



# FY2026 Medium-Term Management Plan

Food & Beverage Distribution Business Group

May 23<sup>rd</sup>, 2024

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# I . Business Overview

## Vending Machines

(Domestic sales: 93%; Overseas sales 7%)

### Japan

No. 1 share\*



Beverage Vending Machines



Refrigerated food vending machines



Sustainable vending machines



Frozen food vending machines

### Overseas

No. 1 share of beverage sales in China\*



Energy-saving beverage vending machines



Food vending machines

No. 1 share in Thailand\*



Large-container beverage vending machines



Temperature controlled IT lockers

Two-way communication on vending machines

### Major Customer Industries

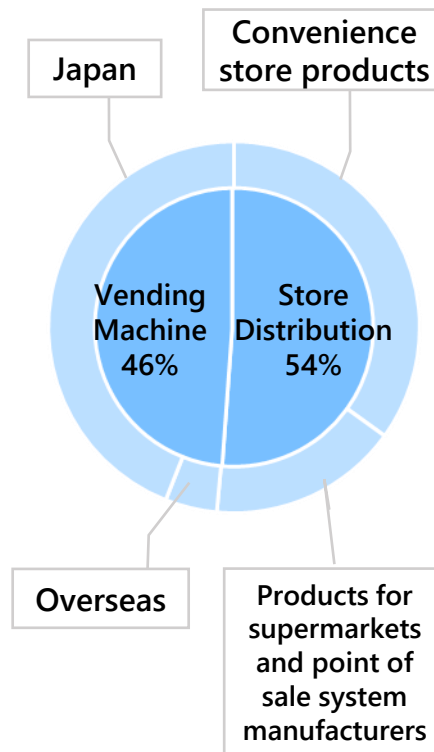
#### Japan

- Beverages
- Food products

#### Overseas

- Beverages
- Convenience stores
- Vending machine system integration

**Net sales**  
(FY2023 results)  
**¥107.3 billion**  
(Domestic sales: 97%;  
Overseas sales: 3%)\*



## Store Distribution

(Domestic sales: 100%)



Refrigerated and freezer showcases



Total store solution



Counter fixtures



Automatic change dispensers



Vending machine convenience stores

### Major Customer Industries

- Convenience stores
- Point of sale systems
- Super markets

\* Shares represent estimates by Fuji Electric based on FY2023 performance.

\* Percentages of total net sales figures represent FY2023 results and are calculated before deduction and adjustment for inter-segment sales.

# Strengths of Food & Beverage Distribution Segment

## Domestic Vending Machines

Beverage Vending Machines Food/Goods Vending Machines

No.1 domestic share\*



No.1 domestic share\*



- Core freezing and heating, conveyance, structural durability, and water-proofing technologies
- Trust fostered over half a century
- Nationwide service network
- High market share  
→ Half of 2 million vending machines active in Japan supplied by Fuji Electric (estimate by Fuji Electric)

## Overseas Vending Machines

Beverage Vending Machines Food/Goods Vending Machines

No. 1 share of beverage sales in China\*



No. 1 share in Thailand\*



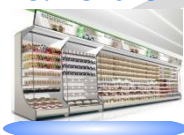
No.2 share\*



- Japanese-quality technologies  
→ Freezing and heating, energy conservation, and conveyance technologies
- Sale and service networks (China, Thailand, and Singapore)

## Store Distribution

Convenience store showcases No. 1 share\*



Automatic change dispensers No. 2 share\*



Store energy management

Regular maintenance services

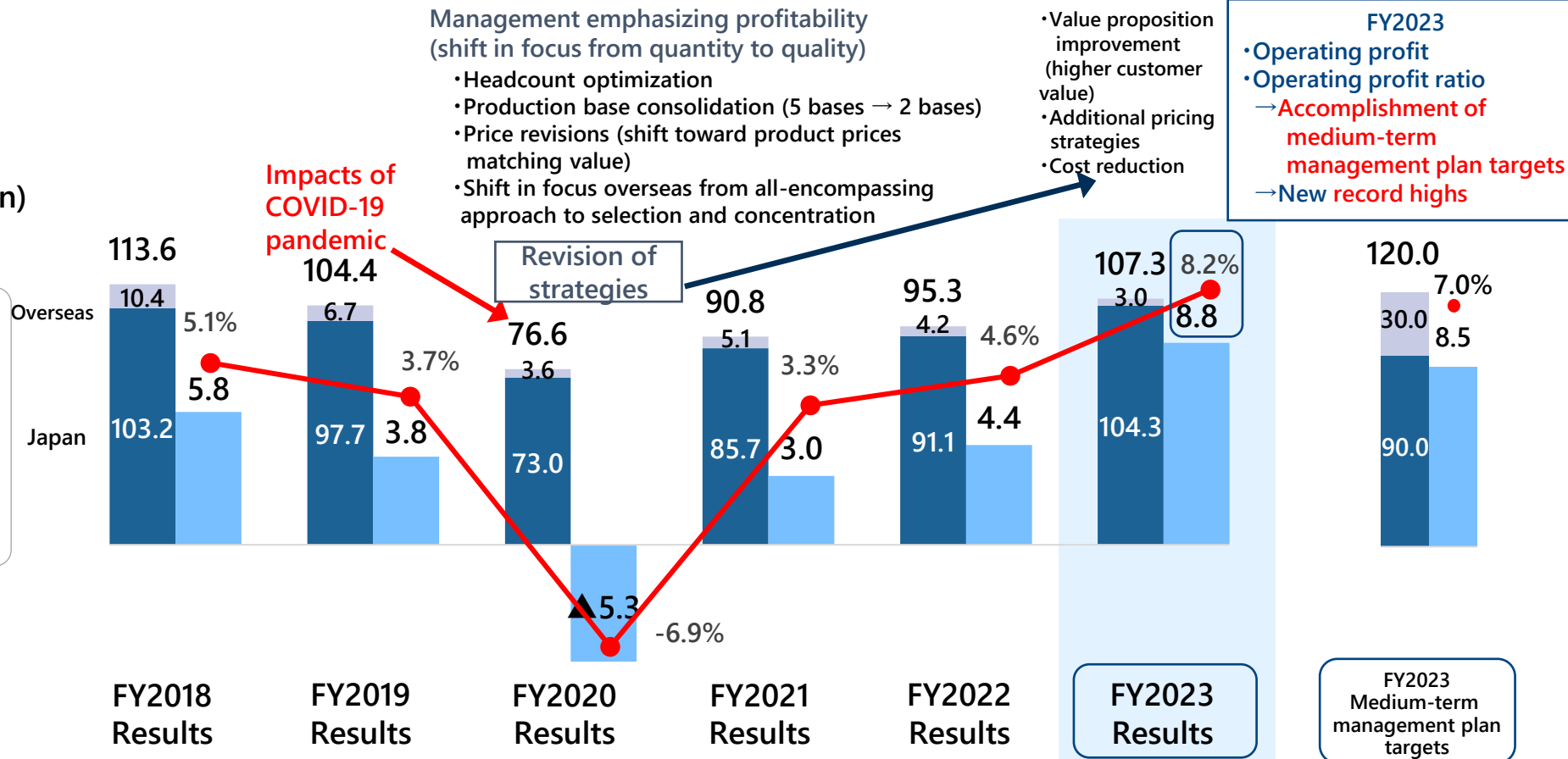
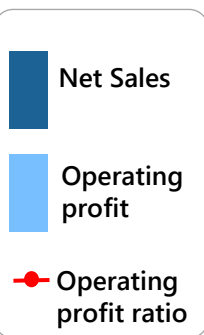
- Core freezing and heating, airflow control, structural durability, and conveyance technologies
- Lineup for meeting all store needs
- Nationwide service network (round-the-clock service)

\* Shares represent estimates by Fuji Electric based on FY2023 performance.

## II. Review of FY2023 Medium-Term Management Plan

# Review of FY2023 Medium-Term Management Plan (FY2018–2023)

(Billion yen)



## Successes

- Improved earnings power
  - Higher profitability achieved through structural reforms (Headcount optimization and production base consolidation)
  - Improvement through price revisions, share increases, and value proposition improvement

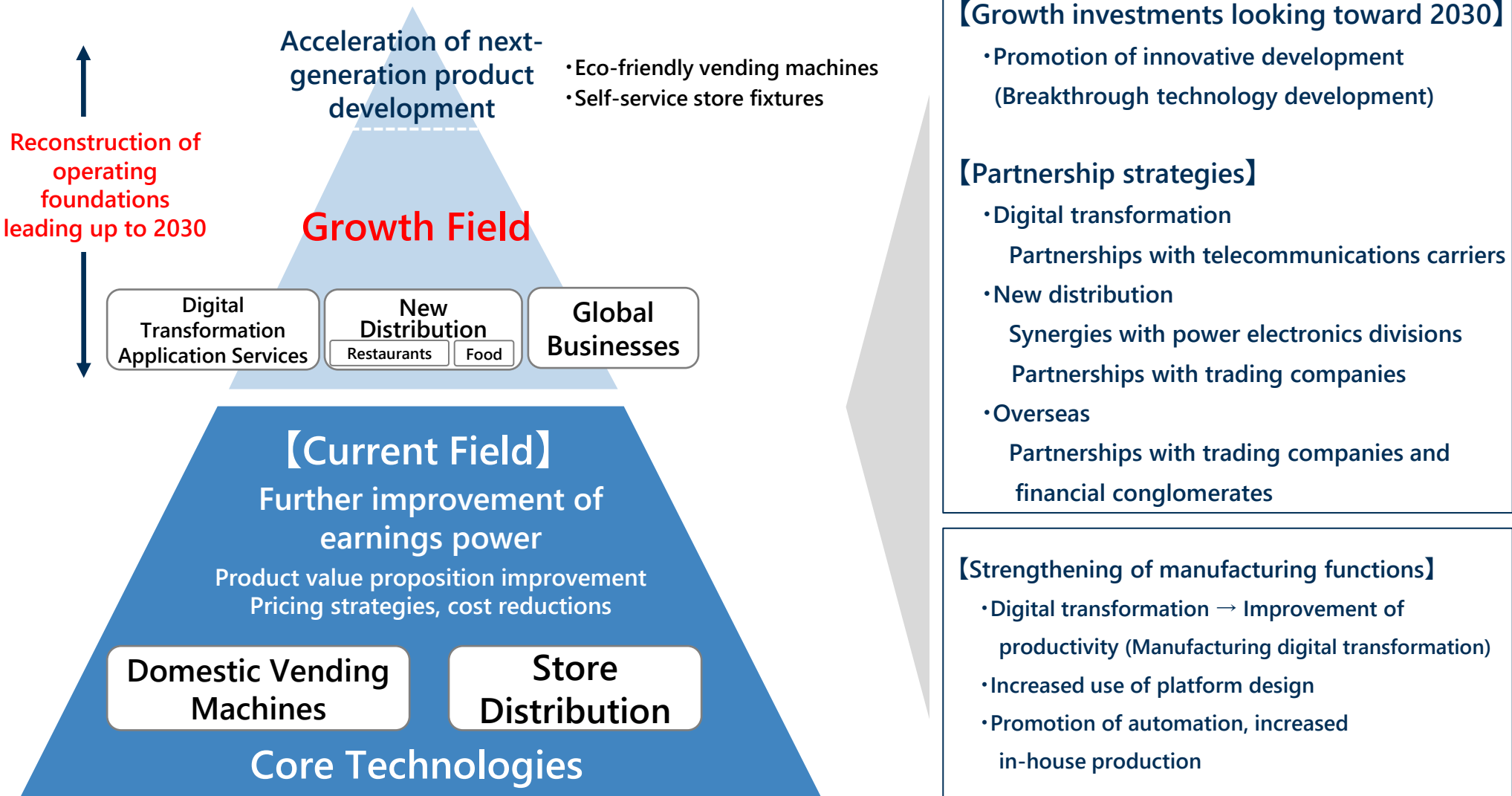
## Challenges

- Further improvement of earnings power
- Topline earnings improvement
  - Overseas: Expansion of business through partnership strategies
  - Japan: Exploration of new fields

## **III. Overview of FY2026 Medium-Term Management Plan**



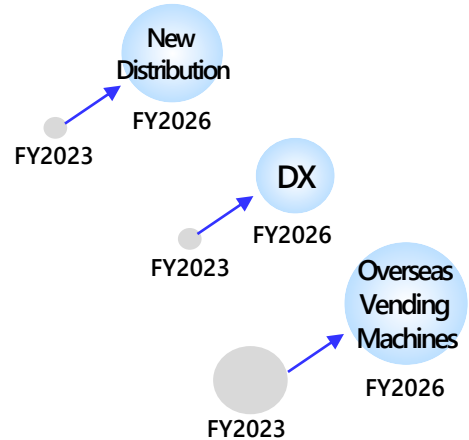
## Further improvement of earnings power (transition to high-profit businesses) Reconstruction of operating foundations leading up to 2030



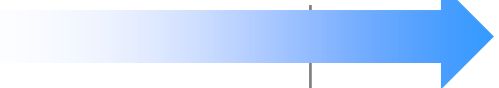
# Business Portfolio of Food & Beverage Distribution Segment

High  
Market potential  
Low

Growth field Under FY2026  
Medium-Term Plan



Growth leading up to 2030



- ◆ Establishment of business positions in new distribution markets  
→ Restaurants, food products, agriculture, and distribution
- ◆ Development of digital transformation businesses in food product distribution field
- ◆ Expansion of overseas businesses

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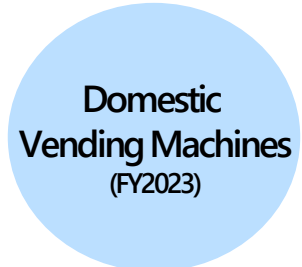
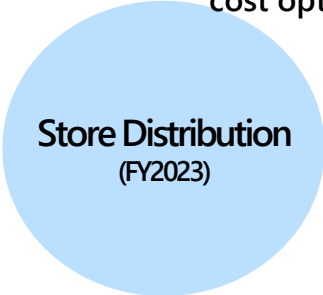
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**Current Field**  
Strengthening of business constitution through structural reforms (Value proposition improvement, fixed cost optimization)

Reallocation of management resources to "growth field" to cultivate businesses





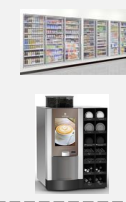

Note: Sizes of circles represent scale of net sales

Low Market share High

# Operating Environment and Market Trends in Food & Beverage Distribution Segment

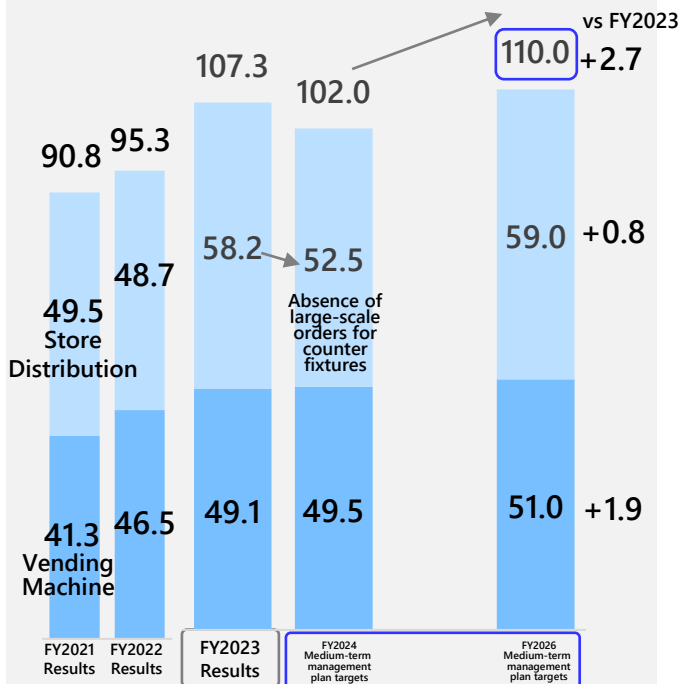
## Vending Machines

## Store Distribution

	Operating environment Changes in needs	Business opportunities Response to needs (provision of value)	Market Outlook (FY2024–FY2026)
Japan	<ul style="list-style-type: none"> <li>• Energy conservation, green power</li> <li>• Vending machine operation streamlining</li> <li>• Payment method diversification</li> </ul>	<ul style="list-style-type: none"> <li>• Proposal of energy-efficient vending machines → High-value-added vending machines</li> <li>• Expansion of digital transformation application services → Improvement of distribution route efficiency and prediction of demand → Dynamic pricing, QR-code payment</li> </ul> 	Vending Machines → Unchanged
			Digital Transformation Application Services → Growth
Overseas	<ul style="list-style-type: none"> <li>• Energy conservation</li> <li>• Changing tastes (CAGR of 4% for coffee demand in China)</li> <li>• Economic growth in Asia</li> </ul>	<ul style="list-style-type: none"> <li>• Solicitation of energy-efficient vending machines</li> <li>• Proposal of global coffee machines → Espresso machines, large-volume item vending machines</li> <li>• Entry into vending machine business in India</li> </ul> 	China → Slight increase
			Asia → Slight increase
Convenience Stores	<ul style="list-style-type: none"> <li>• Eco-friendliness (shift toward non-fluorocarbon gas and lower GWP)</li> <li>• Energy conservation</li> <li>• Space savings (increased counter fixtures)</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction of GWP of showcases</li> <li>• Store energy management proposals</li> <li>• More compact fixtures</li> </ul> 	Convenience Stores → Unchanged
			New Distribution → Growth
New Distribution Restaurants Food products Logistics	<ul style="list-style-type: none"> <li>• Labor saving to address labor shortfalls (restaurants)</li> <li>• Labor saving in logistics (food product warehouses)</li> <li>• Automation of fresh food sales (labor saving)</li> </ul>	<ul style="list-style-type: none"> <li>• Proposal of self-service coffee machines</li> <li>• Proposal of automated product picking systems</li> <li>• Proposals for the food product and agriculture markets (locker vending machines)</li> </ul> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">New product</div> 	

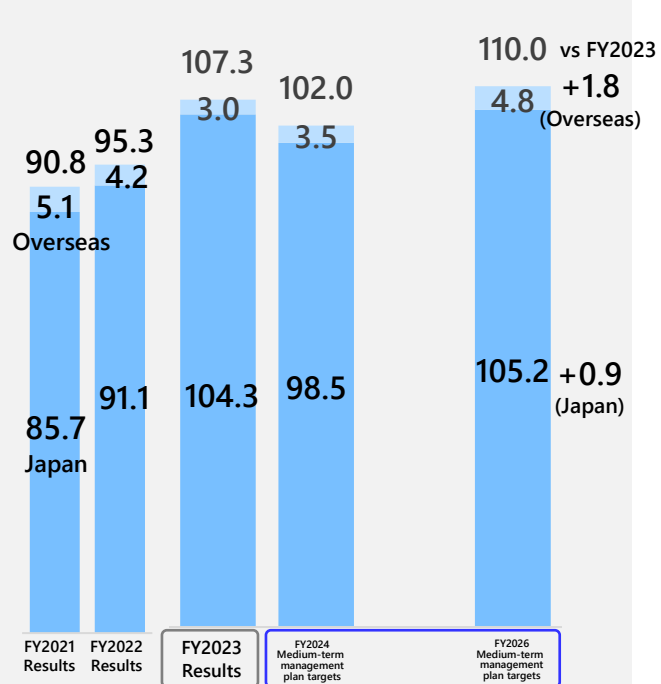
## Net Sales by Subsegment (Billions of yen)

- Exploration of new distribution fields
- Increased deployment of high-valued products
- Digital transformation application services, overseas vending machines



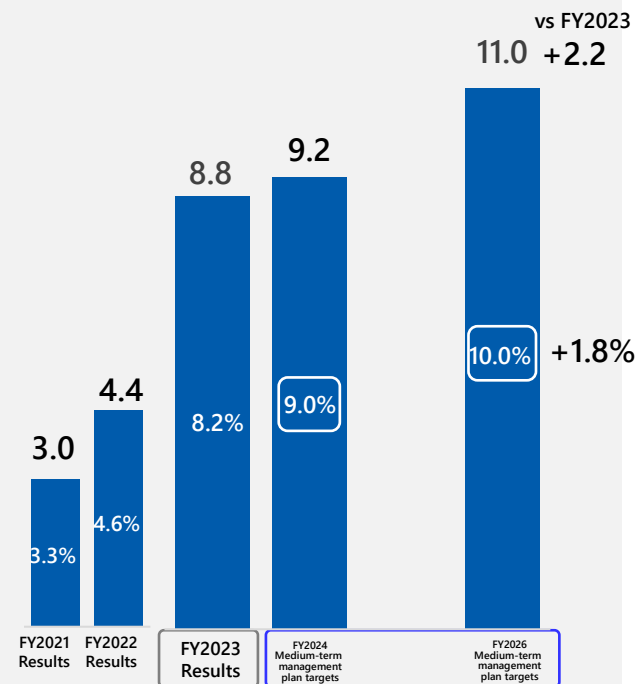
## Domestic and Overseas Net Sales (Billions of yen)

- Overseas: Reconstruction of operating foundations (Cementing of foundations leading up to 2030)



## Operating Profit / Operating Profit Ratio (Billions of yen)

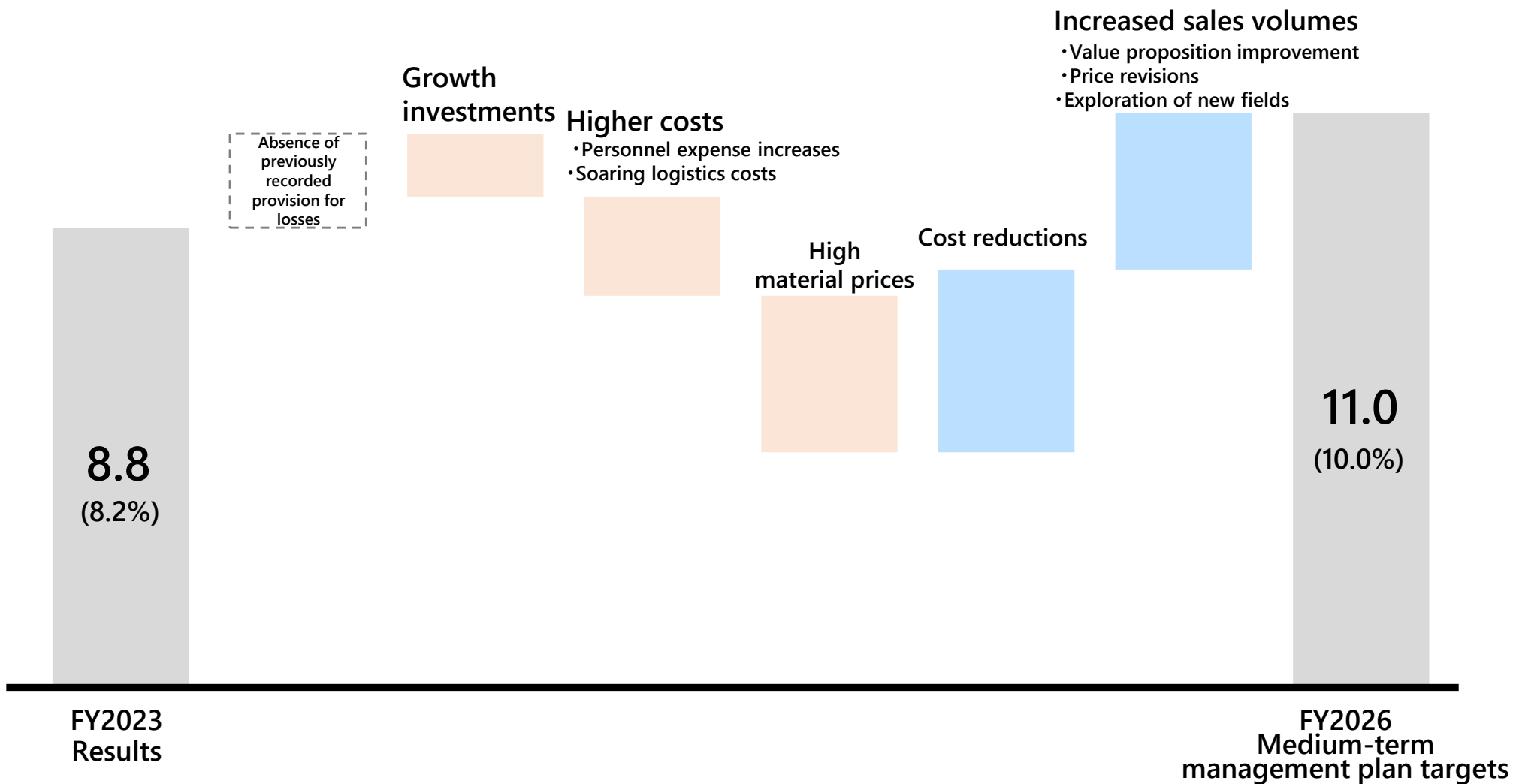
- Operating profit over 10.0 billion yen
- Operating Profit above 10%



# Factors Affecting Operating Profit (Year-on-Year Growth)

(Billion yen)

← Improvement in Operating profit : +2.2 billion yen →



Improvement of profitability

① Domestic Vending Machines

• Deployment of “high-value-added” vending machines matched to customer needs and advancement of “pricing strategies”



② Store Distribution

• Promotion of “high-value-added” vending machines that help convenience stores achieve their environmental targets  
• Expansion of sales of one-of-a-kind “counter fixtures”



③ Reductions in total costs

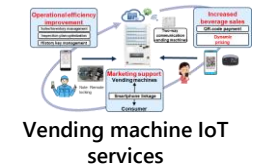
• Optimization of manufacturing systems and promotion of manufacturing digital transformation,  
• Increased use of platform design for vending machines and showcases  
• Implement automation, and increased in-house production



Operating foundation reconstruction (Topline sales growth)

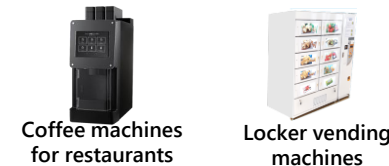
① Digital transformation application services

• Deployment of operational efficiency improvement services (vending machines)  
• Redoubling of energy management proposals (store distribution)



② Exploration of new distribution services

• Entry into new fields (restaurants, food products, and logistics)  
• Expansion of operations spanning larger segments of supply chains of existing customers



③ Global strategies

• Reconstruction of operating foundations to grow sales (Enhancement of marketing and expansion of target fields)



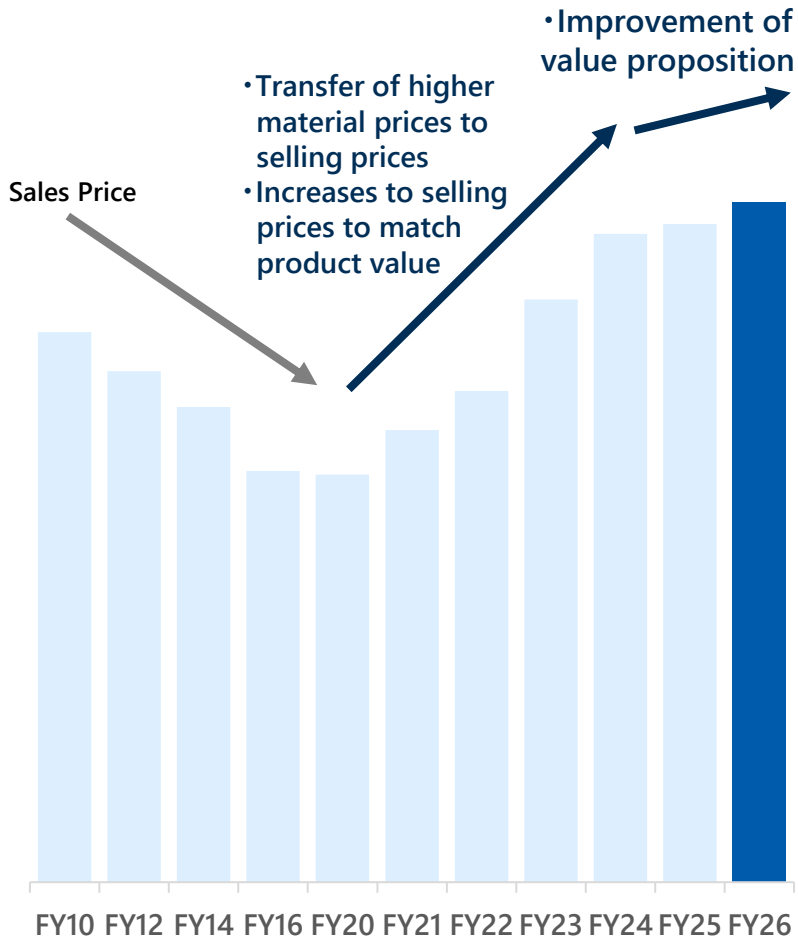
④ Development of next-generation products

• Acceleration of development to promote decarbonization and contribute to self-service stores

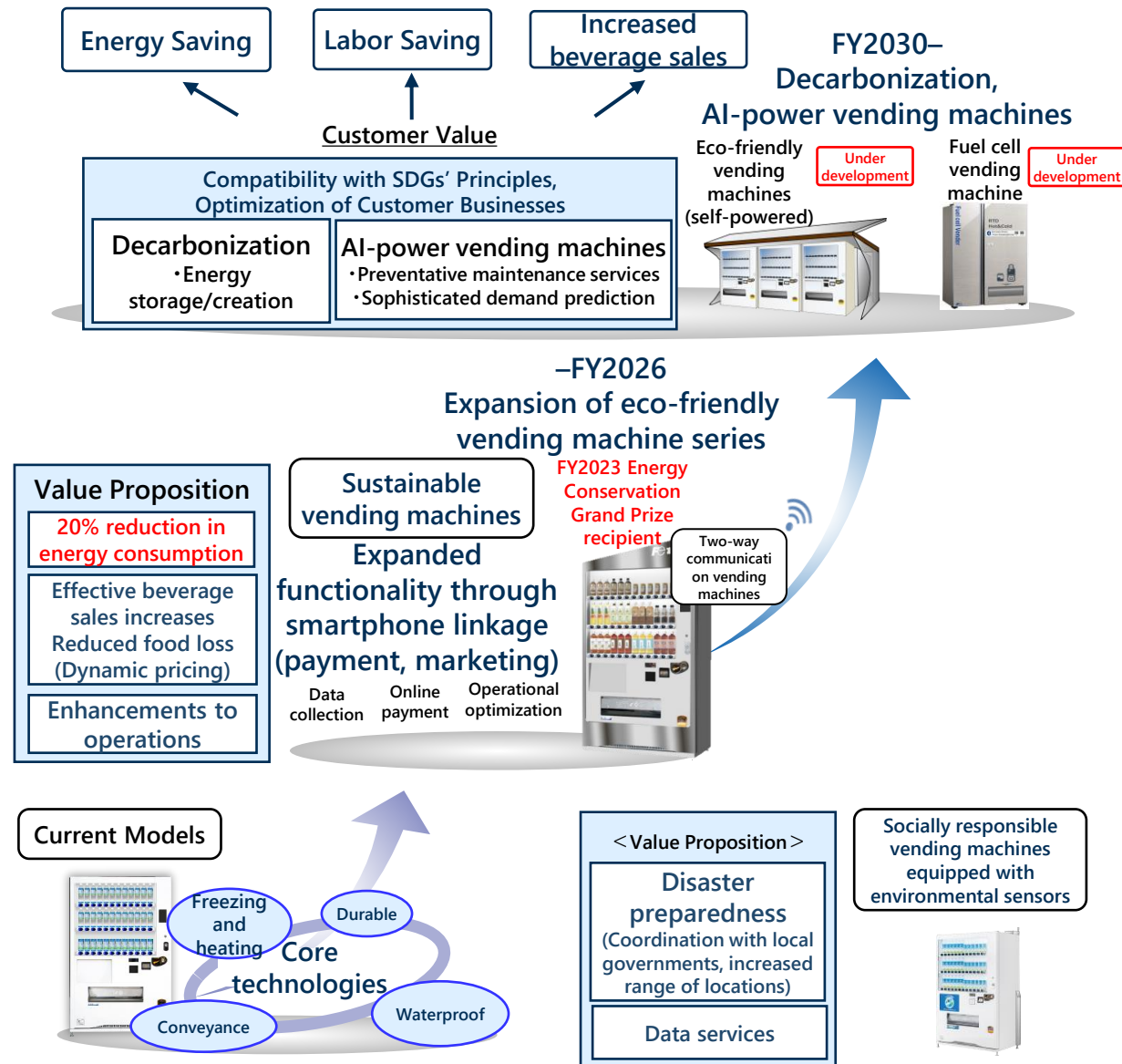
# Improvement of Earnings Power

## - Domestic Vending Machines (Value Proposition Improvement)

### 【Pricing Strategies】



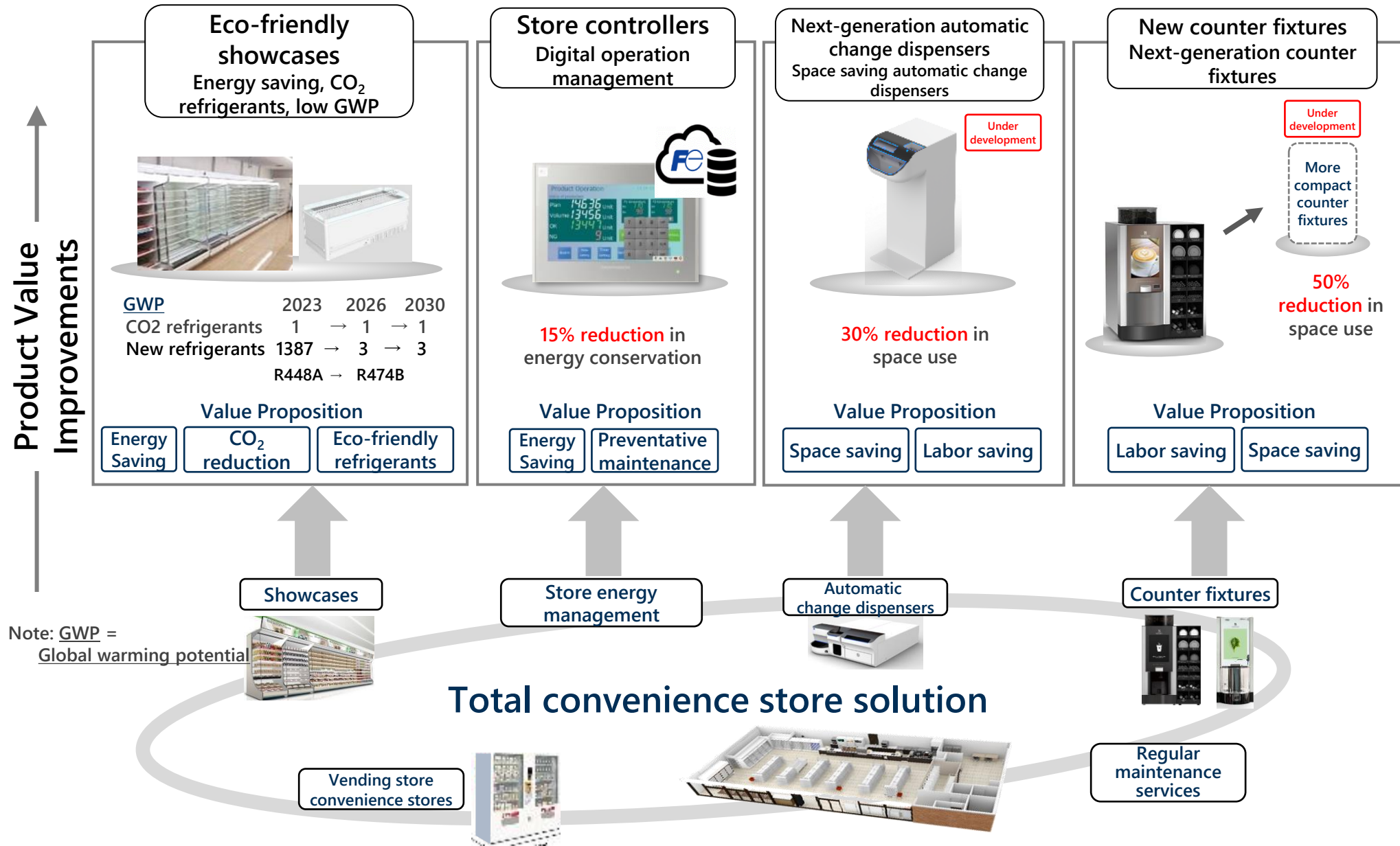
### 【Improvement of value proposition】





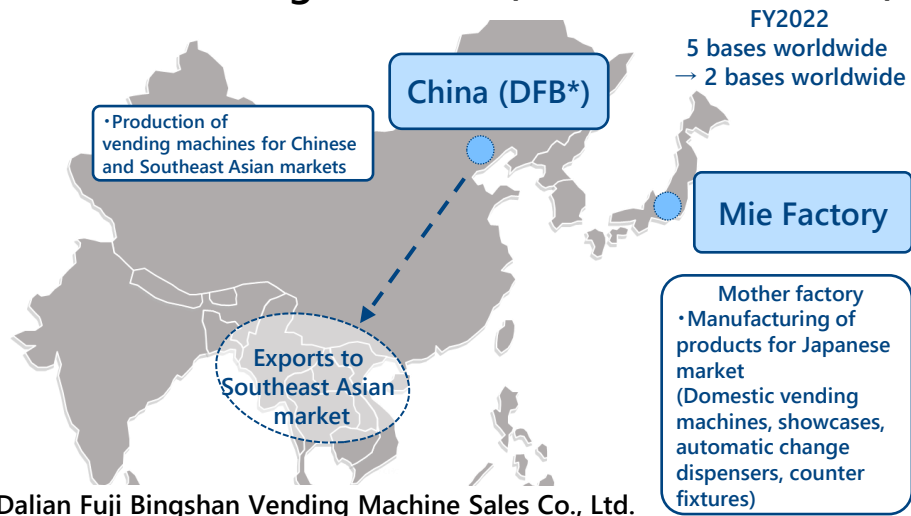
# Improvement of Earnings Power

## - Store Distribution (Value Proposition Improvement)





## ■ Manufacturing Network (2 Bases Worldwide)



## ■ Increased use of platform design (vending machines and showcases)

< Vending Machines >  
Development of vending machine control platforms

Customer-specific systems (3 types)

Shared vending machine control systems (1 type)

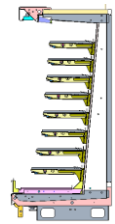
- Highly augmentable interface
- Cost reductions through use of shared control panels



< Showcases >

Standardization of showcase  
Rate of standardization: 60% → 85%

- Consolidation of models
- Development of shared modules
- Reduction of important materials through standardization of parts



## ■ Digitalization (Manufacturing Digital Transformation)

【Tracking of factory management data】  
→ Maximization of production efficiency



【Digitalization of tests and inspections】  
→ Improvement of output quality in processes



**Smart Factories**

【AI-powered preventative maintenance】  
→ Tracking of equipment operating information



【Energy optimization】  
→ Optimization of energy use



## ■ Promotion of Automation and In-House Production

【Automation】

Plating	Exterior inspection
Brazing	Printing

Utilization of Digital Technologies

Image recognition	Sensing	Robotic control
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Reduction in Process Numbers

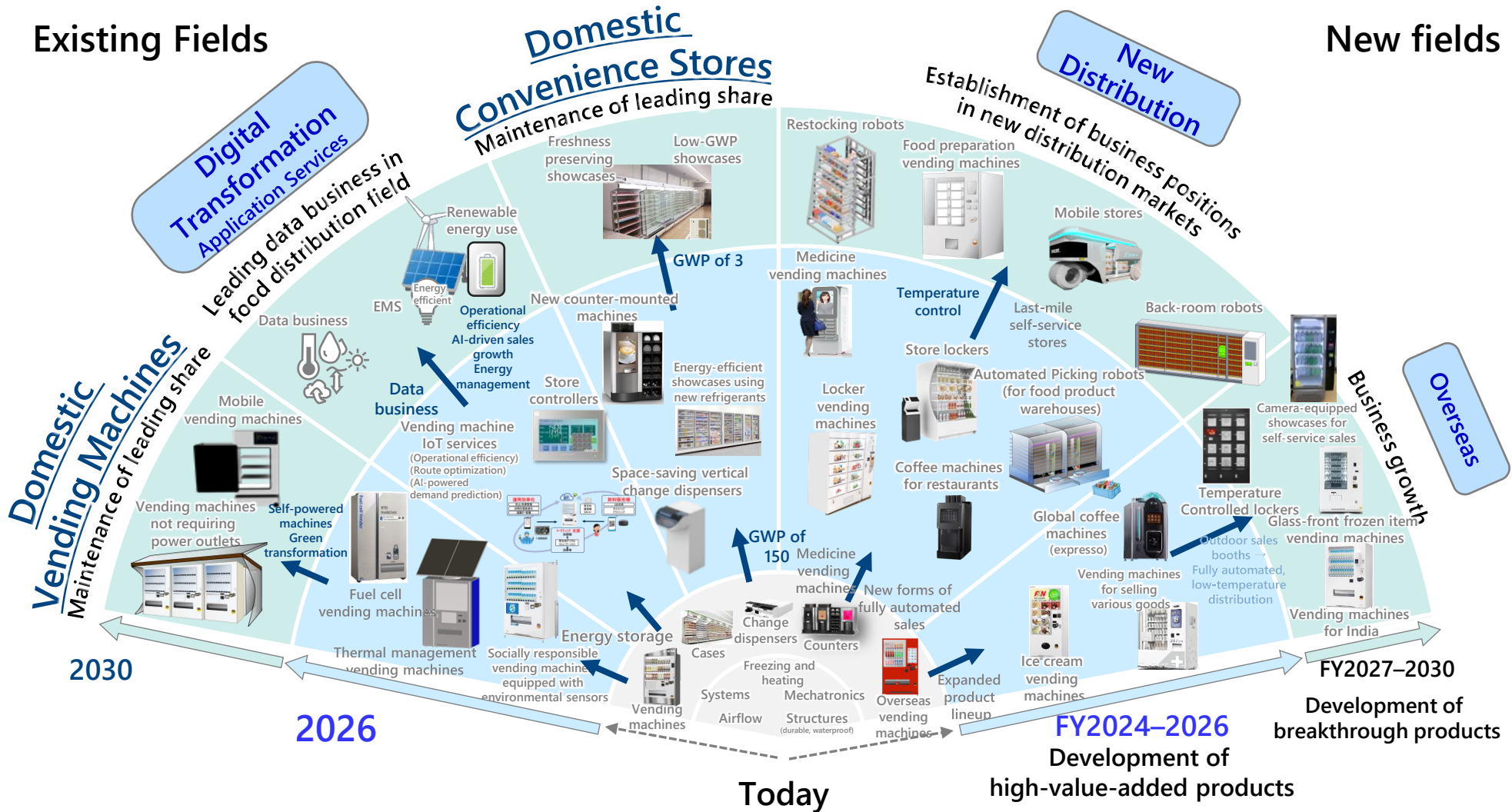
### 【In-House Production】

- Control boards (equipped with two-way communication functions)
- Vending machine buttons
- Inverter substrates for cooling units



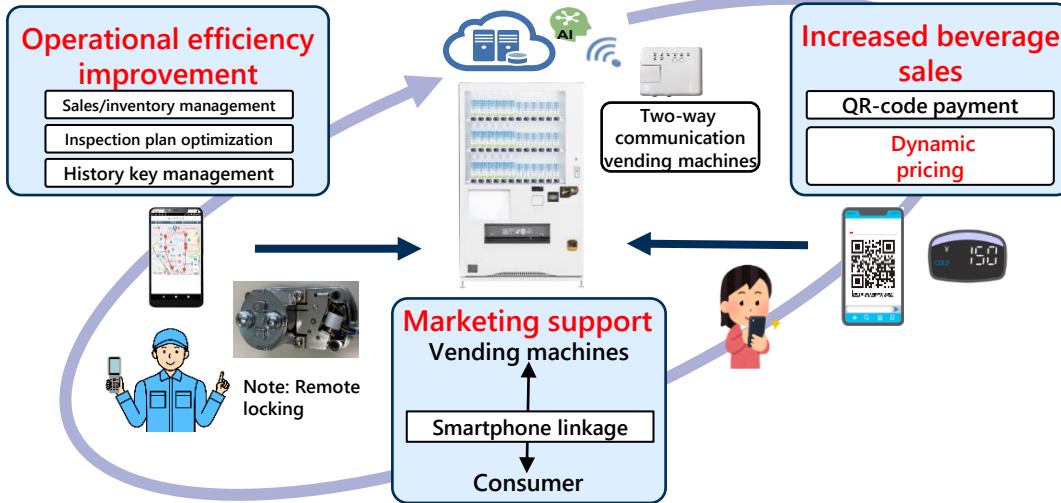
# Operating Foundation Reconstruction (Topline Earnings Improvement) - Product Strategies

Provision of products and solutions matched to market needs and based on core technologies to grow business

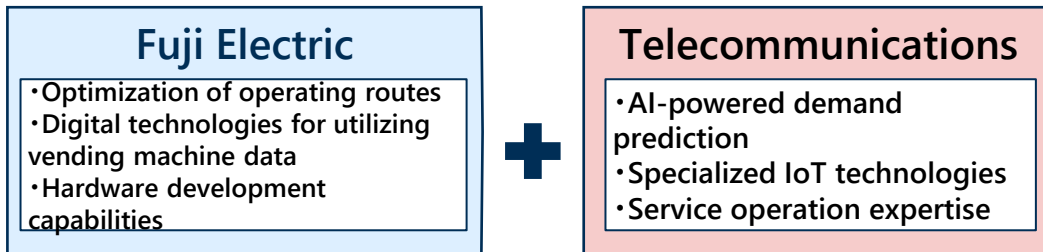


## 【Digital Transformation-Driven Vending Machine Innovation】

Offerings: Two-way communication terminals, recurring services

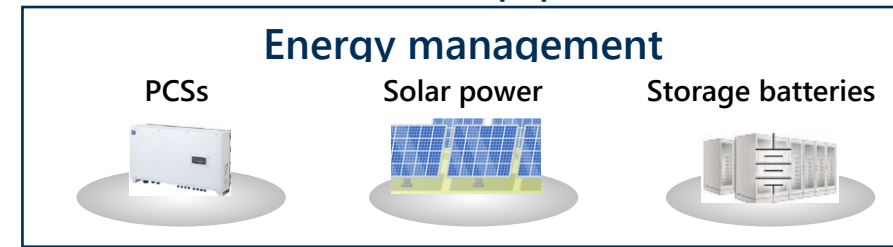
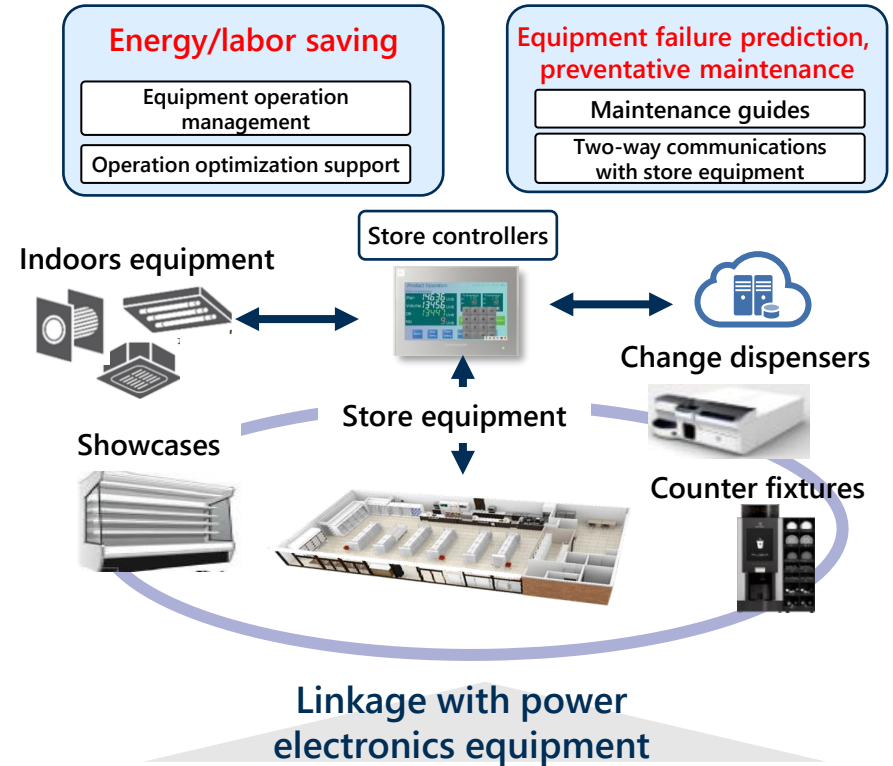


Collaboration



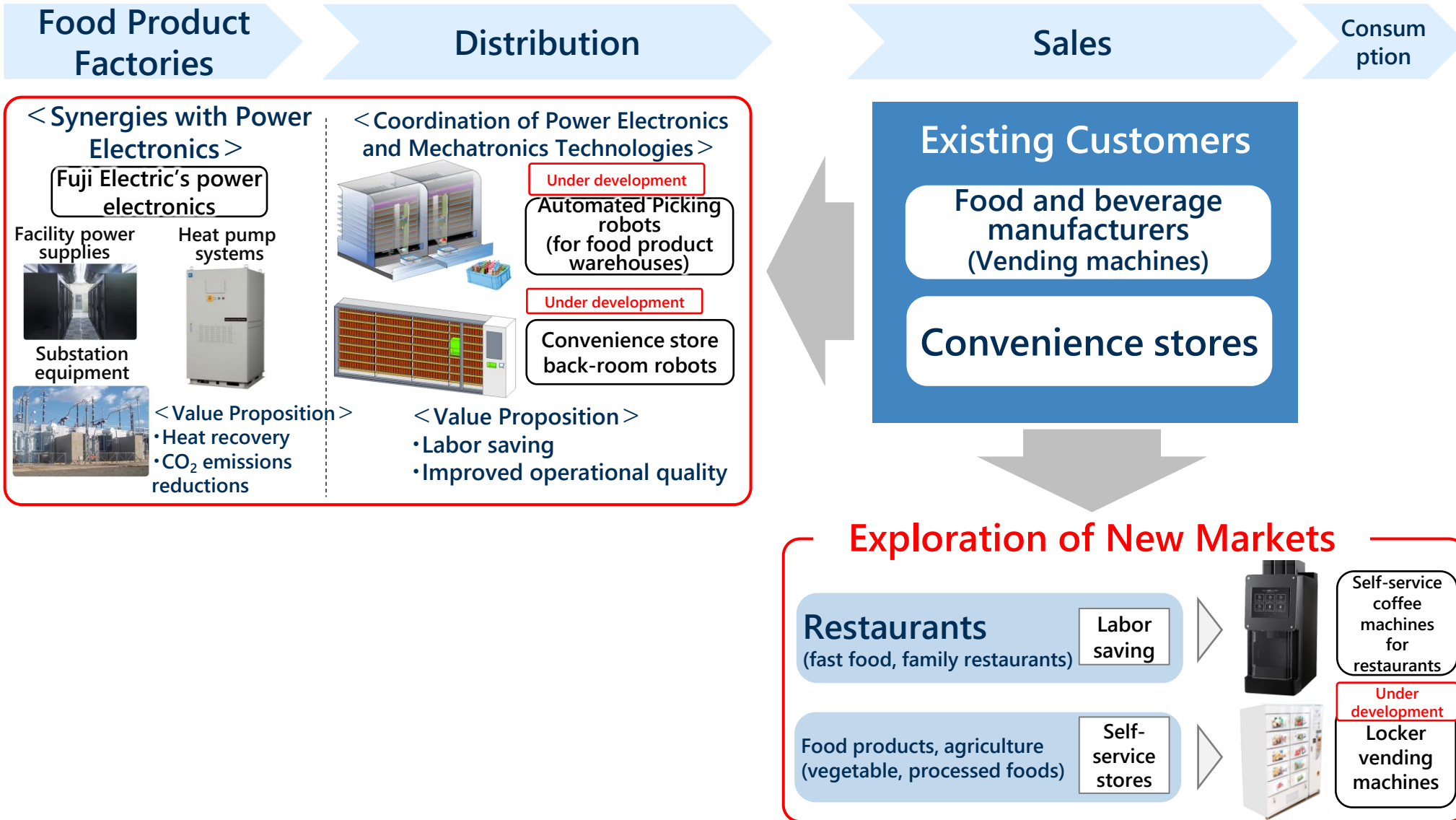
## 【Convenience Store Digital Transformation Energy Solutions】

Offerings: Store controllers, recurring services



# Topline Earnings Improvement: New Distribution Fields

Expansion of operations spanning larger segments of "supply chains" of existing customers, exploration of markets (restaurants, food products)

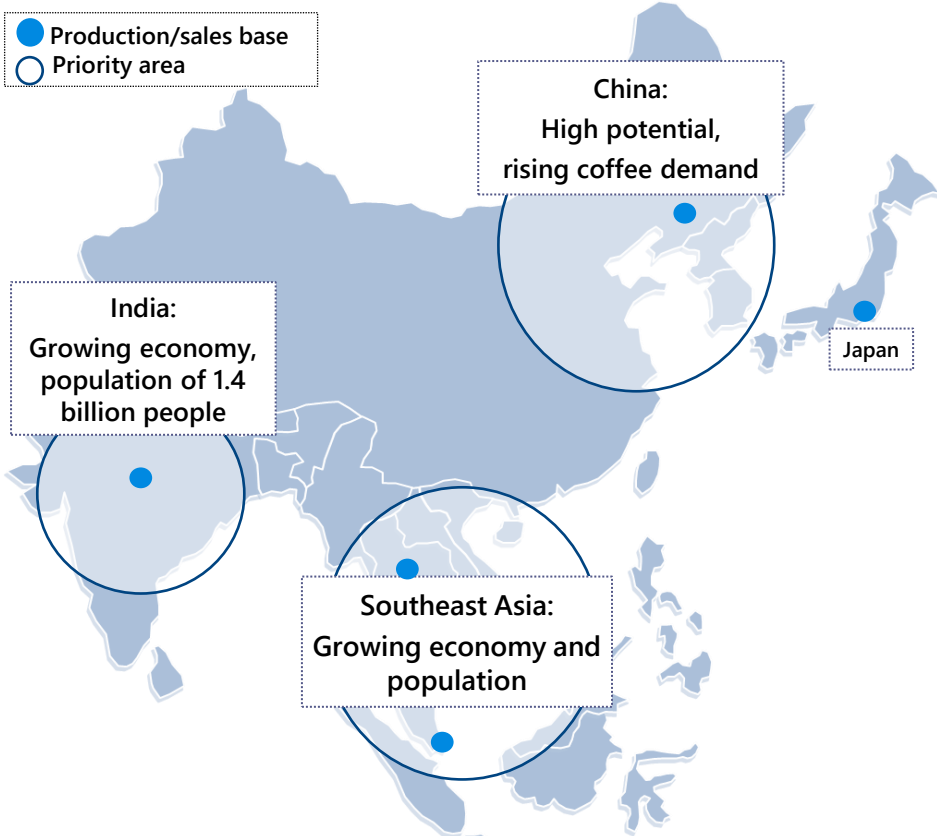









# Topline Earnings Improvement: Global Strategies

## < Area Strategies >

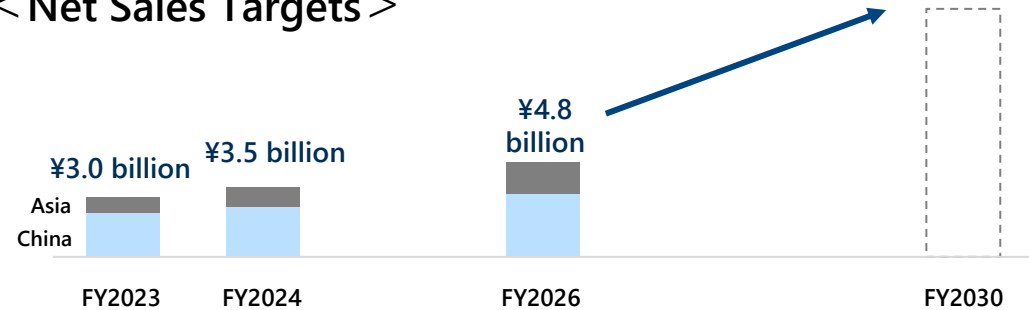
- **China:** Acquisition of beverage vending machine replacement orders  
Deployment of coffee machines
- **Southeast Asia:** Promotion of partnership strategies
- **India:** Entry into this new market through partnership with general trading companies
- **Approach targeting manufacturers of global beverage brands in all markets**



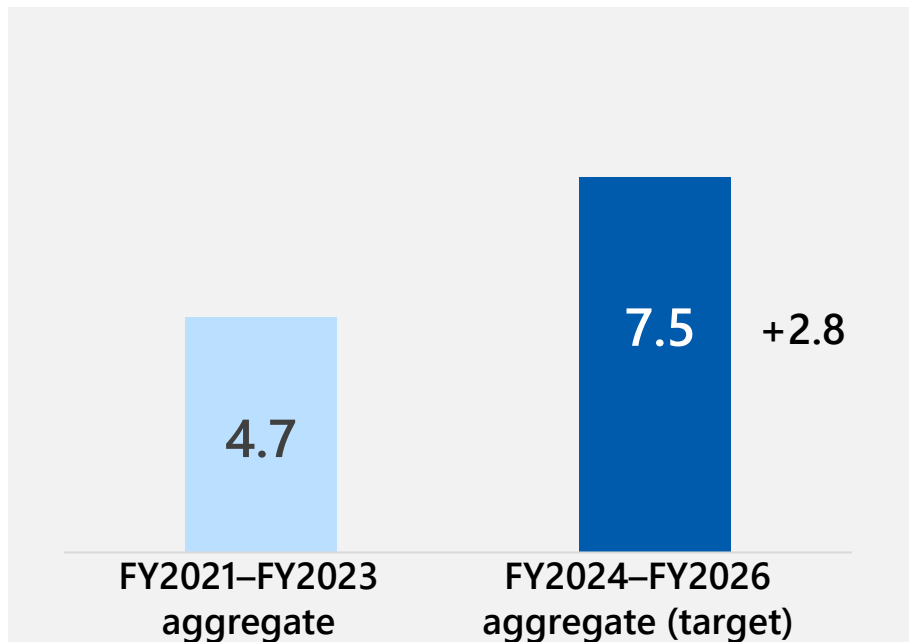
## < Sales Strategies >

	Existing markets		New markets		
	China	Southeast Asia	India		
<b>Target customers</b>	<ul style="list-style-type: none"> <li>• Major beverage manufacturers</li> <li>• Restaurants</li> </ul>	<ul style="list-style-type: none"> <li>• Major beverage manufacturers</li> <li>• Financial conglomerates (stores, e-money providers)</li> </ul>	<ul style="list-style-type: none"> <li>• Major beverage manufacturers</li> </ul>		
<b>Product strategies</b>	<p>Beverage Vending Machines</p>  <p>Energy efficient Compatibility with larger products</p>	<p>IT lockers</p>  <p>Compatibility with different temperatures and differently shaped products</p>	<p>Global coffee machines</p>  <p>Compatibility with espresso and large-volume items</p>	<p><b>Under development</b> Dispensers</p>  <p>Extraction technologies</p>	<p>Beverage Vending Machines</p>  <p>Energy efficient Compatibility with larger products</p>
<b>Points of differentiation</b>	Energy efficient Compatibility with larger products	Compatibility with different temperatures and differently shaped products	Compatibility with espresso and large-volume items	Extraction technologies	Energy efficient Compatibility with larger products
<b>Partnership strategies</b>	<ul style="list-style-type: none"> <li>• Development of area-specific networks</li> <li>• Expansion of service networks</li> </ul>	<ul style="list-style-type: none"> <li>• Coordination with system companies</li> <li>• Partnership with kitchen equipment manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership with general trading companies</li> </ul>		

## < Net Sales Targets >



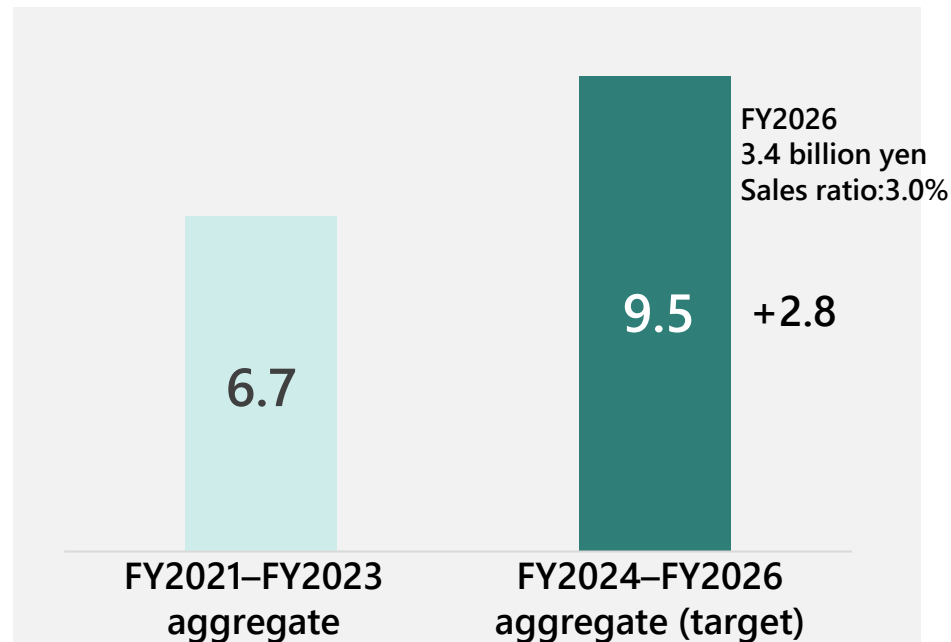
## Capital Investment (Billions of yen)



### Investments in improvement of earnings power

- Investments in productivity improvement (automation, increased in-house production)
- Environmental investments in manufacturing bases (reduction of CO<sub>2</sub> emissions)

## Research and Development (Billions of yen)



### Acceleration of product development to improve topline earnings

- High-value-added vending machines, eco-friendly showcases
- Services applying digital transformation, new distribution products

Note: The R&D expenditure figures above represent expenditures that have been allocated to segments based on theme and may therefore differ from figures contained in consolidated financial reports.

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