

Presentation of Mid-term Financial Results for the Period Ending December 2008

We  "Water Planet"

Coca-Cola

August 6, 2008

Mikuni Coca-Cola Bottling Co., Ltd.

Contact: Legal IR Office, TEL: +81 (0)48-774-3131
Administration FAX: +81 (0)48-774-1400

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Jump!!!

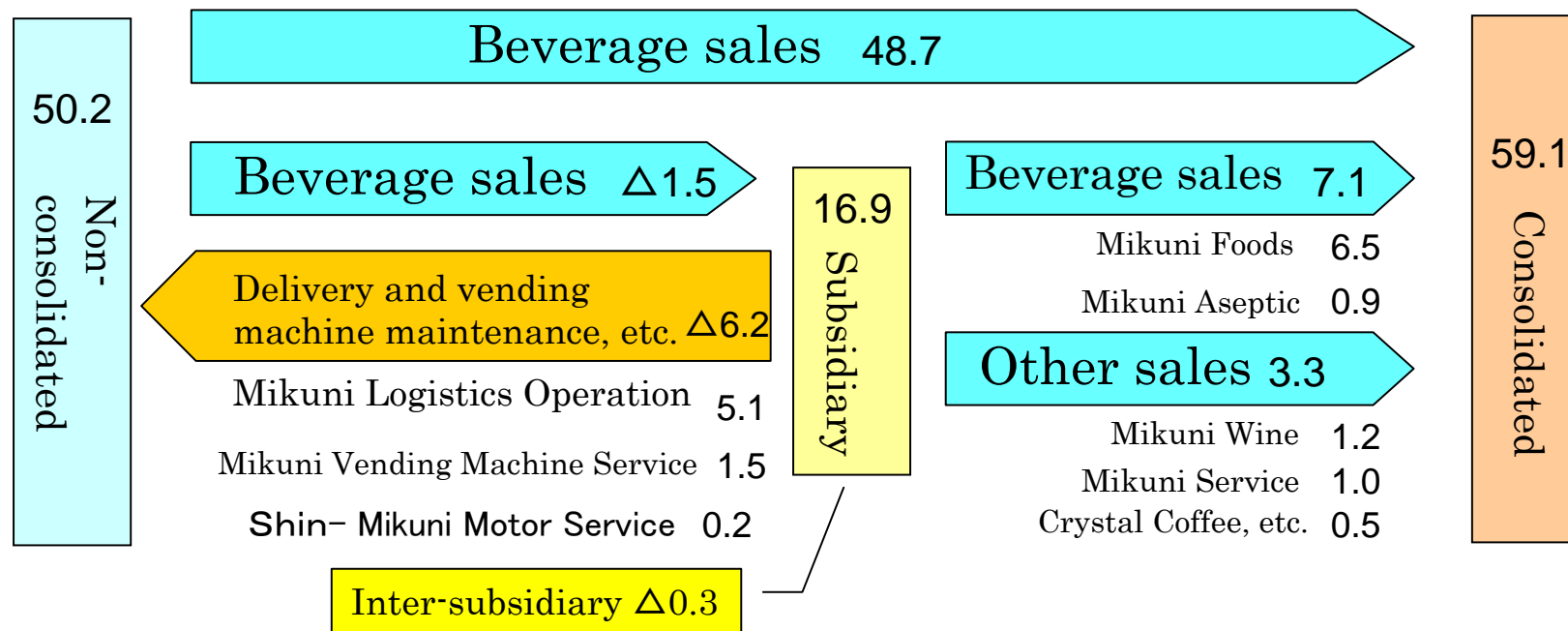
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I. FY08 mid-term Financial Results

1. Business Overview

Jump!!!

(Unit: billion yen)



Non-consolidated Results

Consolidated Results

(Unit: million yen)

	H1 FY08	H1 FY07	Change	H1 FY08	H1 FY07	Change
Operating profit	874	1,236	Δ 362	1,306	1,718	Δ 412
Recurring profit	1,442	1,905	Δ 463	1,324	1,775	Δ 450
Net profit	1,003	1,121	Δ 118	706	903	Δ 197

2. Consolidated and non-consolidated performance

Jump!!!

Non-consolidated

(Unit: million yen; thousand cases; %)

	H1 FY08 Actual	H1 FY07 Actual	y/y		H1 FY08 Plan	vs. Plan	
			Change	Ratio		Change	Ratio
Sales volume	26,465	26,735	-269	-1.0	27,474	-1,009	-3.7
Sales	50,244	49,941	303	0.6	53,300	-3,055	-5.7
Operating profit	874	1,236	-362	-29.3	1,400	-525	-37.5
Recurring profit	1,442	1,905	-463	-24.3	1,900	-457	-24.1
Current net profit	1,003	1,121	-118	-10.6	1,300	-296	-22.8

* In 2008, the accounting procedures for the sales commission and the promotional cost have changed.

Therefore, the compared figures for FY07 shown below are the values after recalculation according to the new procedures.

Consolidated

(Unit: million yen; %)

	H1 FY08 Actual	H1 FY07 Actual	y/y		H1 FY08 Plan	vs. Plan	
			Change	Ratio		Change	Ratio
Sales	59,135	60,214	-1,078	-1.8	61,800	-2,664	-4.3
Operating profit	1,306	1,718	-412	-24.0	2,000	-693	-34.7
Recurring profit	1,324	1,775	-450	-25.4	2,000	-675	-33.8
Current net profit	706	903	-197	-21.9	1,100	-393	-35.8

3. Major Reasons for Y/Y Change

Jump!!!

■ Non-consolidated

* In 2008, the accounting procedures for the sales commission and the promotional cost have changed. Therefore, the compared figures for FY07 shown below are the values after recalculation according to the new procedures.

(Unit: billion yen)

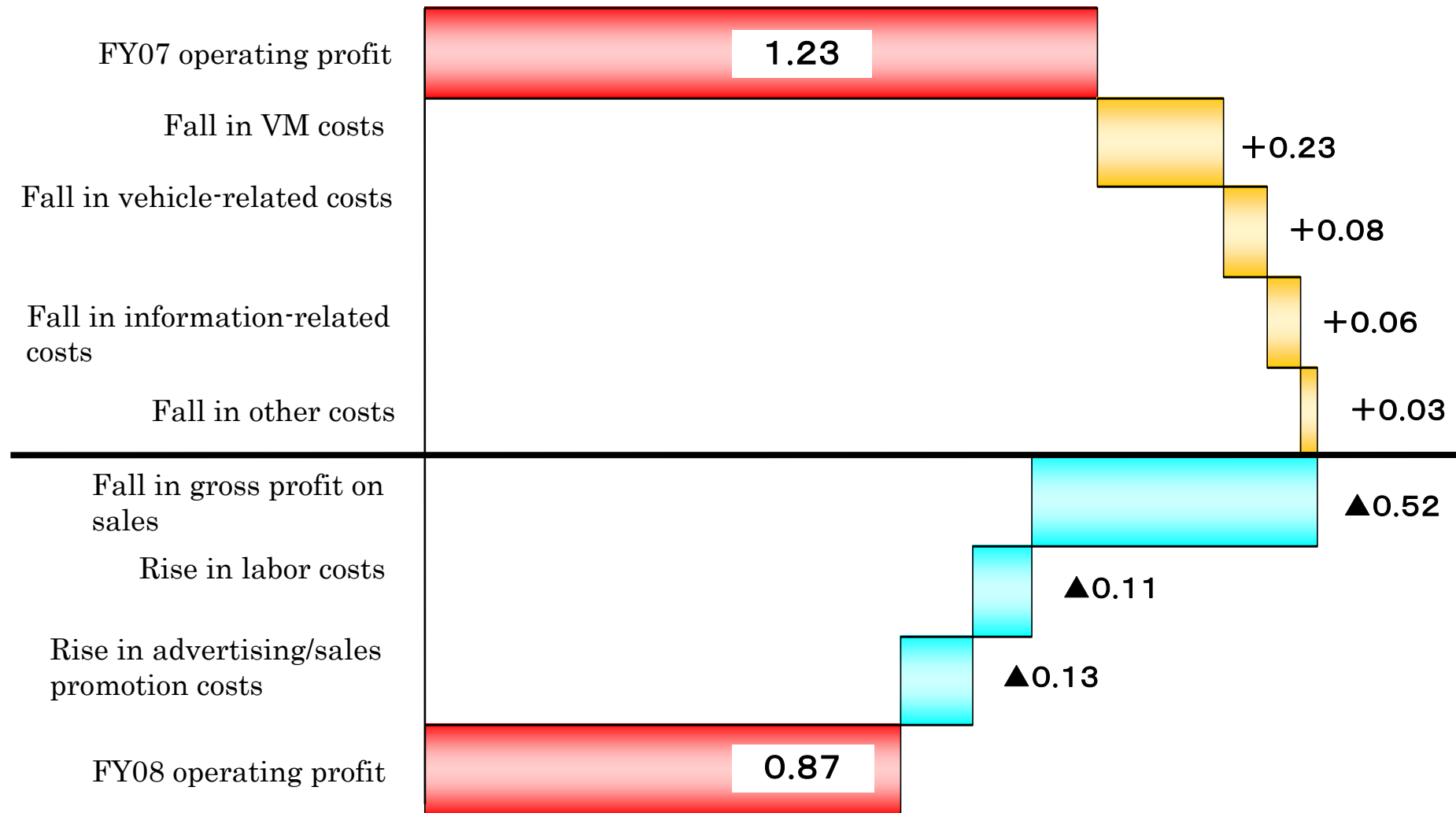
	Change	Reason	Change	'FY08	'FY07
Sales	0.3 (49.9→50.2)	▪ Fall in sales volume (Δ 269K cases), differences in unit price/structure, etc.	Δ 0.97	50.2	49.9
		▪ Advantage of unified inventory management such as sales proceeds from Mikuni Foods	1.27		
Gross profit on sales	Δ 0.52 (20.6→20.1)	▪ Fall in gross profit on sales Fall in sales volume (Δ 269K cases), differences in unit price/structure, etc.	Δ 0.52	20.1	20.6
Operating profit	Δ 0.36 (1.2→0.8)	▪ Fall in selling, general, and administrative expenses	0.16	19.2	19.4
		– Fall in vending machine (VM) costs	0.23	3.0	3.2
		– Rise in labor costs	Δ 0.11	3.9	3.8
		– Rise in advertising/sales promotion costs	Δ 0.13	1.9	1.8
		– Fall in vehicle-related costs	0.08	0.2	0.3
		– Fall in information-related costs	0.06	0.3	0.4
Recurring profit	Δ 0.46 (1.9→1.4)	▪ Change in non-operating profit/loss	Δ 0.10	0.5	0.6
		– Fall in non-operating income (Fall in dividend from subsidiaries: -0.12B yen)	Δ 0.11	0.7	0.8
		– Fall in non-operating costs	0.01	0.2	0.2
Current net profit	Δ 0.12 (1.1→1.0)	▪ Change in extraordinary profit/loss	0.27	0	Δ 0.2
		▪ Fall in corporate tax etc.	0.07	0.4	0.5

4. Breakdown of Y/Y Change in Operating Profit (Non-consolidated)

Jump!!!

H1 Non-consolidated

(Unit: billion yen)

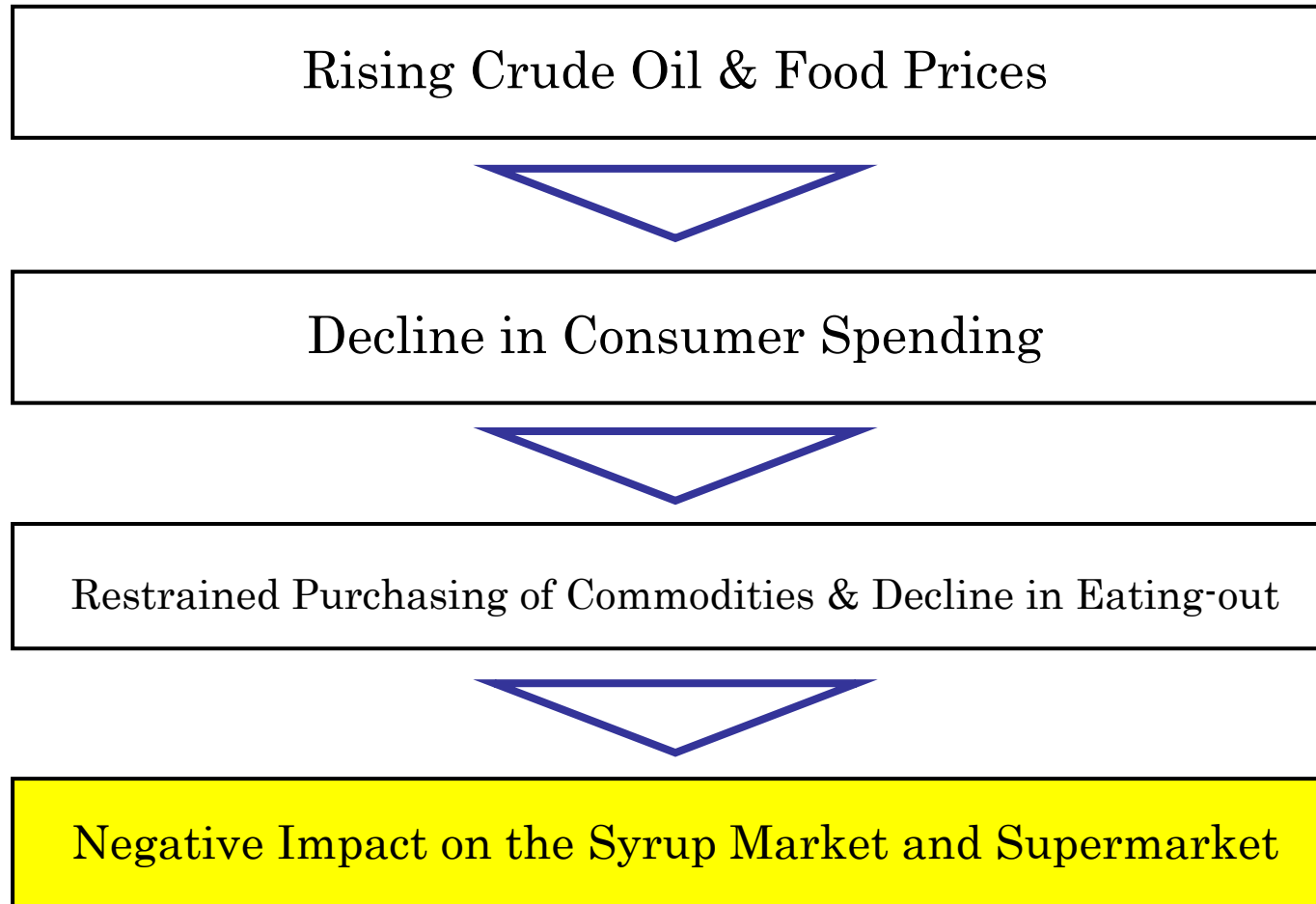


II. Review of H1 Business Activities

1. Summary

Jump!!!

- Decline in Consumer Spending



1. Summary

Jump!!!

- Changeable weather (Monthly y/y change in Kumagaya)

	Jan	Feb	Mar	Apr	May	Jun	H1	
Avg. temperature	-1.3	-3.2	+0.2	+1.3	-0.9	-1.6	-1.0	°C
Daylight	-14.0	+3.0	-37.9	+5.6	-91.3	-54.1	-188.7	hr
Precipitation	-14.0	+15.0	+37.0	+96.0	+48.5	+60.0	+242.5	mm

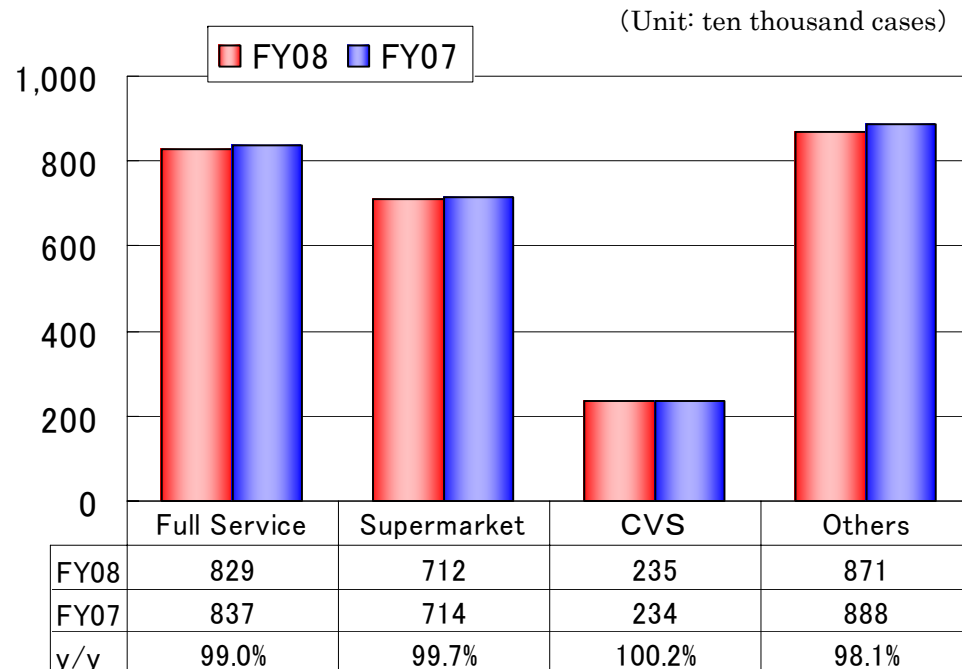
- Delayed FS development and increased withdrawal of VMs

FS development was delayed in Jan. to Mar., and the net increase in the number of VMs was less than planned because market competition got stronger and more VMs than expected had to be withdrawn.

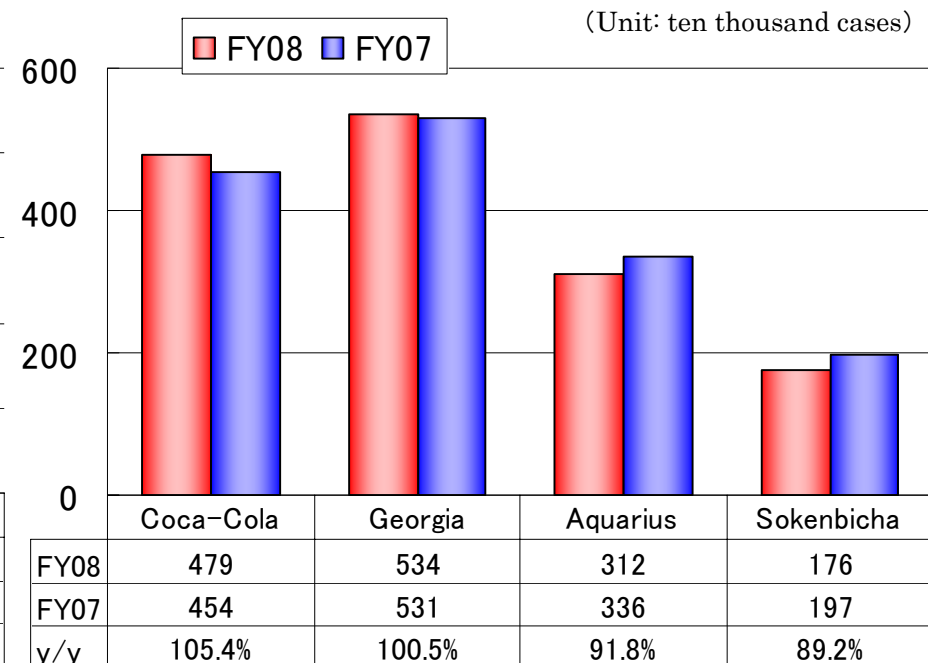
2. Sales Performance for Prime Channels/Brands

Jump!!!

◆ Prime Channels



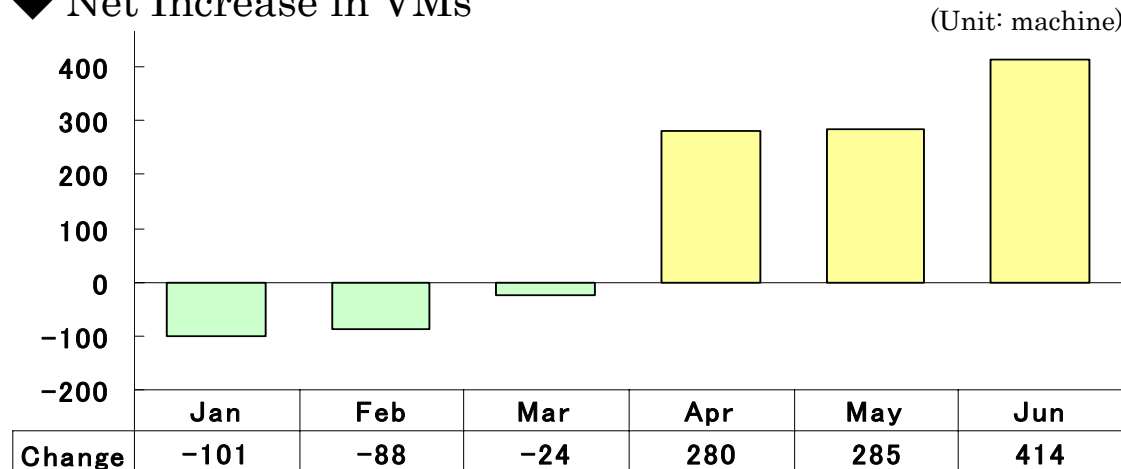
◆ Prime Brands



3. Full Service Channel

Jump!!!

◆ Net Increase in VMs

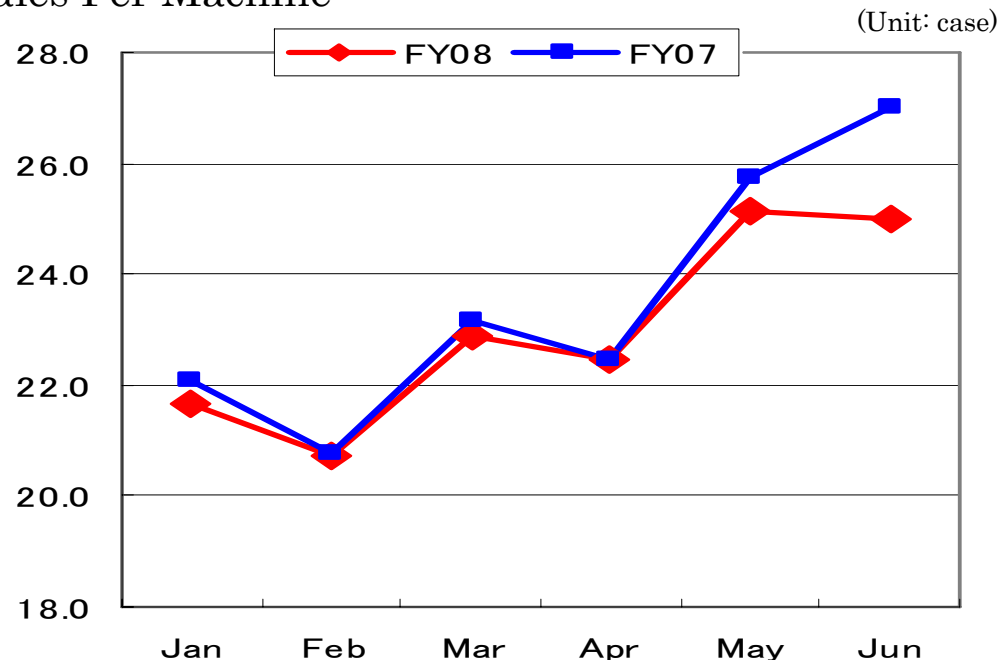


Market creation since April

Maximization campaign

Total (Jan.- Jun): 766 machines

◆ Sales Per Machine

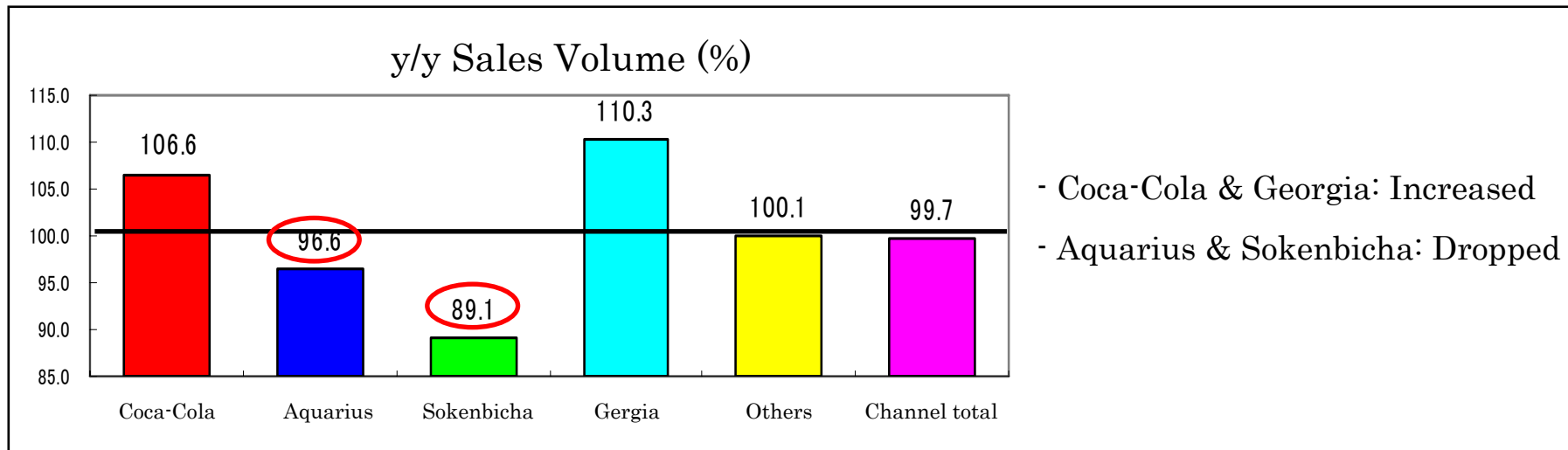


Negative impact of changeable weather and decline in consumer spending

4. Supermarket Channel

Jump!!!

■ Sales Performance of Prime Brands



■ Sales Volume by Package

(Unit: thousand cases)

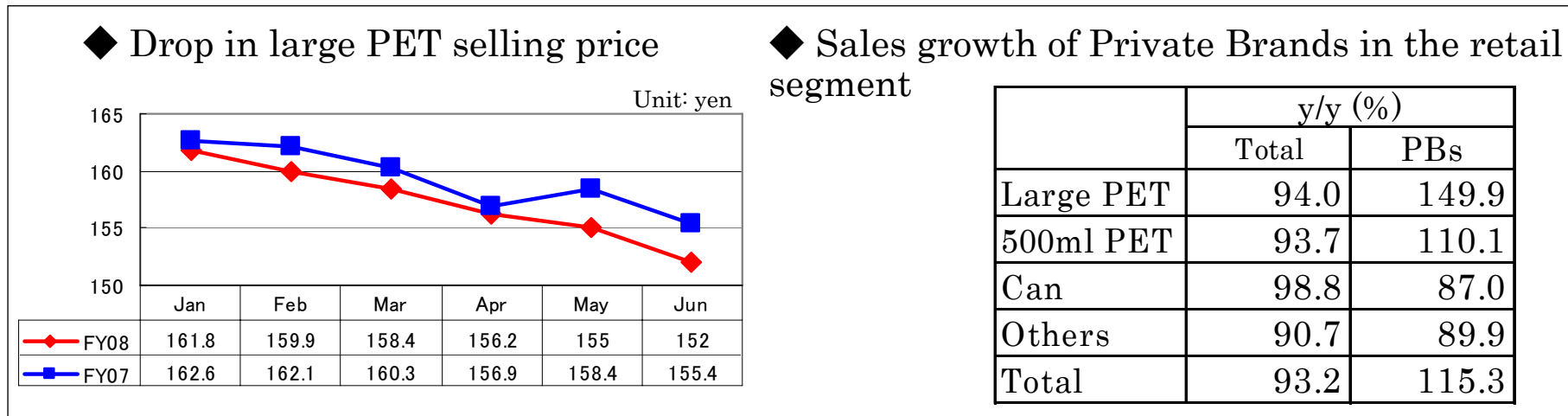
	2008.1-6	2007.1-6	Change	y/y
Large PET	4,428	4,496	-68	98.5
500ml PET	1,506	1,584	-78	95.1
Small PET	99	75	24	131.6
Other bottles	46	55	-9	83.3
Can	926	820	106	112.9
Powder	34	39	-4	88.6
Others	82	75	7	109.3
Total	7,121	7,144	-23	99.7

- Can: Increased thanks to successful performance of Gergia and FANTA FuruFuru Shaker
- PET Bottle : Decreased
- 500ml PET: Marked decline

4. Supermarket Channel

Market Trend (Mikuni's Market Area)

Source: Intage



Share by Product Category (Mikuni's Market Area)

Source: Intage

Unit: case-based share (%)

	TOTAL MARKET	Mikuni's Share	
	y/y Ratio	Share	y/y change
TOTAL	93.2	20.3	0.4
Cola drinks	107.8	68.5	▲3.6
Other soda	99.4	28.8	▲2.7
Fruit juice drink	88.2	3.7	0.2
Can coffee	102.0	27.5	▲3.7
Other coffee	90.1	1.4	0.2
Sugar free tea	91.9	16.4	▲0.5
Black tea	101.6	3.1	1.2
isotonic&functional drinks	88.9	49.5	2.8
Mineral water	92.8	10.2	1.3
Others	97.6	3.4	▲0.5

◆ Cola drinks
In spite of market growth, our share decreased by 3.6

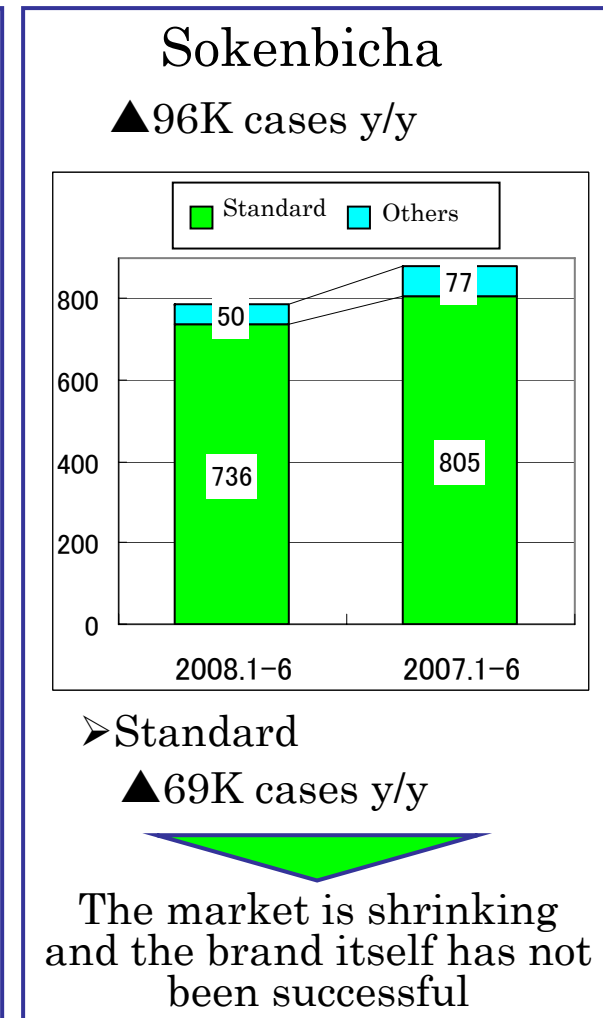
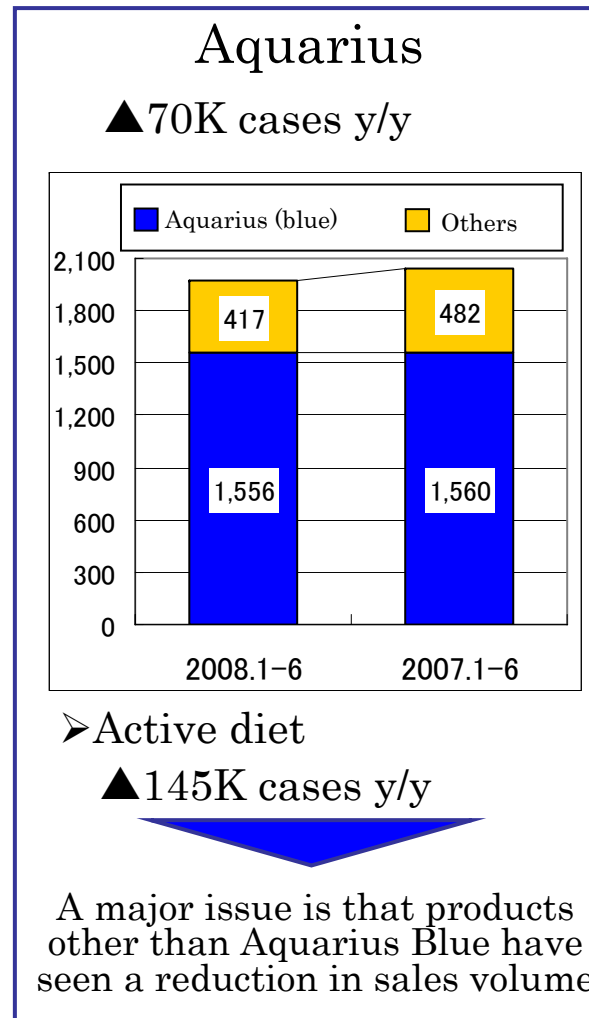
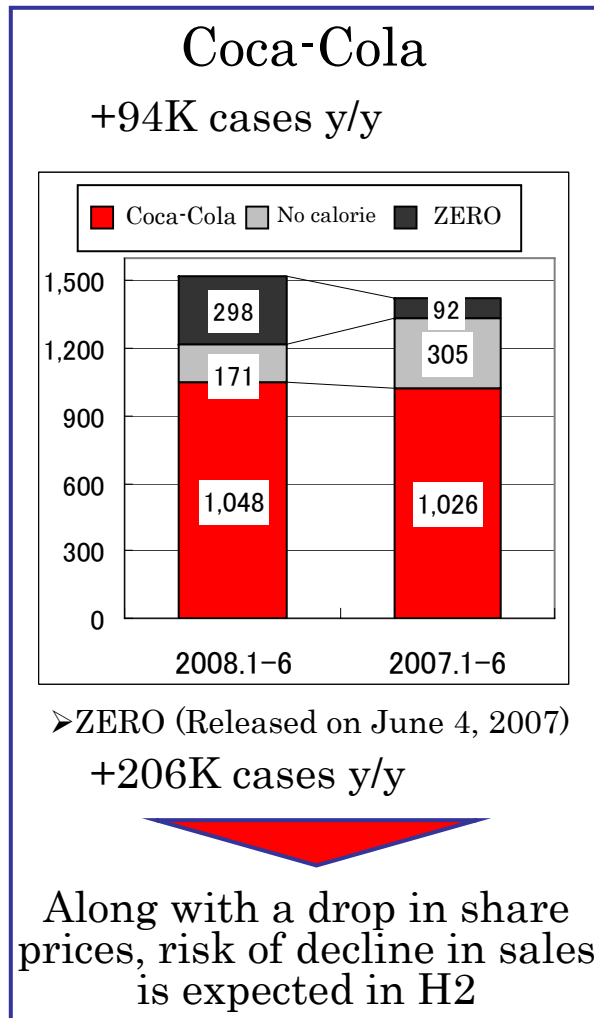
◆ Sugar-free tea
Due to market shrinkage, our share decreased by 0.5

◆ Isotonic & functional drinks
In spite of market shrinkage, our share increased by 2.8

4. Supermarket Channel

Jump!!!

■ Sales Volume Breakdown for Each Brand



5. Georgia

Jump!!!

■ H1 Sales Performance

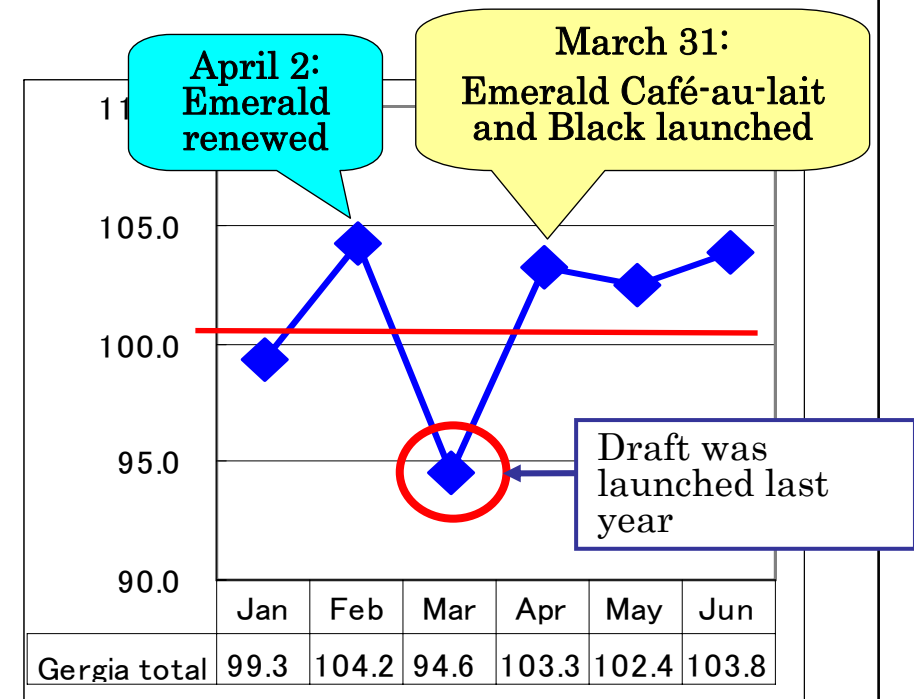
Channel basis

Unit: thousand cases

	2008.1-6	2007.1-6	y/y
Super market	488	443	110.3
CVS	707	704	100.4
Liquor /food shop	394	434	90.9
Others	736	721	102.1
Full service	3,010	3,006	100.1
Total	5,335	5,308	100.5

Channels other than Liquor/food shops increased their sales

Year-on-year basis



Sales performance from April to June is 103.2%.

III. FY08 Annual Outlook

1. Profit Plan

Jump!!!

Non-consolidated

(Unit: million yen; thousand cases; %)

	FY08 Annual Plan	FY07 Actual	y/y	
			Change	Ratio
Sales volume	58,167	57,570	597	1.0
Sales	112,900	109,498	3,402	3.1
Operating profit	4,100	3,735	365	9.8
Recurring profit	4,600	4,518	82	1.8
H1 net profit	2,800	2,569	231	9.0

Consolidated

(Unit: million yen; %)

	FY08 Annual Plan	FY07 Actual	y/y	
			Change	Ratio
Sales	129,900	129,593	307	0.2
Operating profit	5,400	4,822	578	12.0
Recurring profit	5,400	5,010	390	7.8
H1 net profit	3,100	2,755	345	12.5

IV. H2 Key Activities

1. Full Service Channel

Jump!!!

◆ H2 Key Activities

Development enhancement

Continuation of the market maximization campaign
-H2 planned net increase: 1,530 machines
Closer development collaborations with Mikuni Foods
-Acquisition and retention of customers based on collaborative proposals

Improvement of per-machine sales

Per-machine column management based on data analysis
-By-machine management of products offered (for prime brands and by category)
Full enhancement of MD activities
-Wider consumer awareness of our sales promotions and further appeal to consumers

Leveraging of existing resources

Strengthening of commercial distribution communication
-Issuing newsletters to vendors



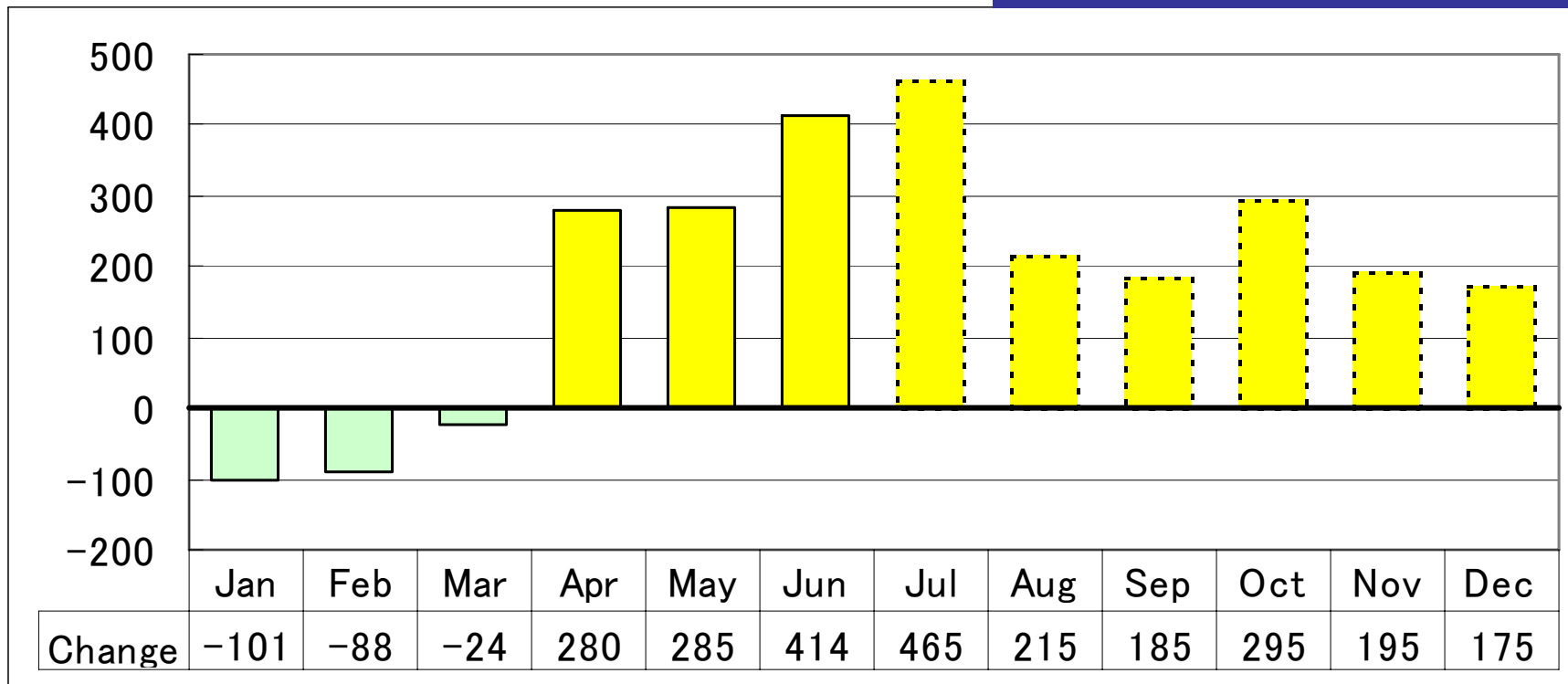
1. Full Service Channel

Jump!!!

◆ H2 Development Plan

Shift in FS net increases
(The figures for Jul. to Dec. are planned ones)

H2 planned net increase
1,530 machines



2. Supermarket Channel

Jump!!!

◆ H2 Key Activities

Regaining Cola-Cola's Share and Strengthening
Competitiveness of Flagship Brands

Coca-Cola

- Acquire customers through strategic sales promotion and flyer distribution
- Maximize Olympics deployment



July 14

Limited launch of
2L PB of Coca-Cola
& Coca-Cola ZERO

Aquarius

- Full extension of sales of Aquarius ZERO
- Maximize Olympics deployment (Aquarius is an official isotonic drink)



May 12

Aquarius ZERO launched

Sokenbicha

- Focus on the new product which will be launched on August 18



New product with great promise

3. Liquor/Food Shop

Jump!!!

◆ H2 Key Activities

Expansion of Product Line and Improvement of Sales Mix

Increase shops selling
MINAQUA 500ml PET

Strengthen sales of hot-selling
products in VMs with the use
of Full Service data



According to data for
July 21 to 27,
MINAQUA 500ml Pet
was our best-selling
product.

Increase shops selling
Huang Oolong tea 190ml cans

Acquire fresh sales, targeting
restaurants and coffee shops



4. Olympic Campaign

Jump!!!

■ Nationwide Promotion

北京オリンピック!
コカ・コーラを飲んで

北京オリンピック! コカ・コーラを飲んで応募しよう!

金メダル予想が
当たればもらえる!!

その場で
チャレンジ!!

10秒に1人アタル!!

世界で活躍する5人のアーティスト デザインTシャツ

Live Olympic on the **Coke** side of life: ~世界とつながろう、喜びをみんなと~

cocacola.jp

■ Special Package



■ Sales Floor Display



5. Sales Promotions for Georgia

Jump!!!

- Nationwide Autumn Promotion
- Three-color-based Display

ジョージア 上出来カタログ 2008

選んで、当てよう!
毎日1000人×100日間

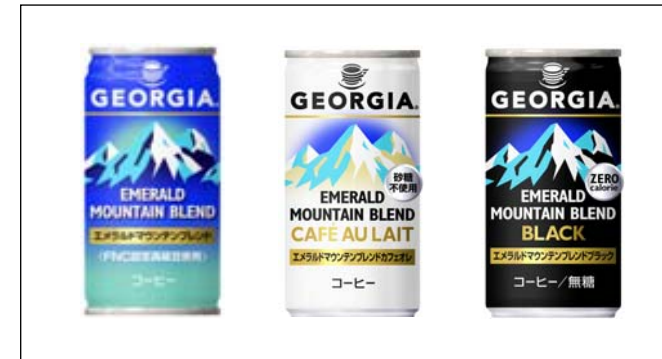
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ENEOS

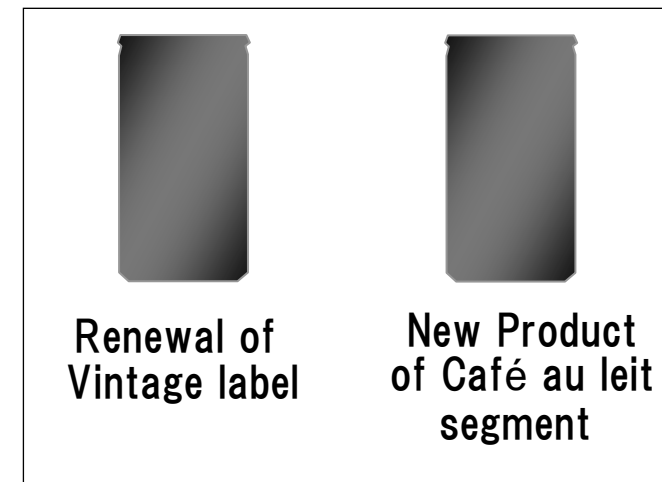
YAHOO! JAPAN

AUTOBACS

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■ New Product



Make the “JODEKI Catalog”
more appealing

6. Cost Reduction

Jump!!!

Horizontal BPR Expansion 0.3 billion yen

- Streamline logistics,
- Review mobile phone and printer costs,
- Reduce fuel and maintenance costs by changing types of commercial vehicles,
- Promote transformation of waste to salable, valuable resources, etc.

Reduction of VM Costs 0.1 billion yen

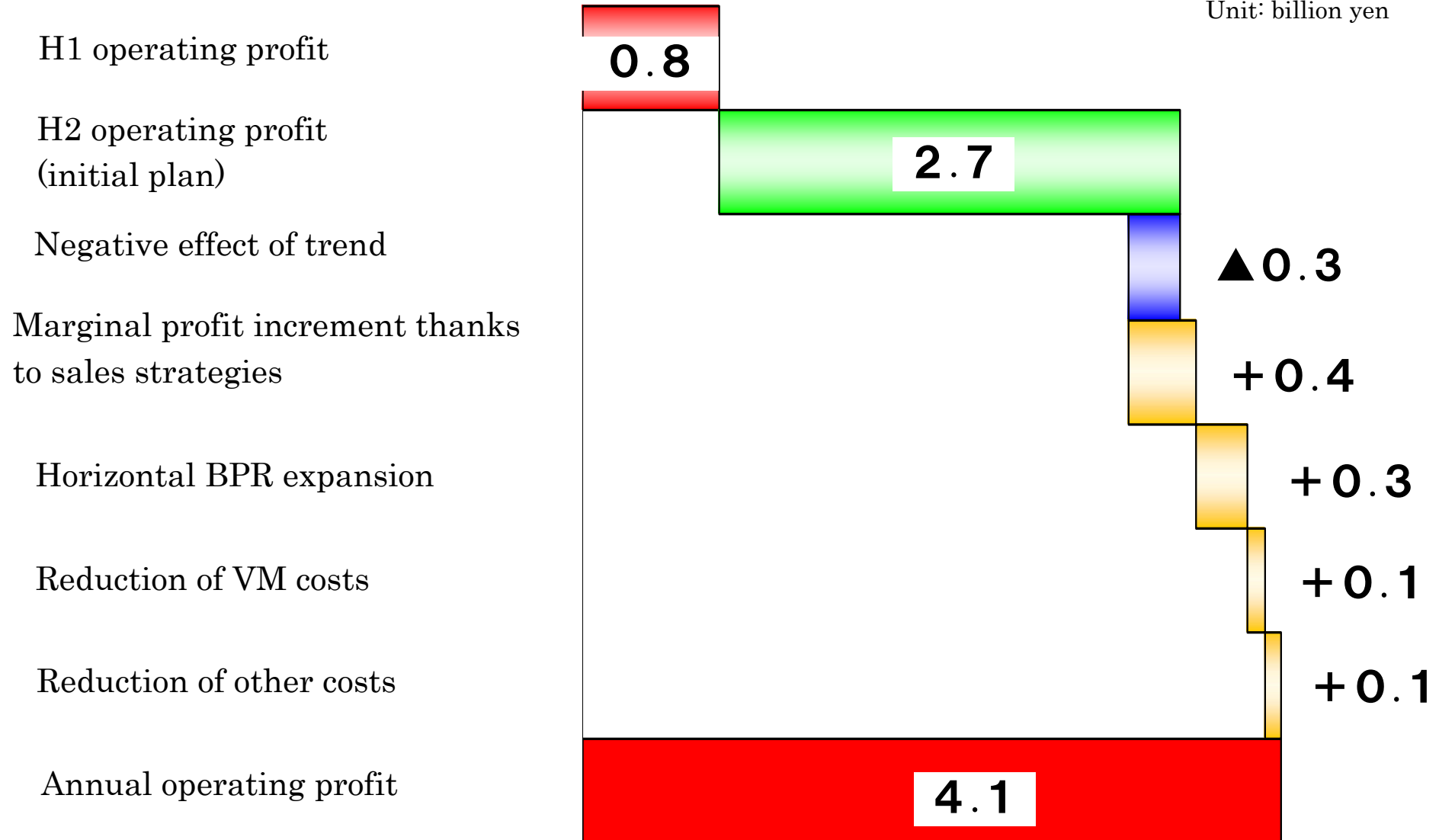
- Reduce procurement costs through bottler group procurement,
- Make effective investment in VMs,
- Use reconditioned parts effectively, etc.

Others 0.1 billion yen

7. Operating Profit Plan (Non-consolidated)

Jump!!!

Unit: billion yen



8. Operating Profit Plan (Consolidated)

Jump!!!

Mikuni Coca-Cola – Achievement of Non-consolidated Profit Plan

- Create synergy effects on subsidiaries and affiliates by expanding drink sales and related business

Subsidiaries & Affiliates – Increase of Individual Non-consolidated Profits

- Achieve individual profit plans by means of own strategies

V. Progress of FY07-FY09 Medium-term Business Plan

1. Overview

Jump!!!

Vision

An appealing bottler with Japan's best-quality production

Jump in sales power!

Expand market share and overwhelm competitors as the area's No.1 drink manufacturer

Higher gross profit on sales
3.5 billion yen – 4.0 billion yen (*)

Jump in cost competitiveness!!

Evolve a competitive cost structure

Cut costs
1.0 billion yen – 1.5 billion yen

Jump in human resources!!!

Develop human resources and organization capable of responding to changes in the environment

Improve labor productivity
Around +3 million yen per person

Target of FY09 non-consolidated operating profit:
4.5 billion yen – 5.5 billion yen

* Figures include adjustment for the immediate discount effect.

2. Progress (Mikuni Coca-Cola)

Jump!!!

i Jump in sales power!

- Additional 12 development managers
- Promote collaborative developments within the group
- Install 401 mixture machines and 446 networked vending machines

ii Jump in cost competitiveness!!

- Continuously implement grassroots movements: - 462 million yen per year
- Effective device investment: - Reduction in depreciation of 186 million yen (y/y)
- Inventory constriction / streamlined business processing through logistics integration

iii Jump in human resources!!!

Launch a human resource development project to establish an education system which is consistent with the new personnel system

3. Progress (Mikuni Group)

Jump!!!

Synergy generated from collaboration and reorganization

- Enhancement through centralization of coffee businesses
Crystal Coffee took over the OCS division from Mikuni Foods
- Increase of sales through mutual introduction of customers within the group

Deployment of new businesses

- Mikuni Service opened a Web shop, “Jumpmart”
- Mikuni Logistics Operation was established to win logistics businesses even, outside the group

VI. Strategy for Shareholders' Returns

1. Acquisition of Own Shares

Jump!!!

Our board decided to acquire its own shares according to the provisions of Article 156 of the Company Law, which shall be applied as a replacement to a term in Article 165 of the said law.

◇Purpose :

- Return of profit to shareholders and improvement of capital efficiency
- More agile capital strategies capable of responding to changes in business environment

◇Number of shares to be acquired:

2,000,000 (max.)

(3.98% of the total number of issued shares excluding own shares)

◇Total value of shares to be acquired: 2.4 billion yen (max.)

◇Period of acquisition: August 6, 2008 – March 13, 2009

* The current shareholding status

- Total number of issued shares (excluding own shares): 50,292,885
- Own shares: 3,262,847

The plans, performance forecasts, and strategies appearing in this material are based on the judgment of the management in view of data available as of the date that this material was released. Please note that these forecasts may differ substantially from actual performance due to risks and uncertain factors such as those listed below.

- Intensifying market price competition
- Changes in economic trends affecting the business climate
- Major rate fluctuations in capital markets

Jump!!!

We  "Water Planet"

Coca-Cola