

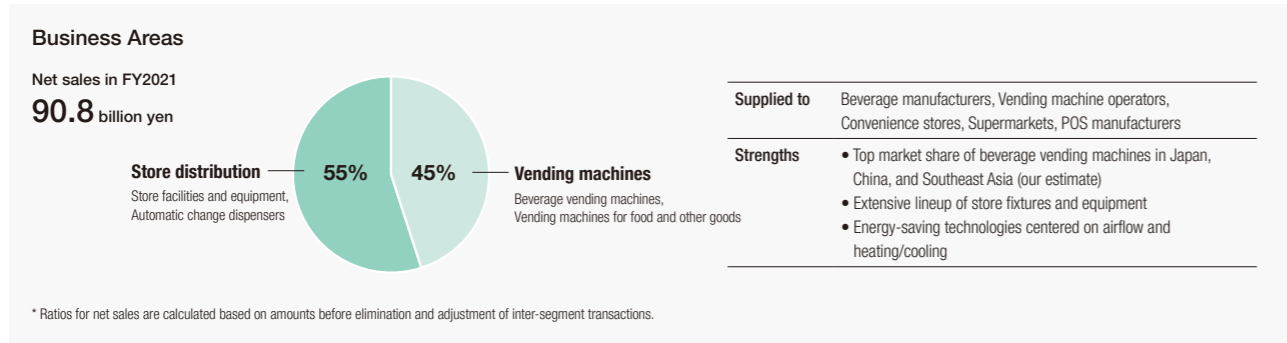
Food and Beverage Distribution



We will expand sales and improve profitability by increasing the added value of products that meet market needs and reducing the total cost of manufacturing.

Keiichi Asano

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



Market Trends and Business Opportunities

The food and beverage distribution market, which had declined significantly due to the COVID-19 pandemic, is on the road to recovery.

With regard to the vending machine market in Japan, in addition to a recovery in investment by beverage manufacturers, we anticipate a growing market for new vending machines as the demand for contact-free, non-face-to-face sales increases.

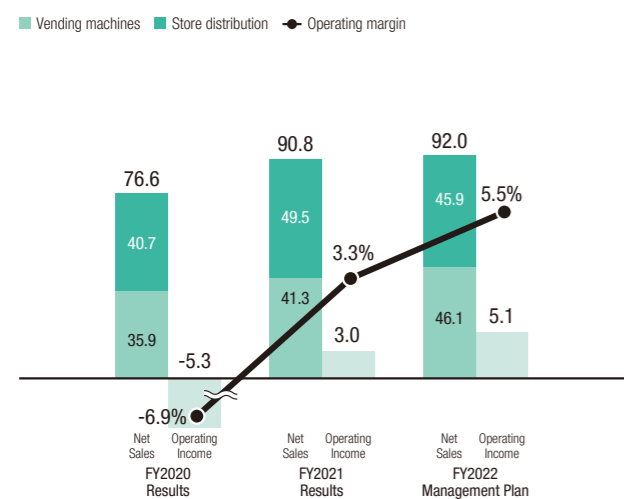
As for the overseas vending machine market, sales are on a recovery trend from the previous fiscal year due to the

expansion of products being sold and the diversification of customer needs in areas such as energy saving and eco-friendliness, although in the case of China we are closely monitoring the lockdown and zero-COVID policy situations.

In the store distribution market, along with an increase in demand for store renovations to meet energy-saving requirements, particularly in convenience stores, needs are diversifying to include labor saving, food loss reduction, and contact-free, non-face-to-face interactions.

Fiscal 2021 Results and Fiscal 2022 Plan

Business Performance Trends (Billions of yen)



In fiscal 2021, sales increased thanks to a recovery in demand in vending machine investments, mainly from beverage manufacturers in Japan, and an increase in demand for store facilities and equipment at convenience stores. Operating income improved from a loss of ¥5.3 billion in the previous fiscal year to ¥8.3 billion, a surplus of ¥3 billion, reflecting the benefits of business restructuring in the previous fiscal year.

In fiscal 2022, despite a reactionary fall in large-scale automatic change dispenser projects, we forecast sales of ¥92.0 billion, up ¥1.2 billion year on year, thanks to the ongoing recovery of beverage manufacturers' investment in vending machines in Japan and the expansion of new markets centered on frozen food vending machines. Operating income is projected to increase by ¥2.1 billion to ¥5.1 billion, with an operating margin of 5.5%, due to increased product volume, streamlining of manufacturing, and progress in measures against variable costs.

Priority Measures

Expanding sales and further improving profitability in the vending machine business

In the vending machine sector in Japan, we will continue to introduce high-value-added vending machines that are energy-saving and cashless. In addition, we will expand sales and improve profitability by developing DX-related products such as vending machine IoT services that enable beverage manufacturers and vending machine operators to improve the efficiency of product replenishment operations. Overseas, in addition to energy saving, we will develop differentiated products that meet demands for high functionality, such as machines that support non-face-to-face sales, food delivery or other services.

To improve profitability, for the fully redesigned machines to be launched in fiscal 2022, we will standardize parts through platform design, consolidate models, and promote total cost reductions, including improved productivity and operational efficiency in manufacturing. In addition to passing on higher raw material prices, we will revise prices to reflect product value.

Offering high-value-added products that meet diversifying needs

In the field of store distribution, we will develop total solutions centered on convenience stores, including showcases, counter fixtures, automatic change dispensers, and vending machine convenience stores. In the store distribution market, needs are diversifying, and now include energy saving, labor saving, food loss reduction, and non-face-to-face sales. To meet these needs, we will offer more high-value-added products such as eco-friendly showcases that improve energy-saving performance, new labor-saving, energy-efficient counter fixtures, and store operation management services, thereby improving profitability.

Developing customers with a "vending machine as a store"

For customers considering the use of new vending machines to meet the demand for contact-free, non-face-to-face, 24-hour sales, we will introduce vending machines that can handle a variety of products, including frozen foods. Furthermore, to meet the needs of new customers, such as restaurant chains and retailers, a specialized sales organization to be launched in fiscal 2022 will play a central role in accelerating the capture of demand and will be a pillar of our new growth strategy.

Develop Products and Solutions that Meet Diverse Needs

