The freely rotating parts are the code drums.
You will need to attach the letter strips to the code drums.

First verify that the slot is open all of the way through to the end cap by looking into the chamber. If not then turn the code wheels to the open position. This is the unlock position.

Select a 5 letter combination and glue the appropriate letter to the unlock position of the cylinder as shown.

Glue the remainder of the strip down to the code cylinder. There is a little extra tab above the letter A. This tab will glue under the letter Z.

Once a code wheel has been encoded with the desired letter verify that it still turns freely and that you have not glued it down.