,797</b>
Balance as of December 31, 2012	\$175,605	\$1,257,460	\$1,528,561	\$(297,045)	\$2,664,582	\$(5,185)	\$(5,185)	\$4,387	\$2,663,784

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## Consolidated Statements of Cash Flows (January 1 to December 31)

	2010	2011	(Unit: million yen) 2012	(Unit: 1,000 U.S. dollars)* 2012
<b>Cash Flows from Operating Activities:</b>				
Income before Income Taxes, Minority Interests and Other Adjustments	¥12,982	¥14,013	¥12,186	\$140,492
Depreciation and Amortization	22,405	21,371	20,643	237,992
Impairment Gains	—	—	183	2,116
Amortization of Goodwill	844	2,697	2,643	30,475
Amortization of Negative Goodwill	(414)	(207)	—	—
Increase (Decrease) in Provision for Directors' Retirement Benefits	(3)	15	13	151
Increase (Decrease) in Liabilities for Retirement Benefits	(94)	(4,601)	(63)	(730)
Decrease (Increase) in Advance Payments for Retirement Expenses	671	5,106	1,098	12,663
Interest and Dividend Income	(385)	(355)	(356)	(4,115)
Interest Expenses	708	685	626	7,217
Equity in Losses (Earnings) of Affiliates	(806)	(139)	(631)	(7,282)
Loss (Gain) on Sales of Marketable and Investment Securities	—	(49)	(64)	(742)
Loss on Sales of Shares of Subsidiaries	—	85	—	—
Write-down of Marketable and Investment Securities	48	31	317	3,654
Loss (Gain) on Sales of Fixed Assets	(234)	(404)	6	78
Loss on Disposal of Fixed Assets	327	1,299	246	2,842
Decrease (Increase) in Accounts Receivable	100	(1,834)	1,764	20,346
Decrease (Increase) in Inventories	2,446	112	(2,491)	(28,718)
Decrease (Increase) in Other Assets	1,083	(560)	225	2,593
Increase (Decrease) in Accounts Payable	(3,138)	4,052	(4,154)	(47,900)
Increase (Decrease) in Other Liabilities	(2,544)	336	(1,746)	(20,137)
Loss on Adjustment for Changes of Accounting Standard for Asset Retirement Obligations	—	726	—	—
Other	153	228	366	4,220
Sub-total	34,149	42,612	30,811	355,217
Interest and Dividends Received	394	351	360	4,161
Interest Paid	(897)	(687)	(630)	(7,265)
Income Taxes Paid	(2,094)	(2,746)	(4,235)	(48,831)
Income Taxes Refunded	181	431	17	200
<b>Net Cash provided by Operating Activities</b>	<b>31,732</b>	<b>39,960</b>	<b>26,324</b>	<b>303,483</b>
<b>Cash Flows from Investing Activities:</b>				
Acquisition of Marketable and Investment Securities	(2,230)	(19,302)	(26,319)	(303,434)
Proceeds from Sales of Marketable Securities and Investment Securities	2,105	4,649	31,843	367,112
Acquisition of Fixed Assets	(15,250)	(21,890)	(20,134)	(232,129)
Proceeds from Sales of Fixed Assets	1,176	2,429	512	5,908
Acquisition of Shares of Subsidiaries with Change in Scope of Consolidation	(35,366)	—	—	—
Expenses for Sale of Shares of Subsidiaries with Change in Scope of Consolidation	—	(21)	—	—
Proceeds from the Sale of Shares of Subsidiaries with Changes in Scope of Consolidation	—	—	553	6,378
Acquisition of Shares of Affiliates	(153)	—	—	—
Proceeds from Transfer of Business	628	—	—	—
Long-Term Loans	(243)	(360)	(914)	(10,543)
Proceeds from Collection of Long-Term Loans	295	474	595	6,862
Increase in Time Deposits	(484)	(334)	(1,865)	(21,503)
Proceeds from Refund of Time Deposits	320	315	1,480	17,070
Other	—	(10)	6	71
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(49,203)</b>	<b>(34,050)</b>	<b>(14,243)</b>	<b>(164,207)</b>
<b>Cash Flows from Financing Activities:</b>				
Proceeds from Long-Term Loans Payable	15,000	—	—	—
Expenses for Repayment of Long-Term Loans	(25,613)	(2,567)	(2,542)	(29,316)
Expenses for Repayment of Lease Obligations	(1,568)	(2,204)	(472)	(5,448)
Expenses for Acquisition of Treasury Stock	(3)	(3)	(2)	(26)
Proceeds from Sales of Treasury Stock	0	0	0	5
Dividends Paid	(4,098)	(3,998)	(4,098)	(47,254)
Dividends Paid to Minority Interests	(33)	(6)	(33)	(388)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(16,316)</b>	<b>(8,780)</b>	<b>(7,149)</b>	<b>(82,429)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(33,787)</b>	<b>(2,870)</b>	<b>4,930</b>	<b>56,846</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>71,221</b>	<b>37,434</b>	<b>34,564</b>	<b>398,481</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>¥37,434</b>	<b>¥34,564</b>	<b>¥39,495</b>	<b>\$455,328</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 27, 2013.

#### **(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**

##### **a. Impact of market fluctuations**

Sales of soft drinks, the group's core products, are readily influenced by changes in consumers' preferences. 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.

##### **b. 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 consumer 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 Japan's 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 our business in the health food industry could be impaired and could impact financial performance.

#### **(5) Impact of Economic Conditions**

##### **a. 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.

##### **b. 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 business relating to the manufacturing and marketing of beverages and food 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 Audit & Supervisory Board system in accordance with its separation of decision-making and supervisory functions 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 directors were reduced from two years to one year. This effectively highlights the management responsibilities of directors for each fiscal year and establishes an agile management structure capable of responding to a rapidly changing business environment.

In July 2006, we established the Management Advisory Committee, which advises the Board of Directors. This committee solicits advice from prominent industrial and academic experts to achieve the objectives of improvement of management in both efficiency and transparency, which consequently enhance shareholders' value. The committee is responsible for advising on the following important issues: (i) Important corporate group strategies; (ii) Selection of appropriate candidates as members of the Board of Directors as well as the Audit & Supervisory Board; and (iii) 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 company shares, allowing it to increase capital efficiency and to execute 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 Audit & Supervisory Board to fully supervise the performance of executive officers' business operations. The members of the Board of Directors and the Audit & Supervisory Board 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 whose advice is used in determining 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 the Board of Directors and employees comply with laws and the company's articles of incorporation

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 the company's articles of incorporation, 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 has been 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 audits 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 Audit & Supervisory Board. 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 Audit & Supervisory Board 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, the environment, disasters, product quality, information security, 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 tasks 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 members of the Audit & Supervisory Board, and independence of the employees from directors**

Coca-Cola West arranges assistant employees to members of the Audit & Supervisory Board. The assistant employees assist with the performance of members of the Audit & Supervisory Board's duties under members' directives and do not receive directives of directors or other executives.

#### **g. System for corporate officers and employees to report to the Audit & Supervisory Board**

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 Audit & Supervisory Board 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 the Board of Directors and the Audit & Supervisory Board.

#### **h. System for ensuring that other auditing by the Audit & Supervisory Board is conducted effectively**

Regular meetings are organized for members of the Audit & Supervisory Board 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 objectives of this body are to prevent the various risks faced by the company and to minimize damage in the event of a crisis by enabling a swift and appropriate response. The group ensures that its management principles comply with all laws and ordinances and follow the norms of society with integrity, thereby gaining the trust of all of its stakeholders and fulfilling the Corporate Philosophy. 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, Audit by Audit & Supervisory Board, and Financial Audit System**

#### **a. Organization of internal audits and audit by Audit & Supervisory Board, personnel and procedures, coordination among internal audit, audit by Audit & Supervisory Board, 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 (6 members) as the Internal Audit Department, which directly reports to the president.

Members of the Audit & Supervisory Board 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 the foregoing activities, the members of the Audit & Supervisory Board monitor the executive actions of members of the Board of Directors and executive officers in accordance with relevant laws, regulations, the company's articles of incorporation, and internal auditing standards.

The Audit Office conducts preliminary discussions with the Audit & Supervisory Board concerning its auditing policy and plans for each fiscal year.

The Audit & Supervisory Board and the Audit Office 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 Audit & Supervisory Board with an explanation of its audit plans, and as needed, supplies information and reports to the board during the interim audit or year-end audit.

#### **b. Profile of independent auditor 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		Experience
Designated Liability Partner	Takaki Okano	4 years
Designated Liability Partner	Junichi Adachi	5 years
Designated Liability Partner	Akihisa Sada	1 year

The auditing team has 14 CPAs and 8 other members.

## (6) Outside Directors and Audit & Supervisory Board Members (Outside)

Presently, two of eleven members of Coca-Cola West's Board of Directors and three of five members of its Audit & Supervisory Board are from outside of the group.

### a. Profile, name and qualification to be elected as an outside director or outside member of the Audit & Supervisory Board

Role	Name	Relationship with Our Company	Background to Appointment
Outside Director	Shiro Kondo	Shiro Kondo is Representative Director and Chairman of Ricoh Company, Ltd., which is classified as an "other related company."	<p>Shiro Kondo is Representative Director and Chairman of Ricoh Company, Ltd. and has been appointed to serve as an outside director so that Coca-Cola West can take advantage of his wealth of experience as a corporate manager of that firm.</p> <p>Ricoh Company, Ltd. is a major shareholder in Coca-Cola West (whose stake amounts to 16.8% in terms of voting rights), but we are engaged in a different business from that of the Ricoh Group. There are some transactions between our corporate groups, in the form of, for example, sales of soft drinks from our company and system maintenance services provided by the Ricoh Group, but because the value of those transactions is quite small, the independent business activities of Coca-Cola West would not be impeded in any way by the Ricoh Group.</p> <p>We have a close relationship with Ricoh in terms of both human and capital resources, but Mr. Kondo is the only one of our 11 directors who is concurrently serving as a director of Ricoh, giving him less than a majority position on our Board of Directors. He makes decisions related to the company's activities and management directions, and executes operations based on our company's decisions.</p> <p>Consequently, we have concluded that there is no concern that our company might be unduly influenced by Ricoh and that Mr. Kondo is not a person who would wield undue influence over our management team.</p> <p>Given the fact that his concurrent service as a director of Ricoh therefore does not influence the independence of Coca-Cola West with respect to Ricoh, and that there is no concern regarding a conflict of interest with our general shareholders, we have appointed Mr. Kondo to the position of independent director.</p>
Outside Director	Vikas Tiku	<p>Vikas Tiku is Representative Director, Executive Vice President and CFO of Coca-Cola (Japan) Co., Ltd. (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>Vikas Tiku is Representative Director, Executive Vice President and CFO of CCJC and has been appointed to serve as an outside director so that Coca-Cola West can further strengthen its strategic partnerships with The Coca-Cola Company and CCJC.</p> <p>Although CCJC is a major business partner with the special interests outlined at left, Mr. Tiku is the only one of our 11 directors who is concurrently serving as a director of CCJC, giving him less than a majority position on our Board of Directors. He makes decisions related to the company's activities and management directions, and executes operations based on our company's decisions.</p> <p>Consequently, we have concluded that there is no concern that our company might be unduly influenced by CCJC and that Mr. Tiku is not a person who would wield undue influence over our management team.</p> <p>We therefore deem that Mr. Tiku's concurrent service as a director of CCJC does not influence the independence of Coca-Cola West with respect to CCJC, and that there is no concern regarding a conflict of interest with our general shareholders.</p>
Audit & Supervisory Board Member (Outside)	Zenji Miura	Zenji Miura is Representative Director, President, and Chief Executive Officer of Ricoh Company, Ltd., which is classified as an "other related company."	<p>Zenji Miura has a long professional career in finance and accounting at Ricoh. He has been appointed as an outside member of the Audit &amp; Supervisory Board so that Coca-Cola West can put his wealth of experience to work in its auditing responsibilities.</p> <p>Ricoh Company, Ltd. is a major shareholder in Coca-Cola West (a 16.8% stake in terms of voting rights), but we are engaged in a different business from that of the Ricoh Group. There are some transactions between our corporate groups, in the form of, for example, sales of soft drinks from our company and system maintenance services provided by the Ricoh Group, but because the value of those transactions is quite small, the independent business activities of Coca-Cola West would not be impeded in any way by the Ricoh Group.</p> <p>We have a close relationship with Ricoh in terms of both human and capital resources, and one of the directors of Ricoh is serving as our director. However, he is the only one of our 11 directors who is concurrently serving as a director of Ricoh, giving him less than a majority position on our Board of Directors, and his appointment was made at our request. He makes decisions related to the company's activities and management directions, and executes operations based on our company's decisions.</p> <p>Consequently, we have concluded that there is no concern that our company might be unduly influenced by Ricoh and that Mr. Miura is not a person who would wield undue influence over our management team.</p> <p>Given that his concurrent service as a director of Ricoh therefore does not influence the independence of Coca-Cola West with respect to Ricoh, and that there is no concern regarding a conflict of interest with our general shareholders, we have appointed Mr. Miura to the position of independent director.</p>
Audit & Supervisory Board Member (Outside)	Kazushige Higuchi	Kazushige Higuchi is Deputy President of The Nishi-Nippon City Bank, Ltd. Our company has a business relationship with the bank, with which we have transactions such as fund deposits.	<p>Kazushige Higuchi has a long professional career at The Nishi-Nippon City Bank, a major financial institution. He has been appointed as an outside member of the Audit &amp; Supervisory Board so that Coca-Cola West can put his wealth of experience to work in its auditing responsibilities.</p> <p>Although our company has a business relationship with The Nishi-Nippon City Bank, including fund deposits, none of our 11 directors concurrently serve as directors of The Nishi-Nippon City Bank. Mr. Higuchi makes decisions related to the company's activities and management directions, and executes operations based on our company's decisions.</p> <p>Consequently, we have concluded that there is no concern that our company might be unduly influenced by The Nishi-Nippon City Bank and that Mr. Higuchi is not a person who would wield undue influence over our management team.</p> <p>We therefore deem that Mr. Higuchi's concurrent service as a director of The Nishi-Nippon City Bank does not influence the independence of Coca-Cola West with respect to The Nishi-Nippon City Bank, and that there is no concern regarding a conflict of interest with our general shareholders.</p>
Audit & Supervisory Board Member (Outside)	Tomoko Ogami	-	<p>Tomoko Ogami has many years of experience as an attorney and has been appointed to serve as an outside member of the Audit &amp; Supervisory Board so that she can apply that experience to the auditing of Coca-Cola West.</p> <p>Because Ms. Ogami does not have any particular vested interests in this company, we have concluded that she is not a person who would wield undue influence over our management team and that there is no concern regarding a conflict of interest with our general shareholders.</p>



**b. Standards and guidelines regarding the independence of outside directors and outside members of the Audit & Supervisory Board**

Standards and guidelines for establishing the independence of outside directors and outside members of the Audit & Supervisory Board have not been explicitly stipulated, but optimal candidates are appointed by the Board of Directors based on an evaluation of their management positions at other firms, their performance, and their expert knowledge.

**c. Role and responsibilities of outside directors and outside members of the Audit & Supervisory Board for corporate governance**

Outside members make up the majority of the Audit & Supervisory Board and establish a monitoring system for the directors' execution of operation. Also, experienced outside directors provide appropriate advice from a third party point of view.

**d. Supervision, audit and internal audits conducted by outside directors or outside members of the Audit & Supervisory Board, coordination between audit by the Audit & Supervisory Board and financial/accounting audit, and relationship with Internal Control Division**

Outside directors and outside members of the Audit & Supervisory Board receive reports regarding audits, internal audits, financial/accounting audits and internal control, and make comments at the Board of Directors' meeting and the Audit & Supervisory Board's meeting.

**e. Summary of limitation of liability contract**

Our company has set up a clause of limitation of liability of outside directors and outside members of the Audit & Supervisory Board in the articles of incorporation in order for them to perform their expected roles sufficiently and to enable us to appoint high-quality independent persons.

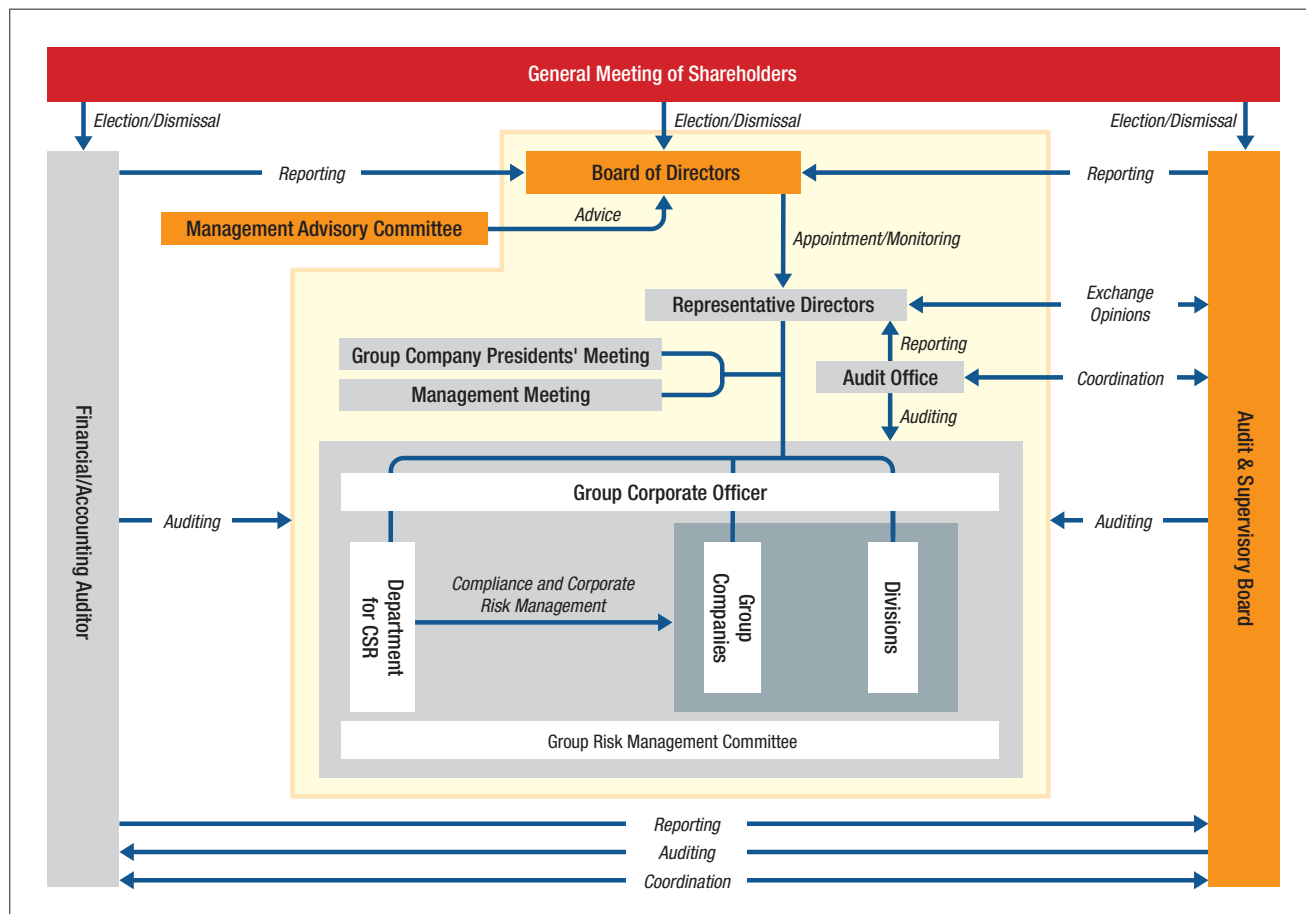
Two outside directors and three outside members of the Audit & Supervisory Board entered into agreements with our company with regard to limited liabilities due to negligence of duties, based on Article 427, Paragraph 1 of the Company Law. The limit of liabilities is the minimum amount determined by law.

**f. Supporting staff for outside directors and outside members of the Audit & Supervisory Board**

The staff of the Administration Department and the staff (assistant employees) of the Audit Office support outside directors and outside members of the Audit & Supervisory Board, respectively.

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

Our company adopted the following Corporate Governance System under the belief that it enables improvements in the efficiency and transparency of management.



**(8) Directors' and Audit & Supervisory Board Members' Remuneration****a. Aggregate amounts of remuneration according to roles of directors and members of the Audit & Supervisory Board, aggregate amounts according to type of remuneration, and number of directors and members of the Audit & Supervisory Board to be compensated**

	Directors				Audit & Supervisory Board Members				Total			
	Number of Members	Total of Remuneration (million yen)			Number of Members	Total of Remuneration (million yen)			Number of Members	Total of Remuneration (million yen)		
		Base Remuneration (million yen)	Other (million yen)			Base Remuneration (million yen)	Other (million yen)			Base Remuneration (million yen)	Other (million yen)	
Remuneration and others based on resolution of general shareholders' meeting	13	375	375	–	7	52	52	–	20	428	428	–
Internal	10	361	361	–	3	42	42	–	13	403	403	–
External	3	14	14	–	4	10	10	–	7	25	25	–

Note: 1. The remuneration figures shown above include the remuneration paid to three directors, including one outside director, and one outside member of the Audit & Supervisory Board who retired at the adjournment of the 54th General Shareholders' Meeting held on March 22, 2012, and one director who resigned as of December 31, 2012.  
2. On January 1, 2009, we acquired and took over Kinki Coca-Cola Bottling Co., Ltd. At the 48th General Meeting of Shareholders held on March 23, 2007, it was decided that a severance payment would be issued in conjunction with the elimination of the directors' retirement benefit system. Pursuant to this decision, ¥60 million was paid upon retirement to the three directors who were in office at the adjournment of that General Meeting of Shareholders, and ¥14 million was paid to the one director who retired at the end of that fiscal year. Their retirement benefit payments are not included in the figures above.

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

None.

**c. Contents of (i) the determination of the amount of remuneration of directors and members of the Audit & Supervisory Board (ii) 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 members of the Audit & Supervisory Board 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 members of the Audit & Supervisory Board 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 consideration of the results from the Management Advisory Committee consisting of outside directors and outside experienced experts.

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

**Audit & Supervisory Board Members**

The amount of remuneration for each member of the Audit & Supervisory Board is determined in consultation with each respective member.

**(9) Securities Investments****a. Excluding trade purpose securities, number of companies invested in and amount of invested common stocks on balance sheet**

Number of companies invested in: 135, amount of invested common stocks: ¥8,809 million

**b. Excluding trade purpose securities and referring to companies listed on the stock market, number of companies invested in, stockholding classification, amount of invested common stocks on balance sheet and purpose of stockholding**

Designated investment stocks

(As of December 31, 2012)

Name of Company Invested in	Number of Shares	Amount Shown on Balance Sheet (million yen)	Purpose of Stockholding	Name of Company Invested in	Number of Shares	Amount Shown on Balance Sheet (million yen)	Purpose of Stockholding
Ricoh Leasing Company, Ltd.	502,000	1,093	Maintain favorable relationship with the company invested in.	West Japan Railway Company	42,000	142	Maintain favorable relationship with the company invested in.
Royal Holdings Co. Ltd.	962,440	960	Maintain favorable relationship with the company invested in.	Toyo Seikan Kaisha, Ltd.	97,460	112	Maintain favorable relationship with the company invested in.
Nishi-Nippon Railroad Co., Ltd.	2,000,000	684	Maintain favorable relationship with the company invested in.	Nishikawa Rubber Co., Ltd.	99,445	92	Maintain favorable relationship with the company invested in.
The Nishi-Nippon City Bank, Ltd.	3,024,811	644	Maintain favorable relationship with the company invested in.	Kansai Super Market Ltd.	113,200	80	Maintain favorable relationship with the company invested in.
San-Ai Oil Co., Ltd.	1,308,125	469	Maintain favorable relationship with the company invested in.	Yamaguchi Financial Group, Inc.	100,000	76	Maintain favorable relationship with the company invested in.
Izumi Co., Ltd.	231,000	419	Maintain favorable relationship with the company invested in.	Isetan Mitsukoshi Holdings Ltd.	87,015	73	Maintain favorable relationship with the company invested in.
Mitsubishi Heavy Industries, Ltd.	900,000	373	Maintain favorable relationship with the company invested in.	Izumiya Co., Ltd.	161,728	71	Maintain favorable relationship with the company invested in.
Kyushu Leasing Service Co., Ltd.	2,000,000	370	Maintain favorable relationship with the company invested in.	AEON Co., Ltd.	65,856	65	Maintain favorable relationship with the company invested in.
Fuji Co., Ltd.	195,366	354	Maintain favorable relationship with the company invested in.	Fujio Food System Co., Ltd.	284	61	Maintain favorable relationship with the company invested in.
Mitsubishi UFJ Financial Group, Inc.	522,420	240	Maintain favorable relationship with the company invested in.	Poplar Co., Ltd.	110,430	59	Maintain favorable relationship with the company invested in.
Zenrin Co., Ltd.	183,414	204	Maintain favorable relationship with the company invested in.	Sumitomo Mitsui Trust Holdings, Inc.	182,898	55	Maintain favorable relationship with the company invested in.
Okuwa Co., Ltd.	171,192	186	Maintain favorable relationship with the company invested in.	The San-in Godo Bank, Ltd.	72,450	43	Maintain favorable relationship with the company invested in.
AEON Kyushu Co., Ltd.	114,400	180	Maintain favorable relationship with the company invested in.	Central Japan Railway Company	5,100	35	Maintain favorable relationship with the company invested in.
F&A Aqua Holdings, Inc.	203,400	180	Maintain favorable relationship with the company invested in.	Nihon Yamamura Glass Co., Ltd.	187,000	34	Maintain favorable relationship with the company invested in.
Plenus Company Limited	115,261	161	Maintain favorable relationship with the company invested in.	Marukyu Co., Ltd.	41,829	34	Maintain favorable relationship with the company invested in.

**c. Common stock for trade purposes in the current fiscal year and also dividends received, capital gain/loss and evaluation gain/loss from common stocks for trade purposes in the current fiscal year**

None.

## Top Management (As of April 1, 2013)

### Directors



Representative Director & Chairman  
**Norio Sueyoshi**



Representative Director & President  
**Tamio Yoshimatsu**



Director & Executive Vice President  
**Nobuo Shibata**  
*Responsible for Administration & SCM*



Director & Executive Corporate Officer  
**Jiro Wakasa**  
*General Manager, Commercial Headquarters*



Director & Executive Corporate Officer  
**Yoshinori Nakamura**  
*General Manager, Business Transformation Office, Responsible for Career Development Office*



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



Director & Senior Corporate Officer  
**Toshio Fukami**  
*General Manager, Kyushu Sales Division*



Director & Senior Corporate Officer  
**Shigeki Okamoto**  
*General Manager, Chugoku Sales Division*



Director & Senior Corporate Officer  
**Yoshiki Fujiwara**  
*General Manager, Kansai Sales Division*



Outside Director  
**Shiro Kondo\***  
*Representative Director & Chairman, Ricoh Company, Ltd.*



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

### Audit & Supervisory Board Members

Audit & Supervisory Board Member	Hiroyoshi Miyaki	<i>Standing</i>
Audit & Supervisory Board Member	Tadanori Taguchi	<i>Standing</i>
Audit & Supervisory Board Member (Outside)	Zenji Miura*	<i>Representative Director, President &amp; Chief Executive Officer, Ricoh Company, Ltd.</i>
Audit & Supervisory Board Member (Outside)	Kazushige Higuchi	<i>Deputy President, The Nishi-Nippon City Bank, Ltd.</i>
Audit & Supervisory Board Member (Outside)	Tomoko Ogami	<i>Attorney, Kunitake Synthesis Law Office</i>

### Management Advisory Committee

Member	Isao Kubota	<i>President, The Nishi-Nippon City Bank, Ltd.</i>
Member	Tsuguo Nagao	<i>Chairman, Nishi-Nippon Railroad, Co., Ltd.</i>
Member	Kazuhiko Enomoto	<i>Representative Director &amp; Chairman, Fukuoka Jisho Co., Ltd.</i>
Member	Masayoshi Nuki	<i>Chairperson, Kyushu Electric Power Co., Inc.</i>
Member	Susumu Ishihara	<i>Representative Director &amp; Chairman, Kyushu Railway Company</i>
Member	Takashi Matsuzaki	<i>Attorney, Tokunaga, Matsuzaki &amp; Saito Law Office</i>

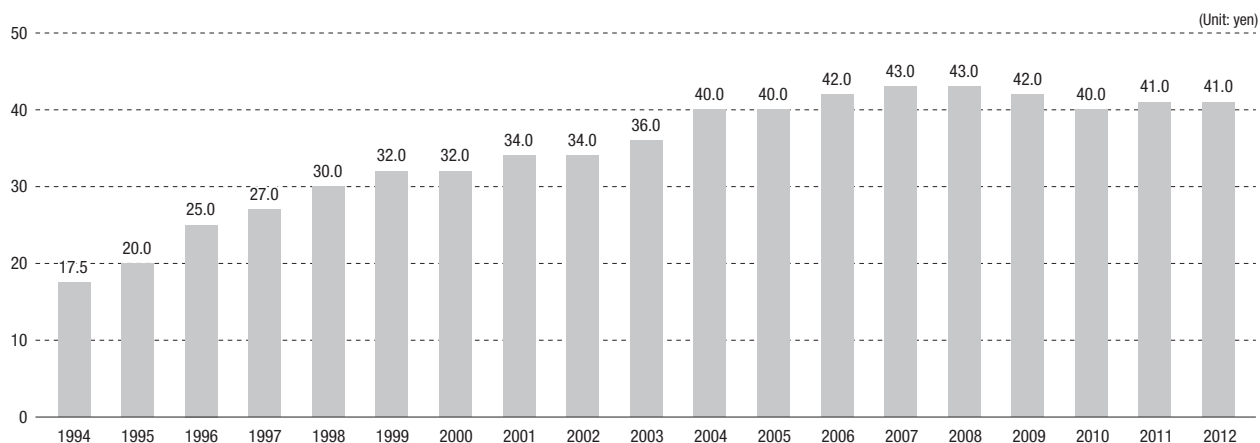
\*As for Director Shiro Kondo and Audit & Supervisory Board Member Zenji Miura, our company submitted notices to Tokyo Stock Exchange Inc., Osaka Securities Exchange Co., Ltd. and Fukuoka Stock Exchange, with which our company is listed, as "Independent Director." The qualification for "Independent Director" is determined by criteria and rules set by each security exchange company.

## Dividend Policy and Shareholder Reward Points System

### Dividend

Coca-Cola West places the ultimate priority on the stable and continued payment of 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 late August 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 donations to our social contribution activities, etc., via the shareholder hospitality portal on the Coca-Cola West website or from product catalogs.

#### Awarding Criteria

Effective Date	Number of Shares Held	Details	Time of Award
June 30	100 to 500 shares	30 Reward Points	Late August of the year
	500 to 1,000 shares	40 Reward Points	
	1,000 to 5,000 shares	60 Reward Points	
	5,000 or more shares	120 Reward Points	
December 31	100 to 500 shares	30 Reward Points	Late March of the following year
	500 to 1,000 shares	40 Reward Points	
	1,000 to 5,000 shares	60 Reward Points	
	5,000 or more shares	120 Reward Points	

#### Options for Reward Points (examples)



## Stock Information (As of December 31, 2012)

Stock Code: 2579

Authorized Shares: 270,000 thousand

Outstanding Shares: 111,125 thousand

Number of Shareholders: 42,462

Number of Shares per Trading Unit: 100

Stock Exchange Listings:

Tokyo Stock Exchange (First Section)

Osaka Securities Exchange (First Section)

Fukuoka Stock Exchange

### Major Shareholders

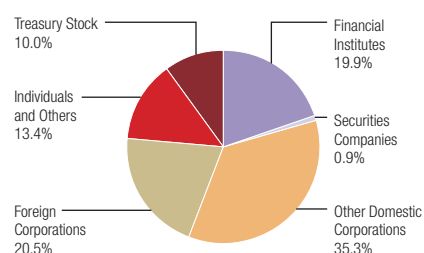
Shareholder	Number of Shares Held (1,000 shares)	Shareholding Ratio (%)
Ricoh Company, Ltd. ....	16,792	16.8
The New Technology Development Foundation .....	5,294	5.3
Japan Trustee Services Bank, Ltd. (Trust Account) .....	4,833	4.8
Coca-Cola Holdings West Japan, Inc. ....	4,074	4.1
Mitsubishi Heavy 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) .....	3,246	3.2
MCA Holdings Co., Ltd. ....	2,191	2.2
Toyo Seikan Kaisha, Ltd. ....	1,427	1.4
Showa Denko Gas Products Co., Ltd. ....	1,414	1.4

Note: 11,155 thousand shares of treasury stock are not shown in the table above and are excluded from the calculation of shareholding ratios.

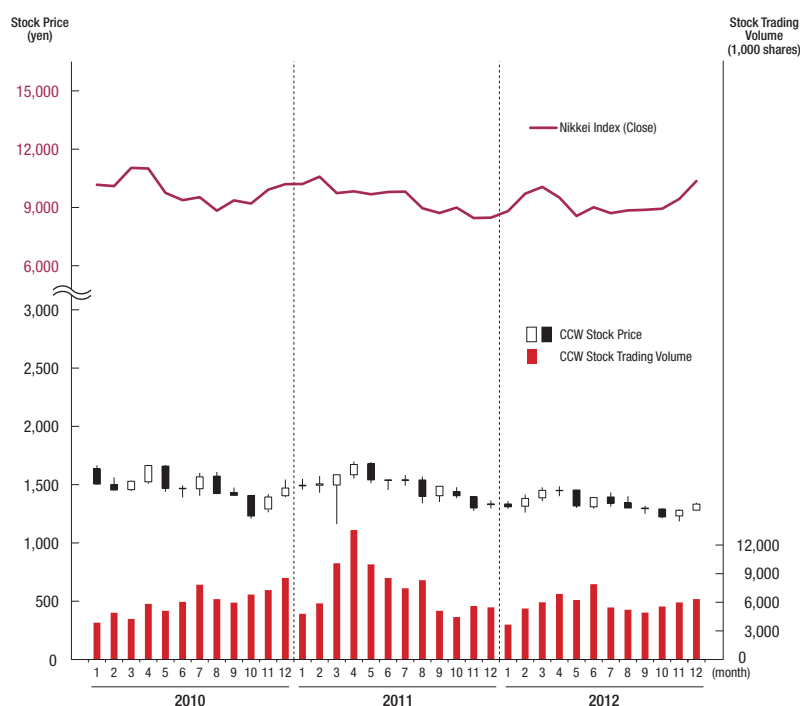
### Number of Shares Held and Percentage of Shares Held by Shareholder Category

	Number of Shareholders	Shares Held (1,000 shares)
Financial Institutes .....	75	22,093
Securities Companies.....	33	976
Other Domestic Corporations ....	502	39,203
Foreign Corporations.....	327	22,780
Individuals and Others.....	41,524	14,916
Treasury Stock.....	1	11,155
<b>Total.....</b>	<b>42,462</b>	<b>111,125</b>

### Composition of Shareholders



### Stock Price and Stock Trading Volume



	2008	2009	2010	2011	2012
Stock Price at Year End (yen)	1,945	1,639	1,471	1,335	1,333

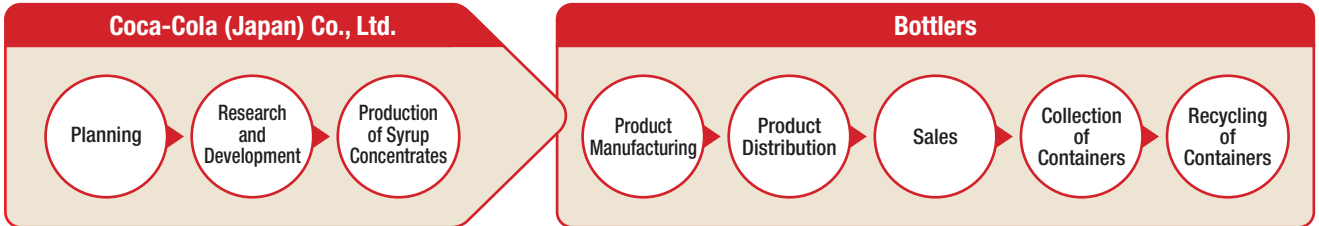
### Credit Rating Information

	2008	2009	2010	2011	2012
Japan Credit Rating Agency, Ltd. (JCR) Long-term senior debt	AA-	AA-	AA-	AA-	AA-
Rating and Investment Information, Inc. (R&I) Long-term senior debt	A+	A+	A+	A+	A+

## Coca-Cola System in Japan (as of April 1, 2013)

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 responsible for planning and developing new products, producing syrup concentrate and advertising, the regional bottling companies and their affiliates are responsible for producing and selling beverages in their respective regions throughout Japan.

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



### Sales Territories of 12 Bottlers

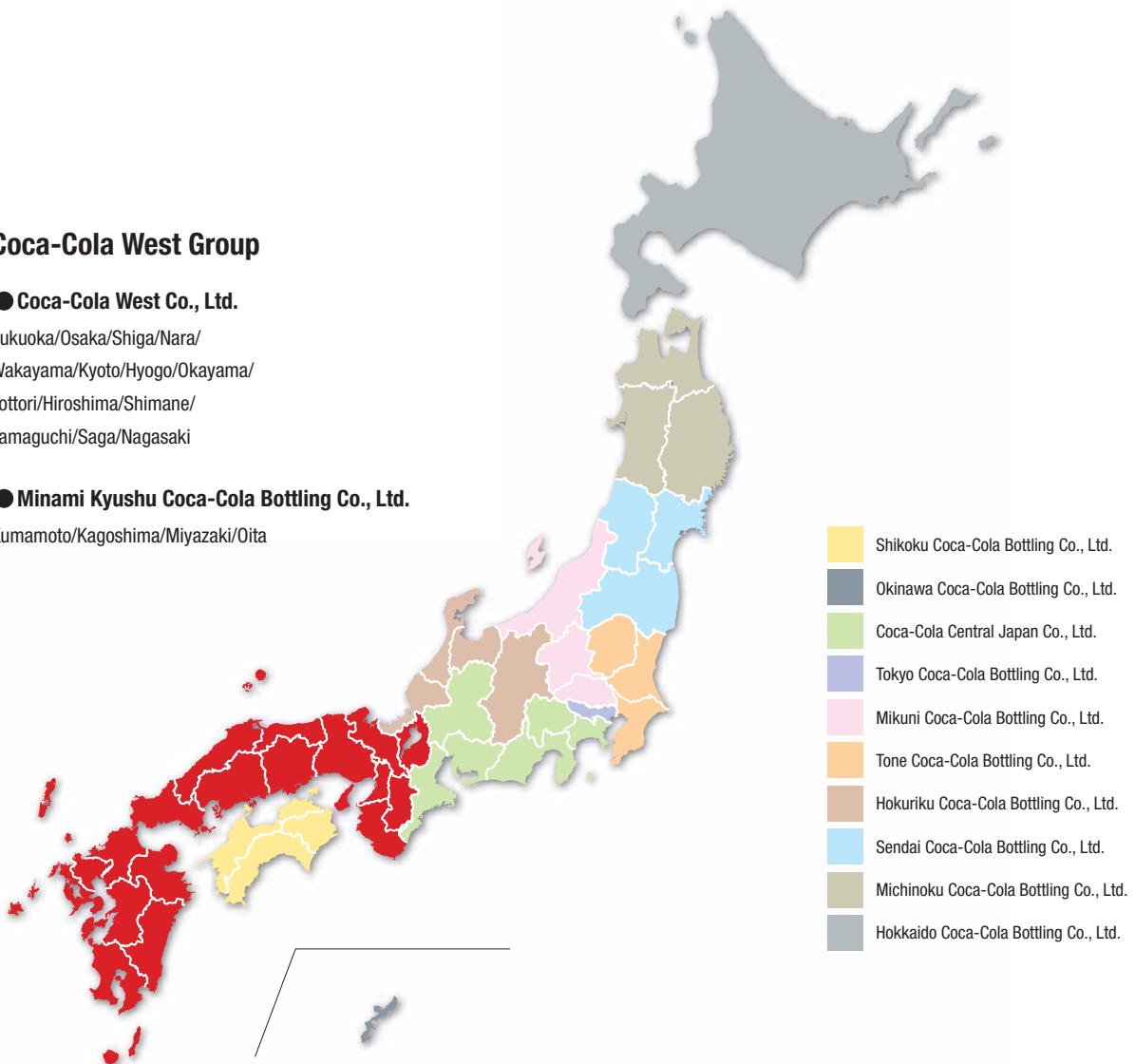
#### Coca-Cola West Group

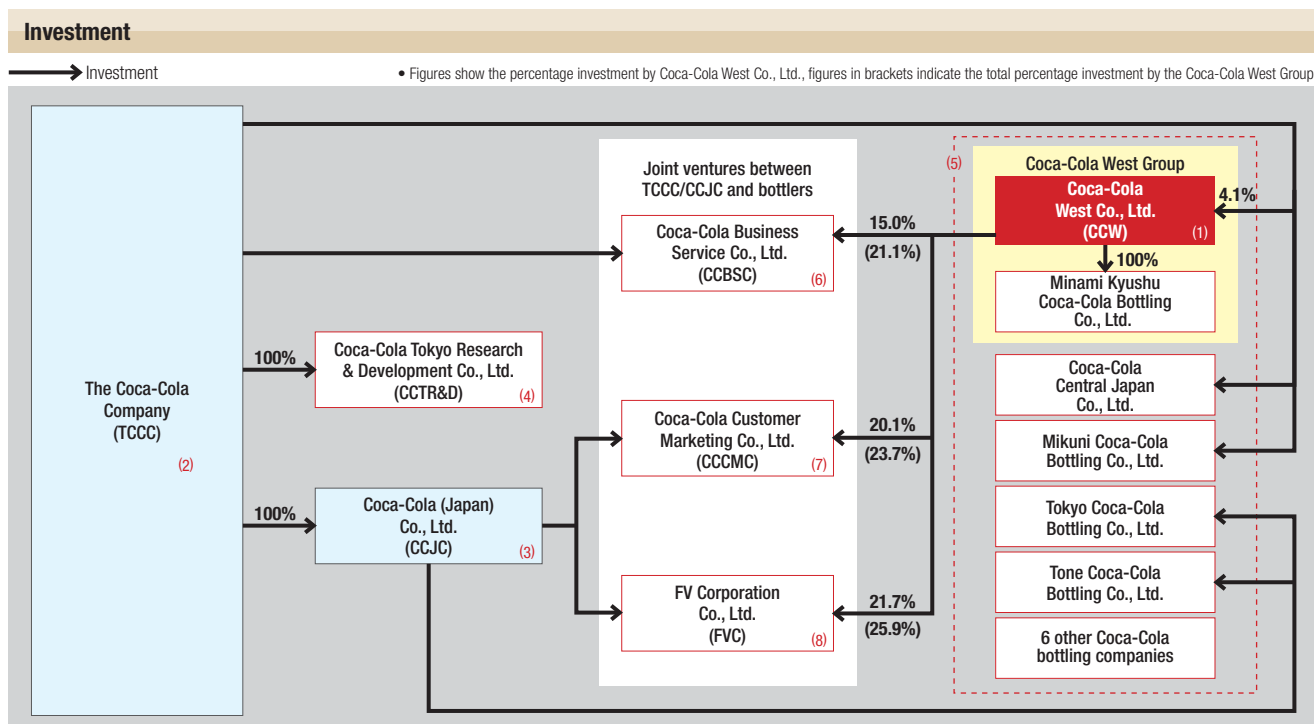
● **Coca-Cola West Co., Ltd.**

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

● **Minami Kyushu Coca-Cola Bottling Co., Ltd.**

Kumamoto/Kagoshima/Miyazaki/Oita





#### (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). On January 1, 2009, CCWH, CCWJ, Kinki CCBC and Mikasa Coca-Cola Bottling Co., Ltd. merged to establish Coca-Cola West Co., Ltd. In April 2013, Minami Kyushu Coca-Cola Bottling Co., Ltd. became a wholly owned subsidiary of CCW.

#### (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, and manufacturing syrup concentrate in Japan.

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

Established in January 1993 as a wholly owned subsidiary of The Coca-Cola Company. 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 produce and distribute Coca-Cola products in their respective territories.

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

Established in June 1999 as a joint venture between The Coca-Cola Company and all of its bottling companies in Japan. Its responsibilities are (i) procurement of raw materials and supplies for the Coca-Cola System in Japan, (ii) business consulting to the Coca-Cola organization in Japan, (iii) development of IT systems and maintenance and operation of those IT systems.

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

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

#### (8) FV Corporation Co., Ltd. (FVC)

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

-Creating a happy tomorrow for everyone-

みんなの あしたに ハッピーを

**Coca-Cola West**

*Coca-Cola West Company, Limited*

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Planning Department Tel: +81-92-641-8774  
<http://www.cwest.co.jp/english/>

