

Food and Beverage Distribution

We are working to improve profitability by expanding our range of high-value-added products while building a business foundation (top-line growth) toward 2030.



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Executive Officer
Corporate General Manager,
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Q.What were the achievements and challenges of the FY2023 Medium-Term Management Plan?

By executing a profit-focused strategy, we achieved record highs for both operating profit and the operating profit ratio in fiscal 2023. Our challenges are to further improve profitability and to expand the top line in growth areas.

Due to the unexpected impact of COVID-19, operating profit fell to -5.3 billion yen in fiscal 2020. In response, we conducted a thorough review of our strategy from the ground up. This included headcount optimization, restructuring manufacturing bases, adjusting pricing to reflect product value, and reorganizing subsidiaries. By shifting to a profit-centric management approach (from quantity to quality), we achieved a V-shaped recovery and met the goals of the FY2023 Medium-Term Management Plan in terms of both operating profit and the operating profit ratio.

The challenges going forward are to further improve profitability in our existing business areas and to build a business foundation for top-line expansion.

Q.What are the key policies and initiatives of the FY2026 Medium-Term Management Plan?

We aim to improve profitability by increasing the added value of our products and by reducing costs while expanding the top line in growth areas such as digital transformation (DX) and new distribution fields (restaurants/food products), and global markets.

Expansion of high-value-added products and promotion of cost reduction

To further improve profitability in our existing business areas, we will expand the range of our high-value-added products. In the vending machine business, we will promote further expansion of our sustainable vending machine series for beverage manufacturers in Japan, which reduces power consumption by up to 20% compared to conventional models. In the store distribution business, we will offer environmentally friendly showcases and new counter fixtures in response to the needs of the convenience store market in Japan to meet the need of energy saving, environmental friendliness, and space saving. We will continue to evolve our products while enhancing our brand power.

We will also intensify cost-reduction activities in manufacturing. This includes expanding platform design, automating production lines, moving to in-house parts manufacturing, and digitizing manufacturing processes to improve productivity and to further improve profitability.

Building a business foundation toward 2030 (top-line expansion)

We will position our DX application service business, new distribution field, and global businesses as growth areas and will strengthen these initiatives.

As an instance of the DX application service business, in the vending machine business we are introducing newly developed two-way communication devices, which can also be retrofitted to existing vending machines, to enable online operation of vending machines. This improves operational efficiency and enables dynamic pricing, thus expanding our unique DX services. In the store distribution business, the convenience store market in Japan is seeing increased demand for energy-saving and labor-saving solutions across all stores. We will offer services such as energy management to optimize the overall power consumption of stores by centrally controlling equipment such as showcases, air conditioning, and ventilation—which

accounts for about half of a store's energy consumption—using our proprietary store controllers. We will also provide predictive maintenance services for this equipment.

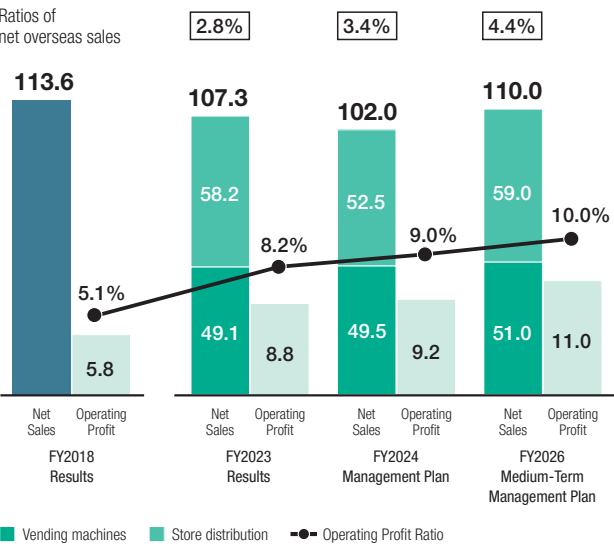
As a recurring business that generates ongoing profit rather than one-time product sales, the DX application service business represents a new challenge for us. We are also exploring collaboration with telecommunications carriers for this initiative.

In the new distribution field, we will enter new markets in the restaurant, food, and agricultural industries. These industries are seeing growing demand for labor-saving solutions and automated sales due to labor shortages.

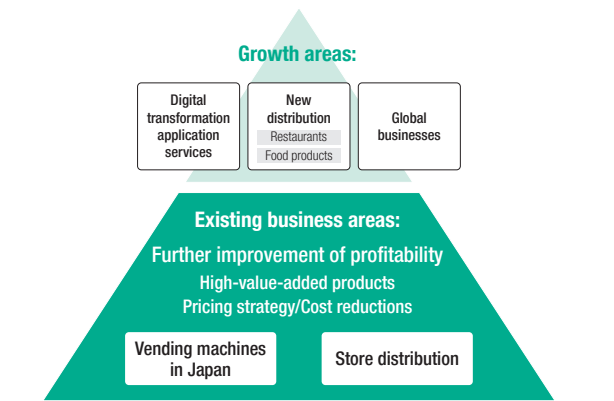
Aiming to expand our business, in the restaurant industry, we will launch self-service coffee machines that we developed in fiscal 2023, while in the food product and agricultural industries, we plan to introduce locker vending machines, which allow customers to choose product sizes and enable automated sales.

As for the global businesses, in addition to our existing markets in China and Southeast Asia, we plan to enter the rapidly growing Indian market, launching global coffee machines and energy-saving vending machines to expand our market presence.

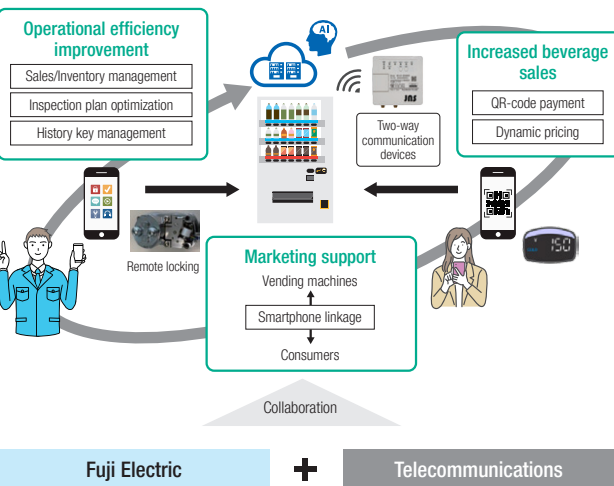
Business Performance Trends (Billions of yen)



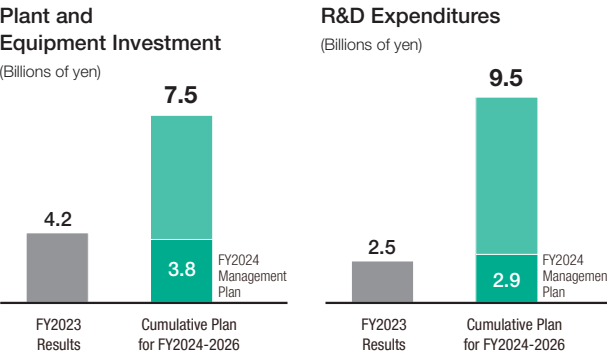
Overview of the FY2026 Medium-Term Management Plan



DX Application Services (Offered Products): Two-Way Communication Devices/Recurring Services



Plant and Equipment Investment and R&D Expenditures



Key Plant and Equipment Investment Plans

- Investments to improve productivity (automation, digitization, and expanded in-house manufacturing)
- Environmental investments for manufacturing sites (CO₂ emissions reduction)

Key R&D Plans

- Strengthened product development for top-line expansion
- Products for DX application services and new distribution fields

* Figures for R&D expenditures are classified by segment according to theme and therefore differ from the figures stated in the consolidated financial report.