

# Food and Beverage Distribution Business Strategies

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**Keiichi Asano**  
Executive Officer  
Corporate General Manager  
Food and Beverage Distribution Business Group  
Fuji Electric Co., Ltd.

## ■ Business Overview

## ■ FY2021 Management Plan

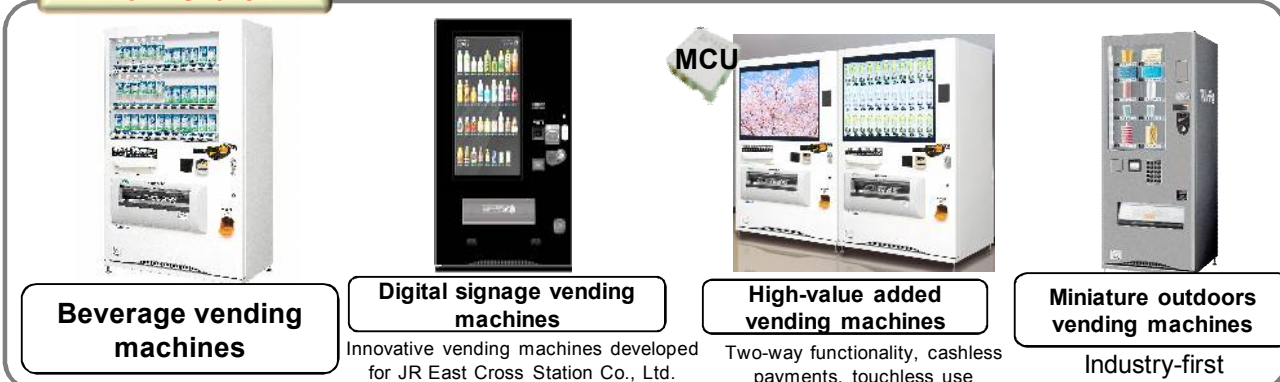
- Market Outlook
- Business Policies
- Business Plan
- Priority Measures
- Capital Investment / Research and Development

## Vending Machines

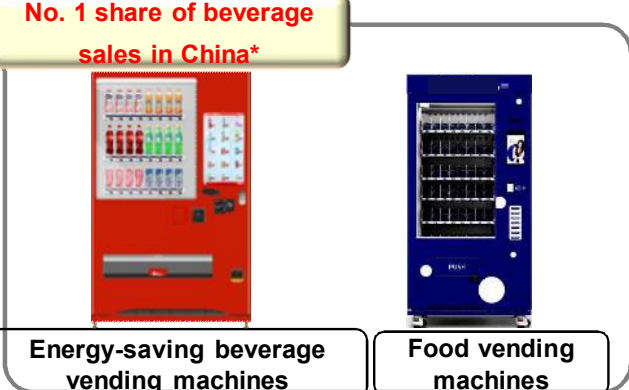
## Store Distribution

Japan

**No. 1 share\***

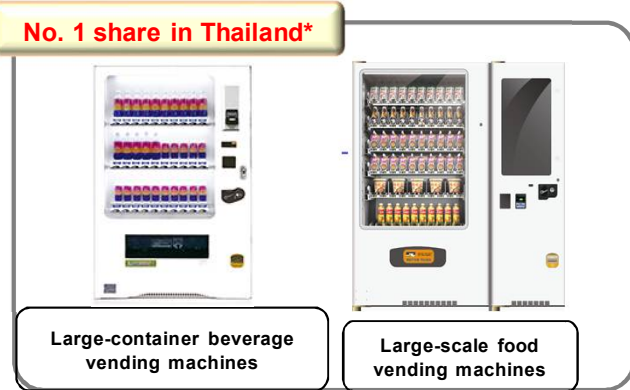


**Beverage vending machines**




**Digital signage vending machines**

Innovative vending machines developed for JR East Cross Station Co., Ltd.



**High-value added vending machines**

Two-way functionality, cashless payments, touchless use




**Miniature outdoors vending machines**


Industry-first

Overseas

**No. 1 share of beverage sales in China\***




**Energy-saving beverage vending machines**




**Food vending machines**

Japan


**No. 1 share in Thailand\***




**Large-container beverage vending machines**




**Large-scale food vending machines**




**Refrigerated and freezer showcases**



**Total store coordination**



**Counter fixtures**



**Automatic change dispensers**

### Major Customer

**Vending Machines (Japan)**

- Beverage manufacturer
- Food products manufacturer
- Vending machine operator

**Vending Machines (Overseas)**









- Beverage manufacturer
- Vending machine operator
- Convenience store
- e-money

**Store Distribution**

- Convenience store
- Super market
- Point of sale system

\* Based on FY2020 performance; Source: Fuji Electric Co., Ltd.

# FY2021 Market Outlook

		FY2021 Market Outlook		
		FY2019 →FY2020	FY2020 →FY2021	Details
Vending Machines	Japan	 Down 40%	 (Unchanged)	<p>Unfavorable outlook, <b>flat growth from FY2020</b></p> <p>&lt;Market Needs&gt;</p> <ul style="list-style-type: none"> <li>• <b>Contact-free, non-face-to-face, two-way demand</b> arising from COVID-19 pandemic</li> <li>• Rising demand for <b>new vending machine applications</b> other than beverage sales</li> </ul>
	China	 Down 40%	 (Slight increase)	<p><b>Market recovery</b> driven by diversification of customer needs</p> <p>&lt;Market Needs&gt;</p> <ul style="list-style-type: none"> <li>• Need for <b>energy saving, eco-friendliness</b>, and <b>vending machines that can support large items from beverage manufacturers</b></li> <li>• Demand for <b>using vending machines as satellite locations</b> and for <b>selling wider ranges of items from convenience store operations</b></li> <li>• Desire to use vending machines as venue for popularizing <b>specific e-moneys among e-money operators</b></li> </ul>
	Southeast Asia	 Down 40%	 (Slight increase)	<p><b>Flat growth from FY2020</b></p> <p>&lt;Market Needs&gt;</p> <ul style="list-style-type: none"> <li>• Rising <b>renovation demand</b> for effectively growing sales</li> <li>• Need for <b>labor saving and food loss reduction measures</b>, contact-free and non-face-to-face options, and satellite locations</li> </ul>
Store Distribution	Japan	 Down 20%	 (Unchanged)	<p><b>Flat growth from FY2020</b></p> <p>&lt;Market Needs&gt;</p> <ul style="list-style-type: none"> <li>• Rising <b>renovation demand</b> for effectively growing sales</li> <li>• Need for <b>labor saving and food loss reduction measures</b>, contact-free and non-face-to-face options, and satellite locations</li> </ul>

## Business Policies

- Improvement of business constitution through full utilization of benefits of FY2020 business structure reforms
- Focus on growth strategies for improving topline performance (next customers, new products)

## Priority Measures

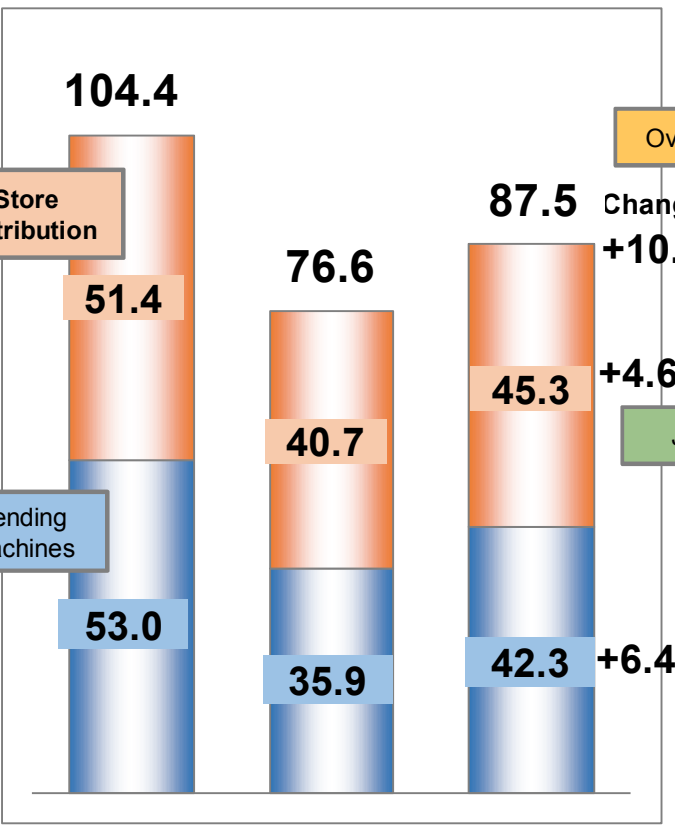
- **Vending Machines**
  - Japan: Exercise of benefits of higher market share and deployment of high-value-added vending machines
  - Overseas: Promotion of customer strategies while capitalizing on the benefits of new customers (orders received)
- **Store distribution**
  - Exercise of benefits of higher market share while capitalizing on benefits of new products (orders received)
  - Promotion of solutions based on new needs of convenience stores
- **General**
  - Exploration of new customers and introduction of new products matched to customer needs
  - Efficient manufacturing utilizing benefits of Mie Factory, DFB,\*1 and FMS\*2

\*1 Dalian Fuji Bingshan Vending Machine Co., Ltd.

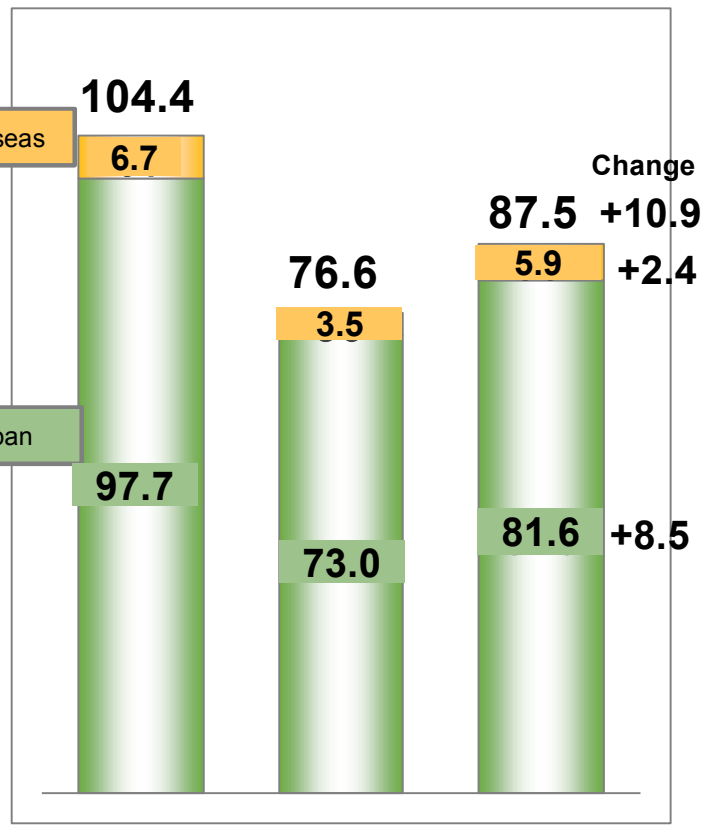
\*2. P.T. Fuji Metec Semarang

**Target of increased sales and income to be achieved by capitalizing on benefits of higher market share and business structure reforms implemented in FY2020**

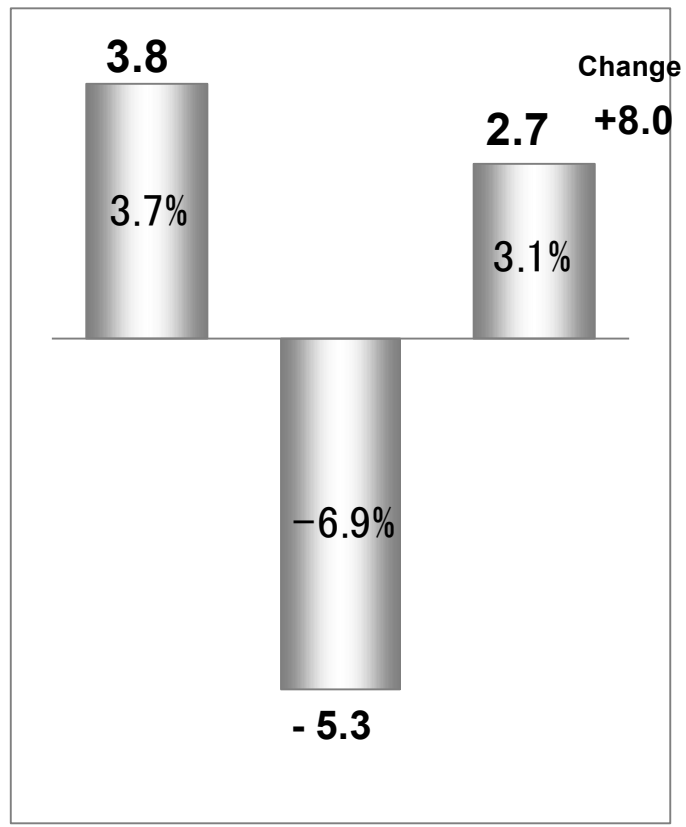
**Net Sales by Subsegment**  
(Billion yen)



**Net Sales in Japan / Overseas**  
(Billion yen)



**Operating Income / Operating Margin**  
(Billion yen)



FY2019 Results

FY2020 Results

FY2021 Management Plan

FY2019 Results

FY2020 Results

FY2021 Management Plan

FY2019 Results

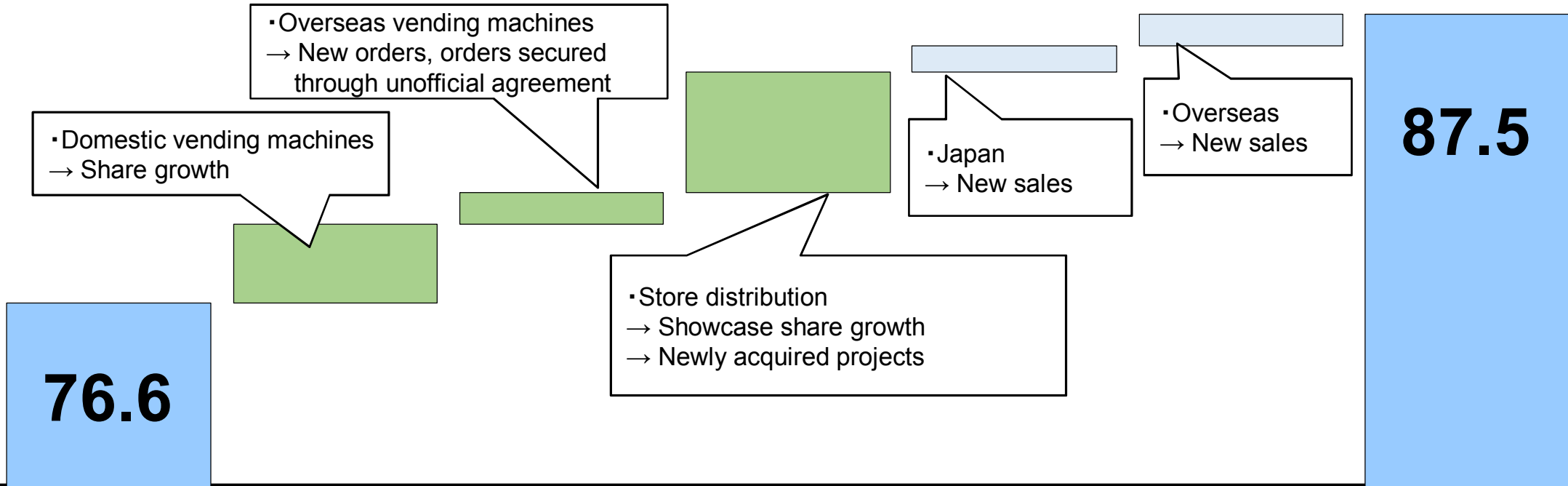
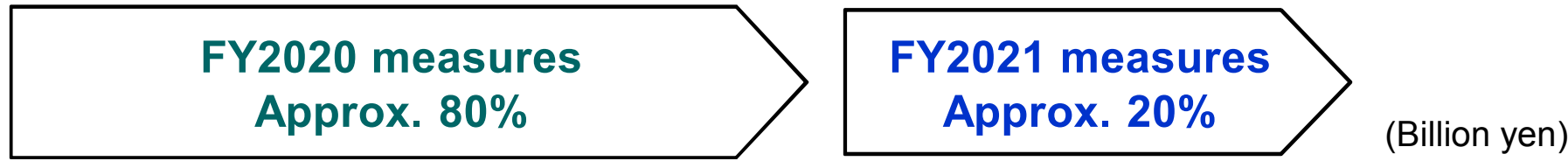
FY2020 Results

FY2021 Management Plan

# FY2021 Net Sales Plan (Year-on-Year Growth)

**Approx. 80% of net sales growth from FY2020 measures and approx. 20% from FY2021 measures**

**← Net sales: Increase of 10.9 billion yen →**



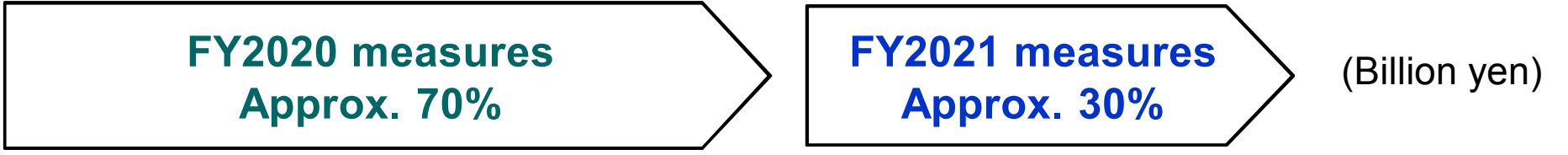
**FY2020 Results**

**FY2021 Plan**

# FY2021 Operating Income Plan (Year-on-Year Growth)

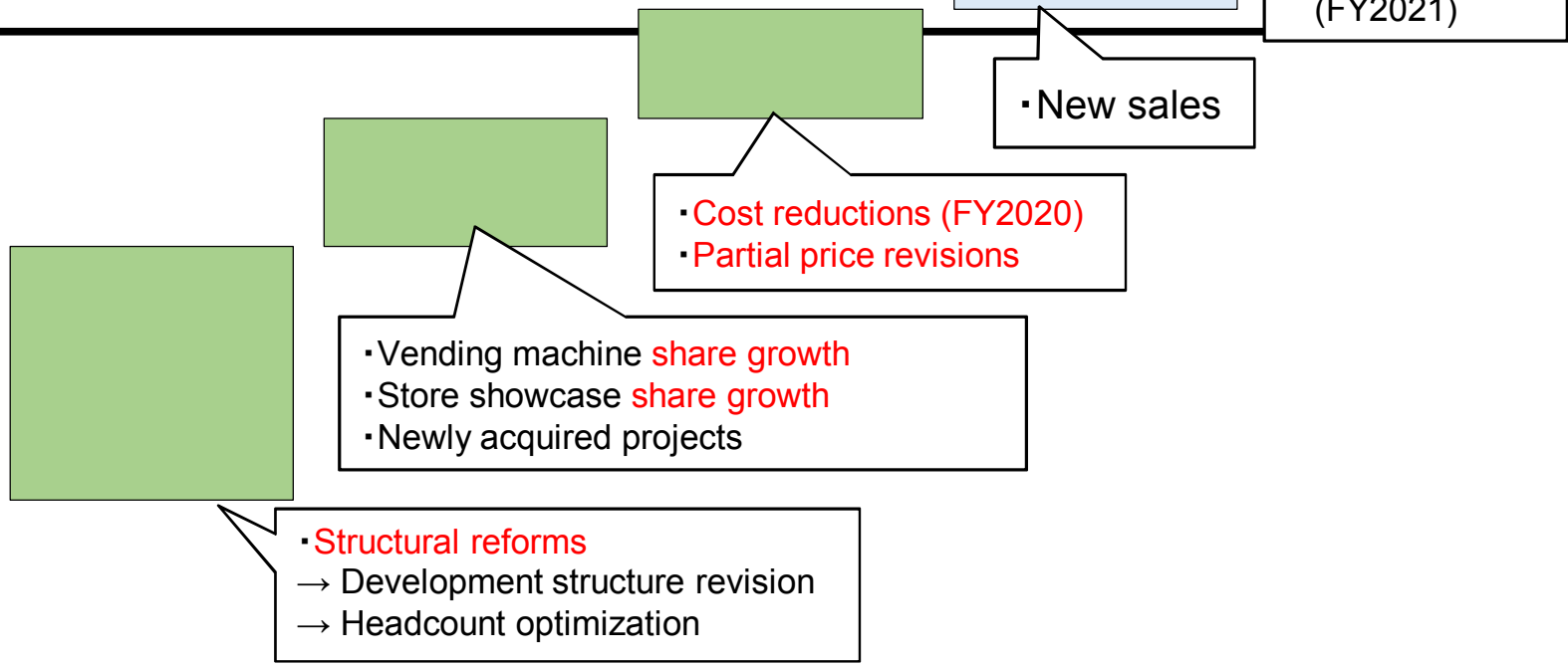
Approx. 70% of income improvement from FY2020 measures and approx. 30% from FY2021 measures

← **Income: Improvement of 8.0 billion yen** →



**▲ 5.3**

**FY2020 Results**



**2.7**

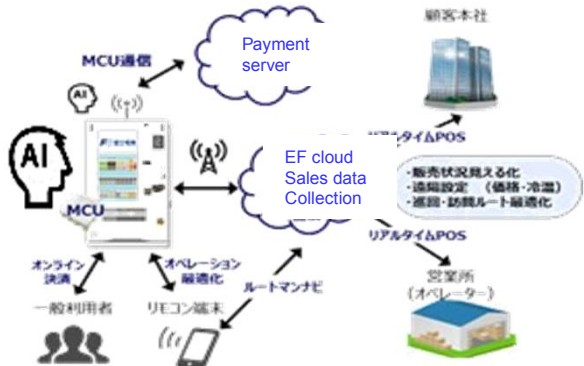
**FY2021 Plan**



**Introduction of high-value-added vending machines to maintain No. 1 share in vending machine market and explore new markets**

New Technologies

## Digital Transformation



**Launch of new service businesses**

- 【Streamlining of Vending Machine Operations】**
  - Demand forecast
  - Route optimization
- 【Effective Sales Growing Services】**
  - Request functions
  - Dynamic pricing

**Development**

Key box vending machines



Rental car operators

Sample transportation systems

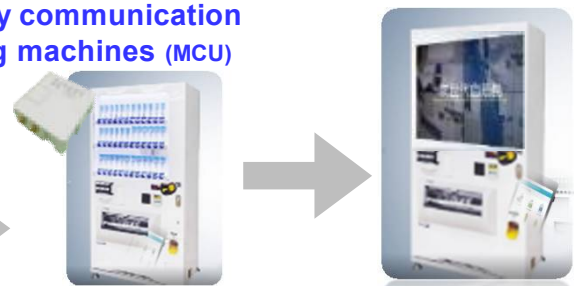
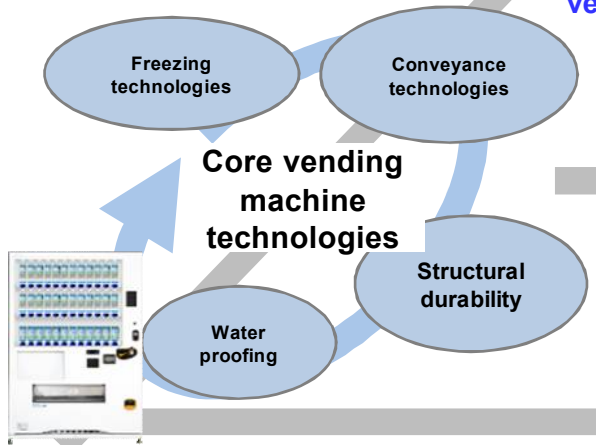


Healthcare providers, distributors, sample processors

Existing Technologies

Beverage manufacturers  
Food product manufacturers

Two-way communication vending machines (MCU)



- Completely contact-free vending machines (launched in 2021)
- Two-way communication vending machines with AI compatibility

**Deployment of high-value-added vending machines**

**Two-way functionality, cashless payments, touchless use**

**Contact-Free, Non-Face-to-Face Needs**

Customers seeking new vending machine applications  
→ Micro-market deployment

Miniature outdoors vending machines (industry first)  
→ Hotels, railways



Frozen food vending machines



**Existing Customers**

**New Customers**

Supply of products matched to customer needs and promotion of customer strategies

**Customers**

**Beverage Manufacturers**

**Convenience and Other Store Operators**

**Customers Needs**

- **Rising energy-saving and eco-friendliness demand**
- Sales of large items in vending machines (**product diversification**)
- Reliable after sales services

- **Expansion of satellite locations** (unmanned stores)  
→ **Use of vending machines**
- Sales of wider ranges of items (beverages, food, goods, coffee)
- Utilization of vending machines as a venue for accelerating popularization of specific e-moneys

**China**

**Priority Strategies Targeting Customers Seeking Japanese Standards of Quality (Major Beverage Manufacturers)**



Energy-saving vending machines

**Southeast Asia**



Energy-saving vending machines

**Coordination with Dalian Bingshan Group → Enhancement of Store Channels**



New food vending machines

Showcase vending machines

Tabletop coffee machines

IT lockers

**Joint Development with Customers (Wide-Ranging Temperature Compatibility)  
Cashless Payment Compatibility (Support for Customer Businesses)**



Large-scale food vending machines

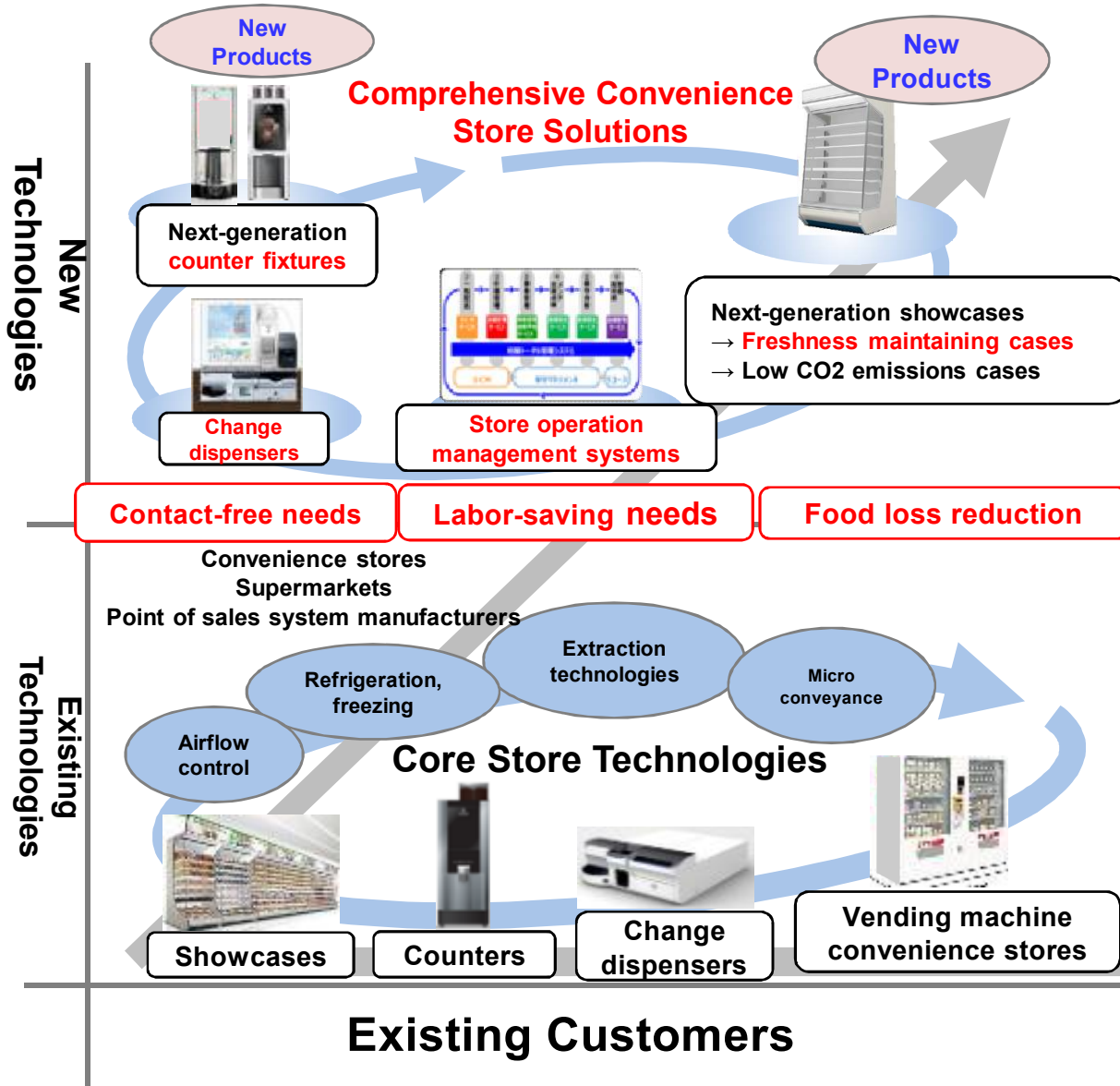
Corporate group (Convenience store operator)



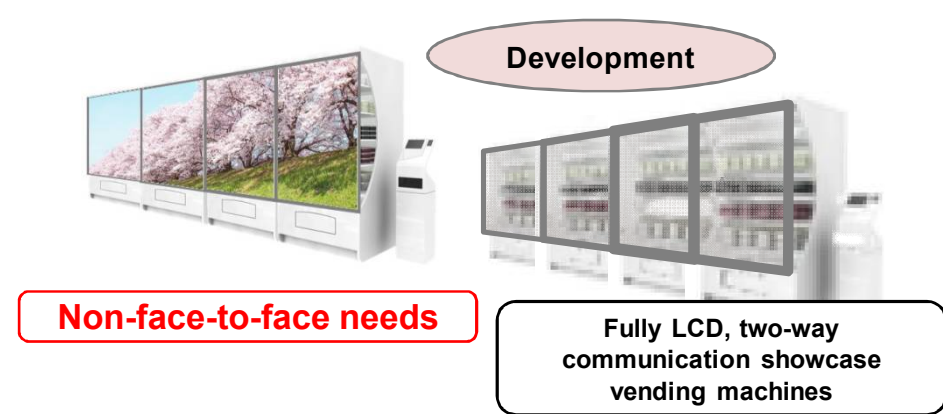
Cashless payment-compatible vending machines

Vending Plus (Thailand)

Exploration of new markets with products matched to customer needs while maintaining No. 1 share in domestic convenience store equipment market



## Evolution of Unmanned Stores

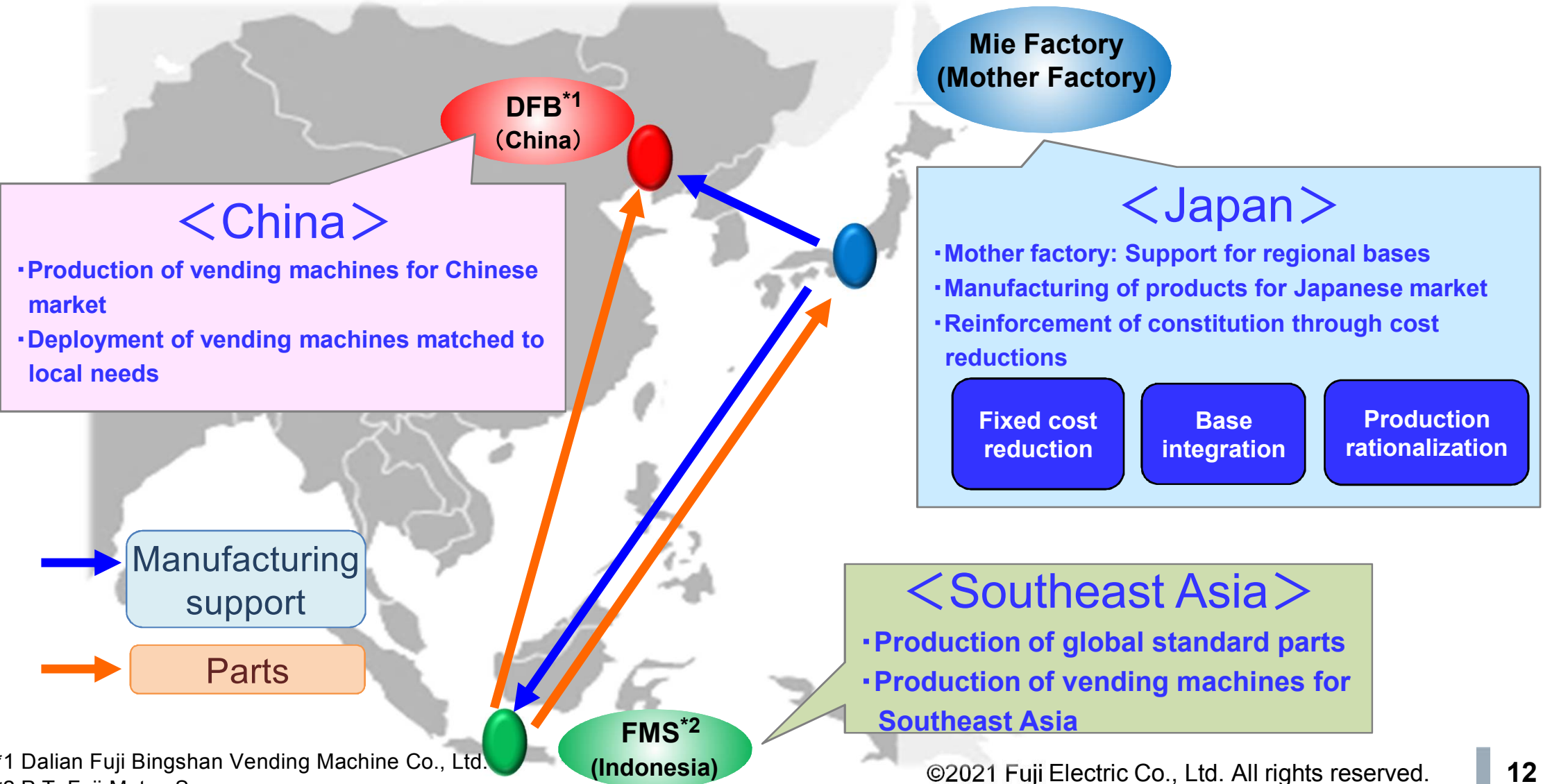


## Exploration of new customers (drugstores, food sellers, distributors, etc.)



## New Customers

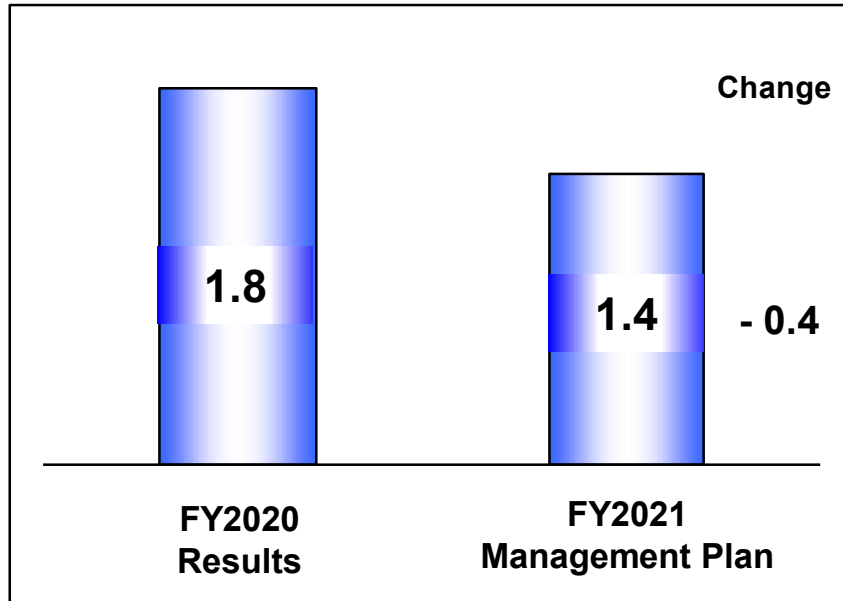
**Promotion of efficient manufacturing at individual bases through local production and consumption**



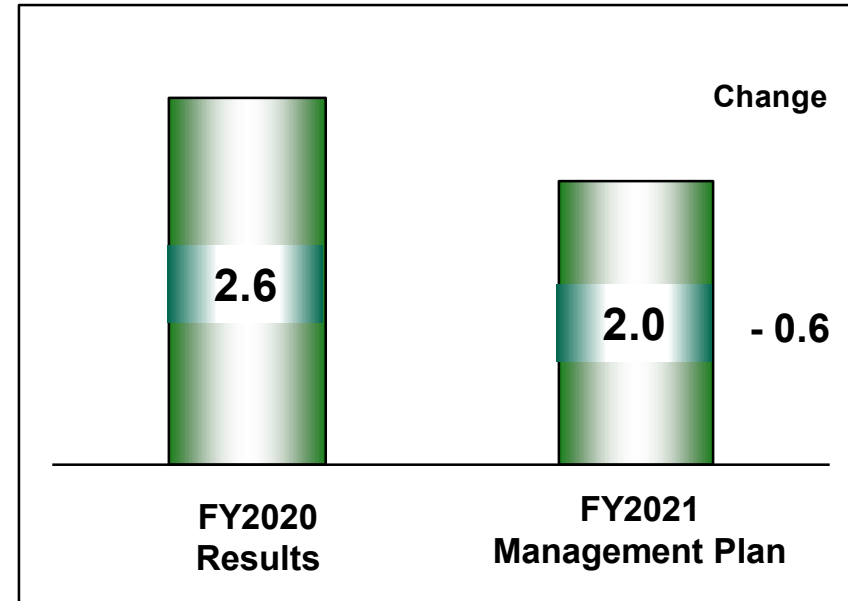
\*1 Dalian Fuji Bingshan Vending Machine Co., Ltd.  
\*2 P.T. Fuji Metec Semarang

# Capital Investment / Research and Development

**Capital Investment (Billion yen)**



**Research and Development (Billion yen)**



**Focus on rationalization investment and curtailment of new capital investments**

- Mie: Productivity improvements (automation, process flow rationalization)
- DFB: Molds for expanding range of models produced

**Focus on development of products necessary for growth strategies**

- Development of high-value-added vending machines and products matched to store needs
- Development of system business products utilizing IoT and AI

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

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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