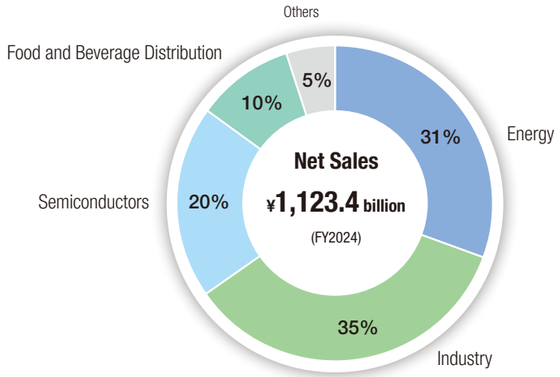
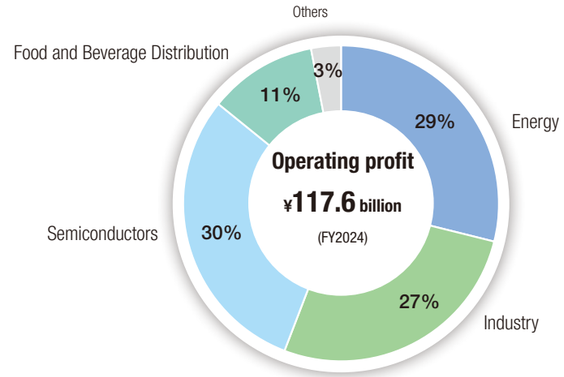
Overview of Segments　Basic Information

Composition Ratio*





Basic Information

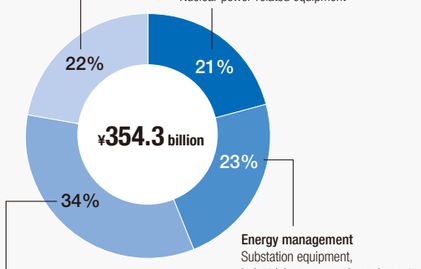
Energy

- Contributing to the achievement of a decarbonized society by maximizing renewable energy output, ensuring stable supply of renewable energy, and providing integrated engineering and after-sales services
- Contributing to the stable operation and optimal management of facilities through the provision of substation equipment, uninterruptible power systems (UPSs), and energy management systems

Main business activities and ratio of net sales*

Equipment construction
Electrical equipment construction,
Air conditioning equipment construction

Power generation
Thermal power generation facilities,
Geothermal power generation facilities,
Hydropower generation facilities, Fuel cells,
Nuclear power-related equipment



Power supply and facility systems
Uninterruptible power systems
Switchgear and controlgear

Energy management
Substation equipment,
Industrial power supply equipment,
Storage battery systems,
Energy management systems,
Solar and wind power generation

Major customers
Power companies, Material plants (steel, chemical, etc.), Data centers, Semiconductor factories, Public agencies and local governments

Strengths
- Extensive delivery track record and engineering expertise in delivering clean energy solutions and ensuring both stable supply and optimization of energy
- Package proposals from a wide range of products and systems to maintenance services, contributing to stable power supply and power optimization
- Energy-saving expertise developed at Fuji Electric's factories

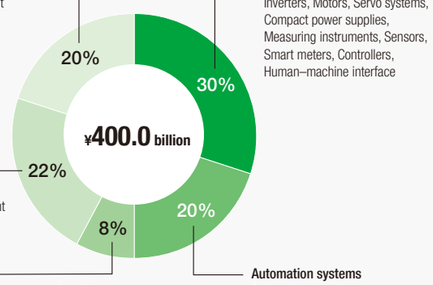
Industry

- Realization of improved productivity and energy savings through factory automation and visualization by combining measuring instruments and IoT with power electronics application products
- Contribution to stable operation of equipment through preventive maintenance and optimal maintenance operations
- Contribution to the safety and security of social infrastructure through provision of highly reliable products in the railway, ship, and nuclear power fields

Main business activities and ratio of net sales*

IT solutions
ICT-related equipment
and software

FA components
Inverters, Motors, Servo systems,
Compact power supplies,
Measuring instruments, Sensors,
Smart meters, Controllers,
Human–machine interface



ED&C components
Power distribution
and control equipment

Social solutions
Drive systems and door systems for railcars,
Systems for ships and harbors,
Radiation equipment and systems

Automation systems
Drive control systems,
Measuring and control systems,
Factory automation systems

Major customers
Air conditioning and water treatment facilities, Machine manufacturers, Power companies, Material plants (steel, chemical, etc.), Railway companies, Shipbuilding companies, Public agencies and local government

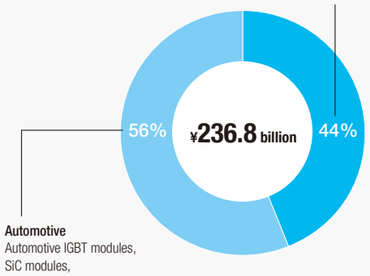
Strengths
- Early development of power electronics equipped with power semiconductors
- Extensive product lineup tailored to customer applications
- Engineering capabilities built up over a substantial delivery track record

Semiconductors

- Providing products that enable low-loss, high-efficiency power conversion in the industrial and automotive fields, and contributing to the miniaturization and energy savings for devices and equipment

Main business activities and ratio of net sales*

Industry
Industrial IGBT modules,
SiC modules,
Industrial discrete devices,
Photoconductors



Automotive
Automotive IGBT modules,
SiC modules,
Automotive discrete devices

Major customers
Inverters, Machine tools, Air conditioners, Solar and wind power generation, Electric railways, Automobile manufacturers, Automotive electronics manufacturers

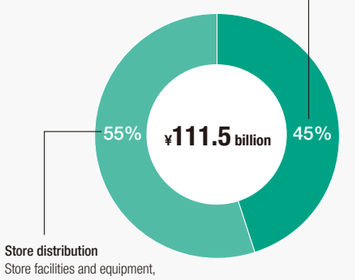
Strengths
- Industry-leading low-loss chips
- Packaging technologies that achieve high heat dissipation and high reliability
- Power semiconductors that contribute to increasing the efficiency, compactness, and reliability of power electronics

Food and Beverage Distribution

- We provide low labor, energy saving vending machines, and showcases and store systems that contribute to the safe and secure distribution of ingredients

Main business activities and ratio of net sales*

Vending machines
Beverage vending machines,
Vending machines for food and
other goods



Store distribution
Store facilities and equipment,
Automatic change dispensers

Major customers
Beverage manufacturers, Convenience stores, Restaurant chains, Supermarkets, POS manufacturers

Strengths
- Top market share of beverage vending machines in Japan, China, and Southeast Asia (our estimate)
- Extensive lineup of store fixtures and equipment
- Energy-saving technologies centered on airflow control and freezing and heating, structural durability, mechatronics technology

* Composition ratios are based on fiscal 2024 results. Figures are calculated based on the amounts before elimination and adjustment of inter-segment transactions.

Energy

In response to the expansion of renewable energy, the need for power grid stabilization, and increasing demand from datacenters, we will strengthen our system solutions and increase our production capacity to achieve sustainable growth and to contribute to the realization of a decarbonized society.

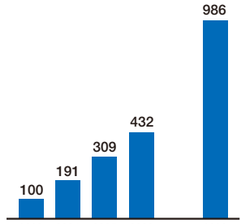
Masashi Kawano
Director, Senior Managing Executive Officer
Corporate General Manager, Energy Business Group

Market Trends and Business Opportunities

Subsegment	Market Trends and Business Opportunities
Power generation	As market demand grows for decarbonization-related power generation facilities, including renewable energy, countries that are developing geothermal power generation (Pacific Rim countries) are actively considering geothermal power generation facilities. In Japan, replacing and refurbishing hydro power generation facilities as well as pumped-storage hydropower generation are under active consideration.
Energy management	As distribution of renewable energy expands, the need for power grid stabilization continues to grow, and the grid storage battery market is also expected to grow rapidly as various markets are established. For substation systems, in addition to continued and expanding demand for replacing equipment delivered during Japan's high economic growth period, demand is also expected to grow for decarbonization (electrification, fuel conversion) of existing production processes.
Power supply and facility systems	For datacenters (IDCs), equipment demand for new construction and expansion is expected to continue to grow against the backdrop of advancing digitalization and accelerating AI utilization. For semiconductor factories as well, continued investment in constructing and expanding production facilities is anticipated for the purpose of increasing production capacity and diversifying production bases.

Grid Storage Battery System Market Served by Fuji Electric*

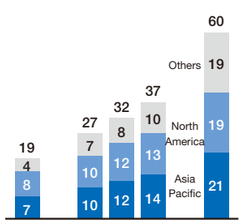
FY2023 indexed to 100



* Handout materials for the 3rd Expert Working Group on GX Implementation Assumed based on the Cabinet Secretariat (November 8, 2023)

Internet Data Center Market Scale by Region*

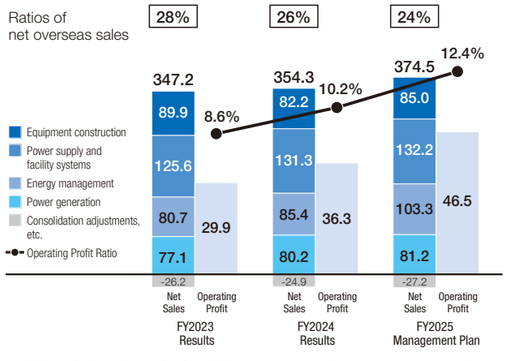
(IT-related power consumption: GW)



* Source: DATA CENTRE COLOCATION & INTERCONNECTION 2024©STRUCTURE RESEARCH

Overview of Results

Business Performance Trends (Billions of yen)



* FY2023 results: Presented reflecting the FY2025 business reorganization (reference values calculated through a simple conversion of past figures to reflect the business reorganization)
* FY2024 results: Presented reflecting the FY2025 business reorganization

FY2024 Achievements	• Increased orders for power generation equipment, substation equipment, IDC* equipment, etc.
FY2025 Challenges	• Strengthen one-stop solutions in growth markets • Increase production capacity for substation equipment • Steadily advance large-scale projects

* IDC: Datacenter

In fiscal 2024, although there were increased expenses in the power generation business, net sales increased by ¥7.1 billion year on year to ¥354.3 billion, while operating profit increased by ¥6.3 billion year on year to ¥36.3 billion, driven by increased demand for plants systems in the energy management business and power supply and facility systems business.

In fiscal 2025, we plan for steady performance in the energy management business, power supply and facility systems business, and equipment construction business, with net sales increasing by ¥20.1 billion year on year to ¥374.5 billion, operating profit increasing by ¥10.2 billion year on year to ¥46.5 billion, and an operating profit ratio of 12.4%.

Priority Measures

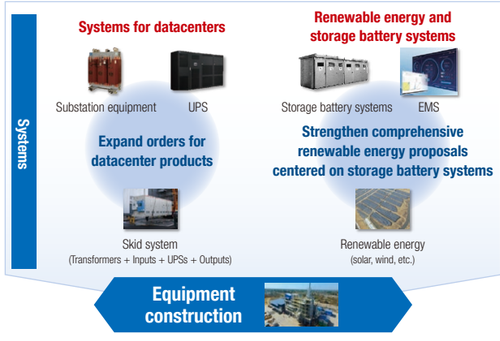
Expanding the Systems Business by Strengthening Integrated Operations with Equipment Construction

In fiscal 2025, we will newly add the equipment construction business to the Energy segment, creating a structure that provides integrated system solutions from development and manufacturing to construction and maintenance.

In the power supply and facility systems business, we will advance the development of products that meet customer needs and the introduction of new technologies to strengthen our proposal capabilities for "systems for datacenters" in the growing IDC market. Specifically, we will advance the development and introduction of unit-type, large-capacity uninterruptible power systems (UPSs) that help to increase power capacity and achieve space savings. We will also focus on developing and introducing container-type skid-systems to meet needs for shorter construction periods and improved operability, among others.

In the energy management business, in the rapidly growing market for renewable energy stabilization which has storage battery systems as its core, we will aim to expand orders by supporting shorter customer construction times and decarbonization by offering "renewable energy and storage battery systems," which combine electricity storage systems with renewable energy and energy management systems (EMS).

System Solutions



Increasing Production Capacity to Meet Growing Demand for Substation Equipment

To augment our manufacturing capabilities, we are expanding the range of products we manufacture and are promoting in-house manufacturing and automation at our Chiba, Kawasaki, and Kobe Factories.

To meet the further increase in demand for power equipment, we are reorganizing the production systems at the Chiba and Kawasaki Factories, and will increase the production capacity for transformers and switchgear to 150% of current levels by fiscal 2026. Furthermore, to respond to the growing demand for datacenters and semiconductor factories, we are expanding the production facilities at the Kobe Factory and will likewise increase the production capacity for switchgear, controlgear, and power supply boards to 150% by fiscal 2026. Through these measures, we will establish a system that can reliably handle large-scale projects.

Increasing Production Capacity

Reorganizing Production Systems


Chiba Factory


Kawasaki Factory


Transformers


Switchgear (transferred)

Expanding Production Facilities


Kobe Factory

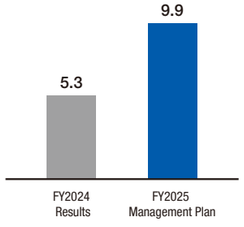

Skid system
(Transformers + Inputs + UPSs + Outputs)

Expanding Decarbonization / Renewable Energy Businesses and After-Sales Businesses

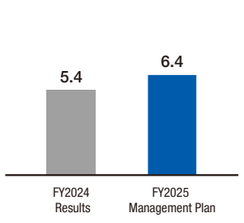
In the power generation business, to expand our decarbonization and renewable energy businesses, including decarbonization auction projects, we will steadily advance large-scale projects in addition to expanding our areas of focus, such as broadening expanding capacity in the geothermal field. We will also strengthen product competitiveness in new fields such as fuel conversion and hydrogen fuel cells. Additionally, to grow after-sales service sales, we will further enhance our proposal capabilities for customers by expanding our diagnostic technologies, power generation peripheral equipment, and repair offerings.

Plant and Equipment Investment and R&D Expenditures

Plant and Equipment Investment (Billions of yen)



R&D Expenditures (Billions of yen)



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

Key Plant and Equipment Investment Plans

- Increased production capacity by reorganizing the production systems for transformers and switchgear (Chiba Factory, Kawasaki Factory)
- Increased production capacity by expanding the production facilities for switchgear, controlgear, and power supply boards (Kobe Factory)

Key R&D Plans

- Green transformation (GX) products (storage battery systems, energy management systems, etc.)
- Global products (transformers, molded case transformers, etc.)
- Expansion of the long-lifespan UPS and next-generation UPS product series

Industry

**We will work to improve the profitability of the components business.
By creating competitive components and proposing solutions, we will expand our green transformation (GX) and overseas businesses.**

Hiroshi Tetsutani
Director and Managing Executive Officer
Corporate General Manager, Industry Business Group

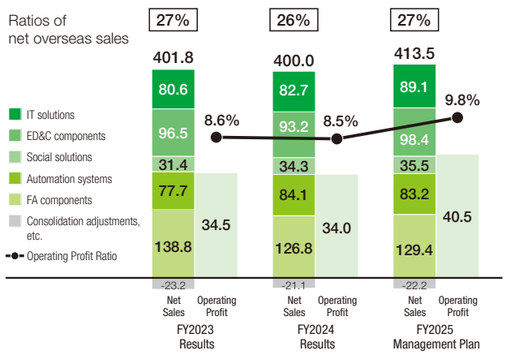
Market Trends and Business Opportunities

The market for components is expected to undergo a moderate recovery, while the market for plant systems is expected to remain flat.

	Subsegment	Market Trends and Business Opportunities
Components	FA components	In Japan, we expect a moderate recovery from the previous fiscal year, centered on semiconductor production equipment. Overseas, although the outlook is uncertain due to factors such as the impact of U.S. tariffs, we expect a recovery centered on Asia and India, with the overall market remaining flat.
	ED&C components	In Japan, we expect a moderate recovery in the market for machine tool manufacturers, while the power distribution market is expected to remain flat. Overseas, we expect a decrease in demand in the elevator industry in China due to the real estate recession, and a moderate recovery in semiconductor-related markets in the United States and Asia.
Plant Systems	Automation systems	In Japan, investment in energy savings, upgrades for aging facilities, and maintenance will continue in the steel, chemical, and port industries, centered on GX, digitalization, and BCPs. Overseas, although India will remain strong, we expect a decrease in demand in Asia, particularly in the steel industry, with the overall market remaining flat.
	Social solutions	In the radiation-related equipment field, restarting and decommissioning are expected to accelerate due to the policy of maximizing use of nuclear power outlined in the Japanese government's Seventh Strategic Energy Plan. In the railcars field, demand for replacement is continuous, and in the ship and harbor field, investment in electrification for GX will proceed, but the overall market will remain flat.
	IT solutions	With increasing digital demand, IT investment will remain strong. In the academic sector, the nationwide NEXT GIGA development for the educational ICT policy will move forward.

Overview of Results

Business Performance Trends (Billions of yen)



* FY2023 results: Presented reflecting the FY2025 business reorganization (reference values calculated through a simple conversion of past figures to reflect the business reorganization)
* FY2024 results: Presented reflecting the FY2025 business reorganization

FY2024 Achievements	• Expanded sales and profit for plant systems • Expanded business in India • Developed and expanded sales of global products
FY2025 Challenges	• Globally operate the supply chain • Further expand the overseas business and the GX business • Further strengthen profitability

In fiscal 2024, although demand for plant system projects for the materials industry remained strong, net sales decreased by ¥1.8 billion year on year to ¥400.0 billion, while operating profit decreased by ¥0.5 billion year on year to ¥34.0 billion, which was due to inventory adjustments and decreased demand centered on low-voltage inverters in the FA components business.

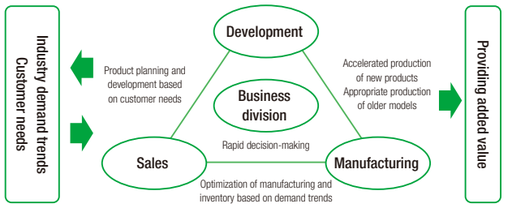
In fiscal 2025, we plan for net sales to increase by ¥13.5 billion year on year to ¥413.5 billion, operating profit to increase by ¥6.5 billion year on year to ¥40.5 billion, and an operating profit ratio of 9.8%. This will mainly be driven by expanded sales and improved profitability from launching new products in the components business as well as increased demand in the ED&C components and IT solutions businesses.

Priority Measures

Strengthening Our Structure by Integrating Component Manufacturing and Sales

From fiscal 2025, we will build an organization that integrates sales, development, manufacturing, and the business division to accelerate management speed. We will improve the accuracy of demand forecasting and make rapid decisions on product planning that meets customer needs, early development of high-value-added products, and optimal manufacturing operations. Through these initiatives, we will not only provide high-value-added products to our customers but strengthen our profitable structure by expanding sales of new products, optimizing inventory, and reducing costs by consolidating and eliminating unprofitable models.

Improving Profitability by Integrating Component Production and Sales



Expansion of Overseas Businesses

In the automation business, we will expand our overseas business by developing and expanding lineup of our global products. The next-generation industrial low-voltage inverters we launched in fiscal 2024 have been praised for their space-saving and high-efficiency features, primarily for steel and harbor crane systems, and their delivery track record is increasing. In fiscal 2025, we will launch next-generation high-voltage inverters for applications such as compressors and conveyors. In addition, as a new field, we will provide large-capacity, high-voltage, water-cooled inverters for applications such as air storage and turbine electrification. We will appeal the value of energy savings and high reliability while working to expand the systems business by sharing the engineering know-how cultivated in Japan with local human resources.

Global Products

Next-generation low-voltage industrial inverters	Next-generation high-voltage inverters	Large-capacity, high-voltage water-cooled inverters
		

In the FA components business, we will newly enter the smart meter business in India. Although India is promoting installation of smart meters as a national policy, local competitors have had issues with quality and production capacity. By utilizing design know-how cultivated in Japan, we will secure stable production capacity through product structure design that enables automated production. Furthermore, we will newly enter the market by leveraging our strength, high quality—achieved by using components whose quality has been confirmed in Japan and by minimizing human-dependent factors through full automation. Going forward, we will strive to expand sales and profit by further enhancing our cost-competitiveness both by obtaining Bureau of Indian Standards (BIS) certification and by localizing parts for which high quality can be ensured as replacements.


Smart meters for India

Expanding Sales and Strengthening the Structure of the ED&C Components Business

For the machine tool manufacturer market, we will accelerate the switch to the new SC-NEXT series of magnetic switches and aim to capture demand for semiconductor production equipment. For the power distribution market, we will focus on new order acquisition activities for datacenter (IDC) and factory construction projects. We will also promote orders for power monitoring equipment and other products to meet demand related to carbon footprints.

In parallel, we will work to strengthen the structure of our production sites by utilizing digital technology. We will equip the fully automated assembly line for the SC-NEXT series with MES, which enables automatic acquisition of site data and a production line analysis system, to reduce costs and improve productivity.

Priority Development to Capture GX Demand

We will focus our development efforts on heat products such as ejector cooling systems used for cooling AI servers in IDCs as well as on steam-generation heat pumps that can efficiently generate steam using waste heat from factories. To strengthen our medium- to long-term competitiveness, we aim for future business expansion by developing new products such as those for mobility and radiation-related equipment for overseas markets.

Heat products

200 kW ejector cooling systems

150°C/100 kW steam-generation heat pump

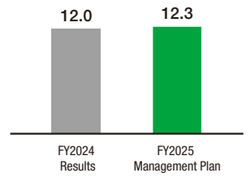
Mobility products

Automotive power electronics

Plant and Equipment Investment and R&D Expenditures

Plant and Equipment Investment (Billions of yen)

R&D Expenditures (Billions of yen)



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

Key Plant and Equipment Investment Plans

- Production equipment for products for the mobility field, smart meters, and heat products
- Assembly automation for products in the ED&C components business

Key R&D Plans

- Global products (servos, high-voltage inverters, radiation-related equipment, etc.)
- Platform development (low-voltage inverters, etc.)
- GX-related products (next-generation power equipment, heat products, mobility, etc.)

Semiconductors

We will strive for medium- to long-term business expansion by contributing to automobile electrification, equipment downsizing, energy savings, and CO_2 emissions reduction.

Toru Hosen
Director and Senior Managing Executive Officer
Corporate General Manager, Semiconductors Business Group

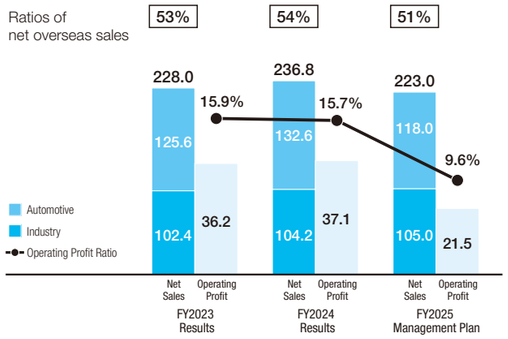
Market Trends and Business Opportunities

Power semiconductors, which contribute to energy savings through high conversion efficiency and power control, are experiencing increased global demand against the backdrop of environmental measures for decarbonization and rising investment in automation within the manufacturing industry.

Subsegment	Market Trends and Business Opportunities
Industry	Although the recovery in demand for FA-related applications, such as inverters and machine tools, will be slow, demand for renewable energy applications, such as solar and wind power, is expected to grow steadily.
Automotive	Although the growth rate of electric vehicles (EVs) will slow down, the number of hybrid vehicles will increase, and the overall growth rate for electrified vehicles (xEVs) is expected to be in the double digits.

Overview of Results

Business Performance Trends (Billions of yen)



FY2024 Achievements	• Developed new products (for xEVs and renewable energy) • Expanded the ratio of 8-inch Si*1 device production; began full-scale mass production of 6-inch SiC*2 devices • Received approval for the SiC device supply plan, jointly submitted with DENSO CORPORATION, from the Ministry of Economy, Trade and Industry
FY2025 Challenges	• Expand sales in growth fields (for xEVs and renewable energy) • Secure design wins for new products and cultivate new customers • Increase SiC production capacity in line with demand • Develop competitive next-generation products

*1 Si: Silicon
*2 SiC: Silicon carbide

In fiscal 2024, although demand was sluggish for overseas xEVs and for FA-related applications in Japan, net sales increased by ¥8.8 billion year on year to ¥236.8 billion. This was due to increased demand for xEVs in Japan and for renewable energy overseas, as well as sales price revisions. Operating profit increased by ¥0.9 billion year on year to ¥37.1 billion, driven by an increase in net sales and sales price revisions, despite factors such as increased costs related to production capacity expansion and the impact of high raw material prices.

In fiscal 2025, although demand for renewable energy is expected to remain strong and a moderate recovery is anticipated for FA-related applications, we plan for net sales to decrease by ¥13.8 billion year on year to ¥223.0 billion due to a decrease in sales volume for xEVs. We plan for operating profit to decrease by ¥15.6 billion year on year to ¥21.5 billion, with an operating profit ratio of 9.6%, due to the decrease in sales volume, high raw material prices, increased fixed costs, and the impact of the fiscal 2024 sales price revisions.

Priority Measures

Securing New Design Wins for xEVs and Expanding Sales of IGBTs and SiCs

We are working to develop power semiconductor module products that are even more compact, have lower generated losses, and achieve higher reliability to contribute to improving driving ranges, securing interior space, and reducing weight.

We have developed a compact RC-IGBT module that is 54% smaller than conventional products by utilizing our Si-based RC-IGBTs*1, which we developed ahead of our competitors. For SiC products, we have developed a new SiC module that is 49% smaller than conventional products by using our three-dimensional wiring technology, which also significantly reduces the module's internal inductance*2 and lowers losses. We plan to begin mass production of the compact RC-IGBT module in fiscal 2025 and of the SiC module in fiscal 2026.

Focusing on these competitive new products, we will drive their adoption in customer designs and cultivate new customers, contributing to downsizing and reducing the costs of customers' equipment.

*1 RC-IGBT: A product that achieves significant loss reduction and downsizing by arranging two types of semiconductors with different functions (an IGBT and a free-wheeling diode) alternately in a straight line on a single chip and operating them together.
*2 A higher value here increases switching losses and noise.

New Products for xEVs

Compact RC-IGBT Module

Strengths Features	Compact, short package (Volume: -57% vs. conventional product)* Supports three different ratings by combining two types of coolers
Adopting Vehicles Types (Examples)	Light vehicles, compact vehicles, and hybrid vehicles (generation)

SiC Module

Strengths Features	Compact, thin package (Volume: -49% vs. conventional product) Low inductance (Inductance: -80% vs. conventional product)
Adopting Vehicles Types (Examples)	Large vehicles, sports vehicles

* Comparison based on equivalent ratings. As the rated current differs from that of conventional products, comparison is based on effective module output conversion values.

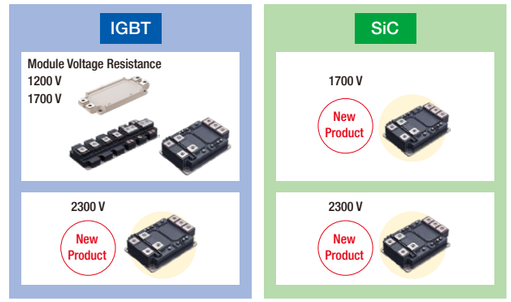
Expanding Sales, Primarily in the Renewable Energy Field

In the renewable energy field, there are growing needs for products with higher voltage ratings to increase power generation, higher reliability to ensure stable power supply, and higher efficiency that leads to smaller and lighter equipment. We are expanding our product series of IGBT and SiC modules that meet these needs and are expanding our sales.

We are also developing next-generation products for the industrial field. The 8th-generation IGBT module will reduce chip size by lowering generated losses by 15% or more compared to our current mainstay 7th-generation IGBT modules. Furthermore, we will achieve significant cost reductions through initiatives such as using shared and standardized structural components as well as local procurement.

Going forward, we plan to continue capturing strong demand and expand our sales, primarily in the renewable energy field.

Product Lineup for the Renewable Energy Field



Strengthening Production Capacity and Starting Mass Production of New Products to Meet Demand

While controlling the pace of production capacity expansion in line with the current demand environment, we will continue to make plant and equipment investments for future demand growth and further business expansion.

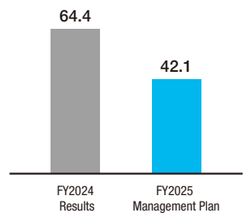
For the SiC chip manufacturing process (front-end), we began full-scale mass production of 6-inch devices at Fuji Electric Tsugaru Semiconductor Co., Ltd. in December 2024. In fiscal 2025, we will strengthen production capacity by 2.5 times year on year and proceed with the construction of an 8-inch pilot line at the Matsumoto Factory.

For the Si chip manufacturing process (front-end), we will begin mass production of the 8th-generation IGBT sequentially from the end of fiscal 2025.

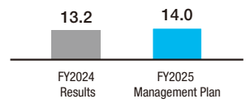
For the assembly process (back-end), we will begin mass production of new products, including compact RC-IGBT modules for xEVs and 7th-generation IGBT modules for renewable energy, in fiscal 2025.

Plant and Equipment Investment and R&D Expenditures

Plant and Equipment Investment (Billions of yen)



R&D Expenditures (Billions of yen)



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

Key Plant and Equipment Investment Plans

- Strengthen production capacity for 6-inch SiC devices (front-end processes)
- SiC 8-inch pilot line
- Strengthen module production capacity for xEVs and the industrial field

Key R&D Plans

- Promote development of new products, such as 3rd-generation SiC-MOSFETs and 8th-generation IGBTs
- Strengthen SiC 8-inch technology development

Food and Beverage Distribution

We will work to improve our profitability and build our operating foundation with new products that meet market needs.

Keiichi Asano
Managing Executive Officer
Corporate General Manager, Food and Beverage Distribution Business Group

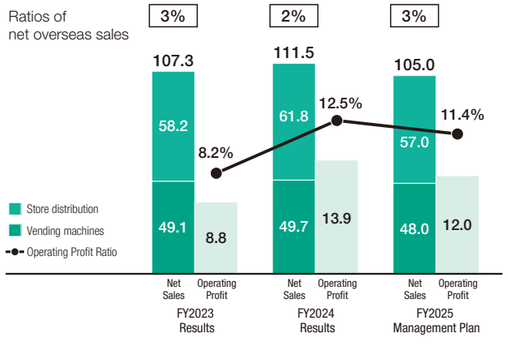
Market Trends and Business Opportunities

Although the food and beverage distribution market as a whole is expected to be lower than the previous year due to the leveling off of demand related to new banknotes in Japan, needs are growing in new fields for automation, labor savings, and environmental measures, and we will work to expand our business by launching new products.

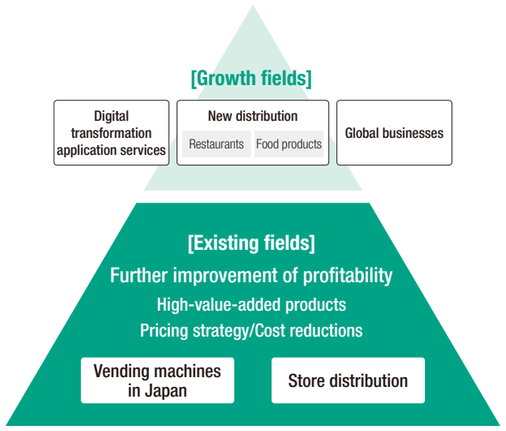
Subsegment	Market Trends and Business Opportunities
Vending machines	In Japan, demand is expected to be lower than the previous year due to curbed investment by beverage manufacturers, but there are growing needs to reduce power consumption, diversify products sold, and improve the efficiency of vending machine operations due to labor shortages. Meanwhile, overseas, we expect demand to remain at the same level as the previous year, as changes in food preferences, such as rising coffee demand, are progressing, mainly in China and other parts of Asia.
Store distribution	In the convenience store field, the market is expected to be on par with the previous year due to investment in store equipment that meets environmental requirements and that responds to diversifying user preferences. In the automatic change dispenser field, a decrease is expected due to the leveling off of special demand related to new banknotes in Japan. Meanwhile, in new fields centered on the restaurant industry, the need for labor savings is increasing due to labor shortages.

Overview of Results

Business Performance Trends (Billions of yen)



Overview of the FY2026 Medium-Term Management Plan



FY2024 Achievements	• Captured demand related to new banknotes in Japan • Increased market share for vending machines and automatic change dispensers in Japan • Launched new products
FY2025 Challenges	• Further improve profitability • Build the operating foundation (improve top line earnings) • Expand sales of new products

In fiscal 2024, net sales increased by ¥4.2 billion year on year to ¥111.5 billion, while operating profit increased by ¥5.1 billion year on year to ¥13.9 billion due to increased sales volume and the promotion of cost reduction activities. This was driven by increased market share for vending machines in Japan and higher demand for automatic change dispensers in the store distribution business due to the issuance of new banknotes in Japan.

In fiscal 2025, although we will promote sales expansion measures such as growing sales of new products and further increasing our market share, we plan for net sales to decrease by ¥6.5 billion year on year to ¥105.0 billion, and operating profit to decrease by ¥1.9 billion year on year to ¥12.0 billion, with an operating profit ratio of 11.4%, due to the fall-off in demand related to new banknotes.

Priority Measures

Improving Profitability by Expanding Our Lineup of High-Value-Added Products

In the vending machine business in Japan, we will expand our product lineup in various locations with models that contribute to higher customer sales. These efforts include expanding the range of ultra-energy-efficient vending machines based on our “Sustainable Vending Machine,” which won the Minister of Economy, Trade and Industry Award at the Energy Conservation Grand Prize in 2023; launching PET-bottle exclusive vending machines; and offering beverage vending machine with a locker functions that can sell beverages and supplements together.

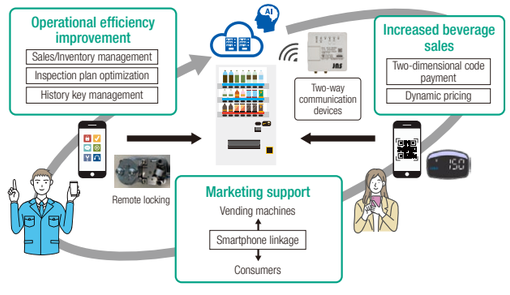
In the store distribution business, we will introduce eco-friendly showcases for convenience stores that are compatible with green refrigerants and have enhanced energy-saving performance; automatic change dispensers that save both space and labor; and new counter fixtures that address diversifying user preferences and help promote customer sales.

In manufacturing, we aim to further improve profitability by expanding use of platform designs and in-house manufacturing to reduce costs, as well as by utilizing digital technology to improve productivity.

Existing Business Areas: High-Value-Added Products

Ultra-energy-efficient vending machines | PET-bottle exclusive vending machines | Beverage vending machines with locker function | Eco-friendly showcases

Growth areas: DX Application Services



Building the Operating Foundation (Improving Top Line Earnings)

Based on the Medium-Term Management Plan, we will position “DX application services,” “new fields,” and “global business” as growth fields and strengthen them.

For DX application services in the vending machine business, we will enhance the value provided to customers by equipping machines with two-way communication devices. This will enable features such as dynamic pricing (to flexibly change prices according to demand trends), support for smartphone payments, and services that improve the efficiency of vending machine operations. In the store distribution business, we will promote services that contribute to optimizing store operations and reducing environmental impacts, such as visualizing energy consumption based on the store controller and coordinating the operation of showcases and air conditioning equipment. In fiscal 2025, we will conduct demonstration experiments with customers and promote activities to secure design wins.

Regarding new fields, we will collaborate with coffee equipment trading companies to accelerate design wins with restaurant and cafe chains for our coffee machines for restaurants, which we launched last fiscal year. To expand orders, we will emphasize the value provided by automation, high-quality taste, and maintenance-free operation. In addition, the locker vending machine we launched in fiscal 2024 allows users to freely select products of various sizes and enables 24-hour sale of refrigerated goods; we will expand its sales, targeting new markets that involve fresh produce, Western-style confectionery, and agricultural products.

For our global business, we aim to newly enter the vending machine market in India. In China and Southeast Asia, in addition to conventional vending machines, we will offer global coffee machines to respond to the expanding coffee market as well as ice cream vending machines for the ice cream market, which is seeing remarkable growth.

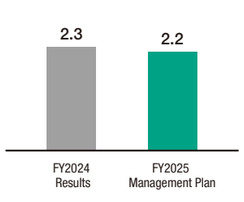
Going forward, we will anticipate social changes and contribute to the sustainable improvement of our top line earnings as well as the enhancement of our corporate value.

Growth areas: New products in the vending machine and store distribution businesses

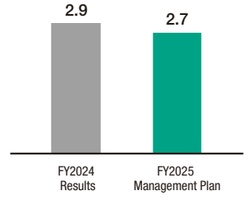
Coffee machines for restaurants | Locker vending machines | Global coffee machines | Ice cream vending machines

Plant and Equipment Investment and R&D Expenditures

Plant and Equipment Investment (Billions of yen)



R&D Expenditures (Billions of yen)



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Key Plant and Equipment Investment Plans

- Investments to improve productivity (rationalization, automation, and in-house manufacturing)
- Environmental investments to reduce CO_2 emissions at manufacturing bases

Key R&D Plans

- High-value-added vending machines, eco-friendly showcases
- DX application services and products for new fields