



Presentation of Financial Results for Mid-Term FY2011

August 5, 2011

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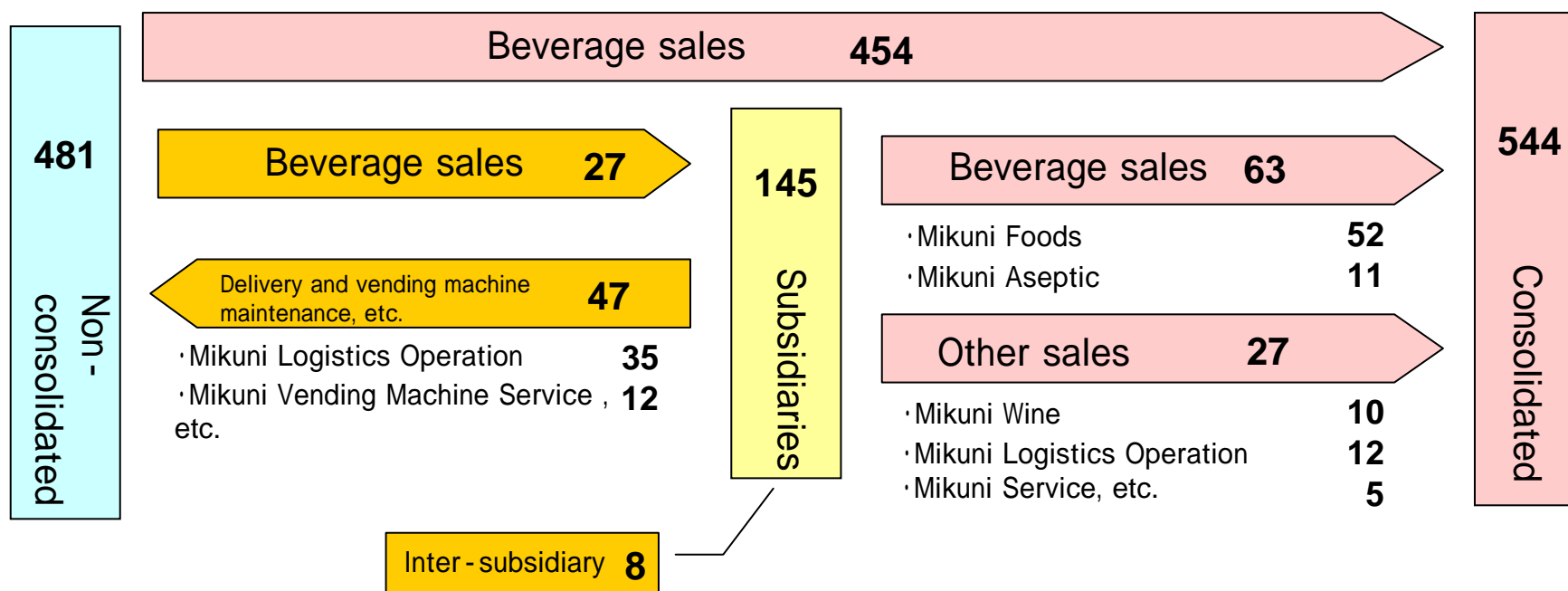


Overview



Business Overview

(Unit: 100million yen)



Non-consolidated results

Consolidated results

(Unit: Million yen)

	FY11H1	FY10H1	Change
Operating Profit	1,010	1,267	257
Recurring Profit	1,543	1,835	291
Net Profit	1,133	1,142	9

	FY11H1	FY10H1	Change
Operating Profit	1,469	1,715	245
Recurring Profit	829	1,642	813
Net Profit	307	825	517

FY2011 H1 Results



(Unit: million yen; thousand cases; %)

Non - Consolidated	FY11H1	FY10H1	y/y change	y / y	Plan	Change vs . Plan
Sales Volume	24,609	25,035	426	1.7	26,132	1,522
Sales	48,142	49,443	1,301	2.6	51,400	3,257
Operating Profit	1,010	1,267	257	20.3	1,000	10
Recurring profit	1,543	1,835	291	15.9	1,500	43
Net Profit	1,133	1,142	9	0.8	1,200	66

Consolidated	FY11H1	FY10H1	y/y change	y / y	Plan	Change vs . Plan
Sales	54,398	56,105	1,706	3.0	57,600	3,201
Operating Profit	1,469	1,715	245	14.3	1,300	169
Recurring profit	829	1,642	813	49.5	1,300	470
Net Profit	307	825	517	62.7	1,000	692



Major Reasons for y/y Change

Non - consolidated

(Unit: 100million yen)

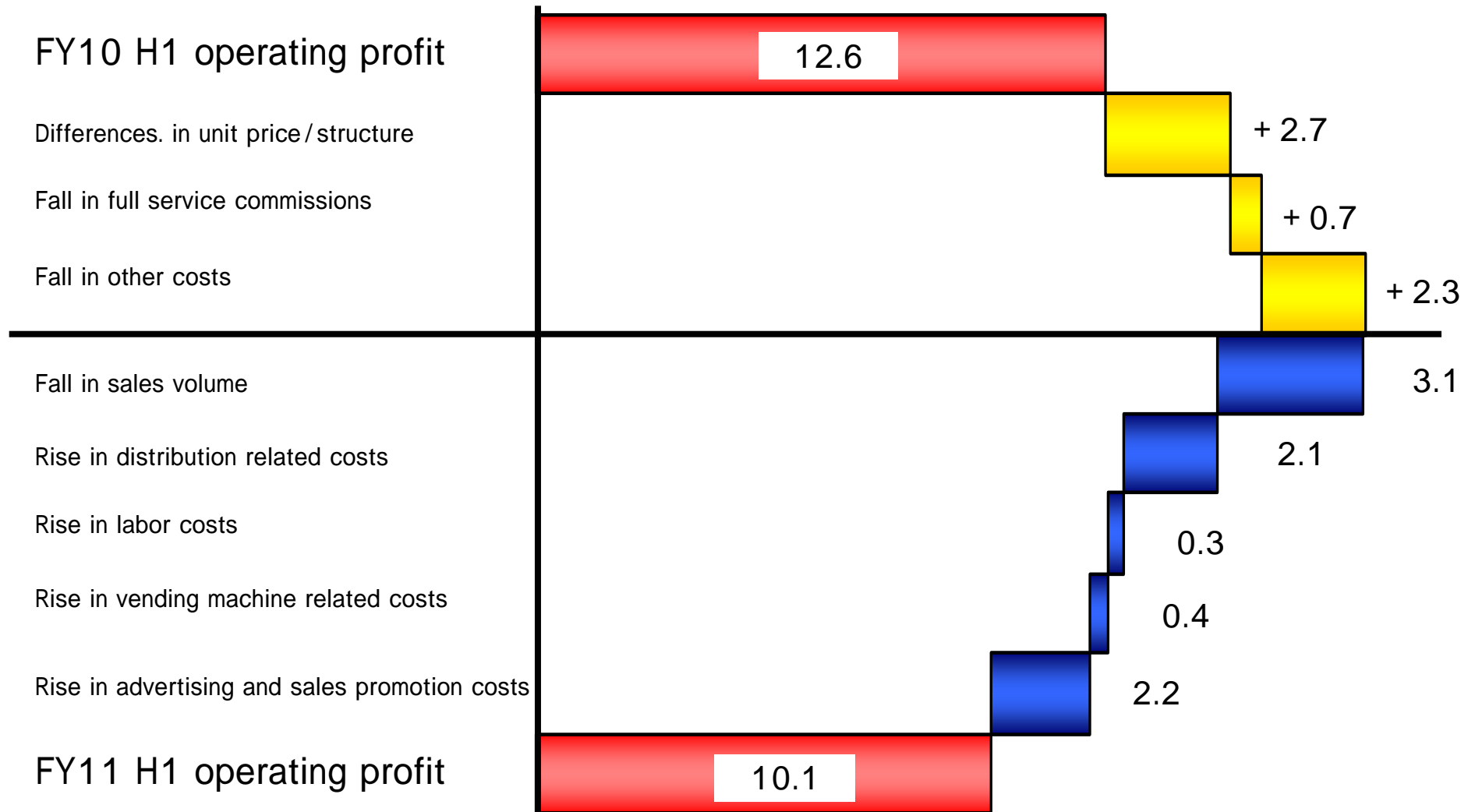
	Change
Sales	13.0 (494.4 481.4)
Gross Profit on Sales	0.4 (183.6 183.2)
Operating Profit	2.5 (12.6 10.1)
Recurring Profit	2.9 (18.3 15.4)
Net Profit	0.0 (11.4 11.3)

Reason	Change	FY11H1	FY10H1
• Fall in sales volume and differences in unit price/structure	7.1	481.4	494.4
• Fall in sales for other Bottlers	5.9		
• Fall in Gross Profit on Sales	0.4	183.2	183.6
Fall in sales Volume	3.1		
Differences in unit price/structure	2.7		
• Rise in selling, general, and administrative expenses	2.1	173.1	171.0
Fall in full service commissions	0.7	31.8	32.6
Rise in distribution related costs	2.1	38.5	36.3
Rise in labor costs	0.3	35.9	35.6
Rise in vending machine related costs	0.4	24.8	24.3
Rise in advertising and sales promotion costs	2.2	19.4	17.2
Fall in other costs	2.3	22.4	24.7
• Fall in non - operating profit/loss	0.3	5.3	5.6
Fall in non - operating profit	0.5		
Fall in non - operating costs	0.2		
• Fall in extraordinary profit/loss	0.0	0.9	0.9
Effects of Great East Japan Earthquake	1.3	1.3	
Other	1.3	0.4	0.9
• Fall in corporate tax etc.	2.8	3.1	6.0

Breakdown of Change in Operating Profit (y / y)

Non-consolidated

(Unit: 100million yen)





Major Reasons for Changes vs. Plan

Non - Consolidated

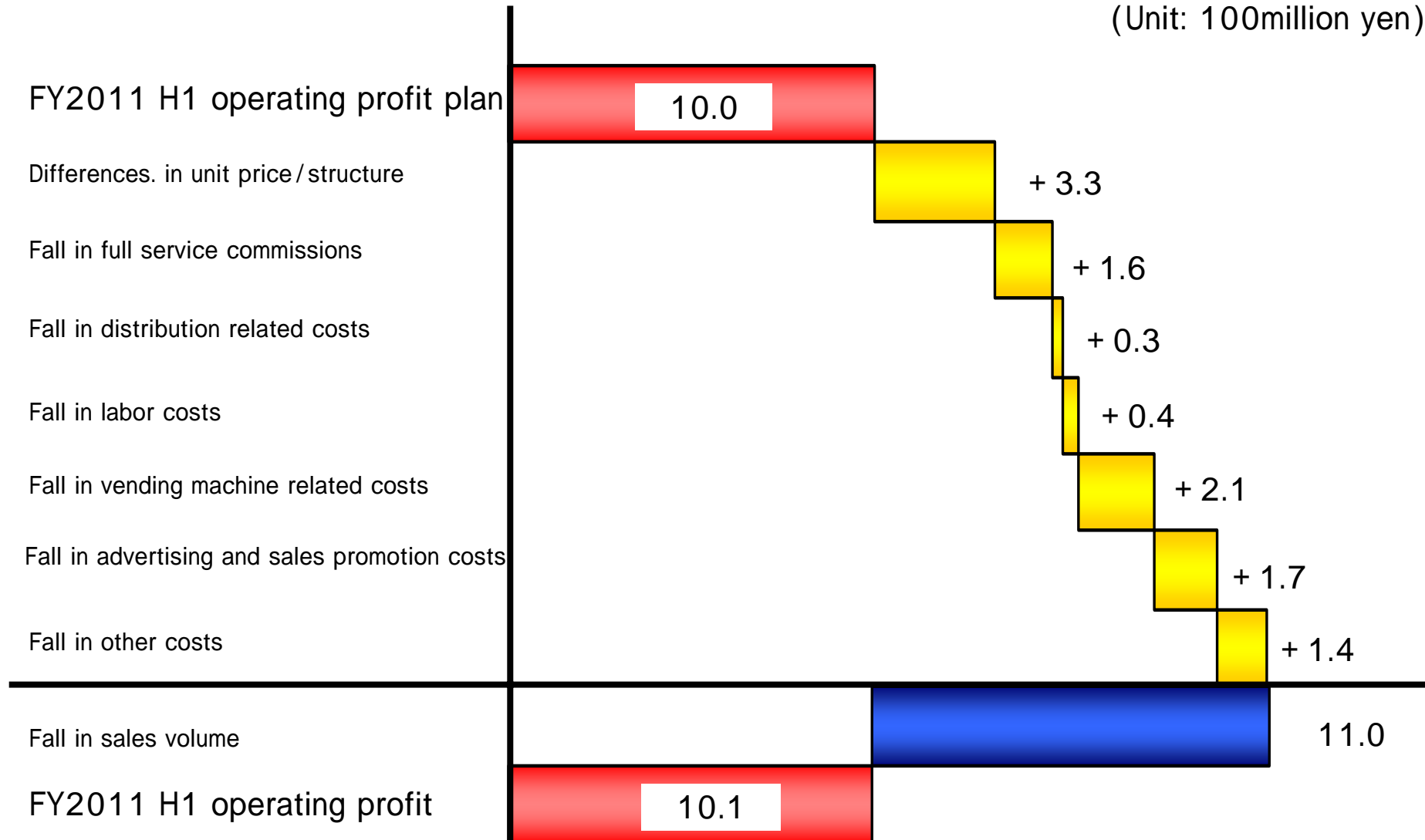
(Unit: 100million yen)

	Change	Reason	Change	FY11H1	Plan
Sales	32.5 (514.0 481.4)	• Fall in sales volume and differences in unit price/structure	22.6	481.4	514.0
		• Fall in sales for other bottlers	9.9		
Gross Profit on sales	7.7 (191.0 183.2)	• Fall in gross profit on sales	7.7	183.2	191.0
		Fall in sales volume	11.0		
		Differences in unit price/structure	3.3		
Operating Profit	0.1 (10.0 10.1)	• Fall in selling, general, and administrative expenses	7.8	173.1	181.0
		Fall in full service commissions	1.6	31.8	33.5
		Fall in distribution related costs	0.3	38.5	38.8
		Fall in labor costs	0.4	35.9	36.4
		Fall in vending machine related costs	2.1	24.8	27.0
		Fall in advertising and sales promotion costs	1.7	19.4	21.2
		Fall in other costs	1.4	22.4	23.8
Recurring Profit	0.4 (15.0 15.4)	• Rise in non - operating profit/loss	0.3	5.3	5.0
		Rise in non - operating profit	0.4		
		Rise in non - operating costs	0.0		
Net Profit	0.6 (12.0 11.3)	• Fall in extraordinary profit/loss	1.9	0.9	1.0
		Effects of Great East Japan Earthquake	1.3	1.3	
		Other	0.6	0.4	1.0
		• Fall in corporate tax etc.	0.8	3.1	4.0

Breakdown of Change in Operating Profit (vs. Plan)

Non - Consolidated

(Unit: 100million yen)



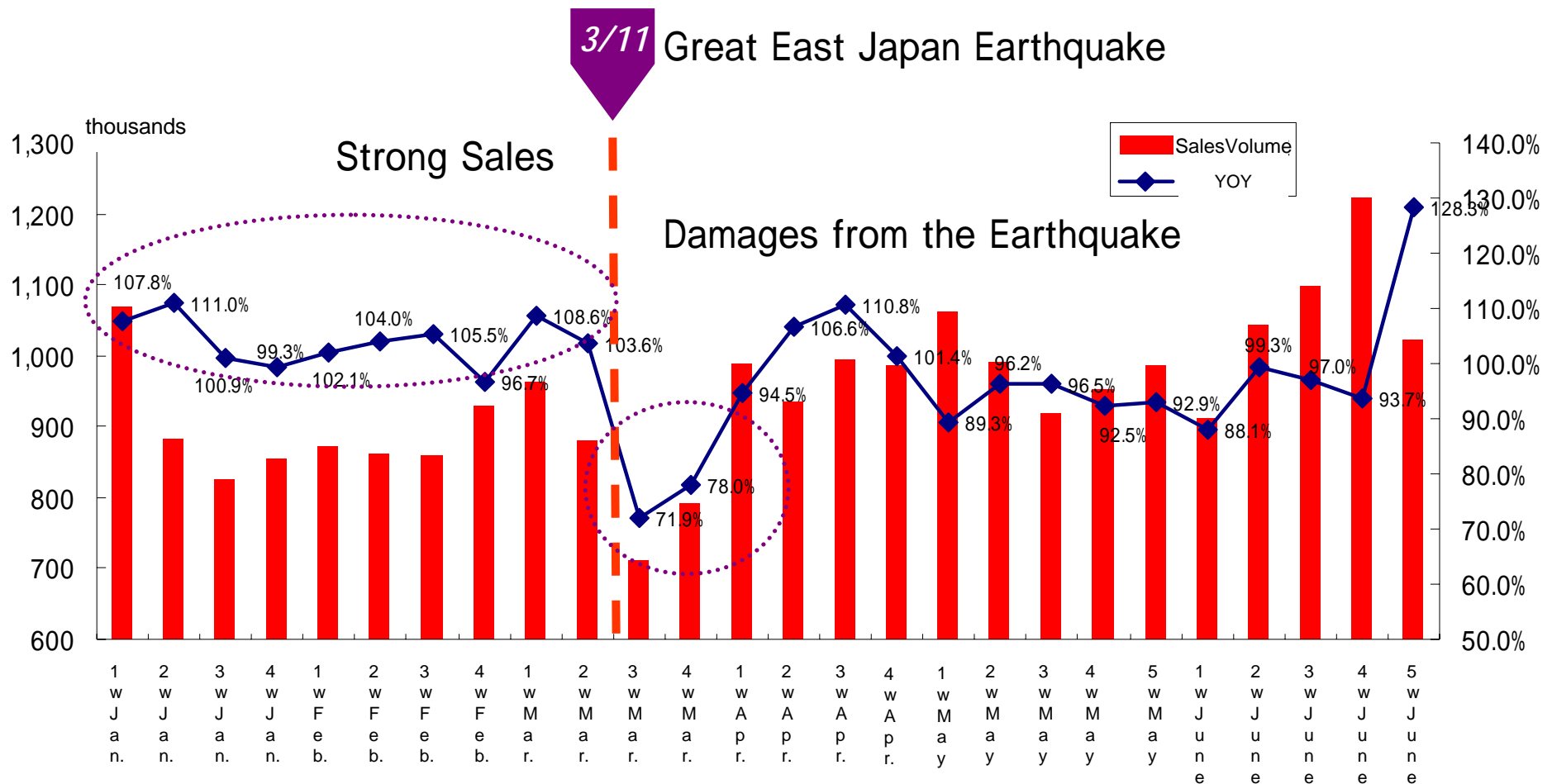
Review of FY2011 H1 Sales Performance





Performance in Sales Volume

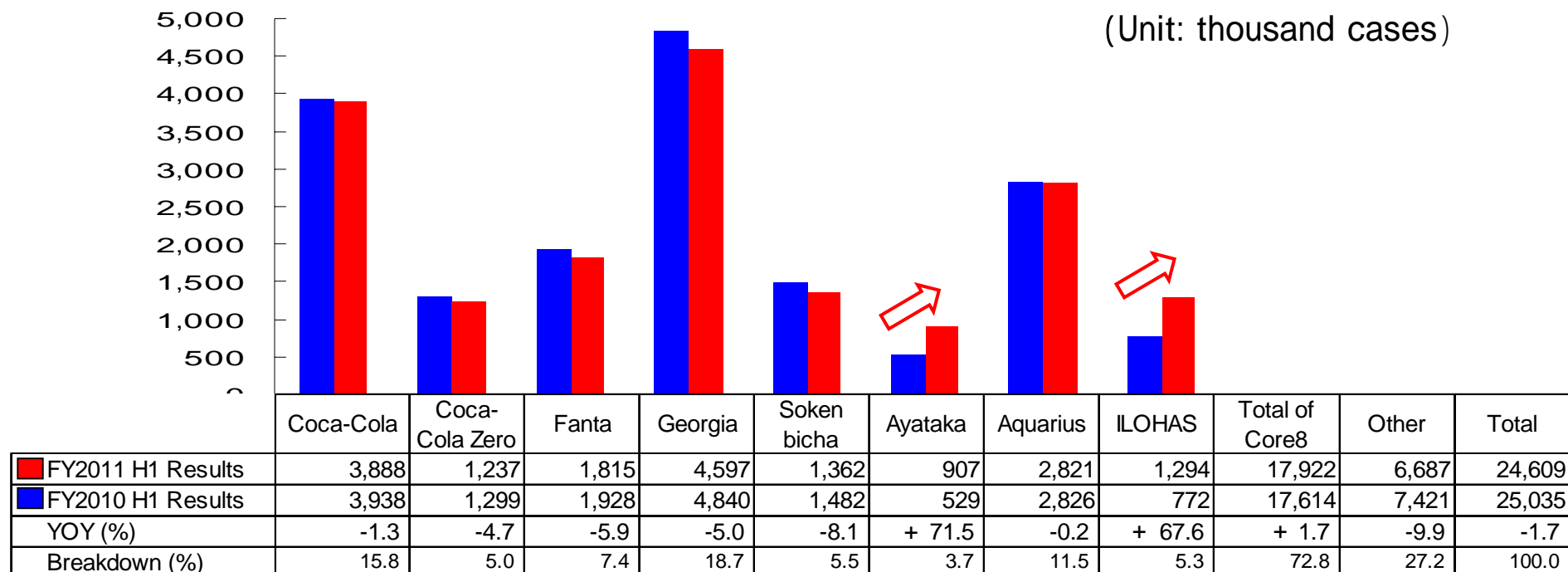
[Weekly Sales Volume]



Sales Volume by Brands

[FY2011 H1 Sales Volume by Brands]

(Unit: thousand cases)



[Sales Volume by mineral waters]

(Unit: thousand cases)

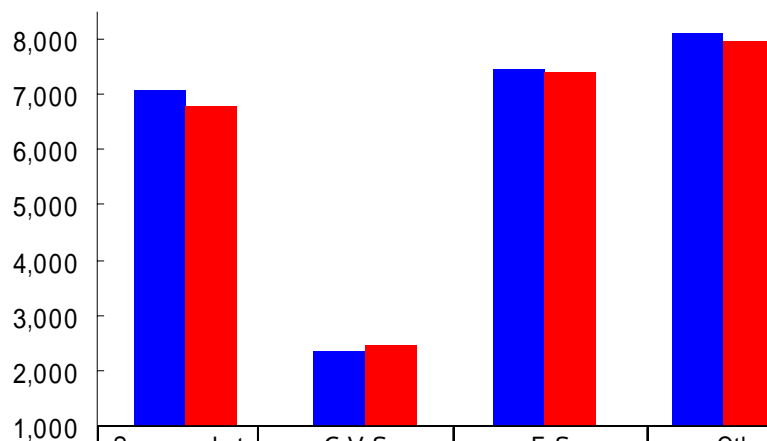
	Jan. - Feb. (before the earthquake)			Mar. - June (after the earthquake)		
	FY2010	FY2011	YOY	FY2010	FY2011	YOY
ILOHAS	174	236	+ 35.6%	598	1,058	+ 76.9%
Morinomizudayori	136	144	+ 5.9%	442	456	+ 3.2%
Total	310	380	+ 22.6%	1,040	1,514	+ 45.6%

- ILOHAS expanded greatly due to a demand expansion for mineral waters, as affected by the earthquake
- Ayataka increased sales volume and sales as a result of reinforcement program implemented in 2H 2010



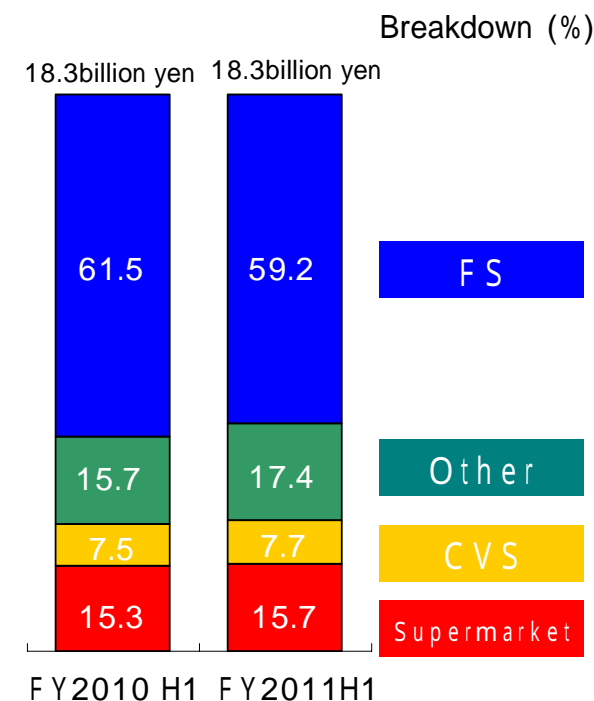
Sales Volume by Channels

[Sales Volume by Channel] (Unit: thousand cases)



	Supermarket	C V S	F S	Other	Total
FY2011 H1 Results	6,785	2,474	7,383	7,967	24,609
FY2010 H1 Results	7,093	2,368	7,464	8,111	25,035
YOY(%)	4.3	+ 4.5	1.1	1.8	1.7
Breakdown (%)	27.6	10.1	30.0	32.4	100.0

[Gross Profit on Sales]



[YOY Monthly Sales Volume] (Unit:%)

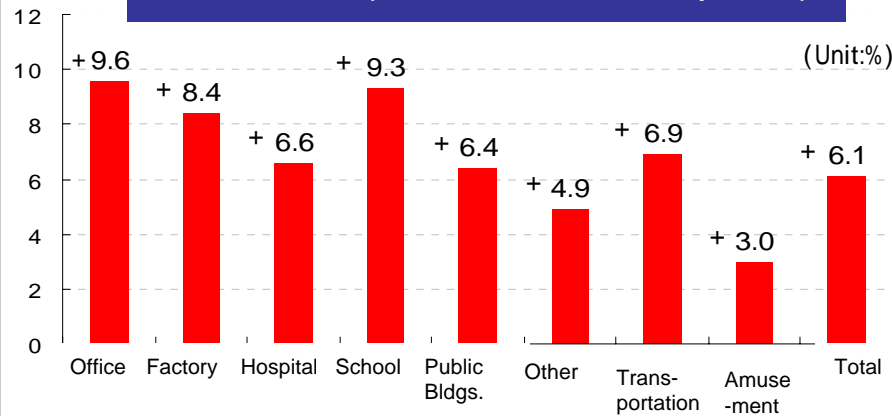
	Supermarket	C V S	F S	Other	Total
Jan. - Feb. (before the earthquake)	+ 9.9	+ 4.2	+ 6.1	+ 3.2	+ 5.9
Mar. - June (after the earthquake)	8.8	+ 4.6	4.2	3.7	4.6

- In 1H2011, sales volume declined YOY. Although we made a good start in every channel in Jan. - Feb, we had some difficulty with product supply after the earthquake
- The wholesale prices improved after the earthquake as a result of shrinking promotion, and the profitability improved slightly in the OTC channel

Sales Volume by Channel (Full Service)

YOY Change of Sales Volume by Sectors

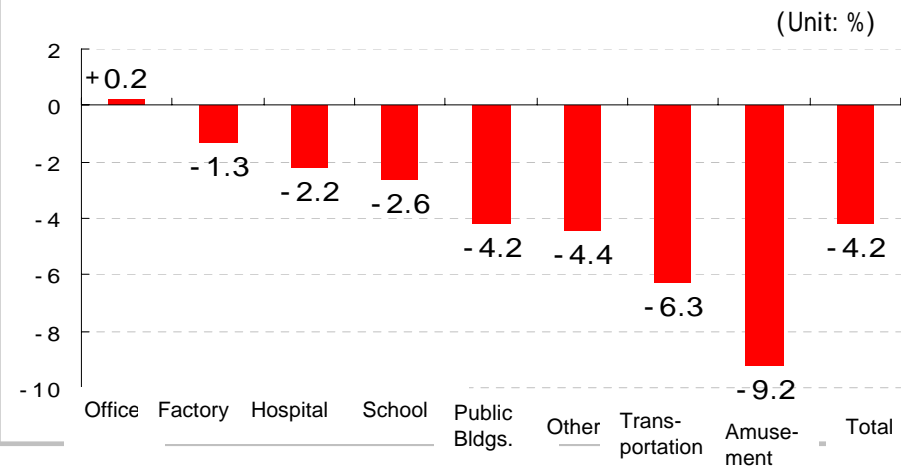
Jan. - Feb. (before the earthquake)



Performed well (+6.1% YOY)
Sales volume increased greatly in factories/offices, as a result of aggressive marketing activities, particularly last year

Mar. - June (after the earthquake)

Sales volume greatly decreased in the amusement/ transportation channels, as they were affected by the earthquake



Improved / Developed Activities

- Expanded more than last year by aggressively implementing improved / developed activities such as a proposal for saving electricity
- Jan. - June: Implemented in 2,013 machines (YOY21% increase)

Sales Volume by Channel (Supermarket)

Expansion in Shelves

[Gained selling spaces by placing equipment/ materials]

Succeeded in expanding selling spaces for more effectiveness

Gained selling spaces by proposing new ideas for savings in electricity, such as using energy saving curtains to the equipment

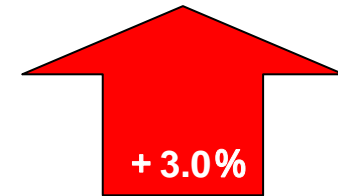
Gained new selling space by quickly making proposals that matched consumer needs and electricity saving policies of our clients

Equipment 387 machines

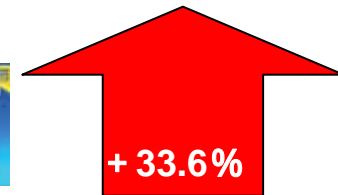
Materials 1,333 machines



Increased Sales



Small PET YOY



Cheer pack/ Powder products YOY

Amelioration in Falling Retail Prices

[Amelioration in Sales Prices]

The profitability improved as we ended the special discount for flyers after the earthquake

Priority Course of Action in 1H2011 and its Results



Strengthening Sales Power

Course of Action	Results
Expansion of market shares accompanied by an increase in sales / profits	<ul style="list-style-type: none"> ➤ Successful rocket start in Jan. - Feb. ➤ Expansion in SKU and shelves by using equipment and materials ➤ Expansion in vending machines that overlap last year

Strengthening Cost Competitiveness

Course of Action	Results
Generation of effects by re-examining the entire valuechain Horizontal / vertical expansion of companywide BPR	<ul style="list-style-type: none"> ➤ SCM effect 130 million yen ➤ Cost - cutting by BPR: 280 million yen

Strengthening Human Resources

Course of Action	Results
Training “personnel with high market value” that can adjust to internal / external changes	<ul style="list-style-type: none"> ➤ Cultivate atmosphere where the boss nurtures their subordinates Reinforced marketing abilities by training and strengthening roll - playing activities ➤ Group training that matches credentials / roles 13 courses and 300 students were trained

. FY2011 Business Plan



FY2011 Revised Plan



(Unit: million yen; thousand cases; %)

Non - consolidated	FY2011 Revised Plan	FY2010 Results	Y/Y Change	Y/Y	Plan
Sales Volume	56,000	55,851	149	0.3	56,360
Sales	108,000	108,870	870	0.8	110,000
Operating Profit	3,000	3,582	582	16.3	3,000
Recurring profit	3,500	4,158	658	15.8	3,500
Net Profit	2,200	2,286	86	3.8	2,300

Consolidated	FY2011 Revised Plan	FY2010 Results	Y/Y Change	Y/Y	Plan
Sales	121,600	123,210	1,610	1.3	123,000
Operating Profit	4,300	4,891	591	12.1	4,200
Recurring profit	3,900	4,782	882	18.4	4,100
Net Profit	2,100	2,585	485	18.8	2,600

Plan at the Beginning of FY

Major Reasons for year - on - year change



Non - Consolidated

(Unit: 100million yen)

Non - Consolidated		Major Reasons for year - on - year change			
	Change	Reason	Change	FY11Plan	FY10
Sales	8.7 (1,088.7 1,080.0)	• Rise in sales volume and differences in unit price / structure	1.0	1,080.0	1,088.7
		• Fall in sales for other bottlers	9.7		
Gross Profit on Sales	3.9 (402.0 406.0)	• Rise in gross profit on sales	3.9	406.0	402.0
		• Rise in sales volume	1.0		
		• Unit price / structure differences	2.9		
Operating Profit	5.8 (35.8 30.0)	• Rise in selling, general, and administrative expenses	9.7	376.0	366.2
		• Fall in full service commissions	0.4	69.3	69.7
		• Rise in distribution related costs	3.3	83.1	79.8
		• Fall in labor costs	3.3	74.8	78.2
		• Rise in vending machine related costs	1.3	54.5	53.1
		• Rise in advertising & sales promotion costs	9.2	44.2	34.9
		• Fall in other costs	0.3	49.8	50.1
Recurring Profit	6.5 (41.5 35.0)	• Fall in non - operating profit / loss	0.7	5.0	5.7
		• Fall in non - operating income	1.0		
		• Fall in non - operating expenses	0.3		
Net Profit	0.8 (22.8 22.0)	• Rise in extraordinary profit / loss	4.3	1.0	5.3
		• Effects of Great East Japan Earthquake	1.3	1.3	
		• Other	5.6	0.3	5.3
		• Fall in corporate tax etc.	1.3	12.0	13.3

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

Non - consolidated

(Unit: 100million yen)



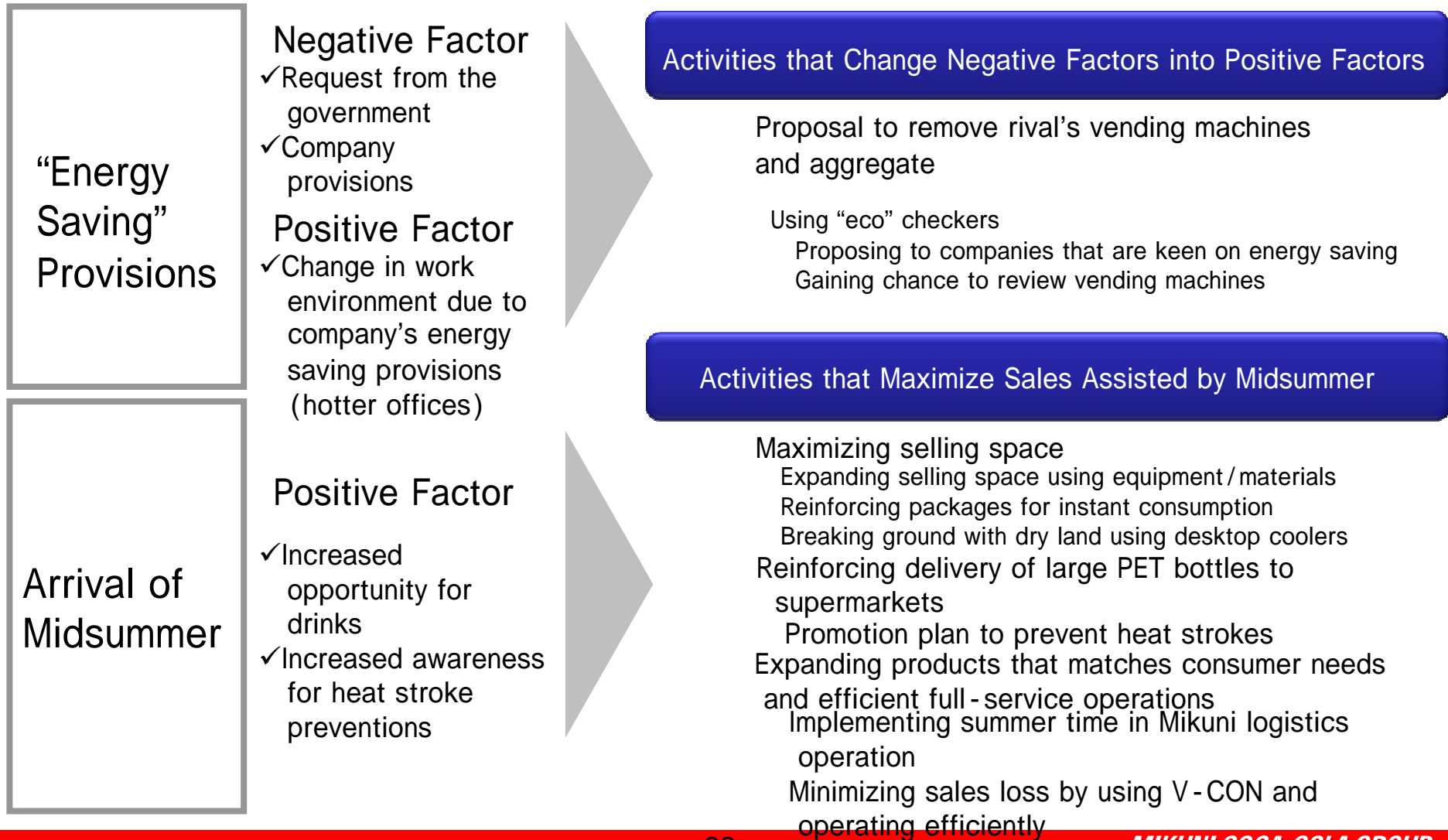
. FY2011 H2 Activity Plan



Course of Action in 2H2011 (July - Sept.)



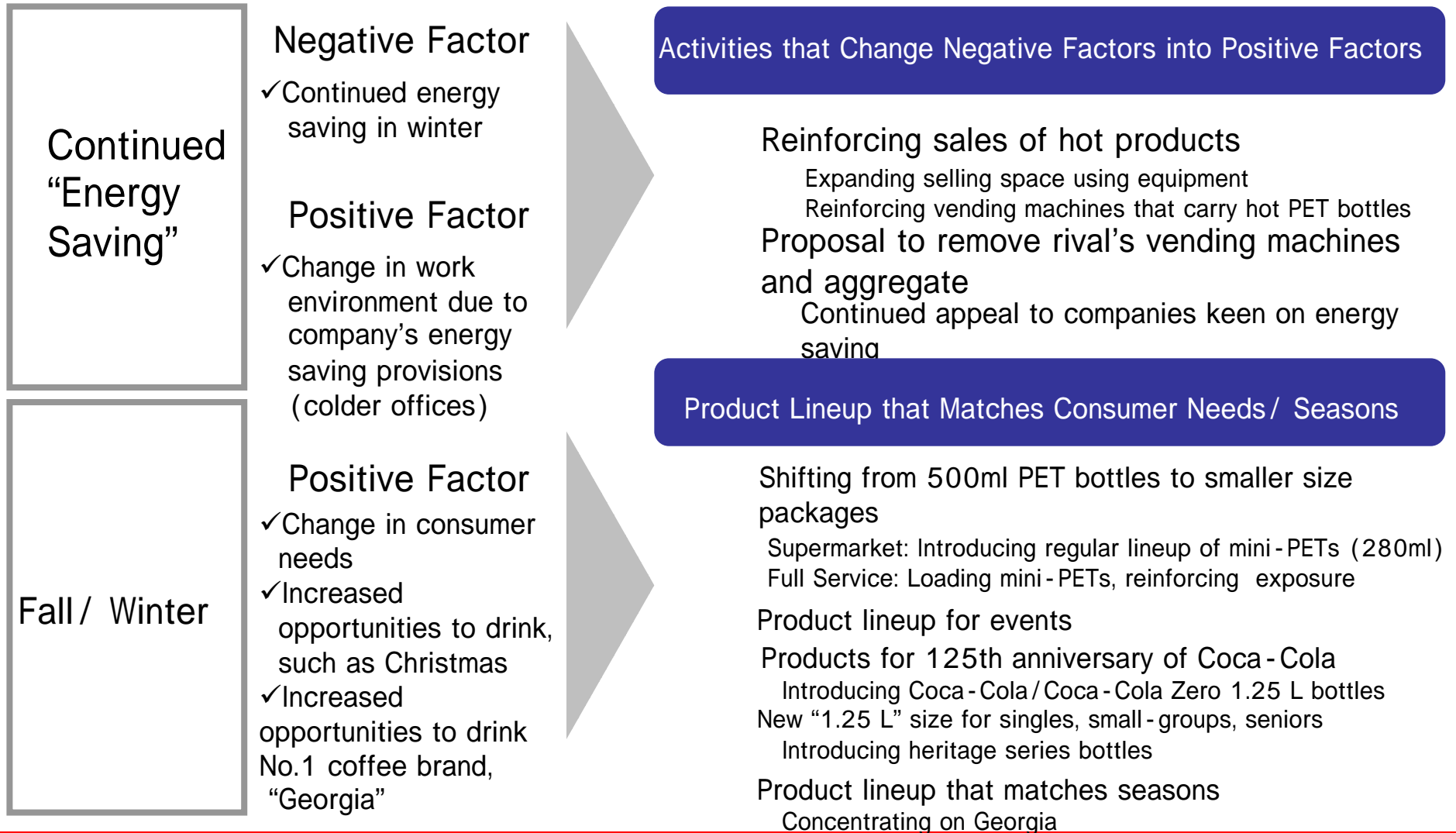
Marketing Activities Focused on “Energy Saving” and Maximizing “Midsummer” Effect



Course of Action in 2H2011 (Oct. - Dec.)



Continued Marketing Activities Focused on “Energy Saving” and Product Lineup that matches consumer needs / seasons



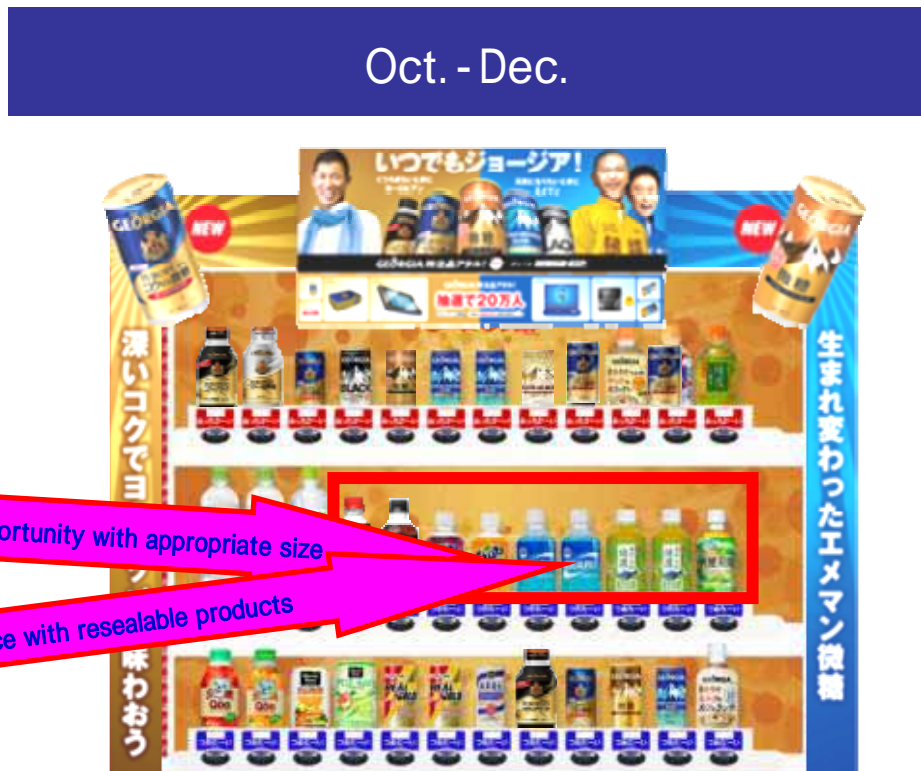
Full - Service Channel Plan

Maximizing Sales by Introducing Products that Matches Changing Seasonal Needs of Consumers

July - Sept.



Oct. - Dec.



Increased buying opportunity with appropriate size

Increased convenience with resealable products

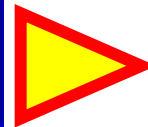
- Maximize sales by reinforcing delivery of 500ml PET bottles that quench consumer thirst in the summer
- Product lineup that cater to segments using V-CON, and minimizing sales loss with efficient operation

- Improve buying opportunity by strengthening of small PET bottles that are convenient
- Expanding items that match location
- Introducing hot PET bottles to meet seasonal needs
- Reinforcing Georgia

Supermarket Channel Plan

Gaining Selling Space by Proposing Selling Space with Monthly Theme

Implementing "14 Selling Space" activity by utilizing selling space theme and equipment/materials



Sales / Market Share Expansion

<Equipment / Material Installment Plan>

Equipment: 367 newly placed, Materials: 331 newly placed

[2H Selling Space Themes]

July		August		September		October		November		December	
AQ Heat Stroke Prevention	Summer Promotion	AQ Heat Stroke Prevention	Summer Promotion	Small PET	Georgia	KO/KOZ 1.25L	Georgia	Christmas	Hot PET	KO/KOZ 2L	Christmas

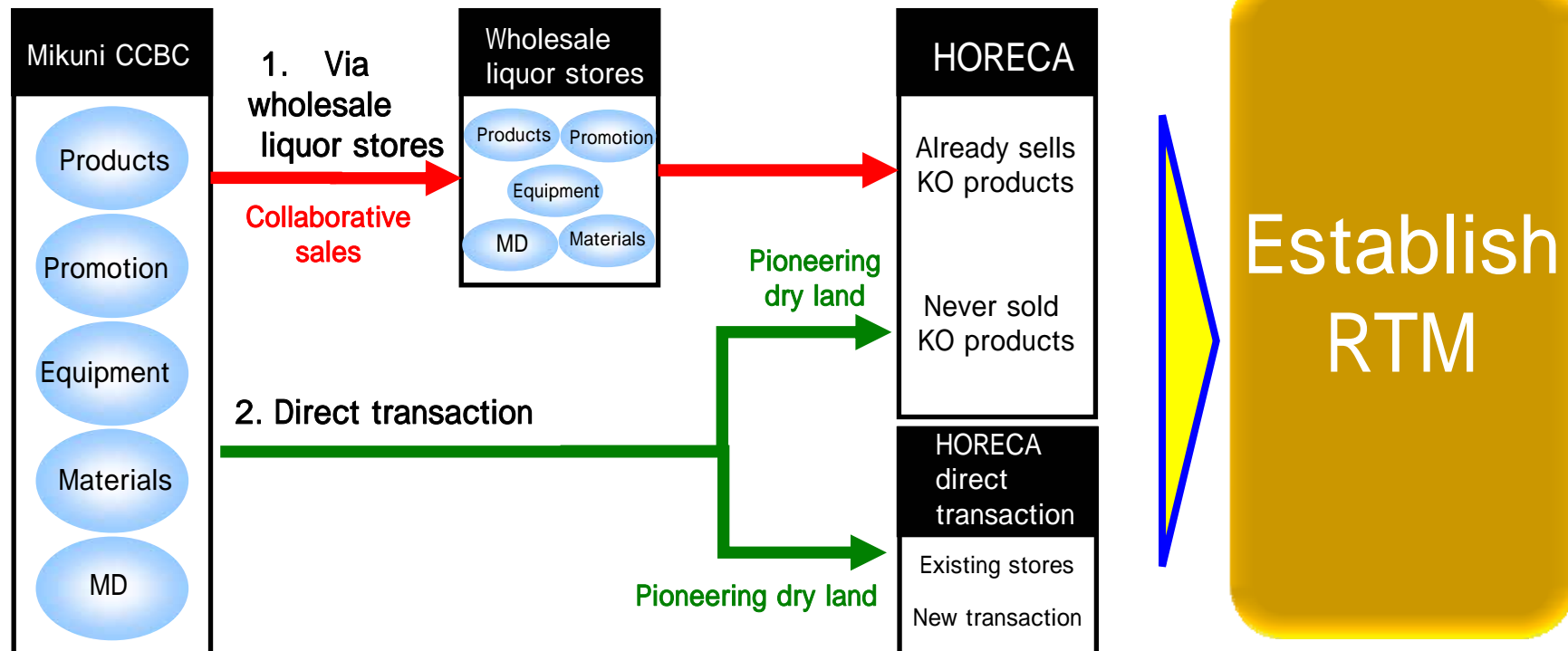
[14 Selling Space]

1 Checkout	2 Event Space	3 End of Aisle	4 Side End of Aisle	5 Fresh Produce	6 Meat	7 Fish
8 Chilled	9 Frozen Food	10 Snacks	11 Liquor	12 Box Lunch / Prepared Food	13 Bread	14 Other

HORECA Channel Plan

FY2011 Activity Plan	2H
We consider HORECA market as a priority. We aim to maximize sales, SKU, and market shares, and establish RTM(Route to Market)	Reinforce plan in model areas

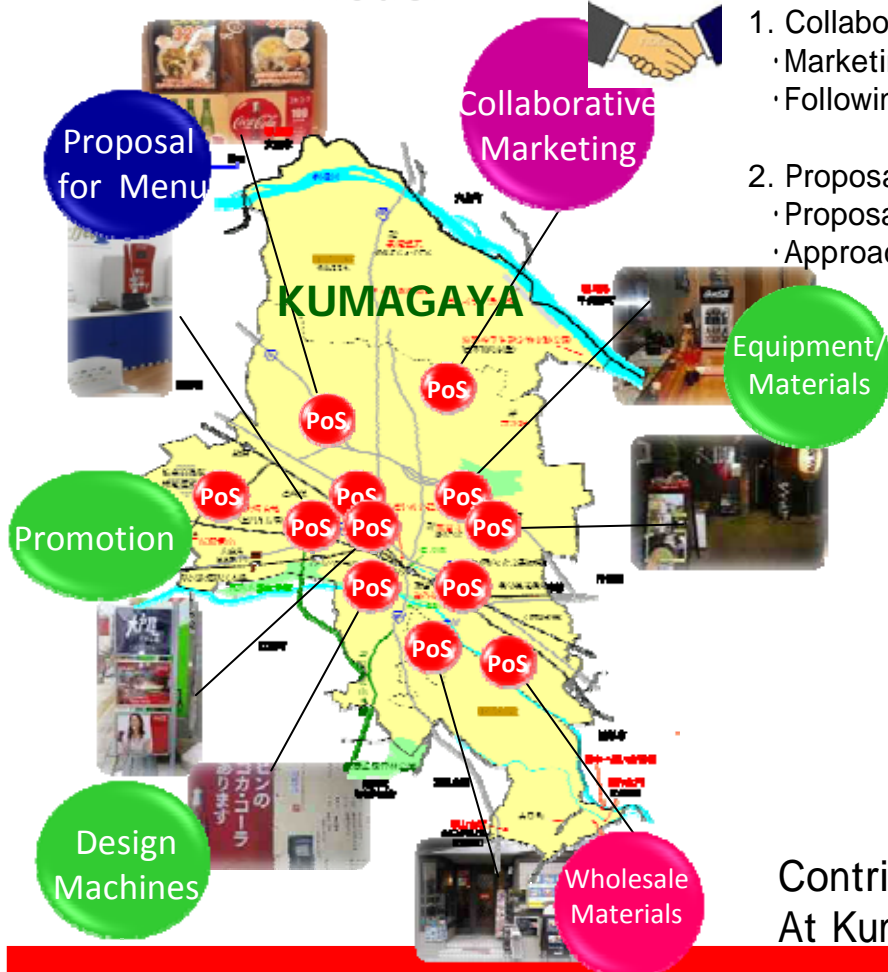
- ❑ Expand client stores by coordinating market activities with wholesale liquor stores
- ❑ Reinforce plans towards direct sales stores



HORECA Channel Plan Case Study

We have designated Kumagaya, Saitama as a pilot area for HORECA market. We will develop collaborative marketing model with wholesale liquor stores and build PoS, and spread to all areas

<Model>



<Plan>

1. Collaborative marketing with wholesale liquor stores
 - Marketing to secondary client with wholesale liquor stores
 - Following up secondary clients
2. Proposal marketing to direct sale stores
 - Proposal activities to current clients
 - Approaching new potential clients

<Spread to all areas>



Contribute to activating local areas
At Kumagaya Fan Festival








Plan for the Paramount Brand, Georgia

Reinforcing Georgia



Main approaches by channel

<p>Full - Service Channel</p>	<p>Effective approaches that respond to Core 4+2+2 new product segment</p> <ul style="list-style-type: none"> ➢ Concentrate on growing “black bottle can” segment ➢ Expand product recognition by providing samples ➢ Attract users by implementing VM promotion  
<p>Supermarket Channel</p>	<p>Solidifying base for core products, reinforcing selling space for fall promotion</p> <ul style="list-style-type: none"> ➢ Strengthening delivery of multi - packs ➢ Installing regular small PET (280ml, 410ml) ➢ Making selling space coupled with promotion  
<p>Other Channel</p>	<p>Sustaining / Expanding delivery of core and new products, Expanding volume / market share by maximizing the use of promotions</p> <ul style="list-style-type: none"> ➢ Original POP using design machines ➢ Attractive dealer promotion 

Plan for Glaceau



Feb. 2010 Introduced in southern Saitama

Area Expansion

Nov. 2010 - Feb. 2011
Reinforced marketing in 30 ski resorts

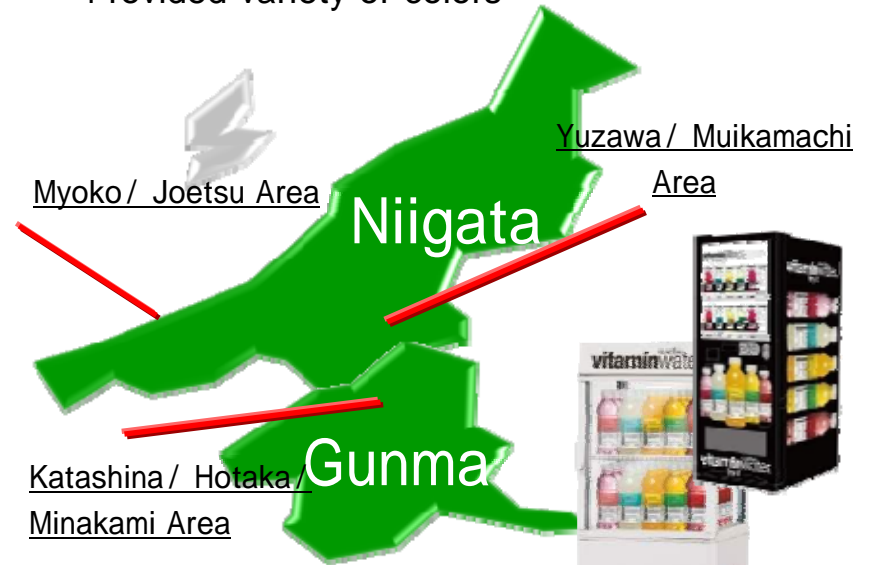
1H2011
 Sales Volume **tripled** YOY

Strengthening Ads/ Samples

- 2H2011
- ✓Continued reinforced marketing efforts at ski resorts
 - ✓Billboards in Takasaki and Niigata Train Stations
 - ✓Late July: Glaceau booth at Kumagaya fan festival
 - ✓Late July: Large sampling at JR Takasaki train station
 - ✓Aug.: Plans to implement tasting promotion at 33 supermarkets

<Glaceau Vitamin Water>

- High quality, premium retail price
- Expand to influencer zone, with spillover effect expected
- Provided variety of colors

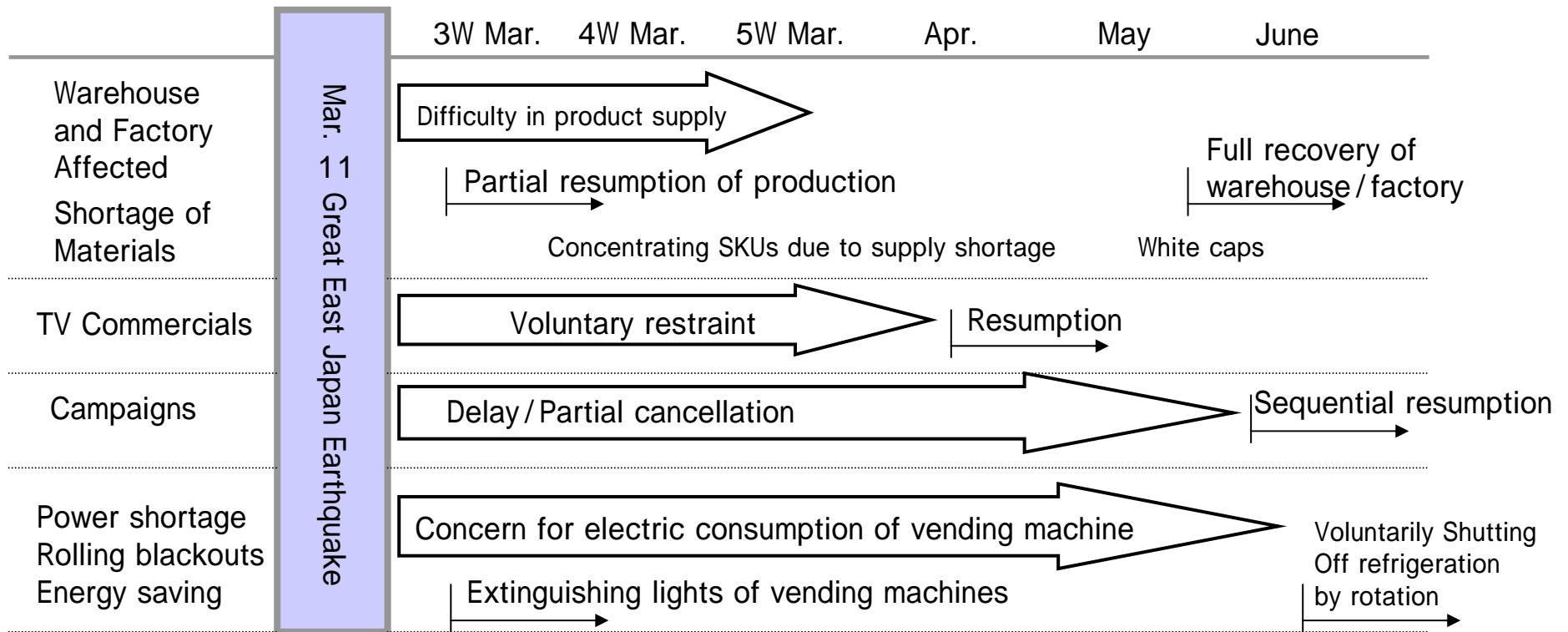


. Effects of Great East Japan Earthquake



Effects of Great East Japan Earthquake

Major Effects from the Disaster



Extraordinary Loss from the Disaster: 133 million yen (non-consolidated)

Change in Market Environment after the Earthquake



Changes as a result of the Great East Japan Earthquake

- ✓ Power shortage in summer
- ✓ Change in company activities towards energy saving
- ✓ Change in consumer mindset, such as heightened awareness in environment, product safety, etc.
- ✓ Change in manufacturing / logistics from severed supply chain

Action

- ✓ Shut down refrigeration of vending machines during rolling black-outs and quick implementation of shut down of 24 hour lights
- ✓ Exerting our company's "strength"
 - Presentation activity / preemptive move utilizing community-based marketing structure
- ✓ Early resumption of product supply by coordinating with CCEJP

Aggressively Responding to Market Changes

Response after the Earthquake (SCM Plan)



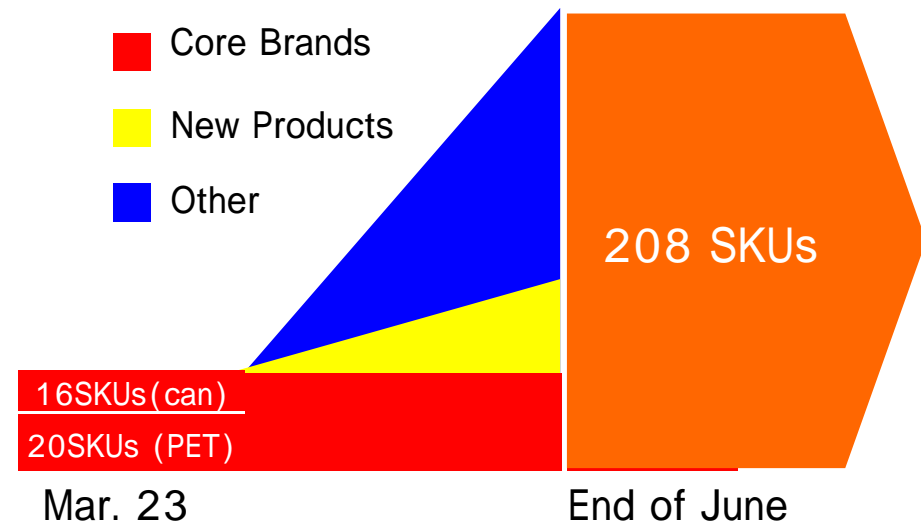
Concentrated on Stabilizing Product Supply to the Market

Early Recovery of Warehouses



A total of 1300 employees was sent to normalize and stabilize product supplies
<Complete Recovery by Mid-May>

Concentrating SKUs



Prioritized securing total manufacturing amount

Expansion of SKUs with priority in high market share, high volume, and core brands

Optimum number of SKUs in the lineup with new and current products

Energy Saving Efforts (Vending Machines)



Our role/ mission

By providing beverages...

We answer to rehydrating needs to quench thirst/ prevent heat stroke

Contribute to supportive activities, such as providing beverages for free after disasters

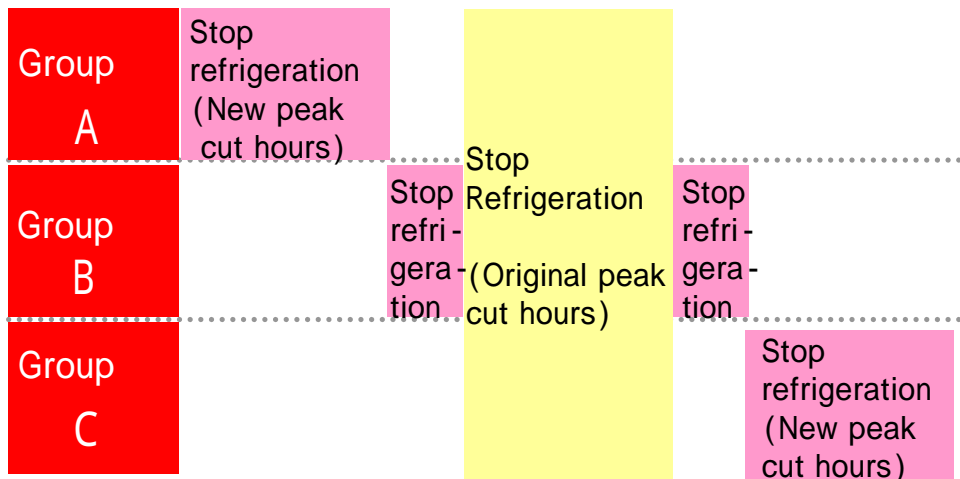
Action

Shut down refrigeration of vending machines during rolling blackouts

Continue to provide drinks while aiming to cut down 33% of electric usage during peak hours

Overall Picture (Image)

*Within TEPCO area



Implementation of the plan began in early June



Energy Saving Efforts (Factories)



Energy Saving Efforts at Factories



Installed in-house power generation system at Mikuni Aseptic Co., Ltd.

Installed in-house power generation system at Coca-Cola East Japan Products



Continue to Supply Products While Saving Energy

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

. Glossary



Glossary

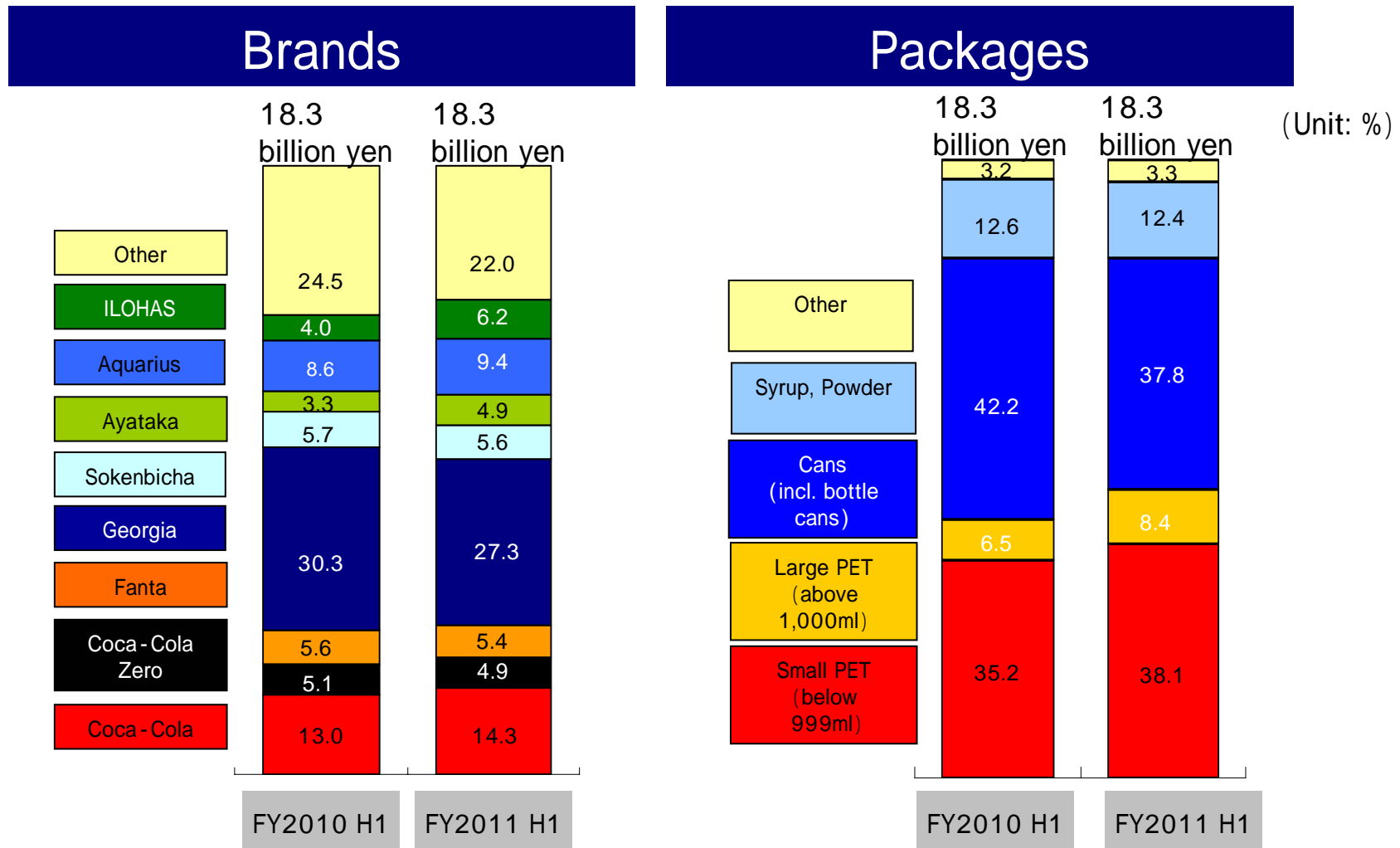


Full Service	Type of service whereby the Company directly install and manage (restocking of products, management of sales proceeds, etc) vending machines
OTC	Over The Counter
CVS	In-person sales by convenience stores
Indoor	Indoor vending machines. Users are relatively limited to certain groups of people
Outdoor	Outdoor vending machines, used by general public
V P M	Sales per vending machine
P o S	Picture of Success, an ideal selling space model
Equipment	Materials for OTC sales with cooling / warming function. For example , can warmer.
Materials	Materials for OTC sales without cooling / warming function. For example , hanger rack.
Design machine	Making point-of-purchase on internet and print out by high grade printer
Core 8	8 brands that Coca-Cola system focuses; Coca-Cola, Coca-Cola Zero, Georgia, Aquarius, Sokenbicha, Fanta, ILOHAS, Ayataka
BPR	Business Process Engineering, which enhances efficiency of operation
SKU	Abbreviation for the Least Managing Unit (Stock Keeping Unit)
Dry land	Unexplored area where there has been no business transactions
RTM	Activity that advances market execution model, which include sales centered around clients, logistics and promotional activities
HORECA	Market centered around hotels, wedding halls, and restaurants
CCEJP	Manufacturing company, jointly invested by 4 companies (Mikuni, Central, Tokyo, and Tone) in Kanto region
V-CON	Support tool that realizes efficient operation of vending machines using location information
Re-sealable Products	Products that can be plugged after being opened

Reference: Composition of Gross Operating Profit



FY2011 H1 Composition of Gross Operating Profit



*Gross Operating profit of cup vending machines is included in each brand