

Food and Beverage Distribution Business Strategies

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Fuji Electric Co., Ltd.

Food and Beverage Distribution Business Group

- Business Overview
- Market Trends
- Business Targets
- Priority Measures

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
- Coffee machines

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

Store Distribution

Store systems



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

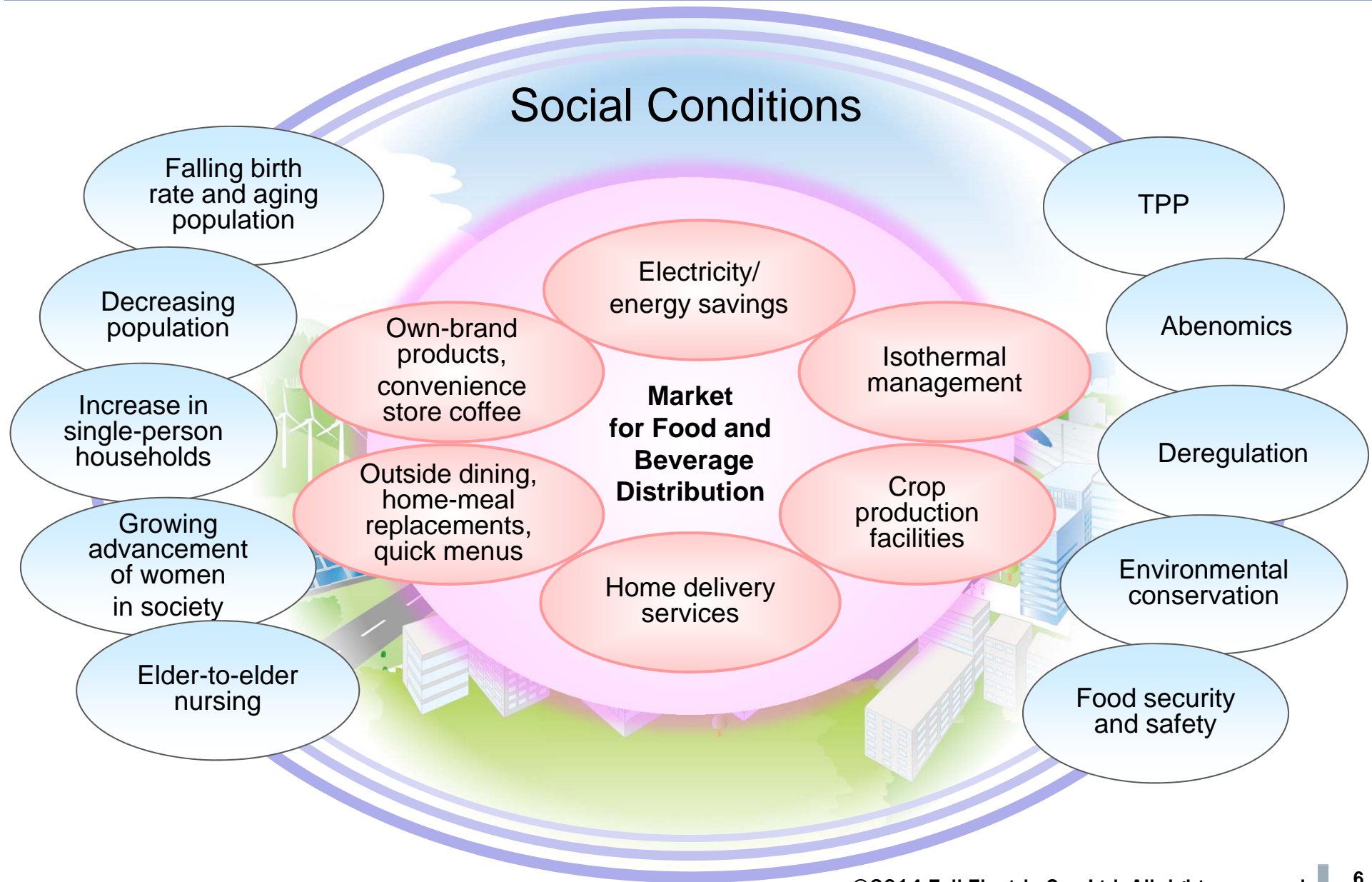
Distribution systems



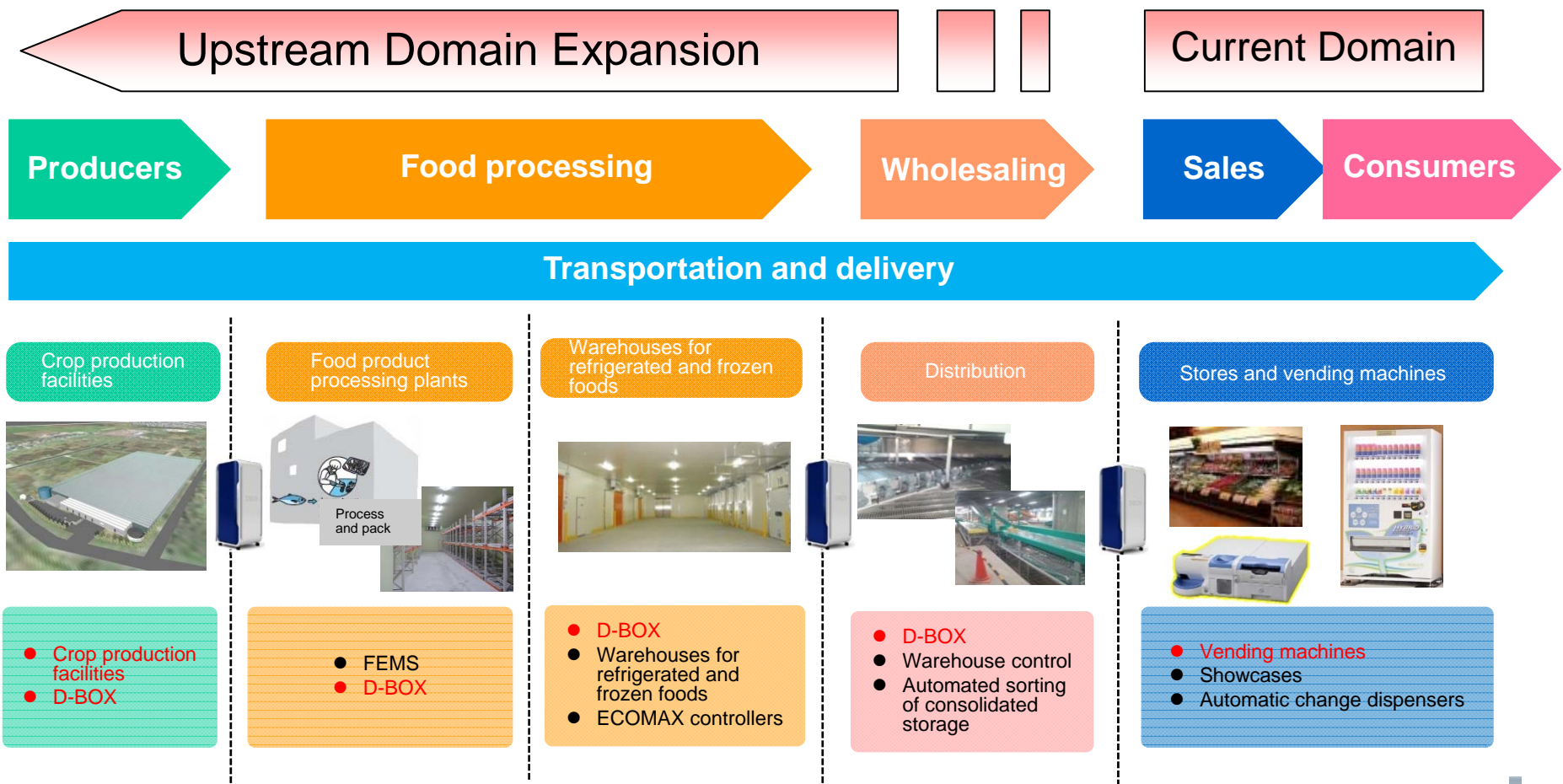
- Refrigeration facilities
- Transportation and delivery systems
- Distribution center systems
- Next-generation cold storage container (D-BOX)
- Crop production facilities

-Optimization of store environments (system controls)
 -System controls incorporating IT

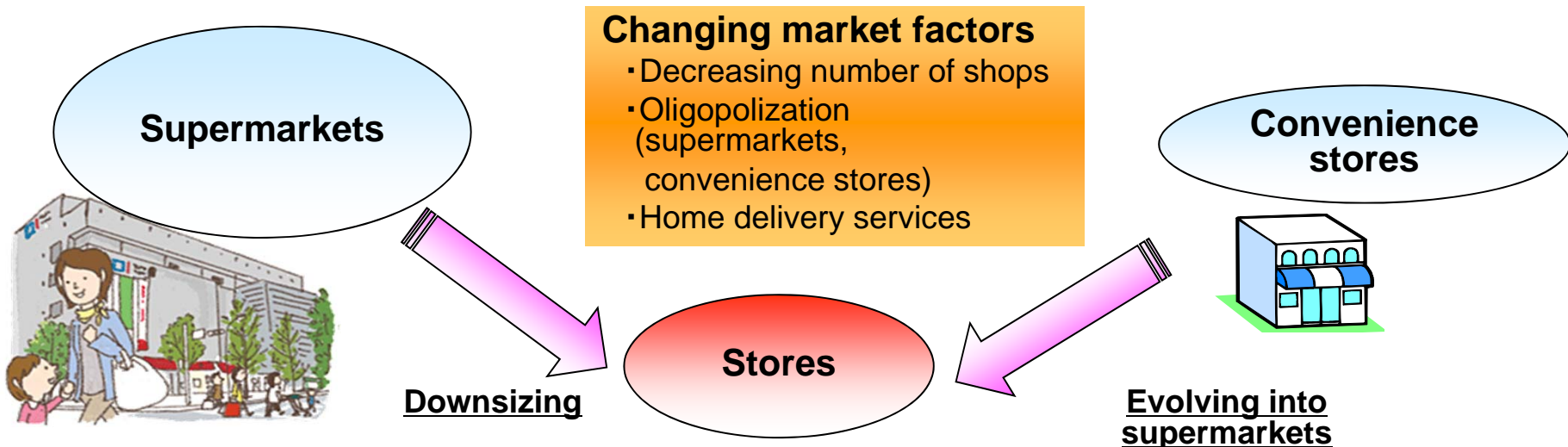
Market Trends



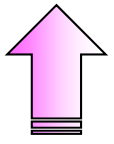
Take advantage of customers' changing business categories to expand offerings that meet peripheral demand, centered on heating and cooling (refrigerated) and IT control (distribution)
 ◆ Key transformation point: Domain expansion (expand business into the upstream chain)



Changes in the Retail Sector and Products Provided

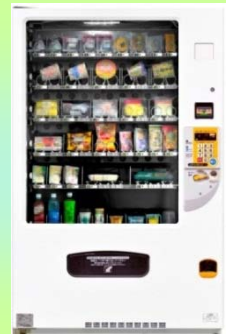


▪ The boundary between supermarkets and convenience stores is growing less pronounced
▪ Stores are changing significantly and offering more extensive product lineups



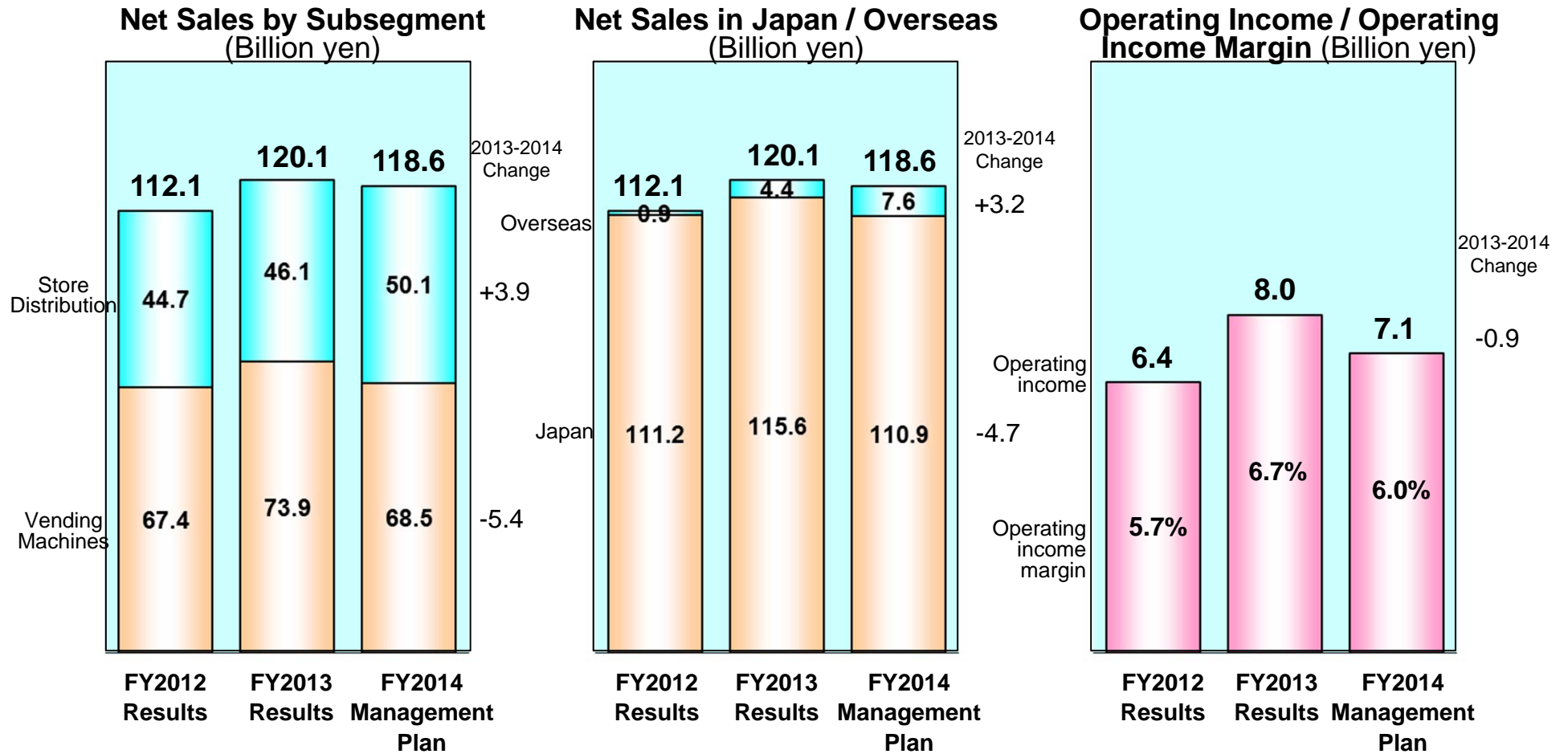
Fuji Electric's Product Focuses

- Unattended stores
- Counter-top products (coffee machines, etc.)



Business Targets

Business Targets



Priority Measures

Respond to changes in existing fields and accelerate overseas business expansion

- Meet replacement demand in Japan by marketing energy-saving vending machines
- Develop differentiated products through intense collaboration with customers
- Expand operations in China and other parts of Asia

Vending Machines Priority Measures (Japan)

Energy-saving can and PET bottle vending machines
Cup vending machines

Unattended stores
Coffee machines

Market focus

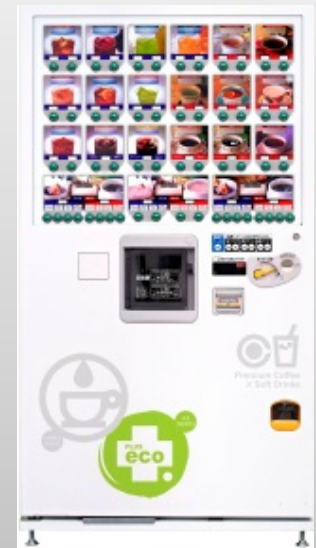
Energy saving functions

⇒ Collaboration with convenience stores

Coffee vending machines (cups)



Hybrid heat pump vending machine



Cup vending machine



Products for unattended stores



Coffee machine
(Photo: Seven-Eleven Japan Co., Ltd.)

Vending Machines Priority Measures (China and Asia)

- Build an overseas production system (begin vending machine production at new factory in Thailand)
- Expand markets by establishing local sales companies in China and other parts of Asia
- Support vending machine deployment by local beverage producers and assist in training operators
- Increase sales of new products
(glass-front vending machines, environment-friendly vending machines, etc.)

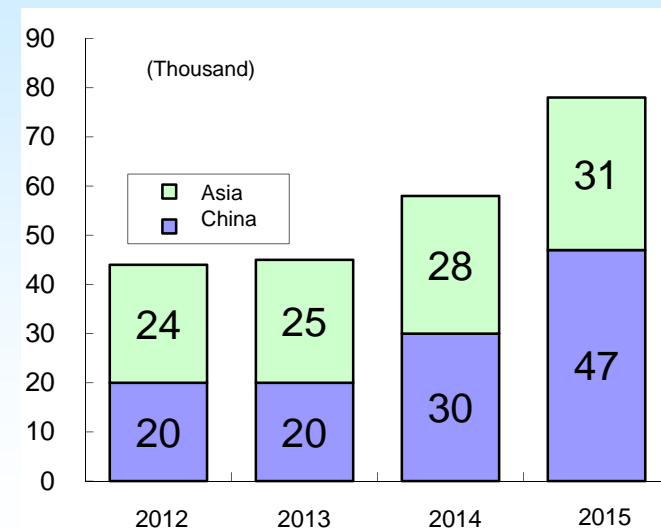


Glass-front vending machine for beverage, food and other items



Can and PET bottle vending machine for beverage

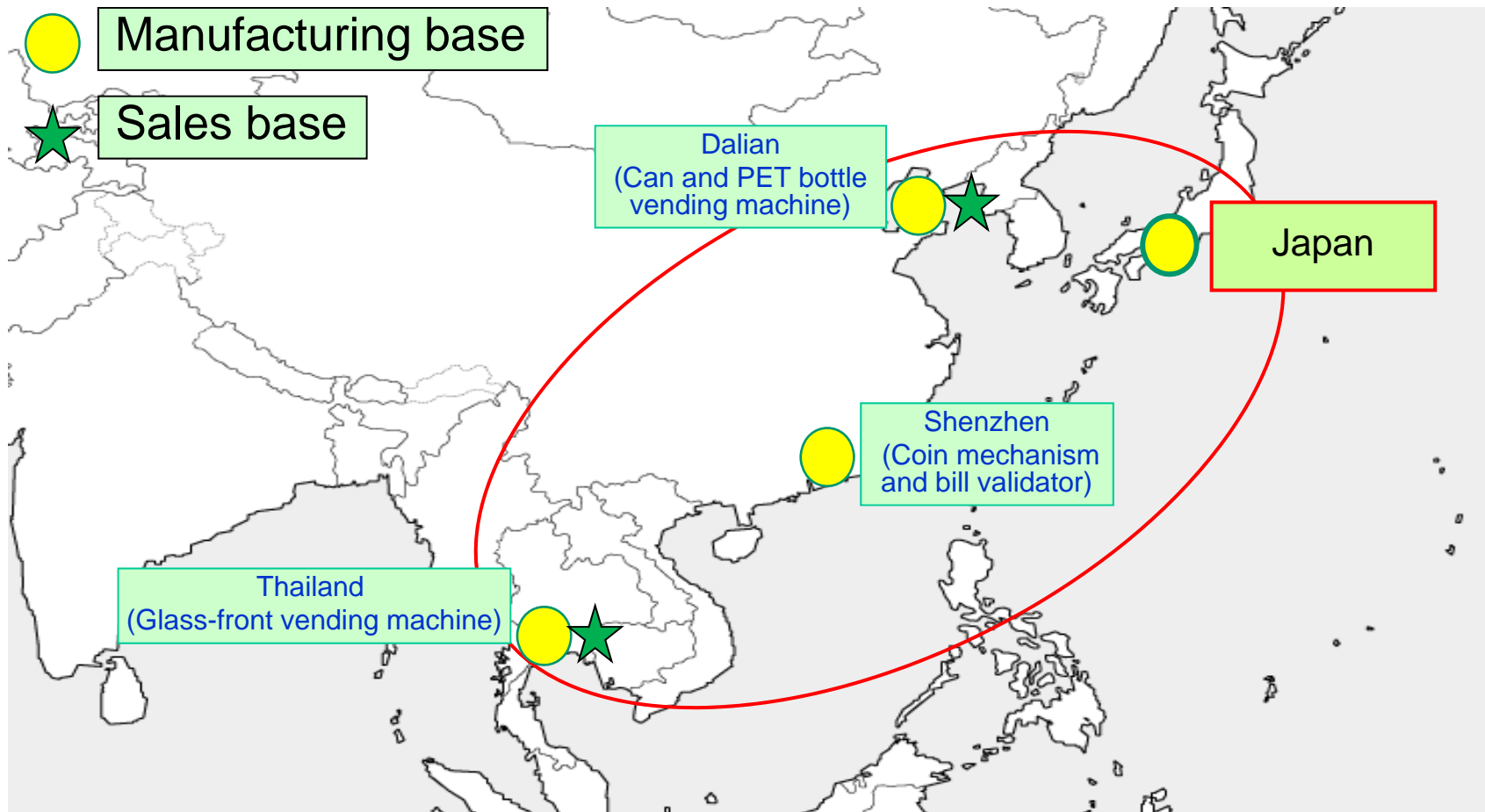
Overseas (China and other parts of Asia) Shipment Volume



* Fuji Electric's estimate

Vending Machines Priority Measures (Manufacturing Structure)

Create a global structure with four bases, with the Mie Factory at the core
- Optimize operations with a flexible manufacturing structure -



Accelerate taking initiatives to expand operations in new fields

● Cultivate and expand new operations based on the concept of a comprehensive refrigerated distribution business

➤ D-BOX next-generation cold storage containers

➤ Business targeting crop production facilities

● Encourage shop-wide orders by increasing new product offerings for the convenience store industry

Store Distribution

Elements of “Comprehensive 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



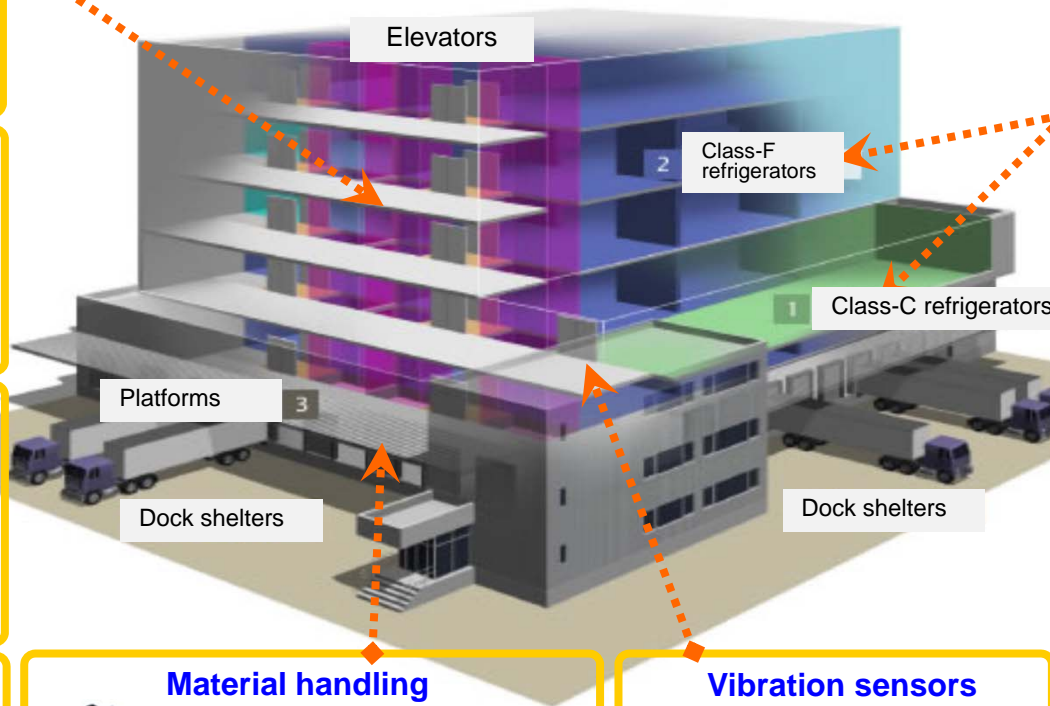
Material handling system controls



Vibration sensors



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



Warehouses for refrigerated and frozen foods



D-BOX



Security systems (site monitoring, access management)



Store Distribution

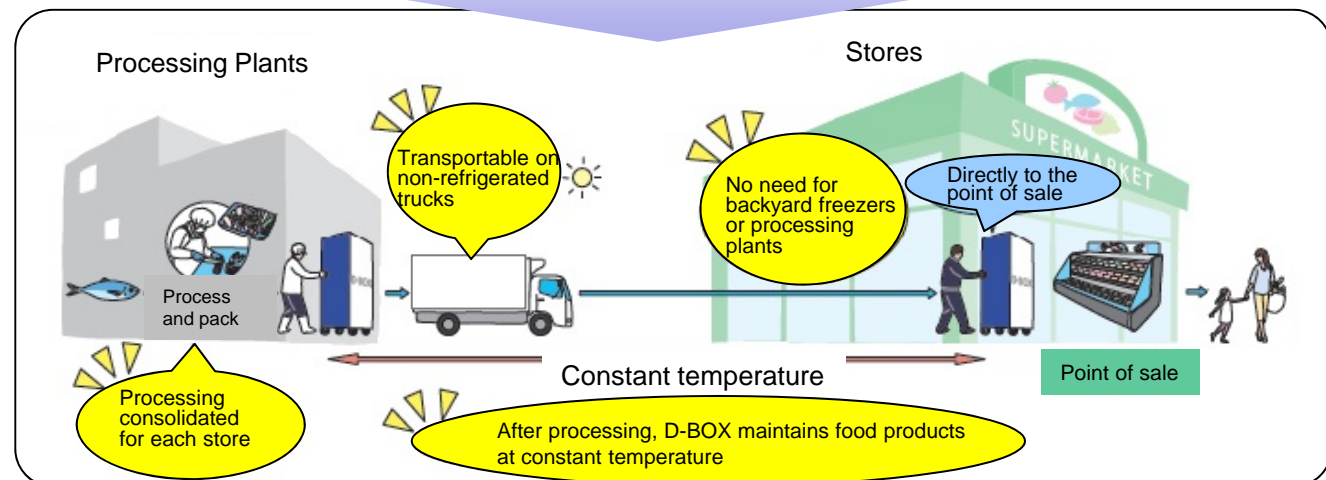
D-BOX Next-Generation Cold Storage Container

Allows stable, low-temperature storage from point of food production and processing to selling location; ensures security and safety; maintains freshness
- By using cold-storage materials and vacuum insulation, enables up to five hours of stable cold storage without electricity -



- Feature 1** Rapid cooling with proprietary cooling system
 - Freezing of cold-storage agent in three hours
- Feature 2** After cooling, stable cold storage is maintained for a long period of time without power supply
 - Constant, low-temperature storage for five hours
- Feature 3** Compatible with multiple temperature zones (three temperature zones)
 - As well as chilled, offers frozen and dry temperature zones

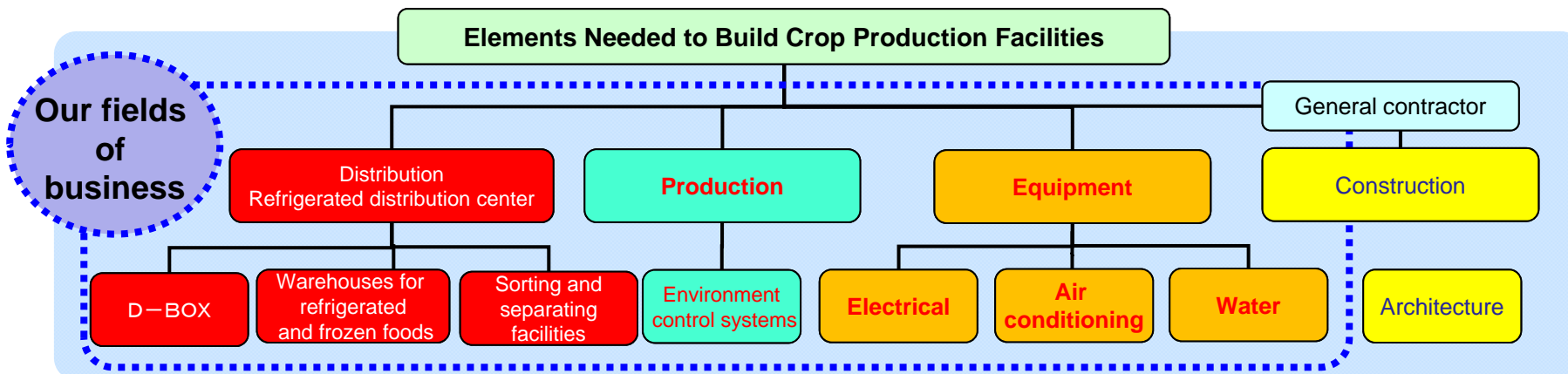
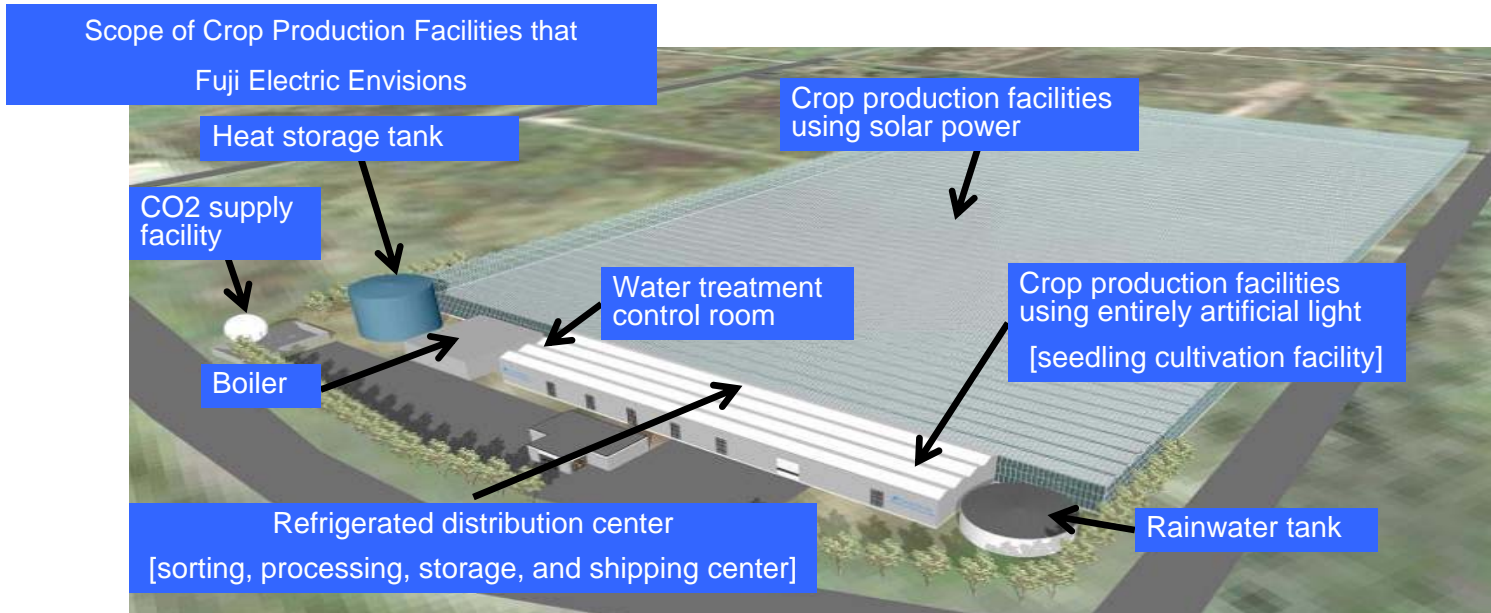
Revolution in Distribution



Store Distribution

Crop Production Facilities

Address food safety and security, improve producer reliability and farm production efficiency
 - Energy savings + tri-generation + EMS + environment control system + refrigerated distribution + D-BOX -



Note: Tri-generation: In addition to cogeneration (supplying heat and electricity), a "tri-generation" energy supply system also makes use of emitted carbon dioxide.

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