

Food and Beverage Distribution Business Strategies for FY2026

Food and Beverage Distribution Business Group

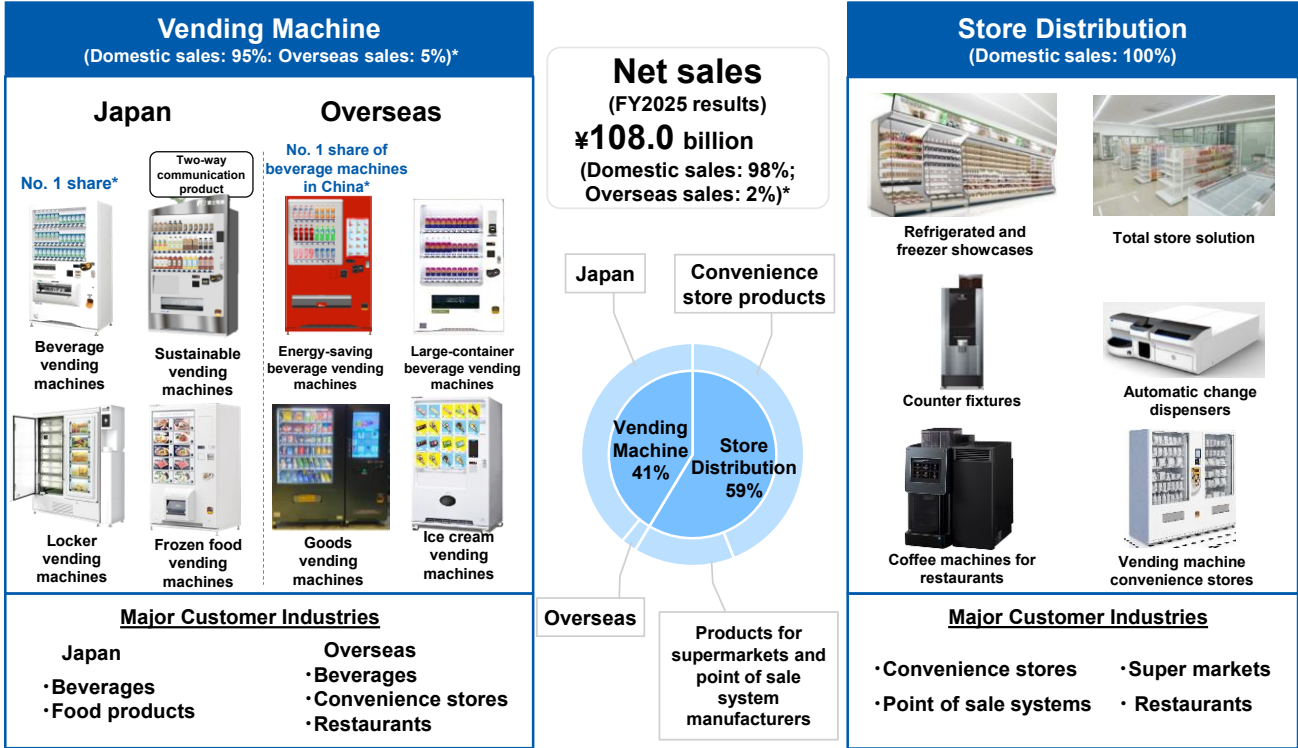
May 27, 2026

Good afternoon. I am Keiichi Asano in charge of the Food and Beverage Distribution Business.

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This is the agenda I will be covering today.

1 Business Overview



Strengths of Food and Beverage Distribution Segment

Domestic Vending Machines

Beverage Vending Machines

Top domestic share*



Food/Goods Vending Machines

Top domestic share*



- Core technologies of heating and cooling, conveyance, structural durability, and water-proofing
- Trust fostered over half a century
- High market share
- Nationwide service network

Overseas Vending Machines

Beverage Vending Machines

No. 1 share of beverage machines in China*



Food/Goods Vending Machines



- Japanese-quality technologies
→Heating and cooling, 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 technologies of refrigeration and freezing, airflow control, and micro conveyance
- Lineup for meeting all store needs
- Nationwide service network (round-the-clock service)

* Shares represent estimates by Fuji Electric based on FY2025 performance.

Next, on the strengths of our Food and Beverage Distribution Business.

The key strengths of the vending machines business, are:

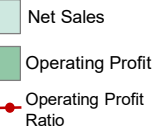
- the trust we have fostered over half a century,
- and our high market share, which allows us to secure stable replacement demand,

For the Store Distribution business,

- We possess a wide range of technologies, including refrigeration and freezing, airflow control, and micro-conveyance.
 - Furthermore, we have a service system that provides support 24 hours a day, 365 days a year.
- These are recognized as our strengths.

2 Review of FY2025

(Billion Yen)



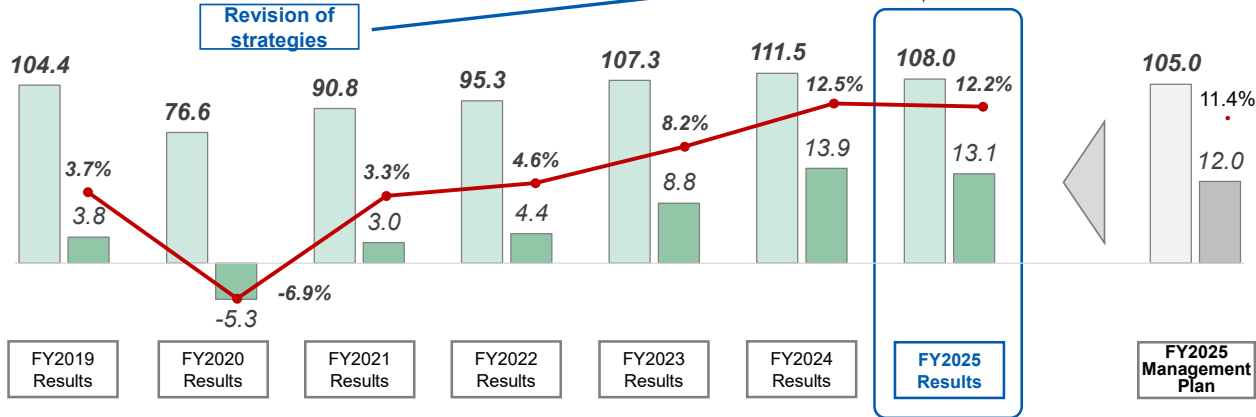
**Management emphasizing profitability
(shift in focus from quantity to quality)**

- Headcount optimization
- Production base consolidation (5 bases → 2 bases)
- Reorganization of subsidiaries
- Price revision (transition to prices matching product value)
- Improvement of profitability by enhancing product value

Operating profit ratio
above 12%
maintained

**Difference Between FY2025 Results
and Management Plan Forecasts**

Net sales: Up \uparrow ¥3.0 billion
Operating profit: Up \uparrow ¥1.1 billion
Operating margin: 1 pt higher



Accomplishments in FY2025

Improvement of Market Share

Vending machines (Japan):
70% → 80%
(FY2025 models) (FY2026 models)

Release of New Products

Convenience store tea dispensers
Vertical-standing automatic
change dispensers
New store controllers

New Business Development

Launch of operations targeting
India

Challenges in FY2026

- Acceleration of entry into new fields
→ Growth of topline earnings
- Expansion of overseas operations

Next, I would like to review fiscal year 2025.

The graph shows the trend in our business performance from fiscal year 2019, with Net sales on the left and Operating Profit on the right for each fiscal year. Since fiscal year 2021, we have revised our strategy, promoting structural reforms and high-value-added initiatives to strengthen our profitability.

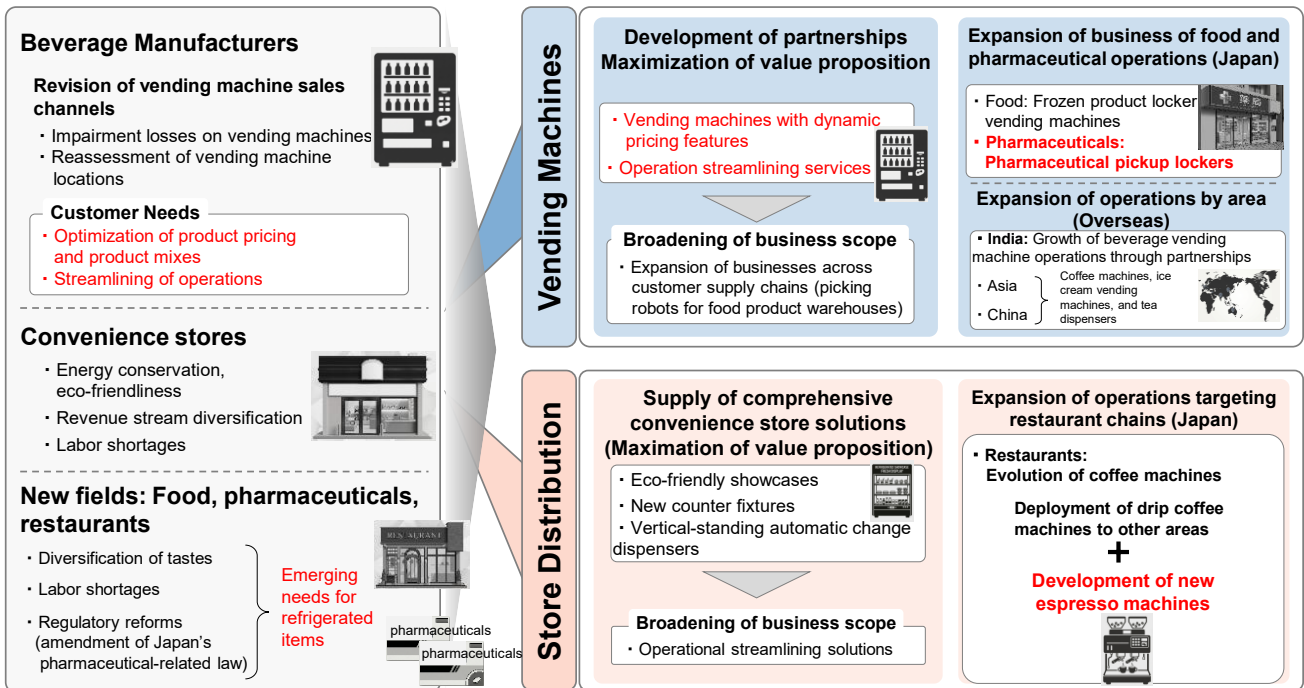
In FY2025, although net sales and operating profit declined due to special demand for updating automatic change dispensers due to the introduction of new bank notes we saw in FY2024, we were able to maintain an operating profit ratio in the 12% range.

As for highlights, as shown lower left, in FY2026 through equipment tenders, for domestic vending machines by proactively proposing high-value-added equipment, we succeeded in raising our market share up to 80%. We will be reaping the results of these efforts this fiscal year.

Additionally, regarding new products, we launched items such as the tea dispensers for convenience stores into the market as planned. As for challenges, as shown bottom right, will be the expansion of top line earnings and acceleration of entry into new fields.

3 Management Plan for FY2026

Business Strategies



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I would now like to explain our management plan for the Food and Beverage Distribution Business for fiscal year 2026, focusing on the current operating environment and business strategies.

Some beverage manufacturers are currently revising their vending machine sales channels, recording impairment and reassessing machine locations. In light of this, we are committed to strengthening our partnerships with beverage manufacturers and striving to maximize the value proposition.

As a manufacturer, we aim to share our customers' challenges and further enhance the value we provide through features such as dynamic pricing and operation streamlining services with the goal of solving challenges together. Furthermore, within our customers' supply chains, we intend to roll out new solutions such as automated picking robots for beverage warehouses and aim to expand our business scope.

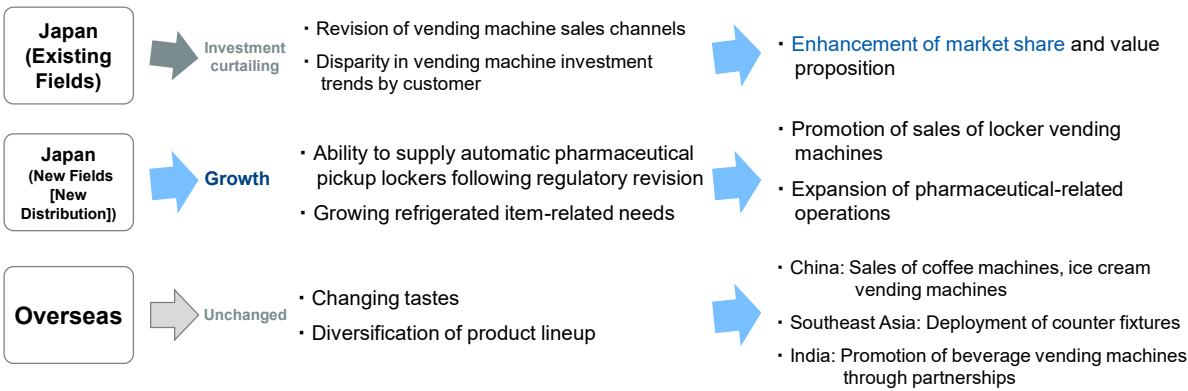
In the new vending machine field (top right), demand for temperature-controlled solutions, such as lockers for medication pickup, is also growing. We plan to introduce new products developed by horizontally applying our existing technologies to drive domain expansion.

Furthermore, in the new sector of store distribution (bottom right), demand for coffee machine for restaurant is expanding. In addition to our conventional drip coffee machines, we plan to launch Japan's first espresso coffee machine to increase our market share.

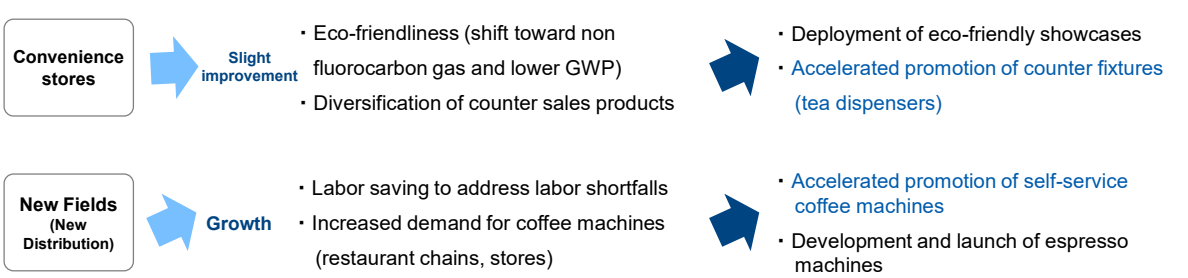
Market Trends (FY2025 to FY2026)

Sales (YoY Change)

Vending Machines



Store Distribution



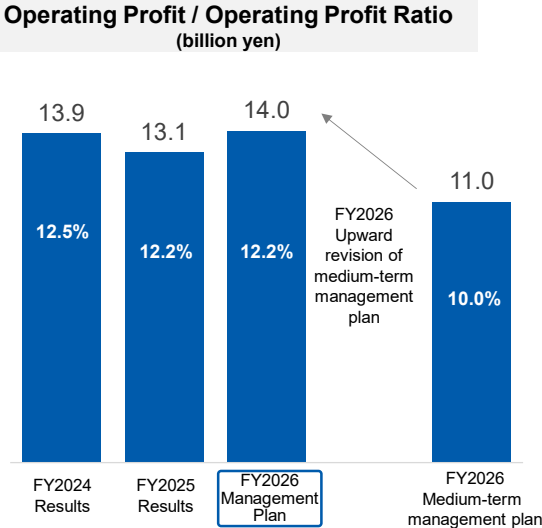
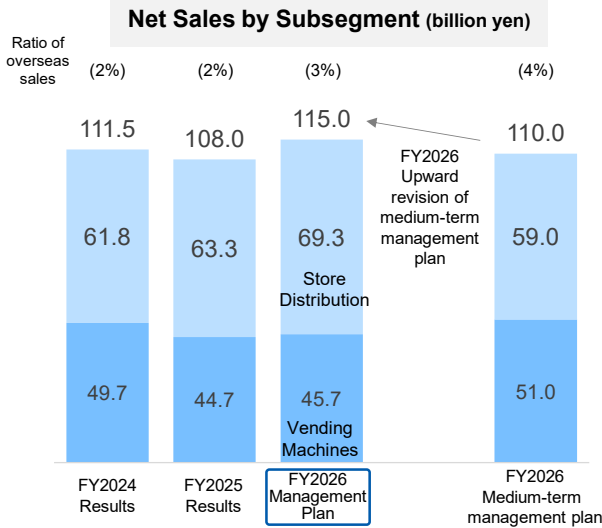
Next, market and sales trends for fiscal year 2026. We anticipate that investment in domestic vending machines will vary by customer, resulting in an slight decline in sales compared to the previous year.

However, we plan to achieve year-on-year growth by capitalizing on the benefits of increasing our market share. For overseas vending machines, we plan to introduce new products such as global coffee machines and expand our business in India.

In the convenience store sector, we will introduce differentiated products such as eco-friendly showcases and new counter fixtures with an aim to increase orders. In new business areas, we will focus on deploying/ self-service coffee machines, primarily in restaurant chains.

YoY increase in sales and profit for vending machine business and store distribution business, upward revision to medium-term management plan sales and profit forecasts

FY2026 Management Plan		YoY	Vs medium-term management plan
Net Sales	¥115.0 billion	↑ Up ¥7.0 billion	↑ Up ¥5.0 billion
Operating Profit	¥14.0 billion	↑ Up ¥0.9 billion	↑ Up ¥3.0 billion
Operating Profit Ratio	12.2%	Unchanged	↑ Up 2.2 pts

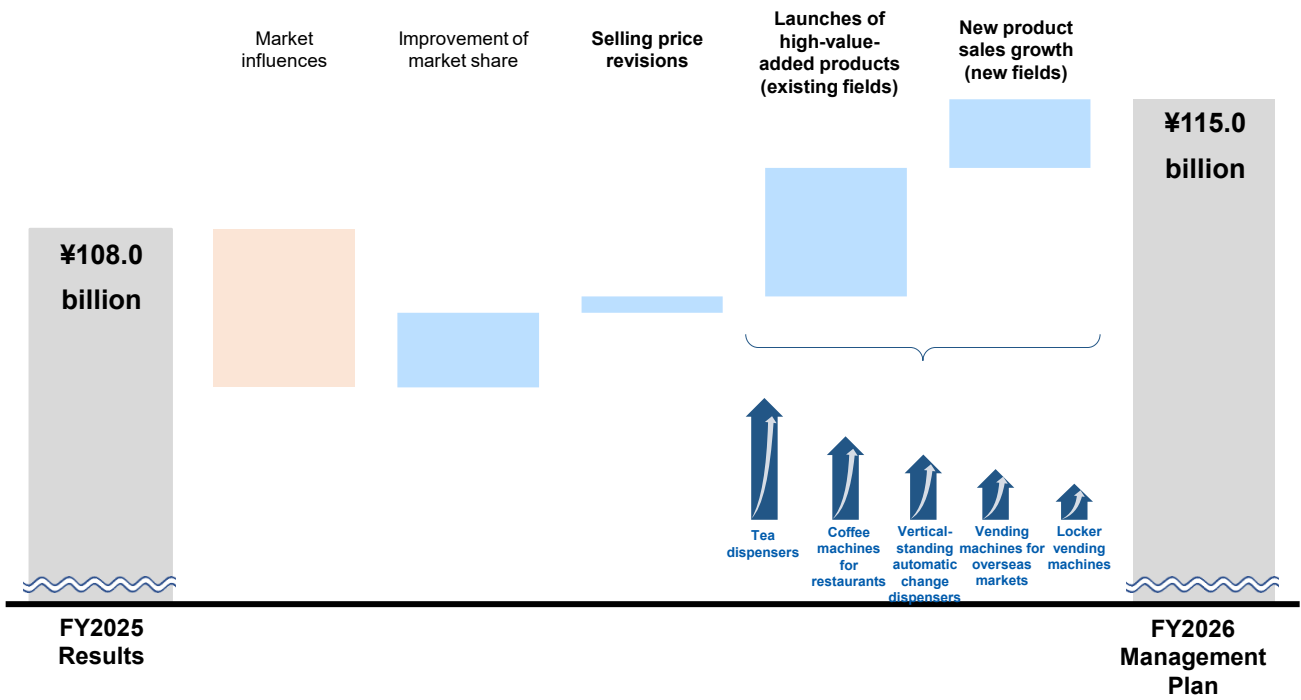


Next, Business Plan for FY26. On the left is Net sales by Sub Segment. And operating Profit on the right.

We are projecting total revenue of 115 billion yen for FY2026, representing a year-on-year increase of 7 billion yen. Furthermore, compared to the Medium-Term Management Plan, net sales is projected to increase by 5 billion yen, driven primarily by the store distribution business.

On the right is Operating Profit. For fiscal year 2026, we plan for total operating profit of 14 billion yen and an operating profit ratio of 12.2%. This represents an increase compared to both the previous year and the Medium-Term Management Plan.

Sales growth targeted through improvement of market share and launches of new and high-value-added products



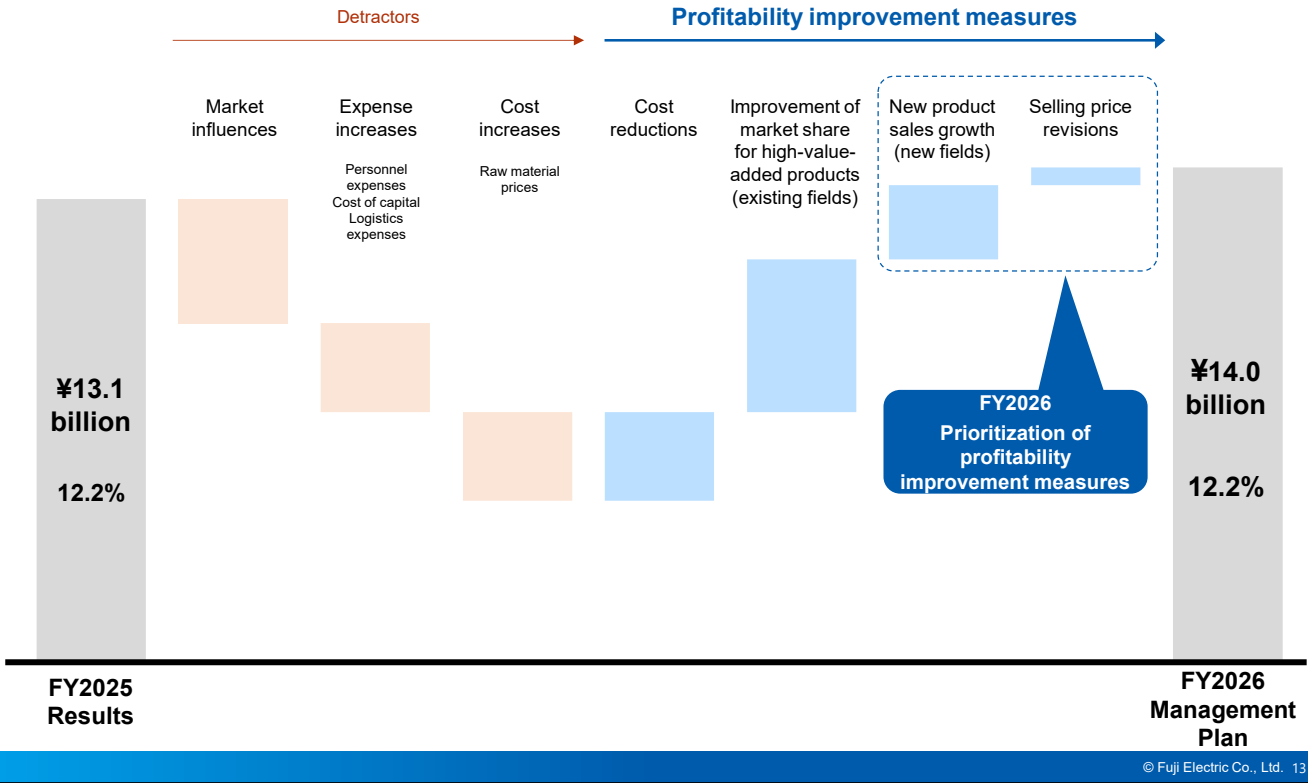
Next is an overview of sales plan for fiscal year 2026. This graph shows the year-on-year change.

Although we anticipate a decline in sales due to market conditions, we plan to achieve year-on-year growth by reaping the benefits of market share gains and implementing selling price revisions, as well as by reliably launching high-value-added products for which we have already received preliminary orders in the existing fields.

Furthermore, we plan to achieve year-on-year sales growth through the expansion of new products in new fields.

The key focus areas are the expansion of tea dispensers and coffee machines for the restaurants.

Operating profit ratio of more than 12% maintained through profitability improvement measures



Next is the year-on-year change in operating profit for fiscal year 2026. In addition to market-related headwinds, there are adverse factors such as rising expenses (including personnel and cost of capital) and cost increases due to soaring raw material prices; however, we will implement profitability improvement measures to counter these trends. Through cost reductions, improvements of market share for high-value-added products in the existing fields, and furthermore, new product sales growth in new fields and selling price revisions —our key initiatives for FY2026— we aim to achieve year-on-year profit growth.

Reliable Revenue Generation and Expansion of Operations in
New and Growth Fields

Improvement of
Profitability

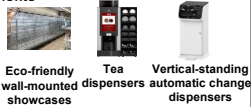
1. Domestic
Vending Machines

- **Improvement of product value** (cup vending machines, PET bottle exclusive vending machines)
- Expansion of digital transformation application services (dynamic prices, QR codes)



2. Store Distribution

- Deployment of **high-value-added showcases** with environmental and energy conservation benefits
- Expansion of counter fixture lineups (**tea dispensers**, café latte machines, ambient display cases)
- Full-fledged rollout of vertical-standing automatic change dispensers with space saving and labor reduction benefits



3. Reductions in
Total Costs

- Reduction of material costs, increased use of platform design
- Promotion of automation and expansion of in-house production



Topline Sales Growth

1. Accelerated
exploration of
new fields

- Entry into restaurant chain and pharmaceutical fields
- **Exploration of new fields through dedicated organizations**



2. Global Strategies

- China and other parts of Asia: Deployment of coffee machines and counter fixtures
- India: Growth of beverage vending machine operations through partnerships



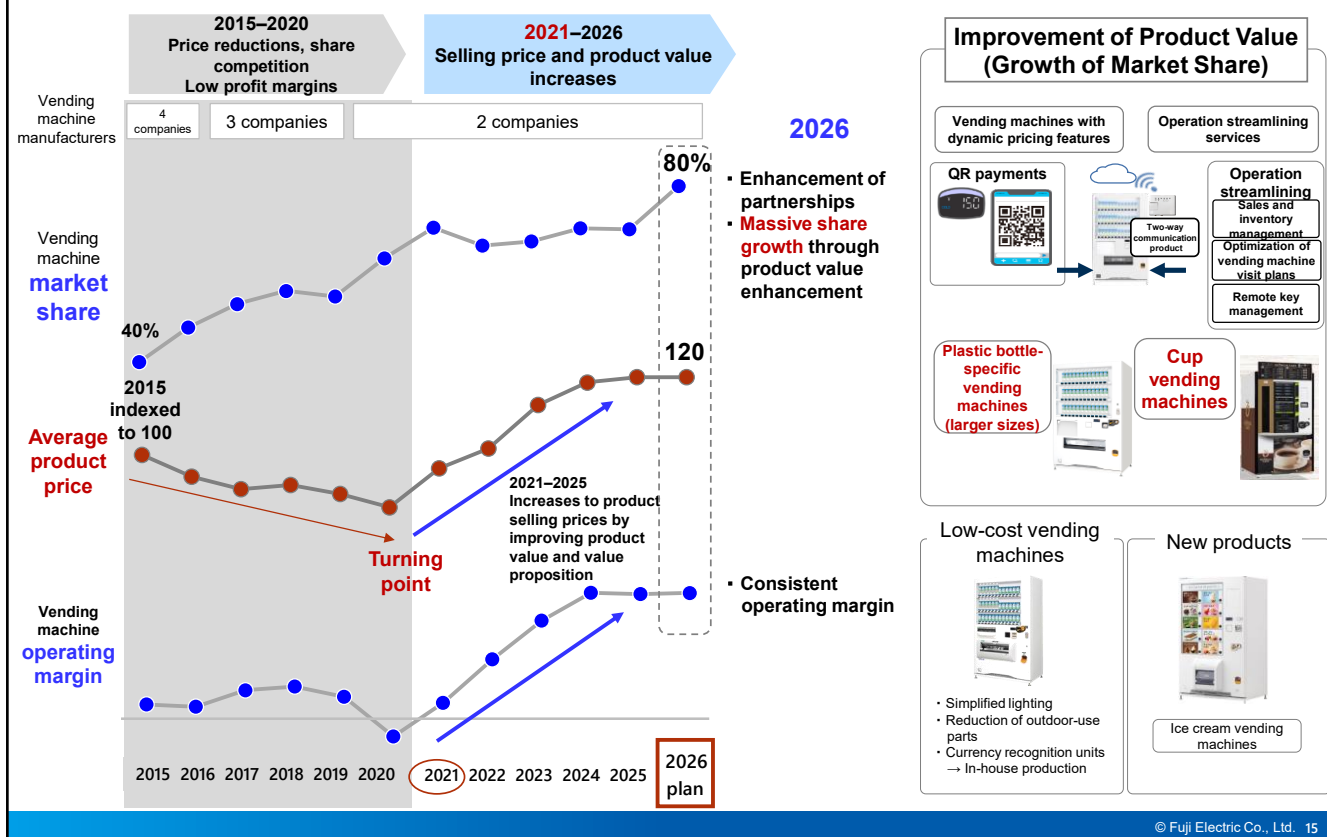
Next, priority measures.

In FY2026, we will focus on improvement of profitability and topline sales growth.

To improve profitability, we will enhance profitability in both our domestic vending machines and store distribution businesses by increasing the value of our product offerings.

To grow topline sales, we will establish a dedicated organization to explore new fields.

Enhancement of Earnings Power: Domestic Vending Machines (Expansion of Lineup of High-Value-Added Products)



Next on our efforts to enhance earnings power of the domestic vending machines business.

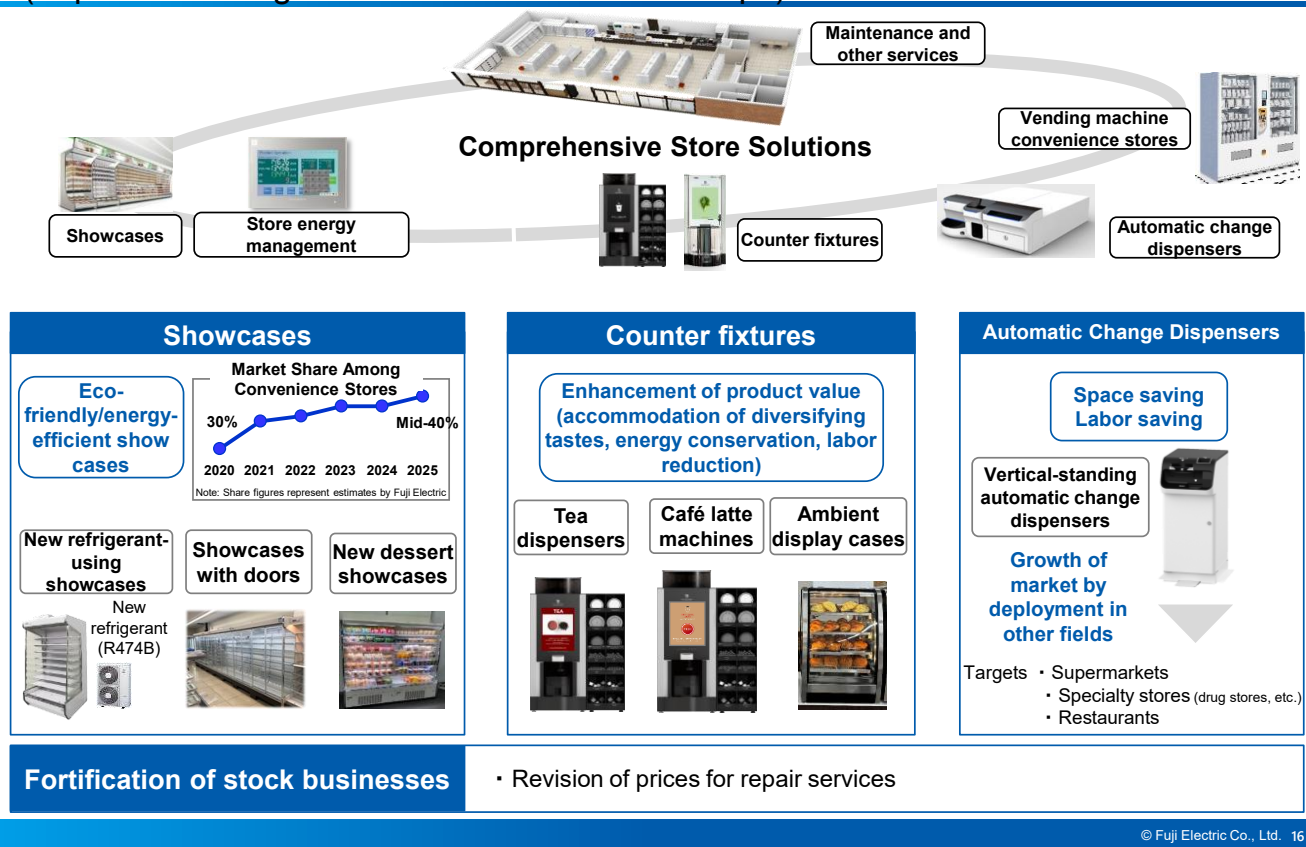
The graph on the left shows the 10-year trends in market share, average product price, and operating profit ratio.

As you can see from this graph, since FY 2021, we have shifted to a high-value-added strategy. While enhancing the value proposition and optimizing pricing, we have maintained our market share and worked to improve our operating margin.

In fiscal year 2026, we expect to expand our market share to 80% with expansion of lineup of high-value-added products to further enhance partnerships.

As shown on the right, expanding high-value-added products such as plastic bottle specific vending machines and cup vending machines will be the key to improving profitability.

Enhancement of Earnings Power: Store Distribution (Expansion of High-Value-Added Product Lineups)



Next, improvement of profitability in the store distribution business. We will continue to promote our comprehensive store solutions. Regarding showcases, we will introduce/ new equipment that meets the needs such as eco- friendly and energy efficiency with the aim of expanding our market share. For counter fixtures, we will expand our lineup of high-value-added new products, such as tea dispensers and new café latte machines, and vertical standing automatic change dispensers. Furthermore, in our repair services, we will seek to improve profitability by passing on cost increases resulting from rising material and labor costs to our prices.

Global Production System (Two Bases Worldwide)

FY2022
5 bases worldwide
→ 2 bases worldwide

Mie Factory
Manufacturing of products for Japanese market
→ Vending machines → Showcases
→ Automatic change dispensers → Counter fixtures



DFB* (China)
Manufacturing of vending machines for China and Southeast Asia

* Dalian Fuji Bingshan Vending Machine Sales Co., Ltd.

Rationalization of Manufacturing

Cost reduction through capital investment in rationalization and automation

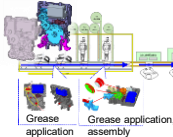
PCB mounting lines



Integrated sheet metal processing lines



Automated vending machine module assembly



Reduction of Material Costs

Reduction of Material Costs

Material-specific cost reduction strategies



Steel

- Expanded use of electric-furnace-produced materials
- Use of lower-gauge materials
- Competitive purchasing



Copper

- Transition to aluminum for heat exchange unit and pipes
- Use of thinner pipes and wires



Silver

- Solder, wax
- Advanced purchasing
- Collective purchasing on Companywide basis

Development procurement



Expansion of items purchased at reduced prices through joint-supplier value analysis committees examining actual equipment

Design Cost Reduction: Standardization, Size Reduction

Vending Machines

Launch of completely new model lineup in FY2027

Standardization of doors



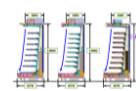
Reduction of size of product conveyance units



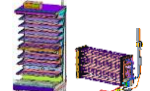
Showcases

Platform development

- Case standardization
- Module design



- Low-GWP refrigerants
- Compact heat exchange units



Next, on manufacturing.

We will advance our manufacturing operations through two-bases worldwide. We will promote total cost reduction through rationalization of manufacturing, material cost reduction, and design cost reduction.

Regarding direct material cost reduction (top right), we will implement measures such as expanding the use of electric furnace steel and switching from copper to aluminum to achieve tangible results.



The left side represents products in existing fields, while the right side represents products in new fields. We are determined to introduce new products in FY2026 as well.

Locker-Type Products

■ **Locker Vending Machines**



Targets

- Distribution industry
 - Restaurants, fruit and vegetables, confections, agricultural products
- Round-the-clock operation (improved convenience)
- Correspond with diverse temperature and wide ranges of products
- **Partnership strategies**
 - Vending machine trading companies
 - Food product sales equipment manufacturers

Value Proposition

Sales Strategies

■ **Pickup Lockers for Requested Items**

Refrigerated grocery pickup available



Targets

- Supermarkets
- Round-the-clock operation (improved convenience)
- Diversification of temperature range and product compatibility
- Partnership with customers

Value Proposition

Sales Strategies

Scheduled for launch in 4Q of FY2026

➤ **Creation of new locker markets (pharmacies, train stations)**



Pharmaceutical pickup lockers
→ Amendment of Japan's pharmaceutical-related law (scheduled for March 2027)



Lockers for train stations
→ Multi-function lockers (sales, temporary storage, shipping)

Coffee Machines for Restaurants



Targets

- Restaurant chains, etc.

Value Proposition

- High-quality flavors
- Automation

Sales Strategies

- Redoubling of tie-ups with **coffee machine trading companies**
→ Efforts to capitalize on replacement demand among previously adopting manufacturers

➤ **Supply to restaurant chains**

➤ **Expansion of product variations (milk/powder units)**

Deployment in other fields

In addition to drip coffee machines
Launch of espresso machines
(developed in FY2026)

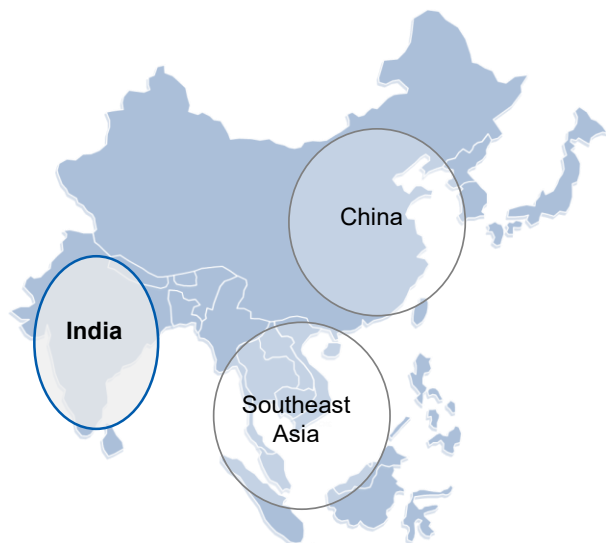


Allow me to explain the new products in the new field in more detail. We have two main focus products for new domestic markets. The first is the locker-type product shown on the left. We plan to expand this product line through two series: the Locker vending machines and the pickup lockers for requested items. In the pickup lockers, demand for refrigerated compartments is becoming apparent; since these products are highly compatible with our proprietary cooling technology and durability technology, we view this as a business opportunity.

The second is the coffee machine for restaurants shown on the right. We will continue to accelerate horizontal expansion while expanding product variations for restaurant chains. Furthermore, in addition to our drip, self-service coffee machines, we plan to expand our market share by introducing Japan's first espresso coffee machines. This is a market in which overseas manufacturers are showing strength, but we aim to increase our share further.

Business Approach Tailored to Specific Areas

Establishment of vending machine operations in new area of **India** to complement operations in existing areas of China and Southeast Asia



New Areas: Full-Fledged Advancement into New Markets

India

- Operations targeting major beverage manufacturers
- Deployment of vending machines in Bangalore through collaboration with general trading companies

Commercial facilities



Schools



Factories



Existing Areas: Growth of Operations through Enhancement of Value Proposition

China

- Development and launch of case vending machines for indoor locations
- Promotion of sales of new products for growth markets (coffee machines, ice cream vending machines)



Case vending machines



Coffee machines



Ice cream vending machines

Southeast Asia

- Promotion of convenience store coffee machines in Thailand
- Deployment of convenience store smoothie machines in South Korea
- Supply of global dispensers



Global dispensers

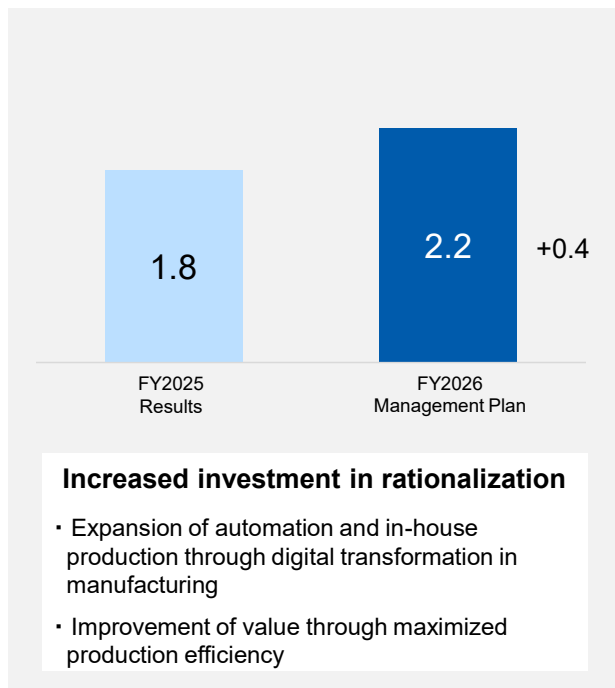
Next is overseas operations. First, regarding our regional strategy, in addition to China and Southeast Asia, and we will continue to focus on India, where we began targeting as a new region last fiscal year.

In India, we will promote the beverage vending machines business through collaboration with general trading companies. The number of machines installed is steadily increasing, and we are confident about future expansion.

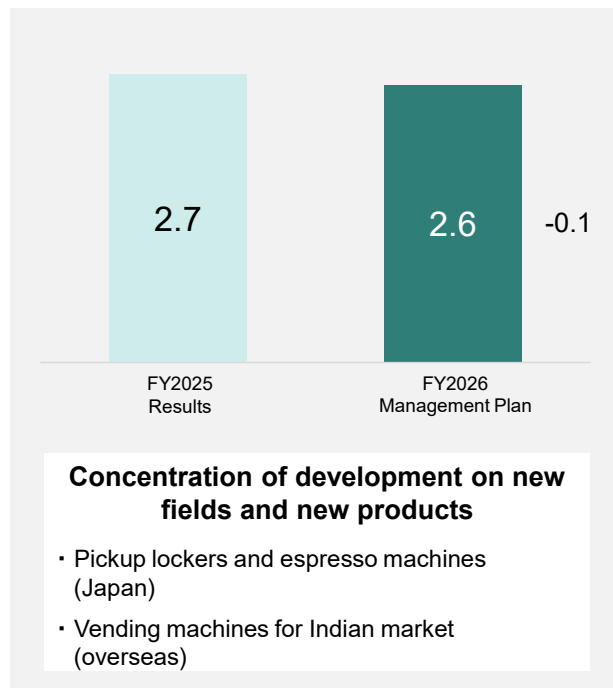
In China and Southeast Asia, in addition to expanding our beverage vending machine business, we will focus on coffee machines, for which demand is growing.

We will promote this business through collaboration with coffee ingredient manufacturers. In Thailand to promote convenience store business.

Capital Investment (Billion Yen)



Research and Development (Billion Yen)



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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Regarding capital investment, we have slightly increased our investment compared to last year and will actively pursue increased investment in rationalization aimed at increasing profitability.

In terms of research and development, we will efficiently pursue the development of new fields and new products.

This concludes my presentation on Food and Beverage Distribution Business. Thank you very much.

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