

# **FY2015 Medium-Term Management Plan**

## **Food and Beverage Distribution Business**

**August 26, 2013**

**Fuji Electric Co., Ltd.**

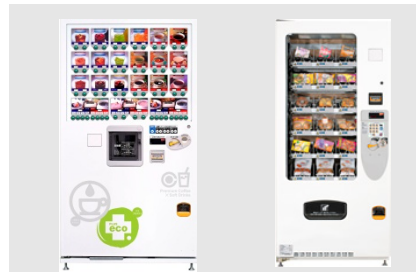
**Food and Beverage Distribution Business Group**

- Business Overview
- Market Trends / Business Targets
- Business Strategies / Priority Measures  
by Subsegment

# Business Overview

## Vending Machines

### Vending machines



- Can and PET bottle vending machines
- Cup vending machines
- Multi-purpose vending machines
- Vending machines for overseas market

### Food service equipment



- Automatic tea service machines
- Cold beverage dispensers
- Fresh-brewed coffee machines

-Top share in domestic vending machine market  
-Eco-friendliness created by evolving energy saving technologies

## Store Distribution

### Stores



- Refrigerated and freezer showcases
- Store energy-saving systems
- Store energy management systems
- Automatic change dispensers

### Distribution systems



- Refrigeration facilities
- Transportation and delivery systems
- Distributions center systems

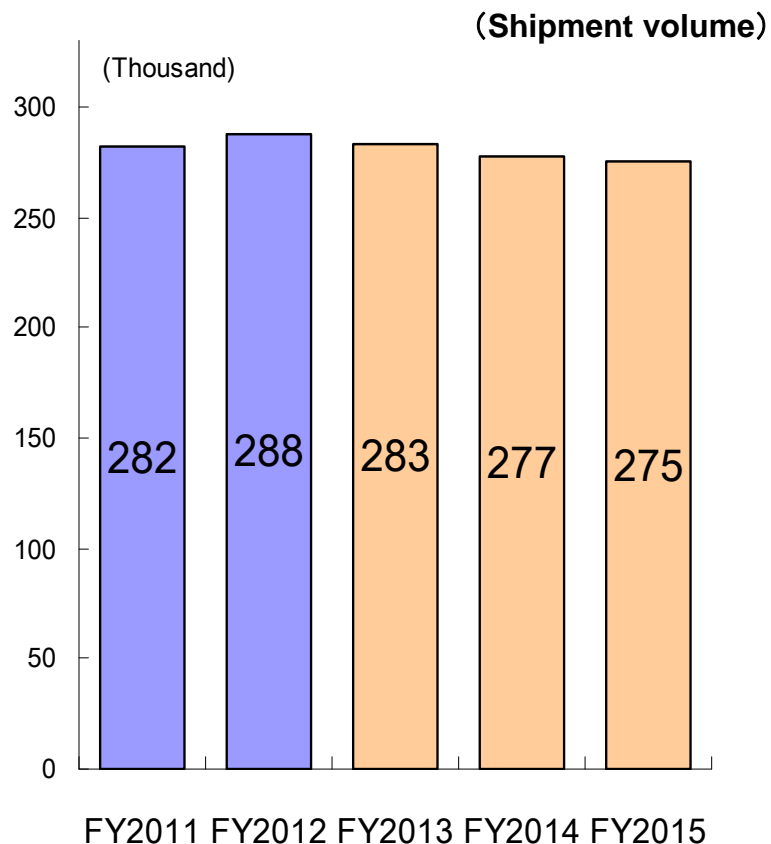
-Optimization of store environments  
-System controls incorporating IT

# Market Trends / Business Targets

# Vending Machines Market Trends

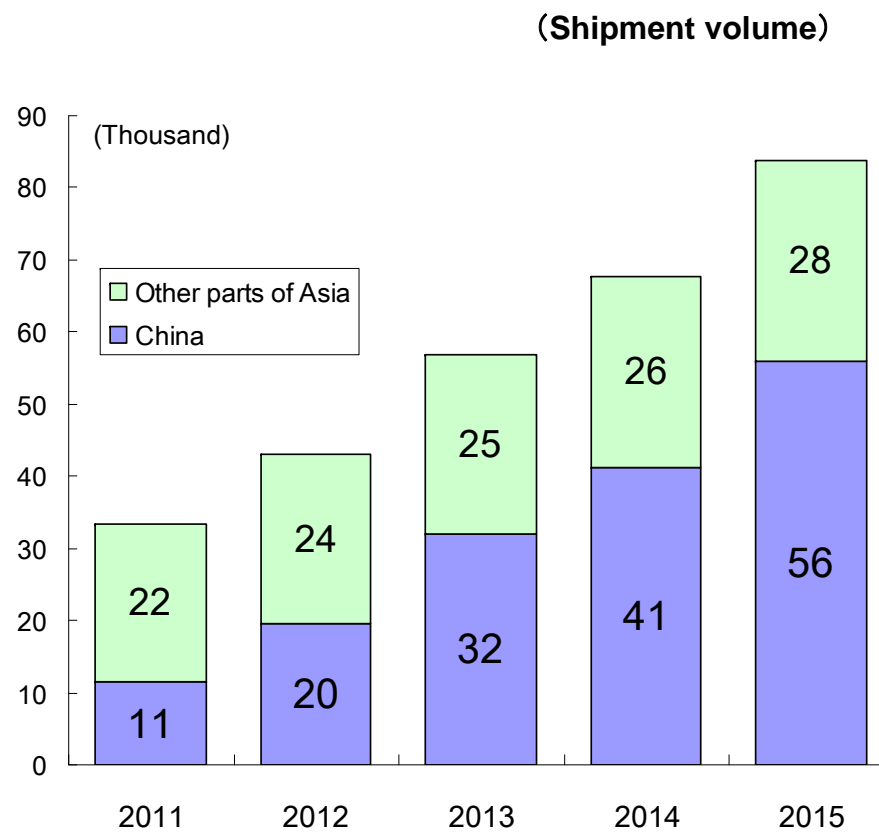
**No growth or some declines in existing domestic markets, rapid expansion in overseas markets**

## Japan



(Fuji Electric's estimate)

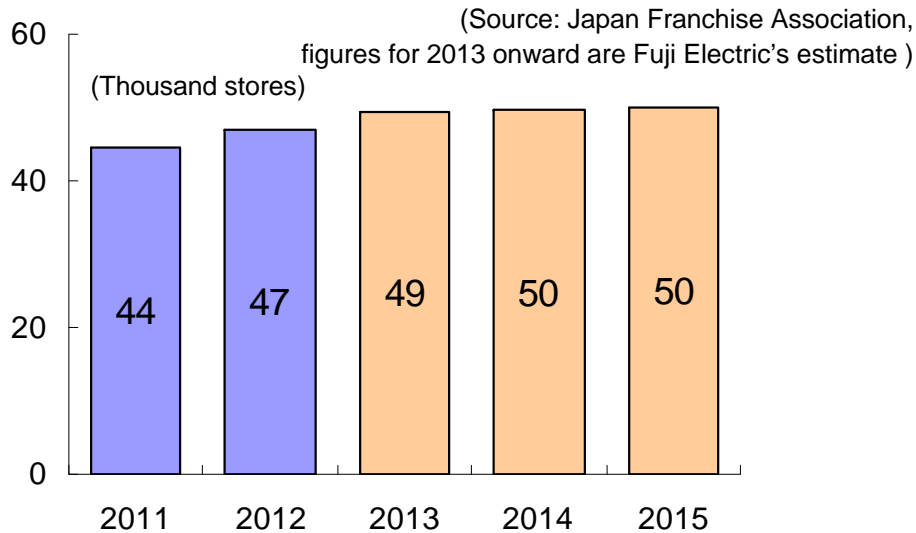
## Overseas (China and other parts of Asia)



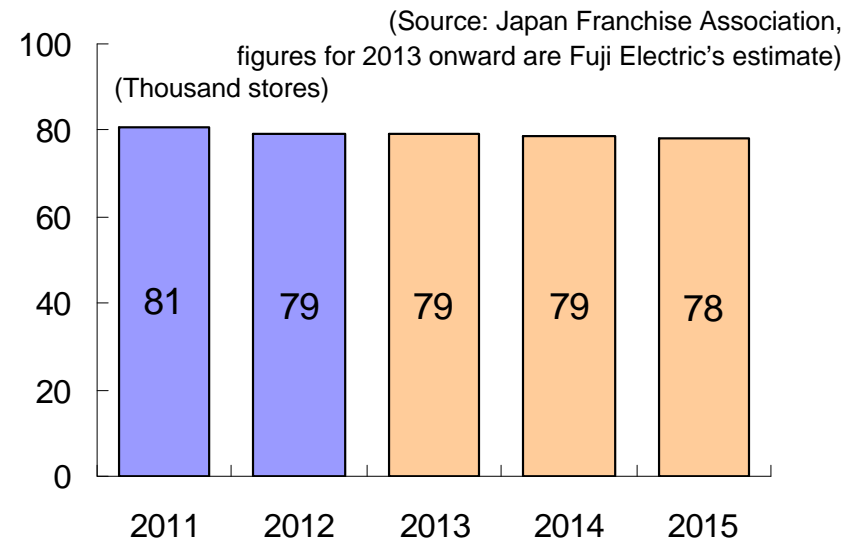
(Fuji Electric's estimate)

# Store Distribution Market Trends

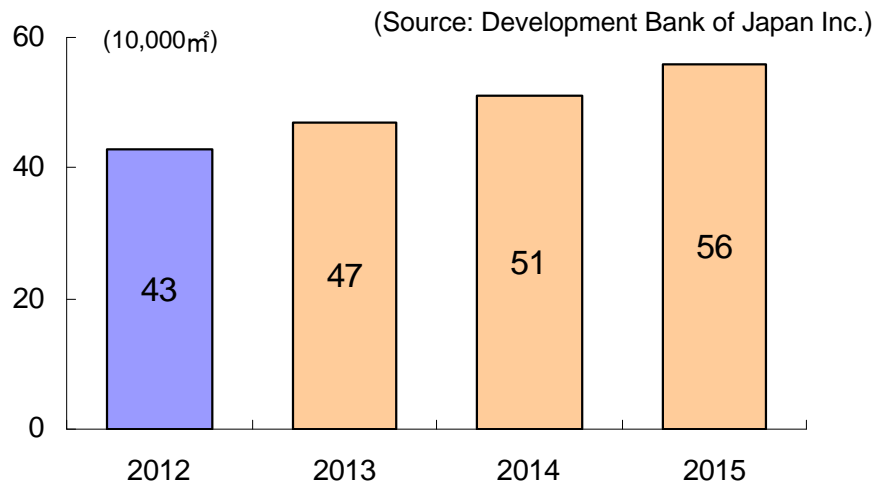
## Domestic convenience store market (number of stores)



## Domestic market for supermarkets (number of stores)



## Projected demand for large-scale distribution facilities related to e-commerce (nationwide)



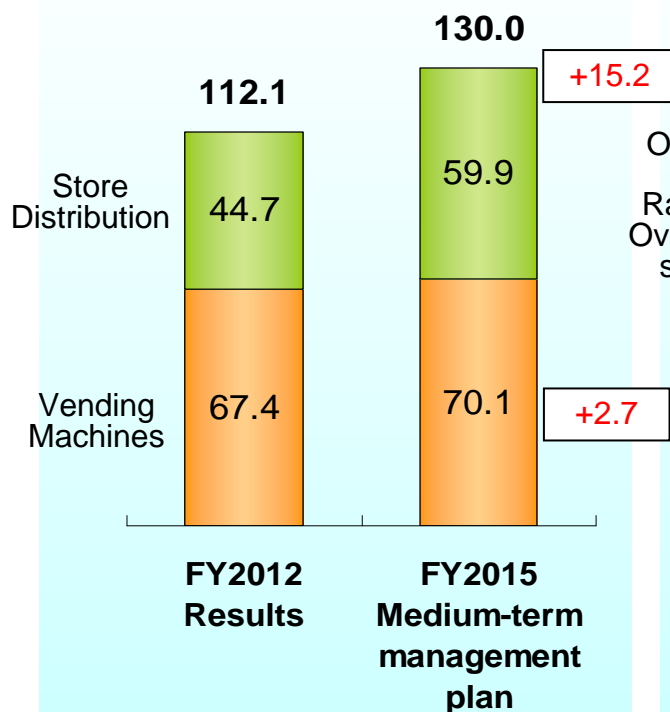
- Domestic convenience store market expected to maintain current scale, but brisk ongoing demand projected for store construction and renovation
- Demand declining in domestic market for super markets due to the slow economy
- Accelerated construction of large-scale distribution facilities in refrigerated distribution market in conjunction with expansion of e-commerce market

# Business Targets

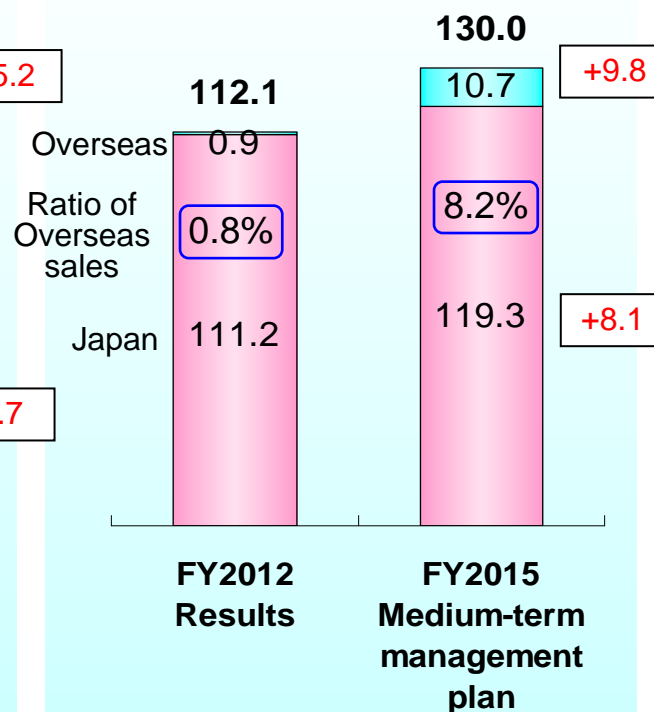
## Basic Policies

- Comprehensively strengthen existing businesses for which foundations were reinforced through business restructuring measures
- Expand new businesses utilizing heating and cooling technologies in store distribution field
- Develop vending machine operations in Chinese and Asian markets
- Establish foundations for smart food distribution businesses overseas

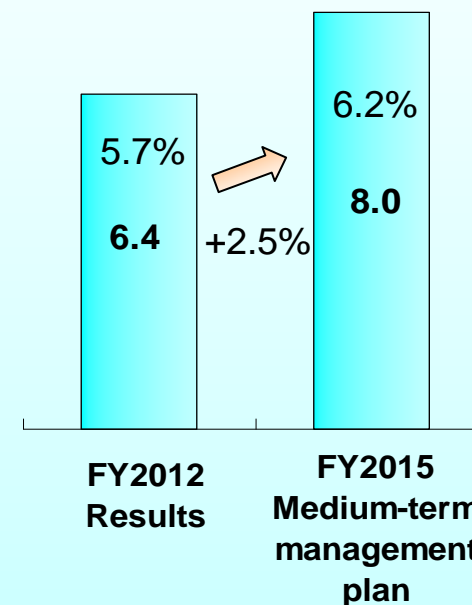
Net Sales by Subsegment  
(Billion yen)



Net Sales in Japan / Overseas  
(Billion yen)



Operating Income / Operating Income Margin  
(Billion yen)





# Business Strategies / Priority Measures by Subsegment

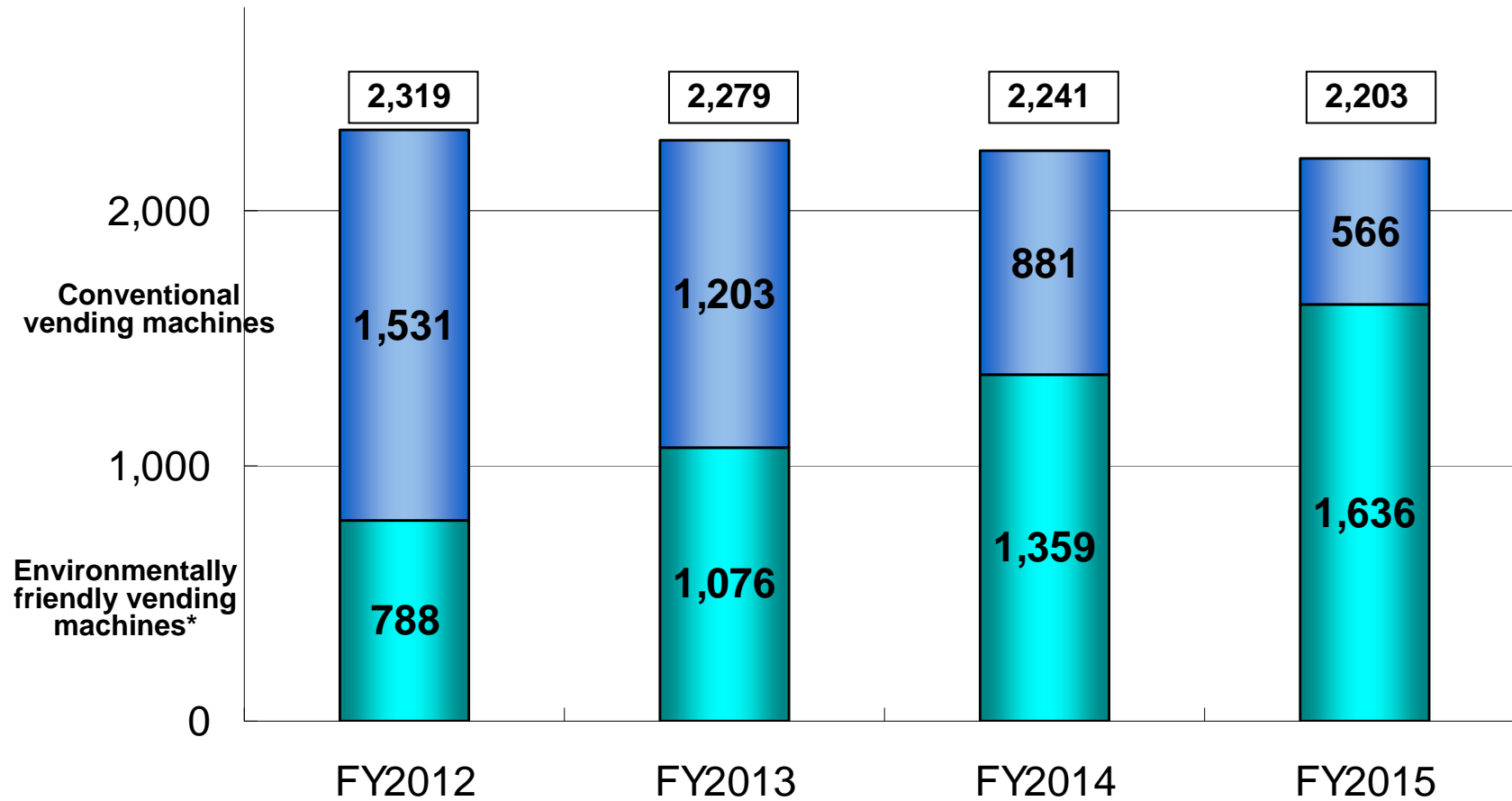
## Business Strategies

- Capture replacement demand in Japan by marketing new energy-saving vending machines
- In China, acquire new customers for vending machines and ramp up production capacity
- Start up global vending machine production in Thailand

# Vending Machines Priority Measures (Japan)

**Respond to replacement demand with energy-saving vending machines that boast environmental benefits**

Number of Installed Vending Machines (1,000 Units)



\* heat-pump vending machines and low-GWP (global warming potential) vending machines

(Fuji Electric's estimate)

# Vending Machines Priority Measures (Japan)

Develop differentiated products through increased collaboration with customers

Next-generation display  
(HIM: human interface module)

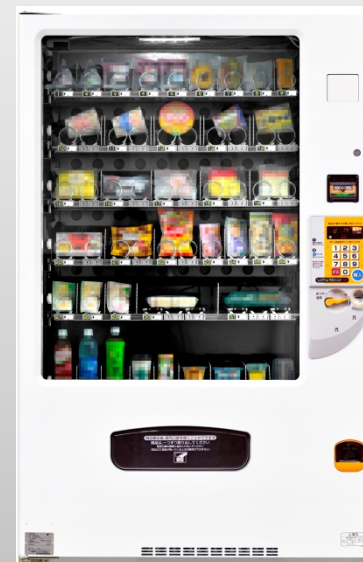
⇒ Sales promotions measures and data provision only possible by using vending machines (utilizing smartphones)

Unattended stores  
Fresh-brewed coffee machines

⇒ Cooperation with convenience stores



Next-generation display vending machines  
(Photo: Vending machines for JR East Water Business Co., Ltd.)



Vending machines for unattended stores



Fresh-brewed coffee machines  
(Photo: Coffee machines for Seven-Eleven Japan Co., Ltd.)

# Vending Machines Priority Measures (China and other parts of Asia)

## Expand operations in China and other parts of Asia

- Construct global production base network
- Strengthen coordination with major overseas operators and cultivate new operators
- Expand overseas operations through tie-ups with beverage manufacturers
- Establish overseas service systems and network



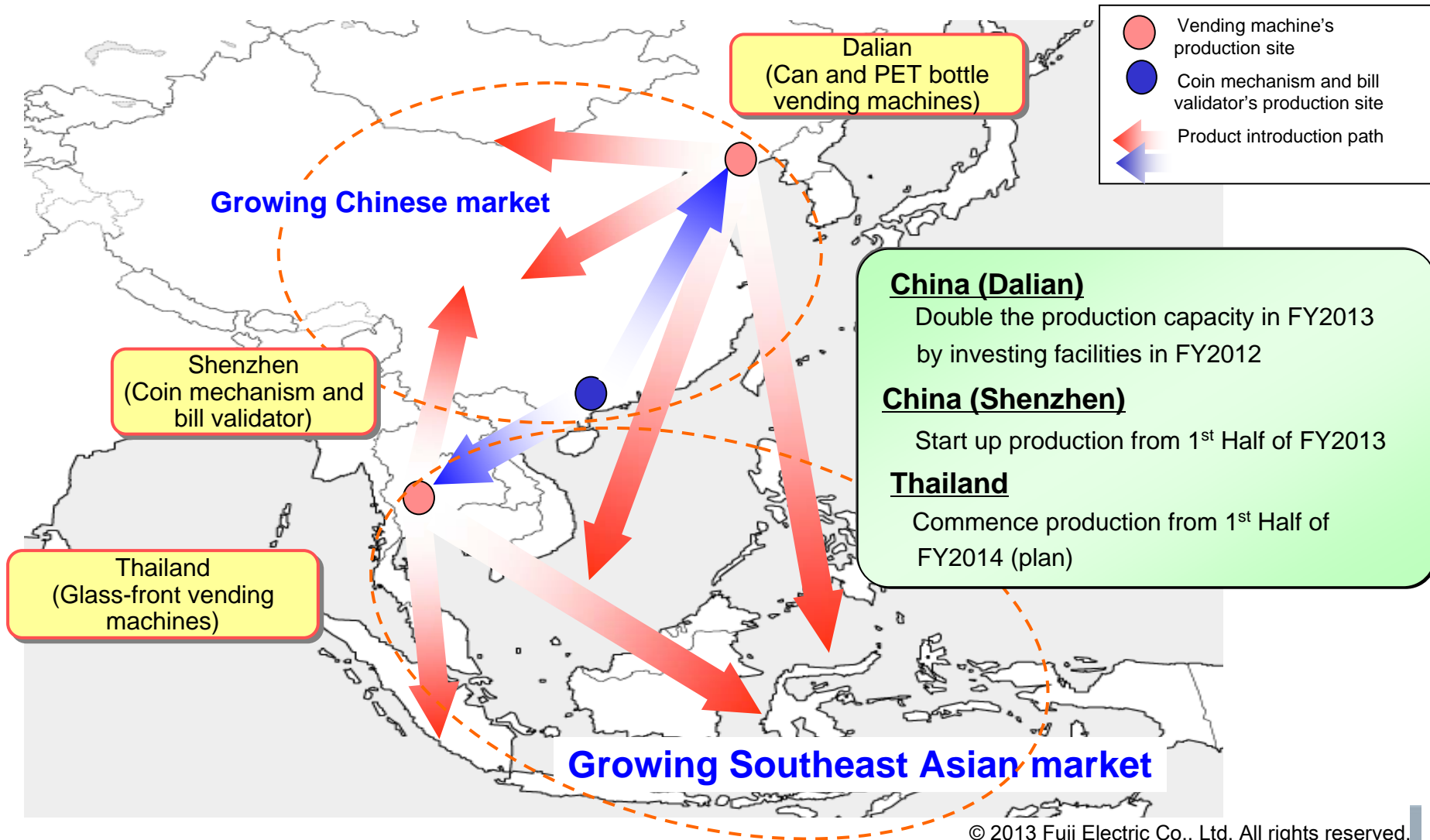
Glass-front vending machines for beverage, food and other items (Thailand Factory)



Can and PET bottle vending machines for beverage (Dalian Factory)

# Vending Machines Priority Measures (Strategies for China and other parts of Asia)

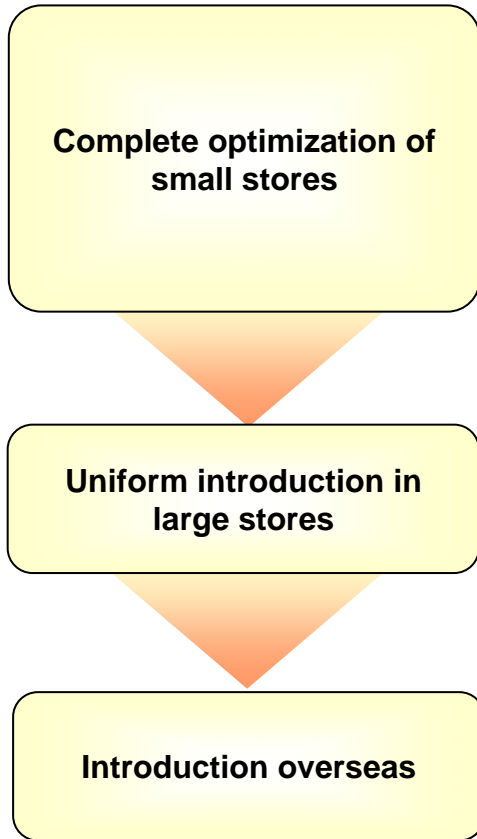
**Global production base network: Optimally divide and position operations throughout global network to minimize investments**



## Business Strategies

- Increase smart stores sales
- Expand automatic change dispenser business
- Develop and expand new businesses for distribution systems (refrigerated distribution, etc.)

## Sales Strategies



## Product Strategies

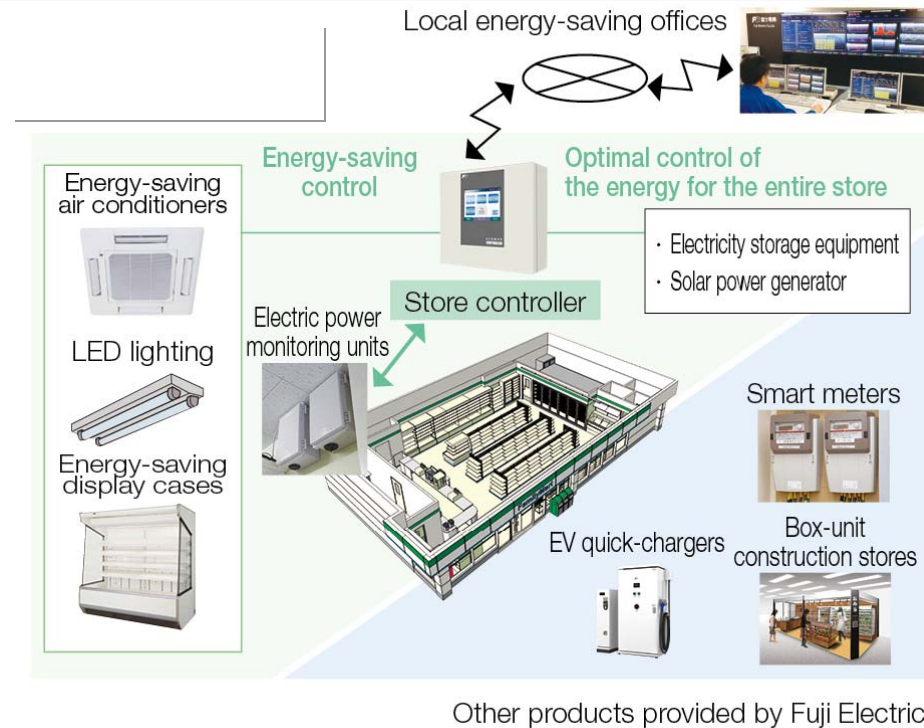
### Target of the development of smart stores

#### Complete optimization of stores

1. Optimization of store environment
2. Optimal in-store energy use

#### Kitakyushu case study

Information stored on cloud / Energy-saving consulting / Remote maintenance



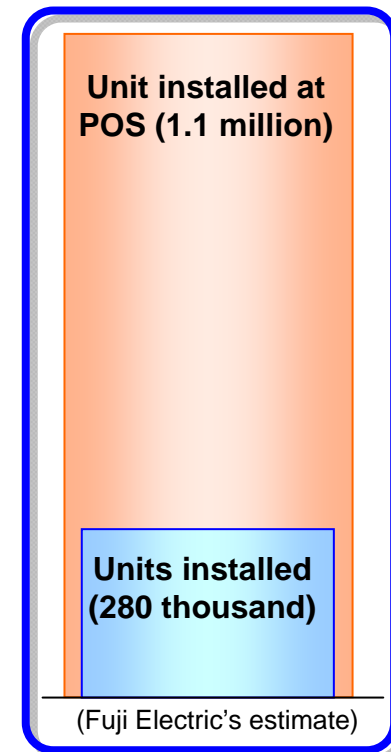
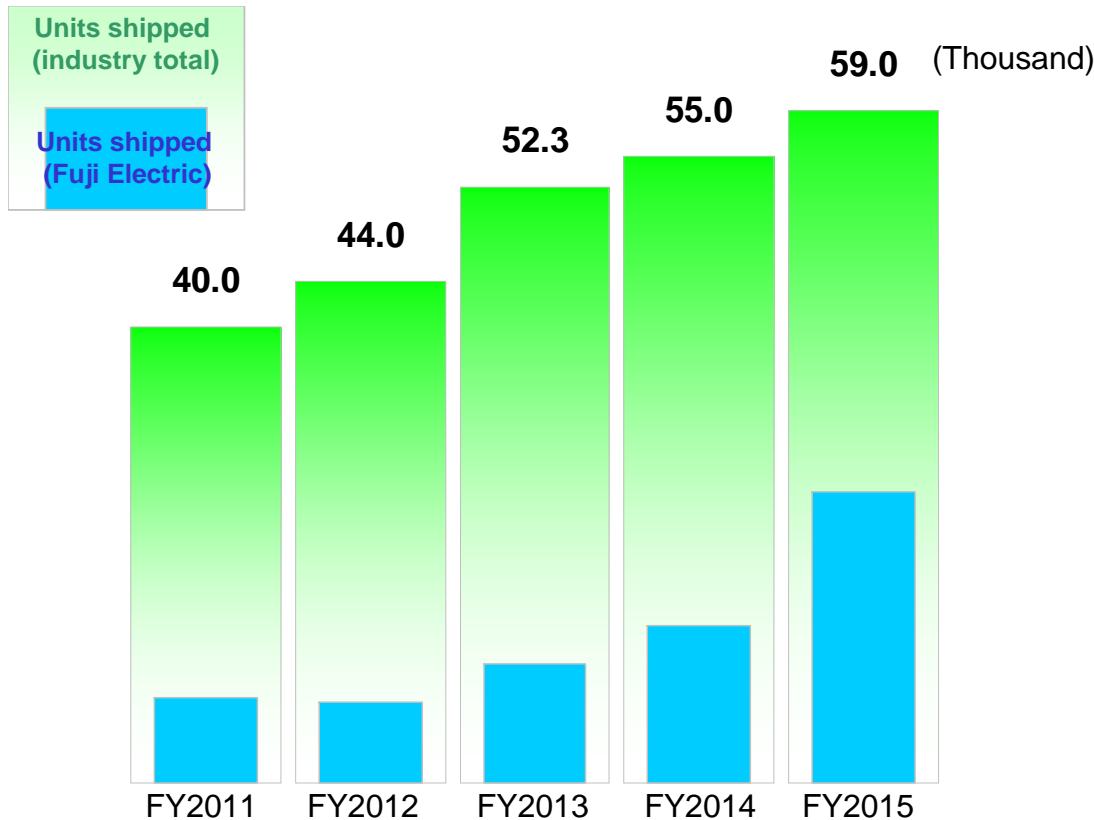


# Store Distribution Priority Measures (Automatic Change Dispensers)

- Expand operations in new and existing markets
  - Capture additional replacement demand
  - Increase share by introducing new models



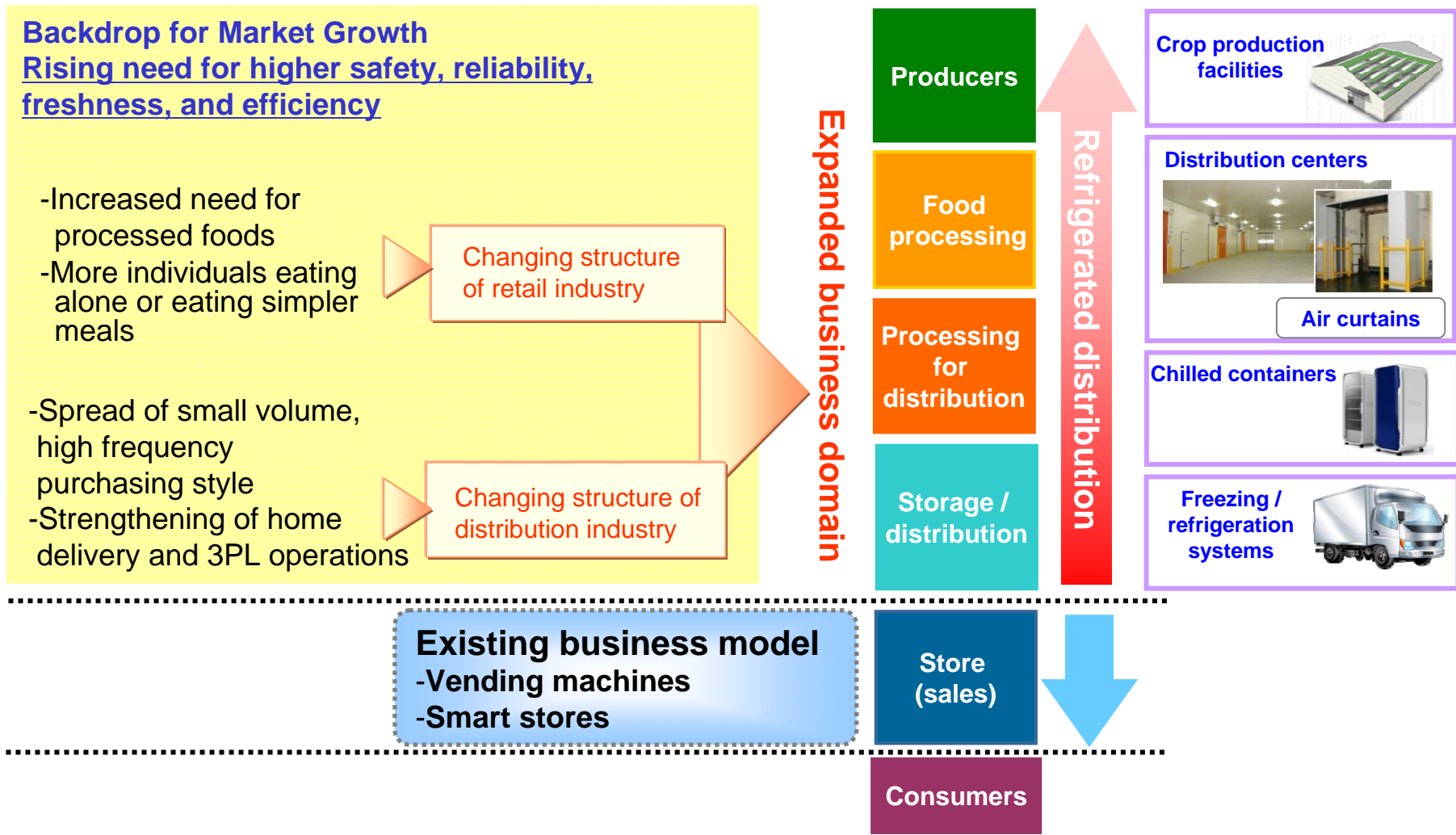
Number of Automatic Change Dispensers Installed in Japan  
(As of March 31, 2013)



(Source: shipment volume for GMS, SM, special store, restaurant industry and CVS is Fuji Electric's estimate)

# Store Distribution Priority Measures (Develop Refrigerated Distribution Business)

Refrigerated distribution market scale 2012: ¥200.0 billion → 2015: ¥260.0 billion



(Source for figures: Development Bank of Japan Inc.)

# Store Distribution Priority Measures (Develop Refrigerated Distribution Business)

Comprehensive response to customer needs encompassing freezing and refrigeration facilities, electrical facilities, material handling system controls, and security systems

Ultra-high capacity power receiving equipment



Emergency power supplies



UPSs



Monitoring control systems



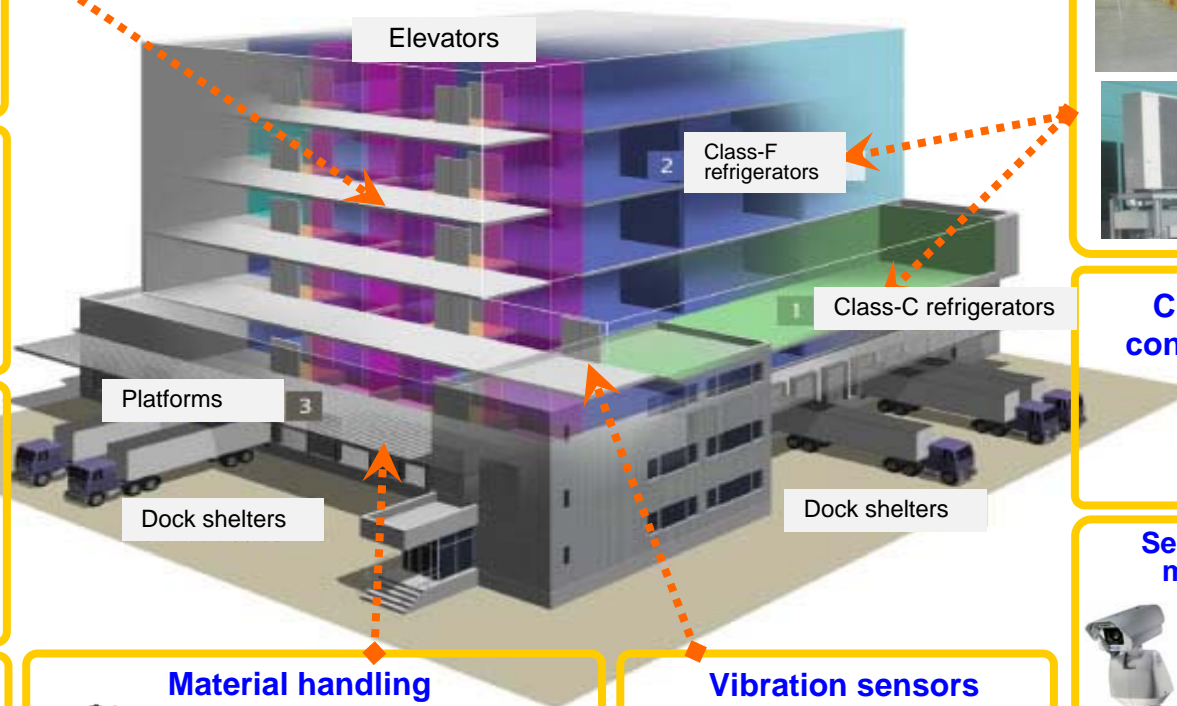
Material handling system controls



Vibration sensors



Target customer group: transportation, real estate, retail, and food wholesale industries; food manufacturers; and JA



Warehouses for refrigerated and frozen foods



Chilled containers



Security systems (site monitoring, access management)



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