



Food and Beverage Distribution

We aim to generate stable earnings while expanding operations in new and growth fields.

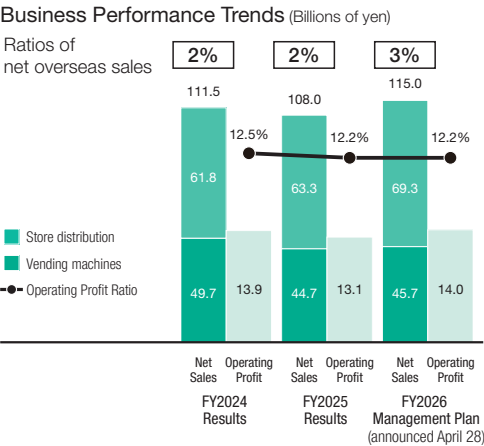
Keiichi Asano
Managing Executive Officer
Corporate General Manager, Food and Beverage Distribution Business Group

Market Trends and Business Opportunities

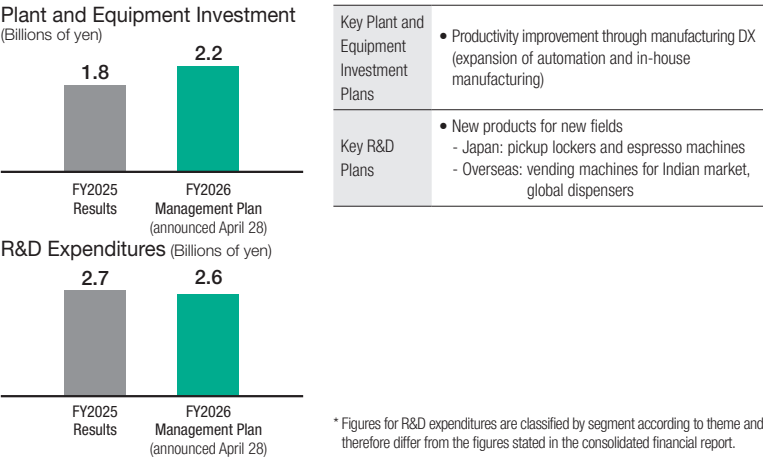
In the food and beverage distribution market, while Japan’s vending machine market is shrinking, demand in the convenience store market is increasing for energy savings and environmental measures. In new fields such as food, pharmaceuticals, and restaurants, new demand is emerging alongside growing needs for automation and labor savings.

Subsegment	Market Trends and Business Opportunities
Vending machines	In Japan, while beverage manufacturers are reducing equipment investment compared to the previous year, needs are growing for more efficient vending machine operations amid labor shortages and for refrigerated storage in new fields such as food and pharmaceuticals. Overseas, coffee demand is expected to increase, mainly in China and Southeast Asia, reflecting changes in consumer preferences.
Store distribution	In the convenience store field, demand is expected to increase year on year as needs diversify for products sold over the counter, in addition to environmental measures for showcases. In new fields such as restaurant chains, demand for self-service coffee machines and other products is expected to increase as labor shortages drive growing needs to reduce headcount and save labor.

Overview of Results



Plant and Equipment Investment and R&D Expenditures



In fiscal 2025, increased demand for store facilities and equipment offset the falling off in replacement demand for automatic change dispensers associated with the previous fiscal year’s issuance of new banknotes in Japan, but lower demand for vending machines in Japan resulted in net sales of ¥108.0 billion, down ¥3.5 billion year on year, and operating profit of ¥13.1 billion, down ¥0.8 billion year on year, for an operating profit ratio of 12.2%.

In fiscal 2026, driven by the effects of our increased share in Japan’s vending machine market, an increase in counter-fixture projects in the store distribution business, and measures to

expand sales of new products for new fields, we plan for net sales of ¥115.0 billion, up ¥7.0 billion year on year; operating profit of ¥14.0 billion, up ¥0.9 billion year on year; and an operating profit ratio of 12.2%.

FY2025 Achievements	- Launching of new products such as tea dispensers for convenience stores and vertical-standing automatic change dispensers - Start of the rollout of beverage vending machines for India
FY2026 Challenges	- Top-line growth across Food and Beverage Distribution through accelerated entry into new fields - Expansion of the overseas business

Priority Measures

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

In the vending machine business in Japan, building on our dominant market share of just under 80%, we will deepen partnerships with beverage manufacturers and expand our lineup of high-value-added products, including plastic bottle-specific vending machines and cup vending machines. We will also equip machines with two-way communication devices to provide dynamic pricing functions that flexibly adjust prices according to demand trends, support for QR-code payments, and services that improve vending machine operational efficiency, including sales and inventory management. Through these measures, we aim to maximize the value we provide to solve beverage manufacturers’ challenges.

In the store distribution business, centered on major convenience store chains in Japan, we will strengthen total solution proposals that address store-wide challenges. We will introduce high-value-added products that improve store operating efficiency, including showcases that are compatible with new fluorocarbon-free refrigerants and showcases with doors to meet environmental and energy-saving needs; counter fixtures (tea dispensers, café latte machines, and ambient display cases) that respond to diversifying consumer preferences; and vertical-standing automatic change dispensers that save both labor and space.

In manufacturing, we will pursue total cost reductions by expanding automation and in-house manufacturing of vending machine component module assembly; by reducing design costs through standardization for next-generation vending machine models and platform development for showcases; and by reviewing the use of steel and copper in response to rising material prices. Through these efforts, we will further strengthen profitability.

*QR Code is a registered trademark of DENSO WAVE INCORPORATED in Japan and in other countries.

Developing New Fields in Japan and Expanding Sales of New Products by Region Overseas

To strengthen our operating foundation, we will develop new fields in Japan, which are a growth area, and expand our global business. In new fields in Japan, we will horizontally deploy the heating/cooling and durability technologies that we have cultivated in the vending machine business to create markets for refrigerated pickup lockers for pre-ordered products in the food and distribution industries, as well as pharmaceutical pickup lockers in anticipation of revisions to the Pharmaceuticals and Medical Devices Act. For restaurant chains, in addition to conventional drip coffee machines, we will develop and launch Japan’s first domestically produced espresso machine and aim to expand our share in a market dominated by overseas manufacturers. We will also expand our business fields by deploying automation solutions that address customers’ entire supply chains, such as automated picking robots for beverage manufacturers’ warehouses.

In our global business, we will roll out beverage vending machines for major beverage manufacturers in India, a priority market, through collaboration with a general trading company. In existing markets, we will introduce global coffee machines to rapidly growing coffee markets, particularly China and Thailand, as well as ice cream vending machines in China, launching new products in a timely manner for each region to expand sales.

Product Strategies Leading up to 2030

