

Presentation of Financial Results for Mid-Term FY2009

August 10, 2009

Mikuni Coca-Cola Bottling Co.,Ltd.



Contact: Legal IR Office,
Administration Division

TEL +81(0)48-774-3131
FAX +81(0)48-774-1400

Contents

Jump!!!

I. FY2009 H1 Financial Results		IV. FY2009 H2 Plan	
1. Overview	3	1. H2 Performance Plan	28
II. Review of FY2009 H1 Activity		V. FY2009 H2 Key Activity Plan	
1. Key Activity/Results	12	1. Full Service Channel	32
III. Business Summary of FY2009 H1		2. Supermarket Channel	35
1. Key Channels Activity Plan	15	VI. FY2009 Full Year Plan	
2. Sales Performance for Channels/Brands/Packages	16	1. FY2009 Performance Plan	41
3. Full Service Channel	21	VII. Glossary	42
4. Supermarket Channel	23		

Overview

1. Environment Surrounding the Company

Jump!!!

Economic Environment

- Global economic recession adversely impacted the real economy of Japan
- Difficult condition continued while there were signs that the worst is behind in some part of manufacturing industry
- Employment deteriorated with sluggish consumer spending
- Pricing pressure increased in retail industry
- Cocooning spending trend grew

Beverage Industry

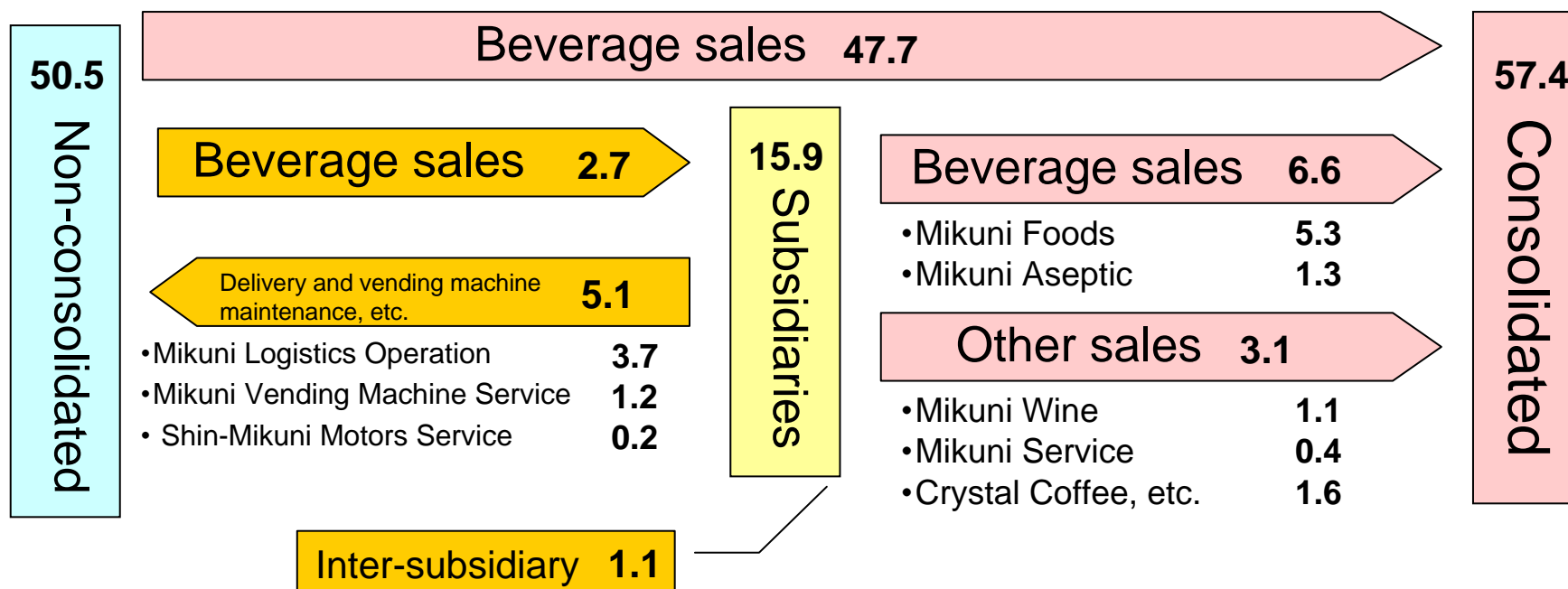
- Sales volume of the industry fell 2%
- Top manufacturers further dominated the market
- Vending machine channel(workplace, recreational facilities) suffered due to economic slowdown
- Mass retailers expanded private brands

2. Overview

Jump!!!

◆ Business Overview

(Sales Unit: billion yen)



◀ Non-consolidated results ▶ ◀ Consolidated results ▶ (Unit: Million yen)

	FY09H1	FY08H1	Change	FY09H1	FY08H1	Change
Operating Profit	724	874	-150	1,105	1,306	-200
Recurring Profit	1,365	1,442	-76	783	1,324	-541
Net Profit	998	1,003	-4	412	706	-294

3. FY2009 H1 Results

Jump!!!

(Unit: million yen; thousand cases; %)

Non-consolidated	FY09H1	FY08H1	y/y change	y/y	Plan	Change vs. plan
Sales Volume	25,597	26,465	-868	-3.3	27,210	-1,613
Sales	50,461	50,244	216	0.4	53,500	-3,039
Operating Profit	724	874	-150	-17.2	1,000	-276
Recurring Profit	1,365	1,442	-76	-5.3	1,500	-135
Net Profit	998	1,003	-4	-0.4	1,000	-2

Consolidated	FY09H1	FY08H1	y/y change	y/y	Plan	Change vs. plan
Sales	57,448	59,135	-1,687	-2.9	59,600	-2,152
Operating Profit	1,105	1,306	-200	-15.4	1,300	-195
Recurring Profit	783	1,324	-541	-40.8	1,300	-516
Net Profit	412	706	-294	-41.7	800	-375

Previous year's results are shown as reference

4. Major Reasons for y/y Change

Jump!!!

【Non-consolidated】

(Unit: billion yen)

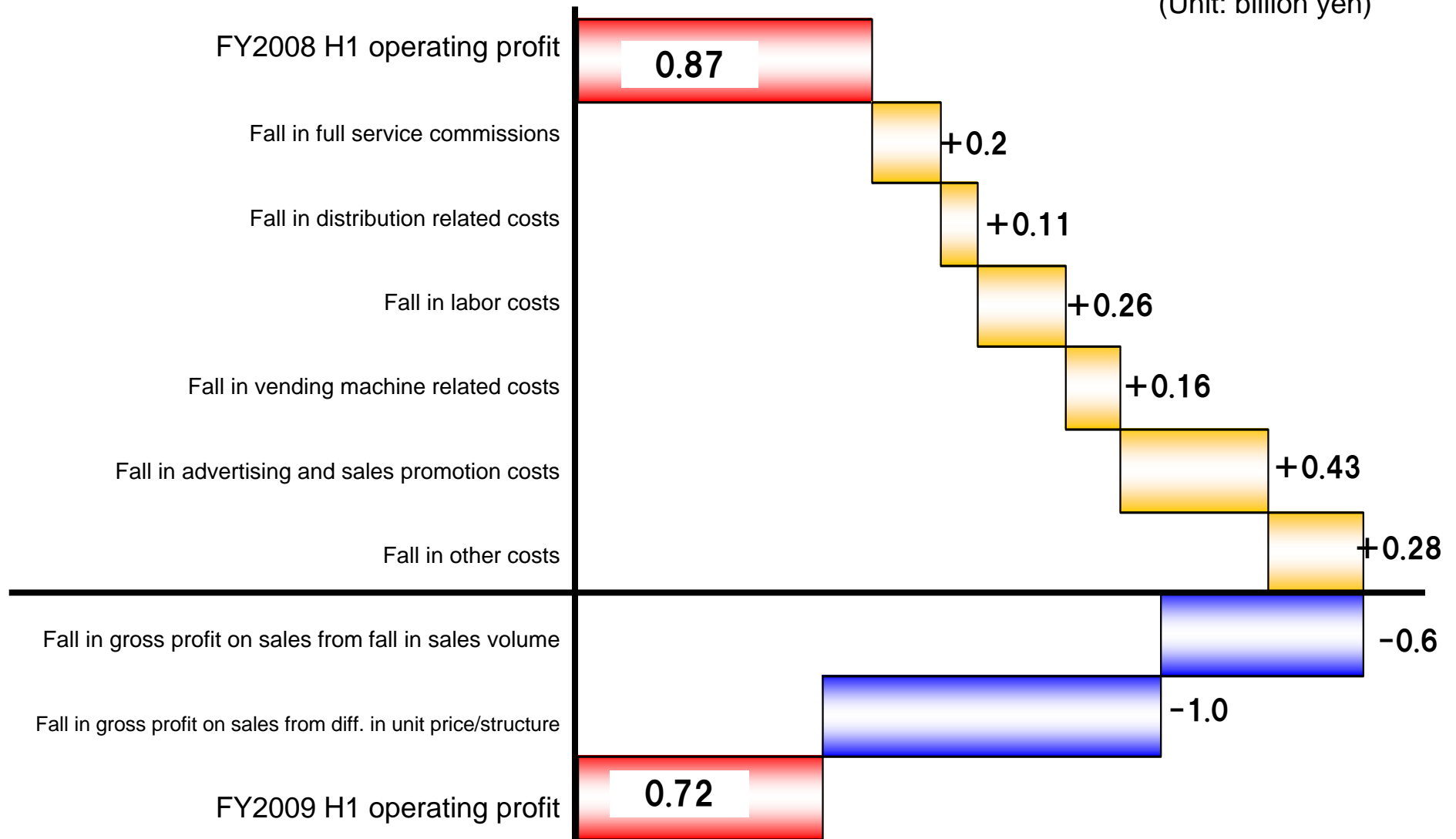
	Change	Reason	Change	FY09H1	FY08H1
Sales	0.22 (50.24⇒50.46)	<ul style="list-style-type: none"> Fall in sales volume and differences in unit price/structure Impact from unified inventory management such as sales proceeds from Mikuni Foods 	-2.69 2.91	50.46	50.24
Gross Profit on sales	-1.6 (20.12→18.52)	<ul style="list-style-type: none"> Fall in gross profit on sales Fall in sales volume Differences in unit price/structure 	-1.6 -0.6 -0.1	18.52	20.12
Operating Profit	-0.15 (0.87→0.72)	<ul style="list-style-type: none"> Fall in selling, general, and administrative expenses Fall in full service commissions Fall in distribution related costs Fall in labor costs Fall in vending machine related costs Fall in advertising and sales promotion costs Fall in other costs 	1.44 0.2 0.11 0.26 0.16 0.43 0.28	17.80	19.24
Recurring Profit	-0.07 (1.44→1.37)	<ul style="list-style-type: none"> Rise in non-operating profit/loss Rise in non-operating profit Rise in non-operating costs 	0.07 0.17 -0.1	0.64	0.57
Net Profit	-0.01 (1.0→0.99)	<ul style="list-style-type: none"> Fall in extraordinary profit/loss Fall in corporate tax etc. 	-0.02 0.1	-0.01	0.01
				0.35	0.45

5. Breakdown of Change in Operating Profit (y/y)

Jump!!!

 Non-consolidated

(Unit: billion yen)



6. Major Reasons for Changes vs. Plan

Jump!!!

【Non-Consolidated】

(Unit: billion yen)

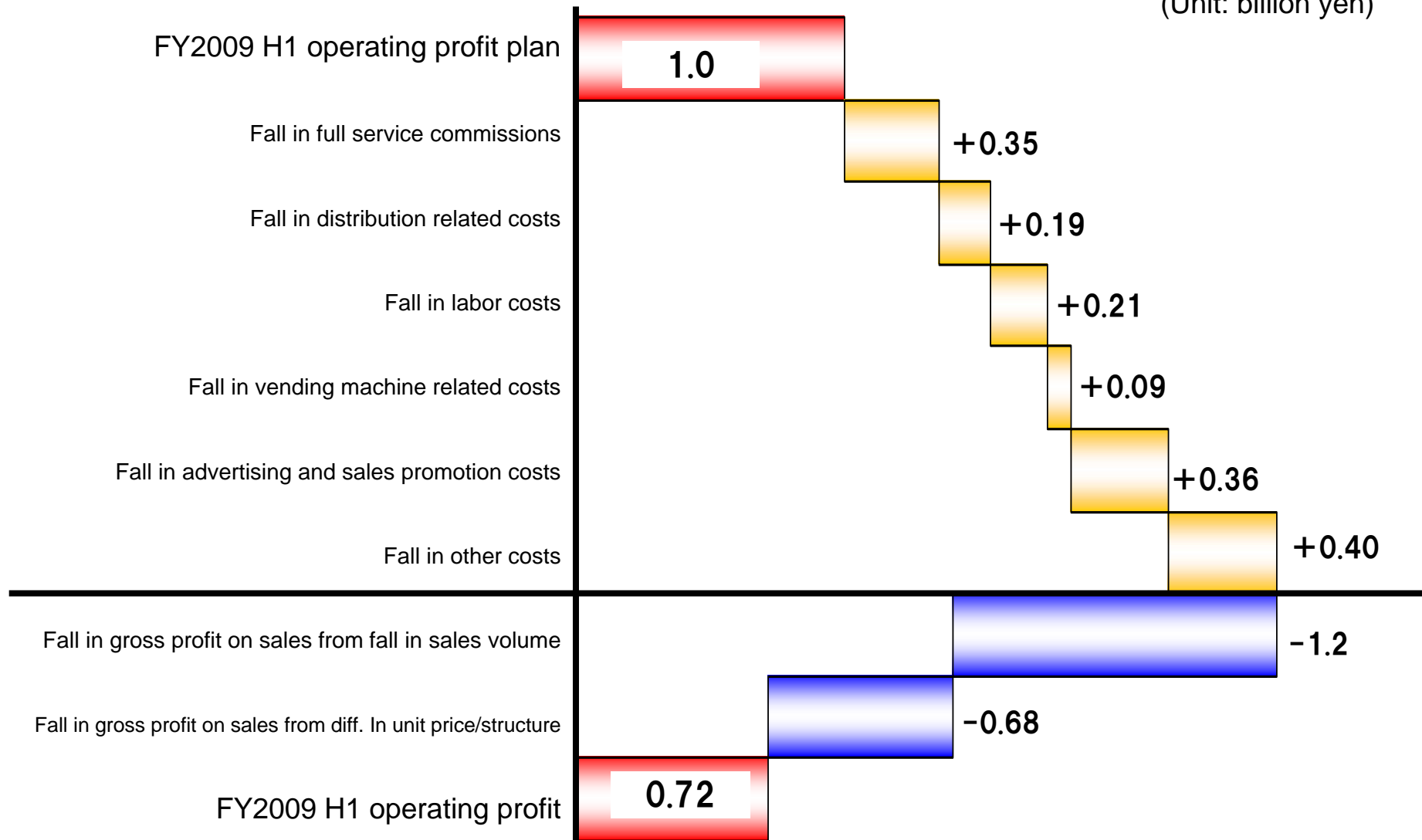
	Change	Reason	Change	FY09H1	Plan
Sales	-3.04 (53.5⇒50.46)	<ul style="list-style-type: none"> ▪ Fall in sales volume and differences in unit price/structure ▪ Sales proceeds from other bottlers 	-4.23 1.19	50.46	53.50
Gross Profit on sales	-1.88 (20.40→18.52)	<ul style="list-style-type: none"> ▪ Fall in gross profit on sales Fall in sales volume Differences in unit price/structure 	-1.88 -1.2 -0.68	18.52	20.40
Operating Profit	-0.28 (1.00→0.72)	<ul style="list-style-type: none"> ▪ Fall in selling, general, and administrative expenses Fall in full service commissions Fall in distribution related costs Fall in labor costs Fall in vending machine related costs Fall in advertising and sales promotion costs Fall in other costs 	1.6 0.35 0.19 0.21 0.09 0.36 0.4	17.80	19.40
Recurring Profit	-0.13 (1.50→1.37)	<ul style="list-style-type: none"> ▪ Rise in non-operating profit/loss Rise in non-operating profit Rise in non-operating costs 	0.14 0.22 -0.08	0.64	0.50
Net Profit	-0.01 (1.0→0.99)	<ul style="list-style-type: none"> ▪ Fall in extraordinary profit/loss ▪ Fall in corporate tax etc. 	-0.01 0.15	-0.01	-
				0.35	0.50

7. Breakdown of Change in Operating Profit (vs. Plan)

Jump!!!

 Non-Consolidated

(Unit: billion yen)



Review of FY2009 H1 Activity

1. Key Activity Plan for FY2009

Jump!!!

Key Activity Plan based on Mid-Term Management Plan “*Jump!!!*” and Reform Plan “JUMP”

Jump in sales power!

- Strengthen indoor full-service development
- Strengthen cooperative initiatives with customers
- Increase share in supermarket by adding SKU item
- Introduce two-branch-office structure, strengthen business approach of each branch

Jump in cost competitiveness!!

- Exploit used vending machines
- Promote business process reengineering (BPR) throughout the company

Jump in human resources!!!

- Strengthen personnel communication within the group
- Cultivate own study attitude and corporate culture
- Increase budget for personnel training

Improve overall strength of the Group

2. FY2009 First Half Key Activity Results

Jump!!!

Jump in sales power!

- Conducted vending machine share-up campaign(January to June)
New installation: 3,052 units, Compared to plan: 102%
Location referral within the group: 1,336 cases
- Expanded accumulated number of SKU item in supermarket;
7% increase

Jump in cost competitiveness!!

- Reduced VM costs by efficient equipment investment ¥77 million
- Reduced disposal costs by balanced operation ¥26 million
- Centralized inventory and office function ¥18 million
- Reduced costs by changing SCM structure ¥200 million
- Promoted BPR throughout the company
Took measures that will reduce costs by approximately
¥400 million annually.

Jump in human resources!!!

- Based on human resource development plan, 763 employees took part in training programs.

Improve overall strength of the Group

- Shin-Mikuni Motor Service transferred its shares to SG motors Co., Ltd.
- Group companies conducted vending machine location referral campaign.

FY2009 First Half Business Summary

1. FY2009 Key Channels Activity Plan
2. Sales Performance for
Channels/ Brands/ Packages Results
3. Full Service Channel
4. Supermarket Channel

1. FY2009 Key Channels Activity Plan (re-posting)

Jump!!!

◆FY2009 Full Service Channel Activity Plan

Expand indoor market share

Increase indoor locations



Make appealing proposals on environment and other areas

Increase per-machine sales



Support local needs for VM customers

◆FY2009 Supermarket Channel Activity Plan

Expand share by adding SKU item

Expand availability of Coca-Cola Zero



Enhance share by maximizing J-League sponsorship promotion

Large PETs with low-price appeal



Respond to consumers' low-price needs

2. Sales Performance for Channels/ Brands/ Package

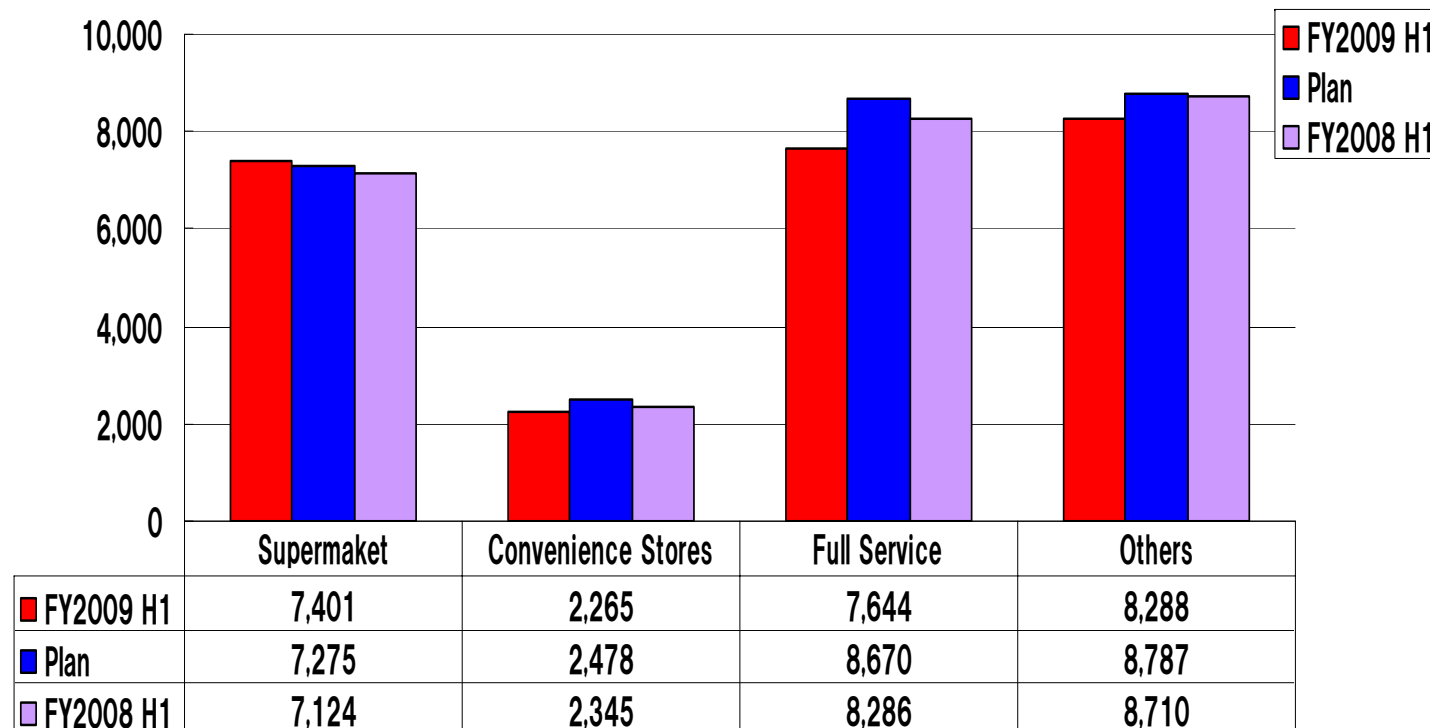
Jump!!!

◆ Sales Performance by Channel

- Supermarket sales increased 4% y/y due to favorable performance of Coca-Cola Zero and Large PETs with low-price appeal
- Full service sales declined 8% y/y due to economic downturn

(Unit: thousand cases)

◆ Sales performance by channel from January 2009 to June 2009

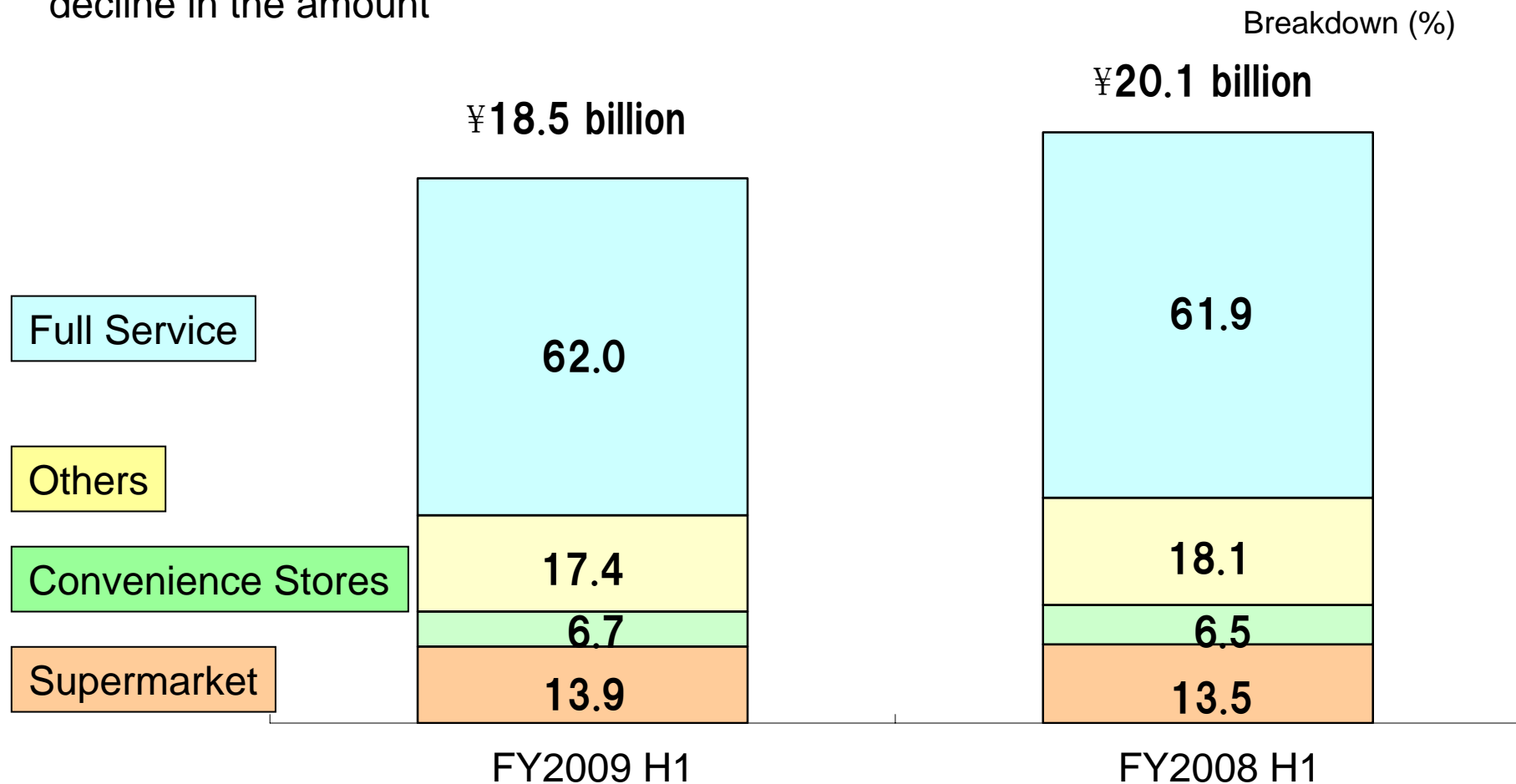


2. Sales Performance for Channels/ Brands/ Packages

Jump!!!

◆ Gross Profit on Sales by Channel

- Percentage of Full Service gross profit on sales slightly increased despite decline in the amount



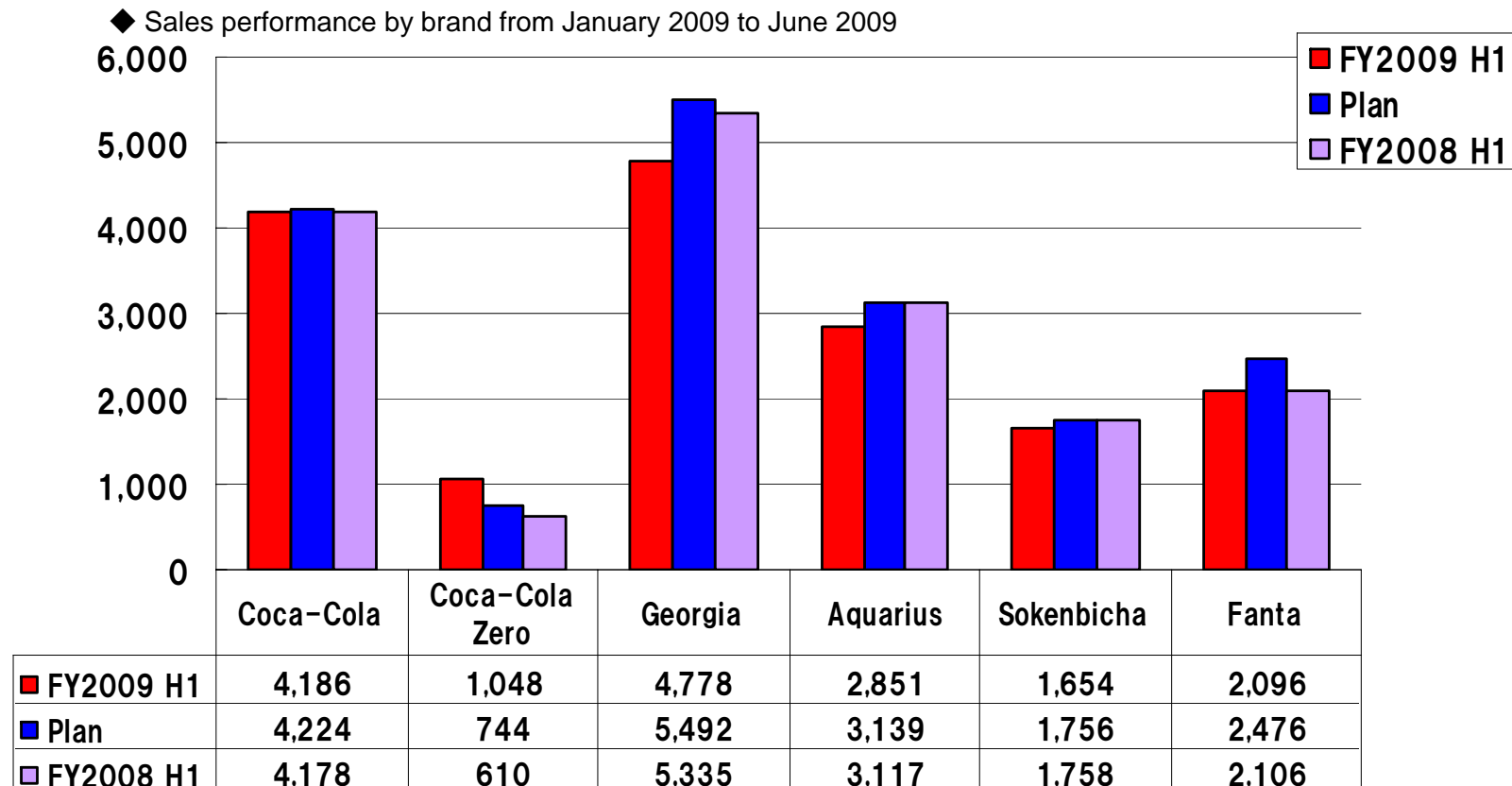
2. Sales Performance for Channels/ Brands/ Packages

Jump!!!

◆ Sales Performance by Brand (BIG6)

- Sales of Coca-Cola Zero increased 48% y/y
- Full Service sales of Georgia fell significantly, causing 10% decrease y/y

(Unit: thousand cases)

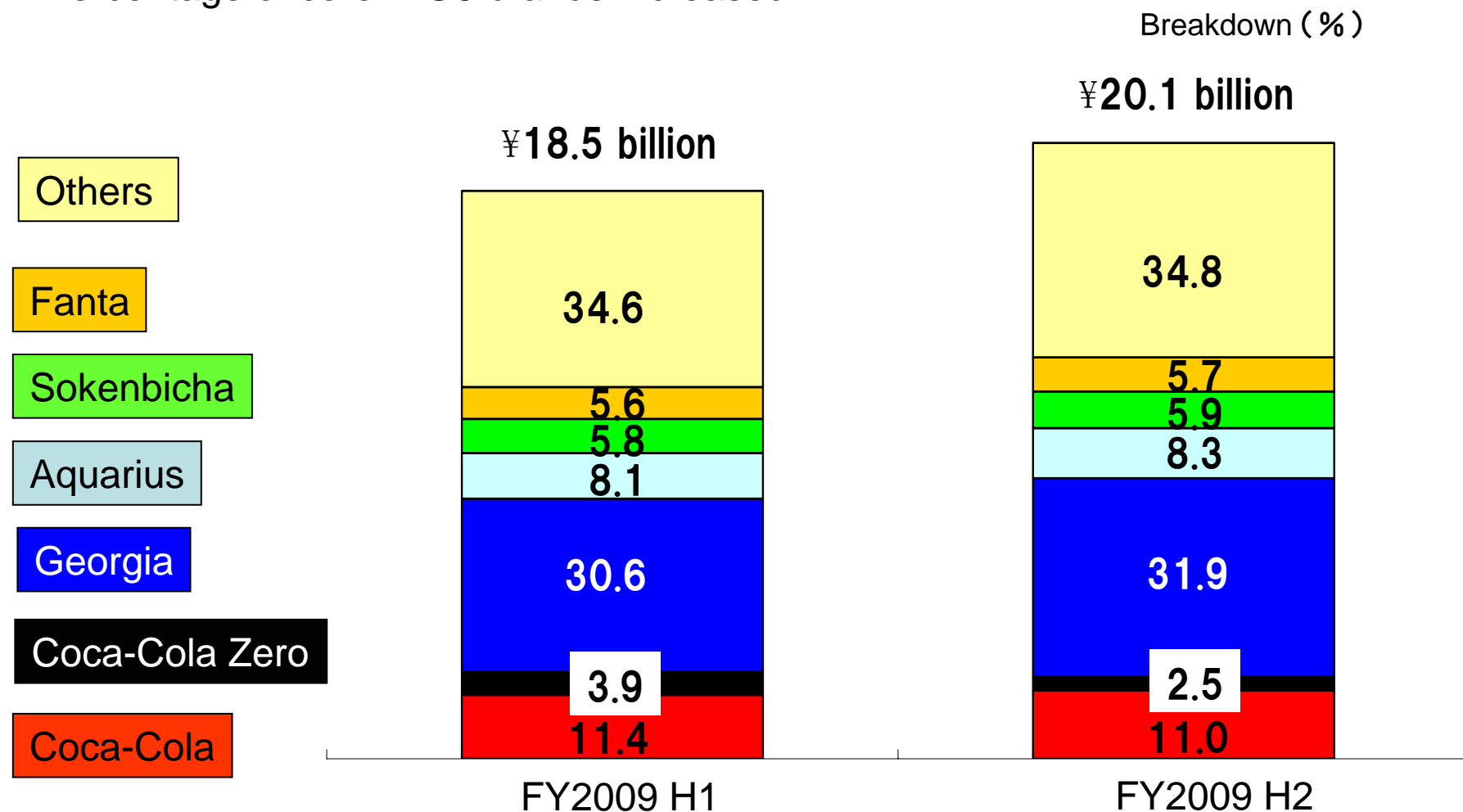


2. Sales Performance for Channels/ Brands/ Package

Jump!!!

◆ Gross Profit on Sales by Brand

➤ Percentage of core BIG6 brands increased



2. Sales Performance for Channels/ Brands/ Package

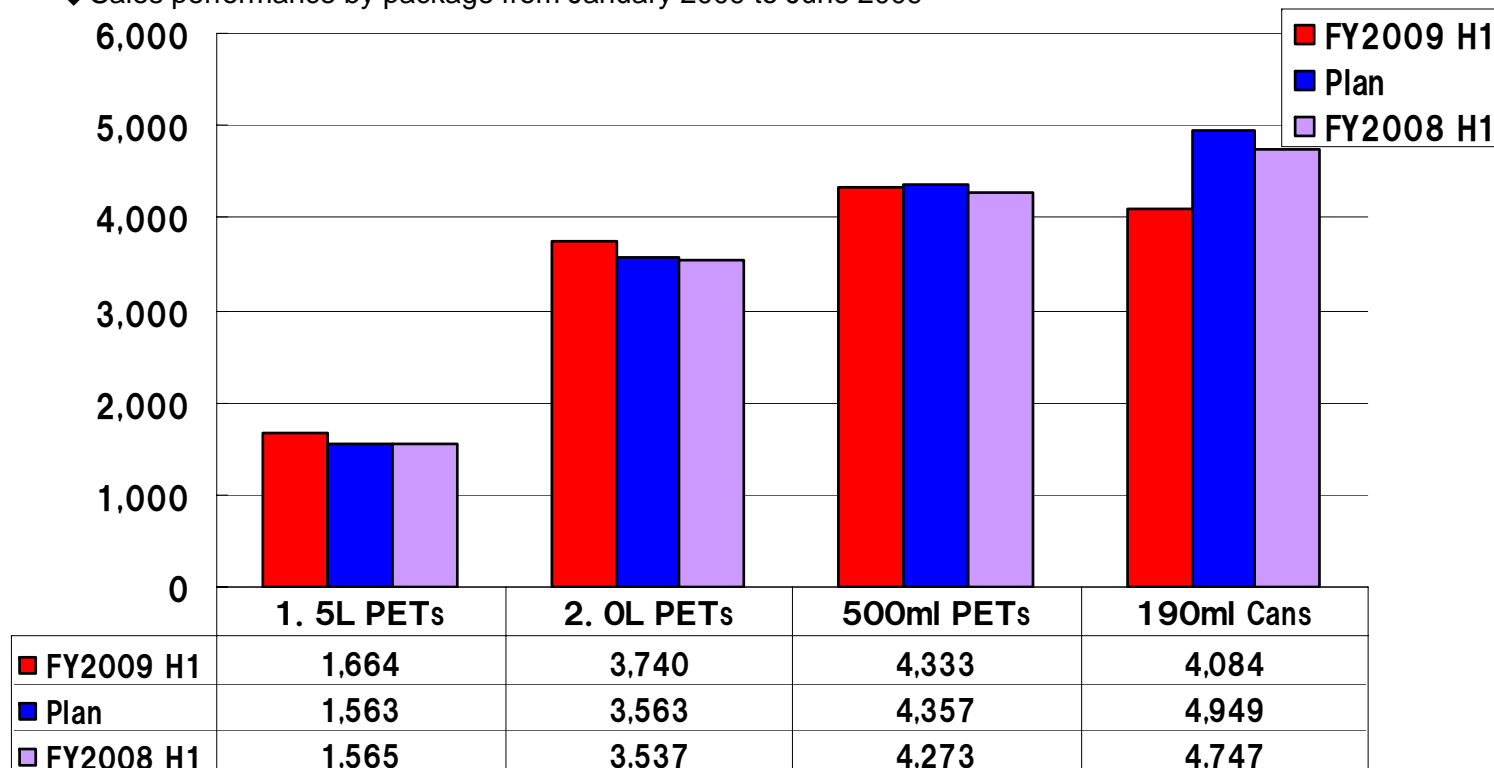
Jump!!!

◆ Sales Performance by Package

- 2L PETs sales increased 6% y/y due to increase in large PETs with low-price appeal
- 190ml Cans sales decreased 14% y/y

(Unit: thousand cases)

◆ Sales performance by package from January 2009 to June 2009



3. Full Service Channel



◆ Sales Performance by Sector

➤ Weak Full Service sales was a result of unfavorable performance in Workplace sector which accounts for large portion of the sale, as adverse impact from line stop in factory and personnel reduction was worse than foreseen

◆ Full Service sales performance by sector from January 2009 to June 2009

Sector	Sales compared to a year ago	Sales Percentage	
		FY2009 H1	FY2008 H1
Supermarket	90.9%	7.3%	7.4%
Convenience Store	88.6%	0.2%	0.2%
Liquor Store	89.6%	1.6%	1.7%
Other Home	88.5%	2.2%	2.3%
Restaurant	94.8%	2.2%	2.2%
Transportation	101.3%	9.4%	8.6%
Recreational	92.7%	22.4%	22.3%
School	92.0%	2.4%	2.4%
Public Office	89.0%	3.2%	3.3%
Workplace	88.6%	30.3%	31.6%
Hospital	98.7%	3.9%	3.6%
Other Non-home	94.7%	14.7%	14.3%
Total	92.2%	100.0%	100.0%

Sector	Sales compare to a year ago	Sales Percentage	
		FY2009 H1	FY2008 H1
Factory	82.2%	44.0%	48.0%
Office	98.6%	56.0%	52.0%

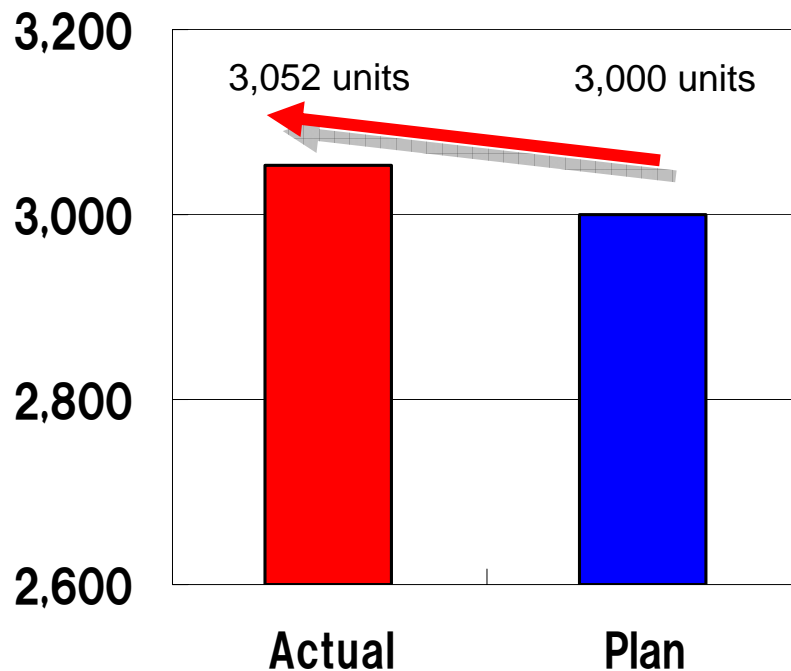
3. Full Service Channel

Jump!!!

◆ Efforts to enhance vending machine sales

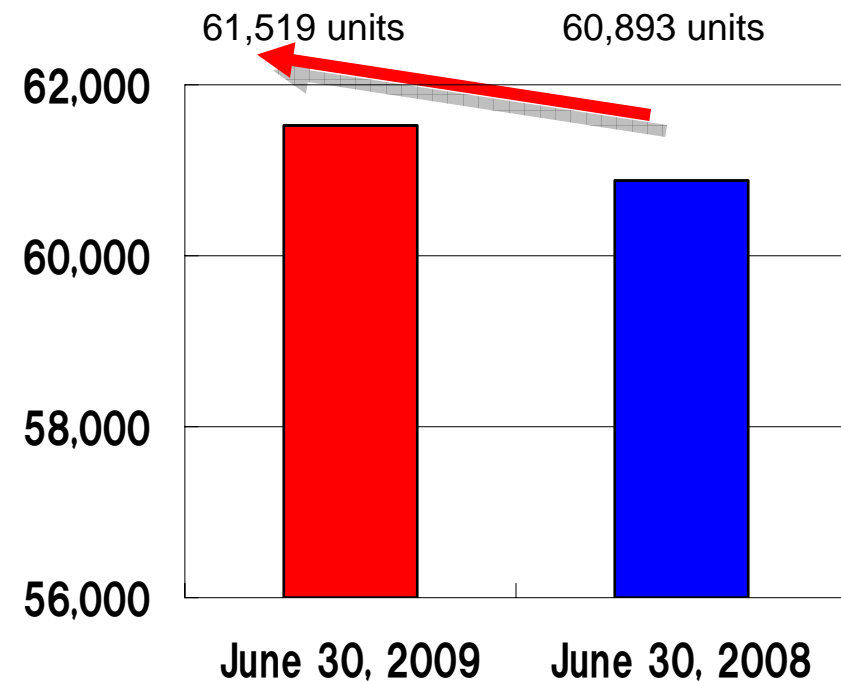
- Focused on mainly indoor development, achieving goal set in development plan (New and additional installments)
- On the other hand, existing unprofitable vending machines were removed to improve profitability (1,990 units)

◆ Full Service Development Performance/Plan units from January to June 2009



◆ Full Service VM units in operation

June 30, 2009 & June 30, 2008



4. Supermarket Channel

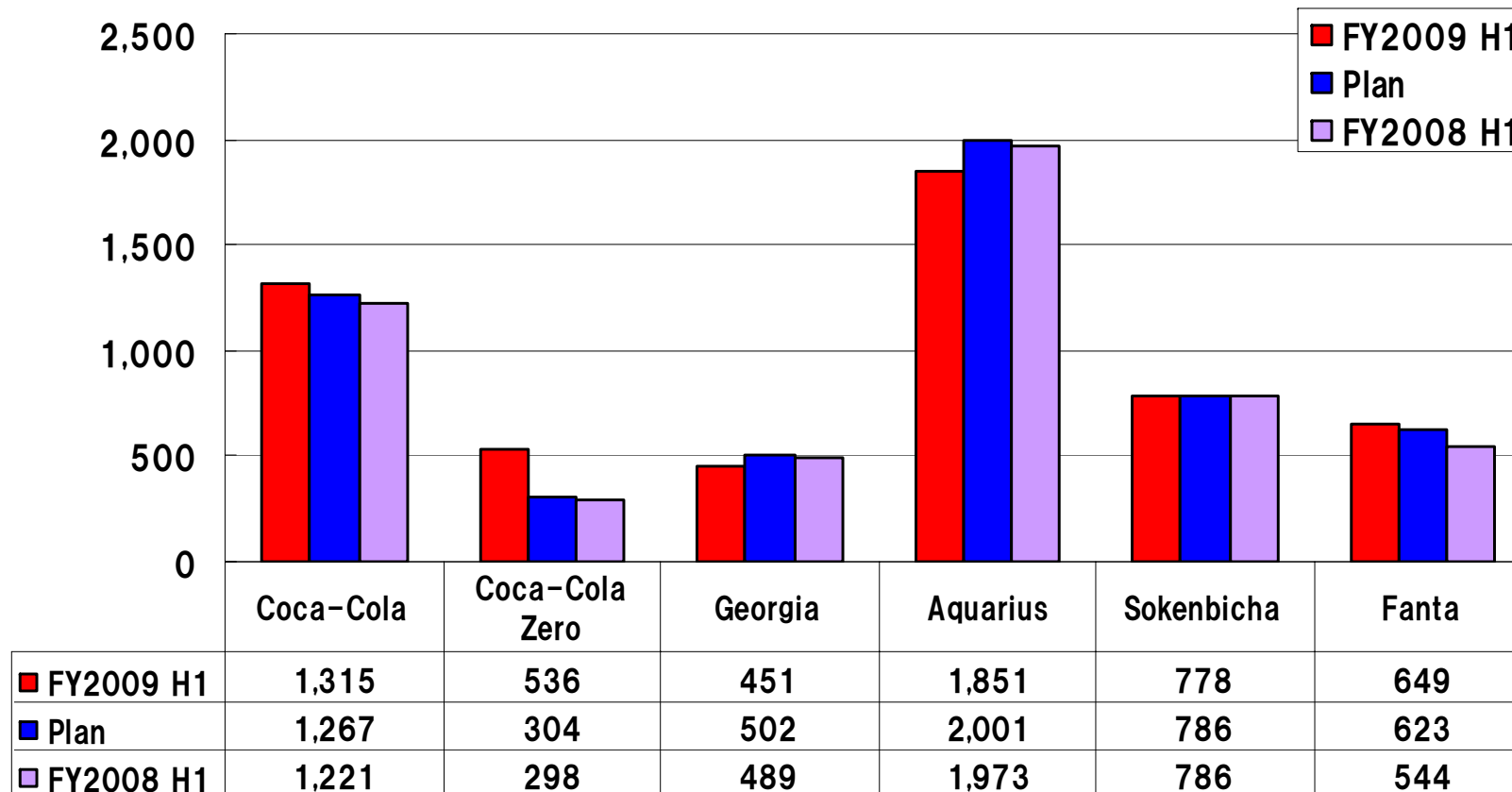


◆ Sales performance of BIG6

➤ Coca-Cola Zero sales increased significantly y/y and compared to plan

◆ BIG6 sales performance in Supermarket from January to June 2009

(Unit: thousand cases)



4. Supermarket Channel



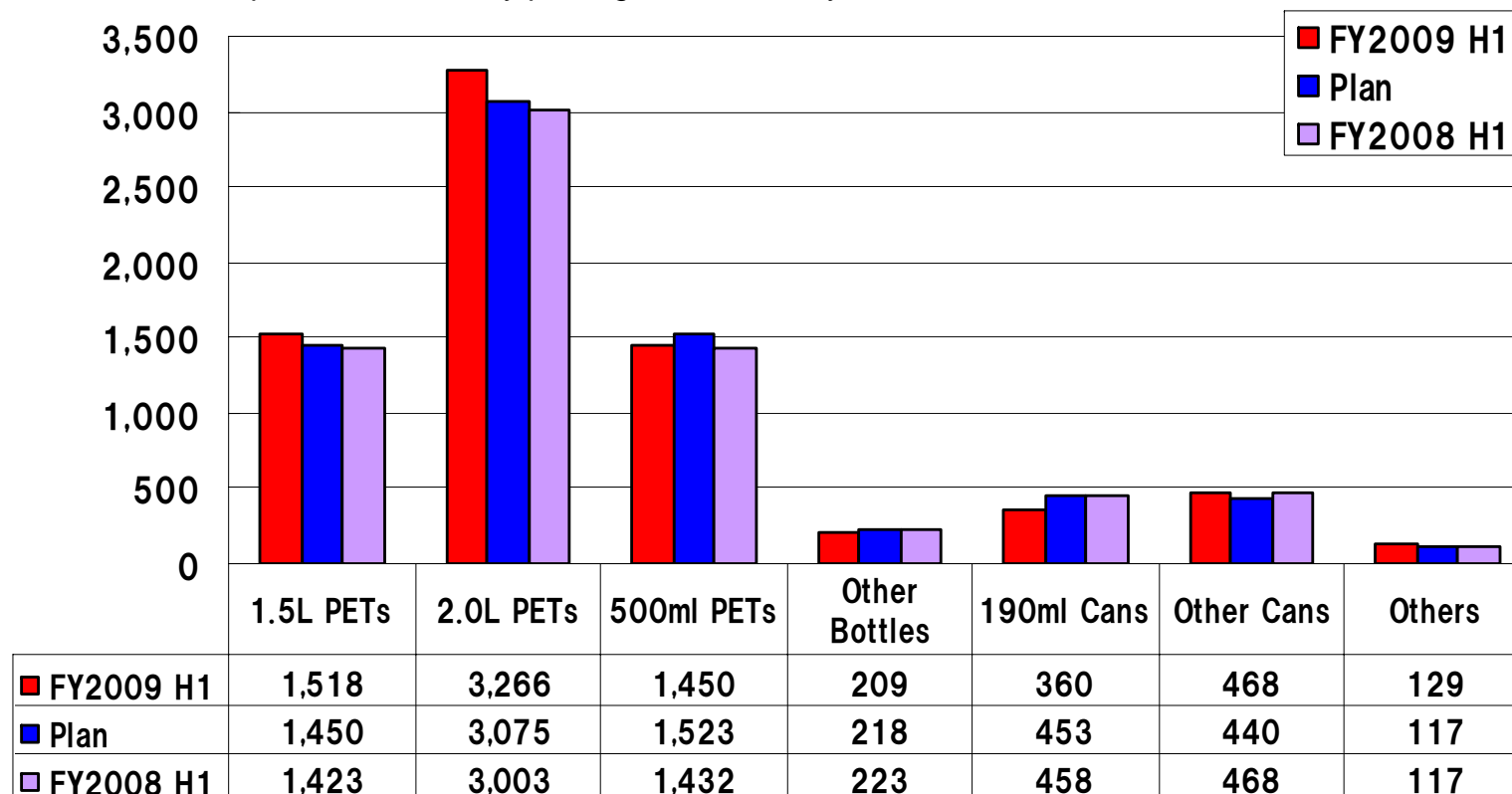
◆ Sales performance by Package

- 2L PETs sales increased due to favorable performance of Coca-Cola, Coca-Cola Zero, and low-priced non-sugar tea products
- 190ml Cans sales decreased due to unfavorable performance of Fanta

FuruFuru Shaker and Georgia

(Unit: thousand cases)

◆ Supermarket sales by package from January to June 2009



4. Supermarket Channel

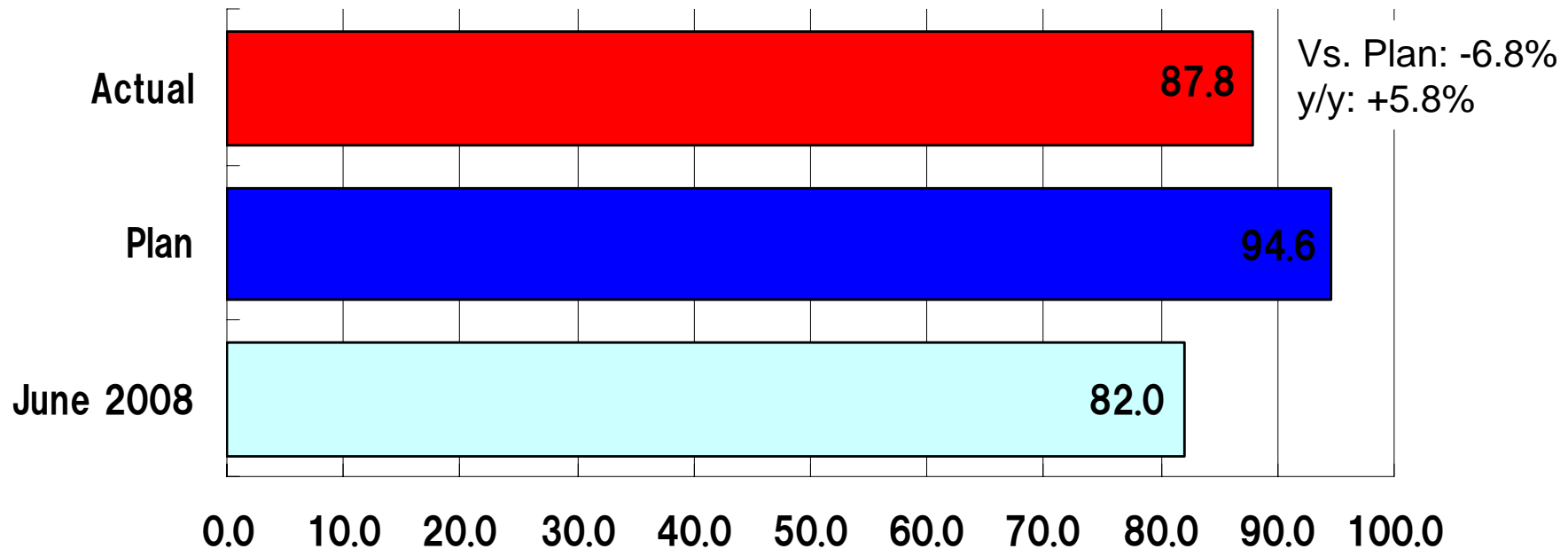
Jump!!!

◆ Efforts to enhance Coca-Cola Zero sales

- Sales volume increased significantly, although slightly below the plan, as we focused on increasing Coca-Cola Zero availability to the level of Coca-Cola Red

◆ June 2009 Supermarket Coca-Cola Zero 1.5L PETs availability (%)

Excluding drug stores



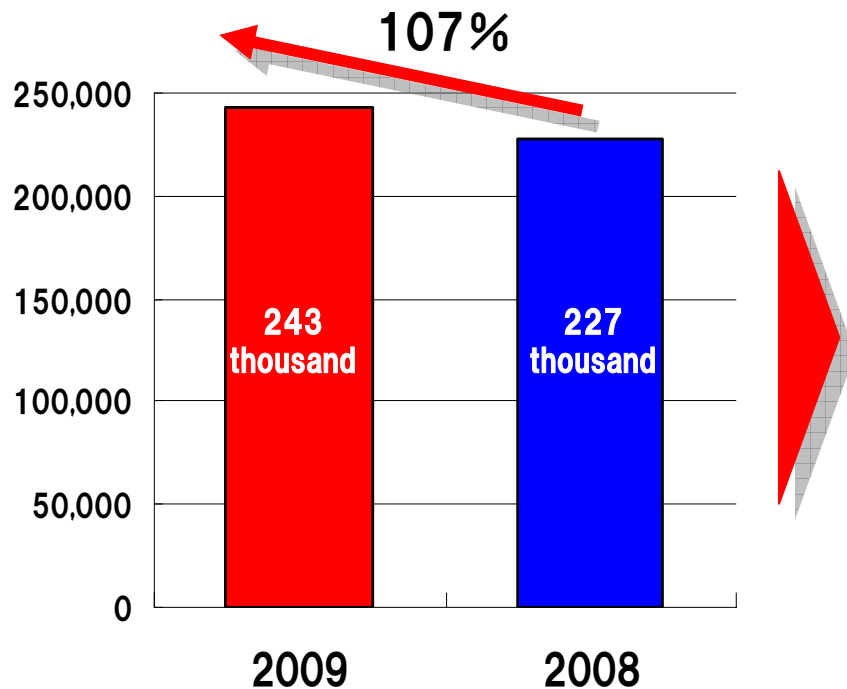
4. Supermarket Channel



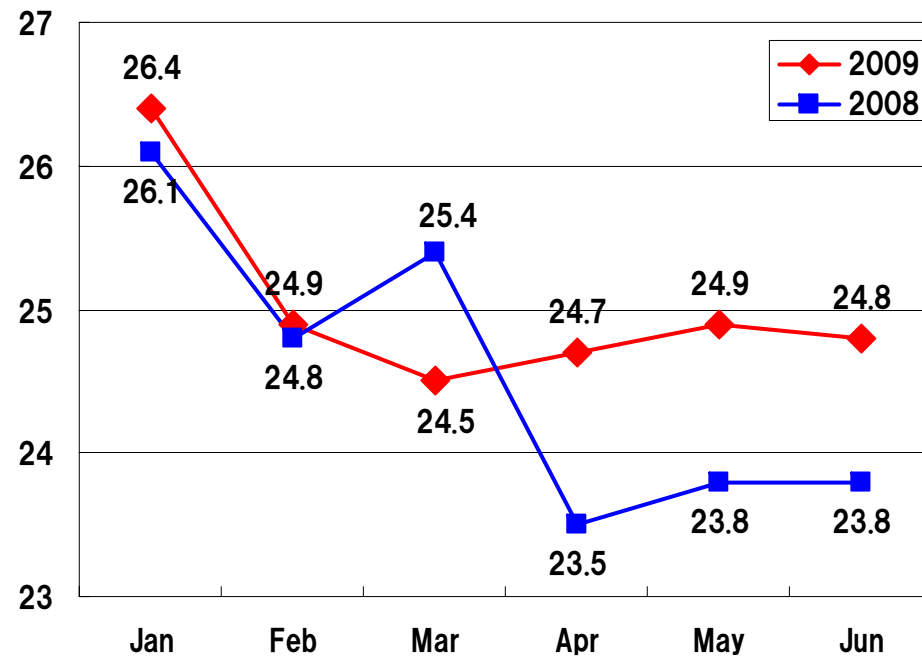
◆ Expansion of Share by adding SKU item

➤ Our efforts to expand market share by adding SKU item led to an increase in sales volume

◆ Accumulated number of SKU in supermarket from January to June 2009 (compared to previous year)



◆ Supermarket sales share by month (%) from January to June 2009 (compared to previous year)



※Source: Intage Data

FY2009 H2 Plan

1. FY2009 H2 Performance Plan

Jump!!!

(Unit: million yen; thousand cases; %)

【Non-Consolidated】	FY2009 H2 Plan	FY2008 H2 Actual	Change	y/y
Sales Volume	30,445	30,436	9	0.0
Sales	57,839	58,945	-1,106	-1.8
Operating Profit	1,476	1,636	-160	-9.8
Recurring Profit	1,535	1,671	-136	-8.1
Net Profit	852	1,198	-346	-28.9

【Consolidated】	FY2009 H2 Plan	FY2008 H2 Actual	Change	y/y
Sales	65,152	66,961	-1,809	-2.7
Operating Profit	2,295	2,490	-195	-7.8
Recurring Profit	2,417	2,444	-27	-1.1
Net Profit	1,588	1,450	138	9.5

2. Major Reasons for y/y Change (H2)

Jump!!!

【Non-Consolidated】

(Unit: billion yen)

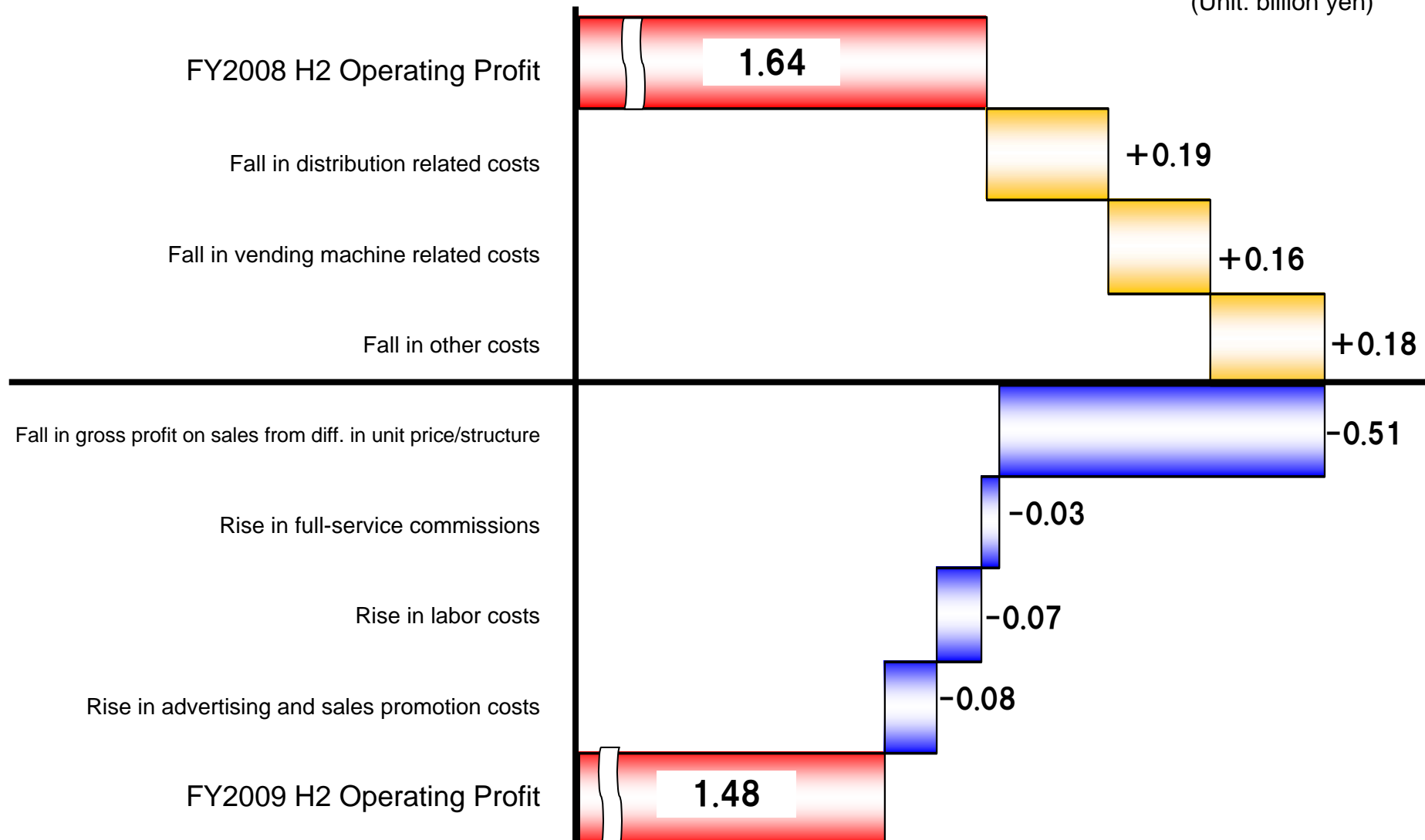
	Change	Reason	Change	FY2009 H2	FY2008 H2
Sales	-1.1 (58.95⇒57.84)	<ul style="list-style-type: none"> Unit price/structure differences Impact from unified inventory management such as sales proceeds from Mikuni Foods 	-0.7 -0.4	57.84	58.95
Gross Profit on sales	-0.51 (21.79→21.28)	<ul style="list-style-type: none"> Fall in gross profit on sales Unit price/structure differences 	-0.51 -0.51	21.28	21.79
Operating Profit	-0.16 (1.64→1.48)	<ul style="list-style-type: none"> Fall in selling, general, and administrative expenses Rise in full service commissions Fall in distribution related costs Rise in labor costs Fall in vending machine related costs Rise in advertising & sales promotion costs Fall in other costs 	0.35 -0.03 0.19 -0.07 0.16 -0.08 0.18	19.80 3.89 4.29 4.01 3.26 1.85 2.50	20.15 3.86 4.48 3.94 3.42 1.77 2.68
Recurring Profit	-0.14 (1.67→1.53)	<ul style="list-style-type: none"> Rise in non-operating profit/loss Rise in non-operating income Rise in non-operating expenses 	0.02 0.09 -0.07	0.05 0.36 0.31	0.03 0.27 0.24
Net Profit	-0.35 (1.20→0.85)	<ul style="list-style-type: none"> Fall in extraordinary profit/loss Fall in corporate tax etc. 	-0.28 0.07	-0.03 0.65	0.25 0.72

3. Breakdown of change in operating profit plan (y/y)

Jump!!!

 Non-Consolidated

(Unit: billion yen)



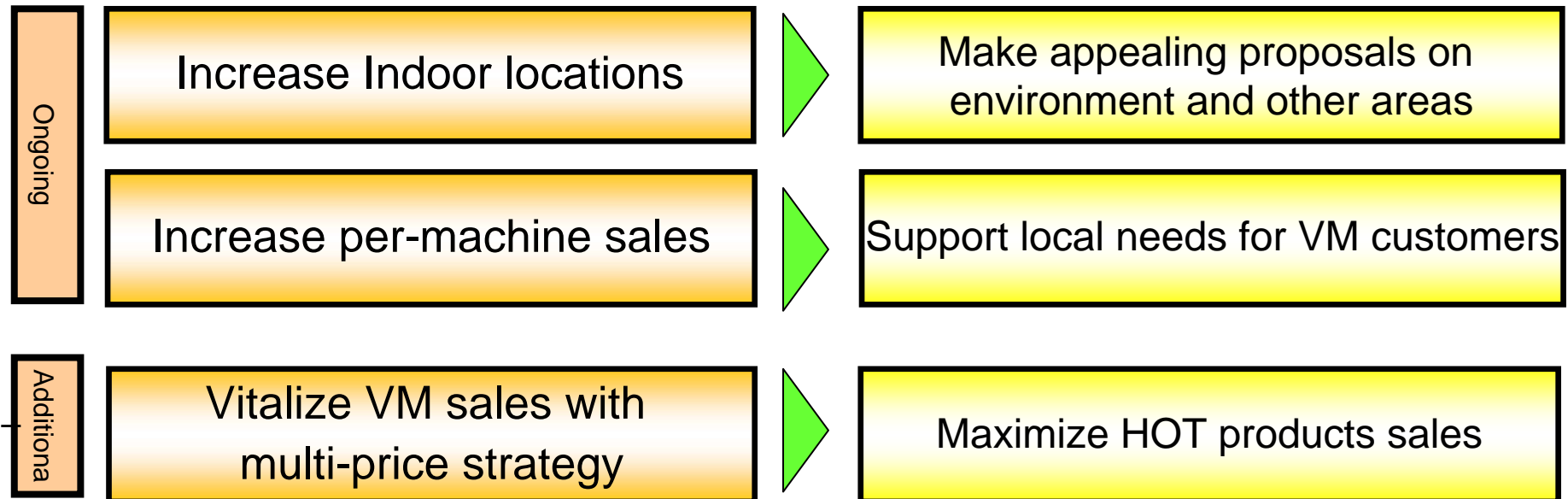
FY2009 H2 Activity Plan

1. Full Service Channel

Jump!!!

◆ FY2009 H2 Activity Plan for Full Service Channel

Expand indoor market share (Ongoing)



1. Full Service Channel

Jump!!!

- ◆ Responding to consumer needs by developing products with various prices / products with new functions

Promotion/Low price



New function/
Low price



High function/ High price

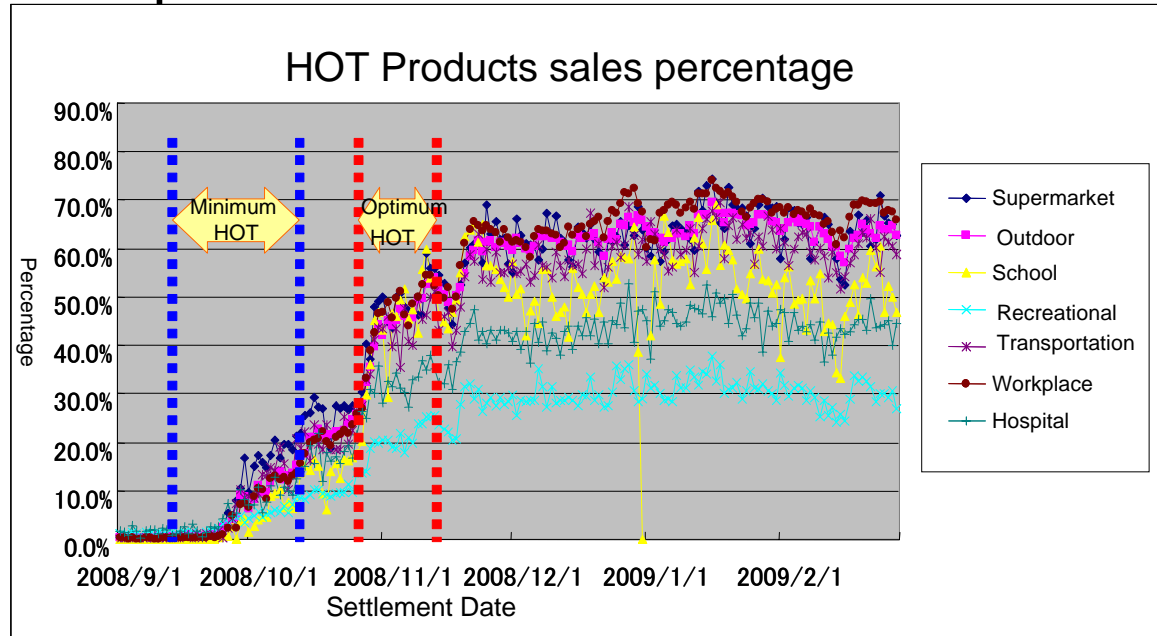


Enhance items in lineup for fall/winter

1. Full Service Channel

Jump!!!

◆ Maximize HOT products sale



Creating HOT column according to sales condition



2. Supermarket Channel

Jump!!!

◆ FY2009 H2 Activity Plan for Supermarket Channel

Expand share by adding SKU item

3Q Activity Plan

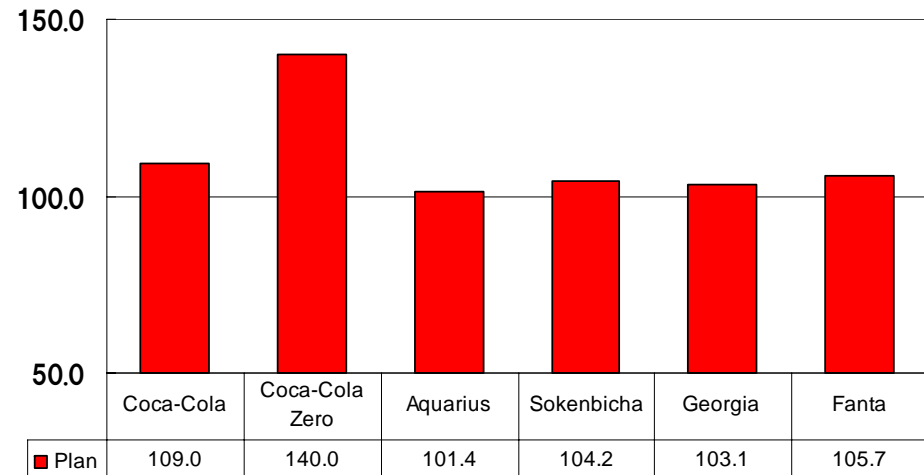
Focus on mainstay brands (Coca-Cola, Aquarius, and Sokenbicha) toward the peak season.

4Q Activity Plan

Procure selling space for Christmas and year-end shopping season, and obtain advertising opportunities.

1. BIG6 Plan

(Sales volume compared to previous year)



2. SKU item Plan (per store)

49.2 items (compared FY2008 H2: +5 items)

3. Share

25.5% (compare to FY2008H 2: +0.5pts)

2. Supermarket Channel

Jump!!!

◆ Cooperative initiatives with customers

Aim to increase sales through category management without relying on sales promotion

		Jan.- Jun. Results	Jul.-Dec. Plan	Activity
A	Jointly manage beverage category as category partner	105.2% (y/y)	104.7% (y/y)	<ul style="list-style-type: none"> ● Prepare shelving space plan for next year by analyzing effects basic beverage items have on sale by setting up test stores ● Conduct cooperative promotion with customers
B	Jointly manage store front (Product lineup/Sales promotion proposal)			<ul style="list-style-type: none"> ● Propose product lineup/sales promotion by utilizing FSP ● Conduct cooperative promotion with customers
C	Shelving allocation proposal based on data			<ul style="list-style-type: none"> ● Obtain POS data, conduct buyer survey to gain main shelving space, and make proposal using market analysis data

2. Supermarket Channel

Jump!!!

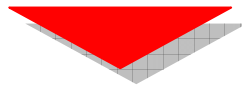
◆ Expand share by adding SKU item

August

◆ Georgia



- Late Aug. European Renewal
- Early Sep. Fall/Winter nationwide promotion



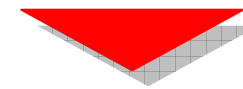
Procure and revitalize selling space.
Strengthen 4 core products and add new products.

September

◆ Ayataka 2L



- Release 2L PETs in early September



- Enhance sales through supermarket channel as core green tea Large PETs

2. Supermarket Channel

Jump!!!

◆ Expand of Share by adding SKU item

October

◆ Aquarius Vitamin guard



- Renewal is scheduled in late October, fall/ winter season, aiming for function enhancement and higher consumption opportunity for consumer.

Nov. – Dec.

◆ Carbonated beverage category



- Increase market exposure of mainly carbonated beverage category that has higher demand in Christmas and party season and conduct sales promotion.

2. Supermarket Channel

Jump!!!

◆ Expand HOT products sales

October to December

◆ HOT Products

Priority pro



Supplem / p ts



Expand HOT products sales through effective utilization of sales equipments

FY2009 Full Year Plan

1. FY2009 Performance Plan

Jump!!!

(Unit: million yen; thousand cases; %)

【Non-Consolidated】	FY2009 Plan	FY2008 Actual	Change	y/y
Sales Volume	56,042	56,901	-860	-1.5
Sales	108,300	109,189	-889	-0.8
Operating Profit	2,200	2,510	-310	-12.4
Recurring Profit	2,900	3,113	-213	-6.9
Net Profit	1,850	2,201	-351	-16.0

【Consolidated】	FY2009 Plan	FY2008 Actual	Change	y/y
Sales	122,600	126,096	-3,496	-2.8
Operating Profit	3,400	3,796	-396	-10.4
Recurring Profit	3,200	3,768	-568	-15.1
Net Profit	2,000	2,156	-156	-7.2

Channel	
Full Service	Type of service whereby the Company directly install and manage (restocking of products, management of sales proceeds, etc) vending machines
CVS	In-person sales by convenience stores
Full Service related	
Indoor	Indoor vending machines. Users are relatively limited to certain groups of people
Outdoor	Outdoor vending machines, used by general public
Per Machine Sales	Sales per vending machine
Multiple Price Strategy	Column strategy to sell products of various prices in vending machines to meet customer needs.
Supermarket related	
SKU	Stock Keeping unit. Single item or minimum control unit
FSP	Frequent Shopper Program, part of royal marketing , which enable us to obtain customer information
Brand	
BIG6	Mainstay 6 brands of Coca-Cola system, consisting of Coca-Cola, Coca-Cola Zero, Georgia, Aquarius, Sokenbicha, and Fanta.
Package related	
Resealable	Containers with lids, including PETs, bottle cans, etc.
Others	
BPR	Business Process Engineering, which enhances efficiency of operation
CCEJP	Manufacturing company, jointly invested by 4 companies (Mikuni, Central, Tokyo, and Tone) in Kanto region

The plans, performance forecasts, and strategies appearing in this material are based on the judgment of the management in view of data obtained as of the date 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.

- Intensification of market price competition
- Change in economic trends affecting business climate
- Major rate fluctuations in capital markets
- Uncertain factors other than those above