

Food and Beverage Distribution Business Strategies

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■ Business Overview

■ FY2021 Management Plan

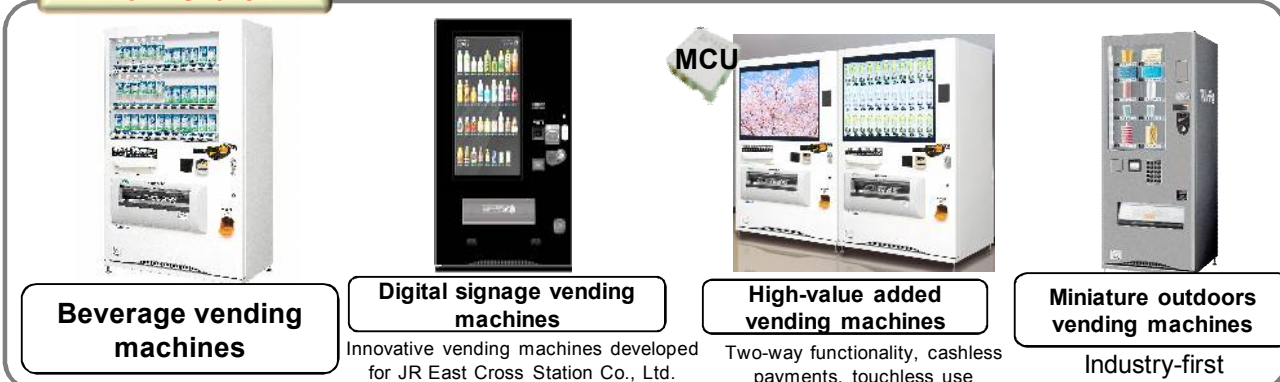
- Market Outlook
- Business Policies
- Business Plan
- Priority Measures
- Capital Investment / Research and Development

Vending Machines

Store Distribution

Japan

No. 1 share*



Beverage vending machines

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

Digital signage vending machines

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

High-value added vending machines

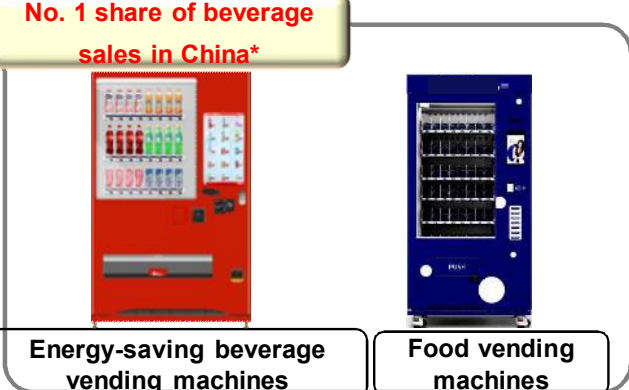
Two-way functionality, cashless payments, touchless use

Miniature outdoors vending machines

Industry-first

Overseas

No. 1 share of beverage sales in China*

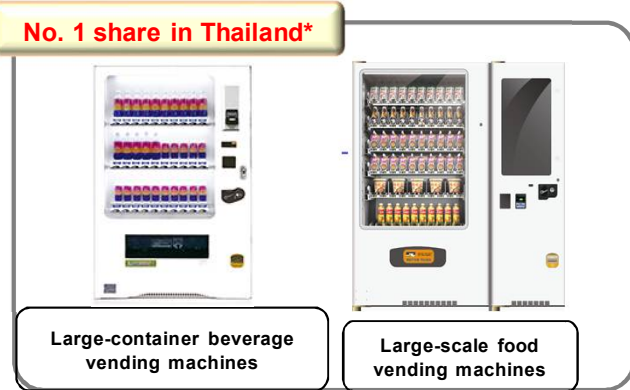


Energy-saving beverage vending machines

Food vending machines

Japan


No. 1 share in Thailand*



Large-container beverage vending machines

Large-scale food vending machines

Japan



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

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

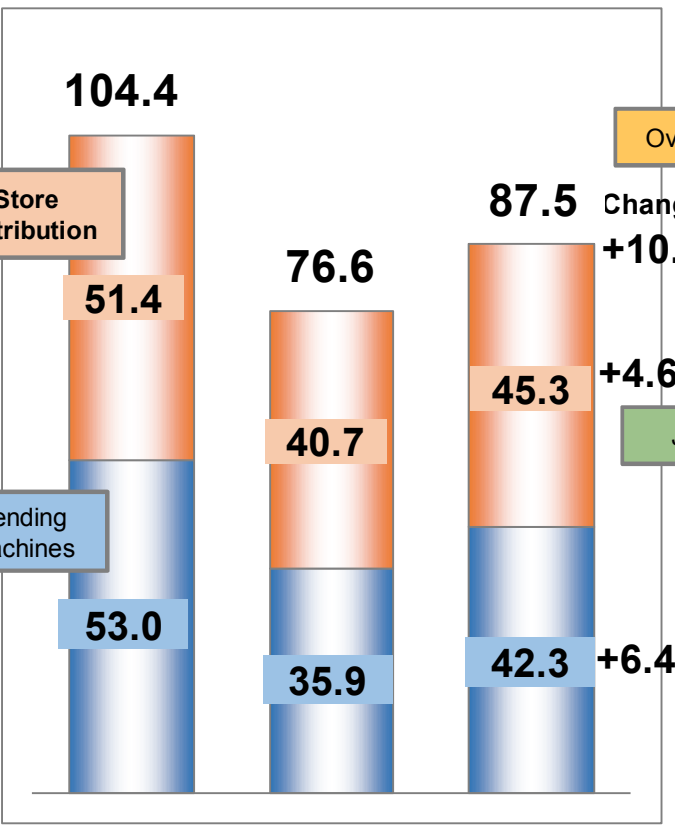
- **Vending Machines**
 - Japan: Exercise of benefits of higher market share and deployment of high-value-added vending machines
 - Overseas: Promotion of customer strategies while capitalizing on the benefits of new customers (orders received)
- **Store distribution**
 - Exercise of benefits of higher 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.

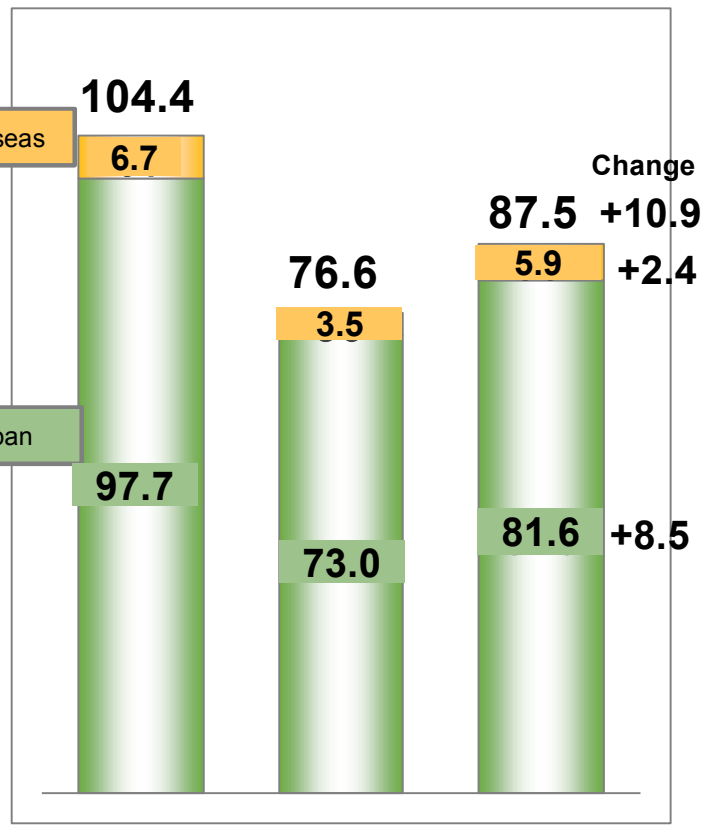
*2. P.T. Fuji Metec Semarang

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

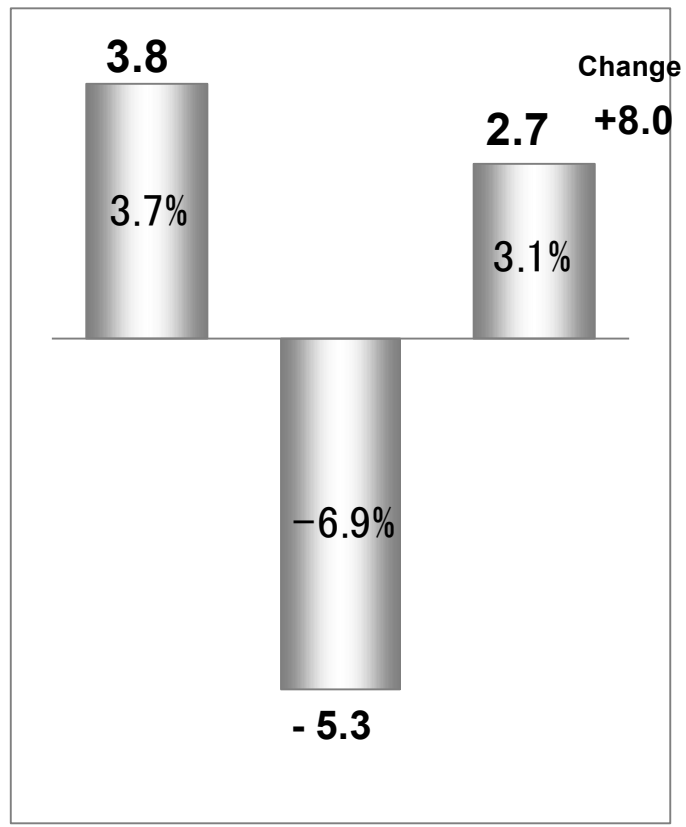
Net Sales by Subsegment
(Billion yen)



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)

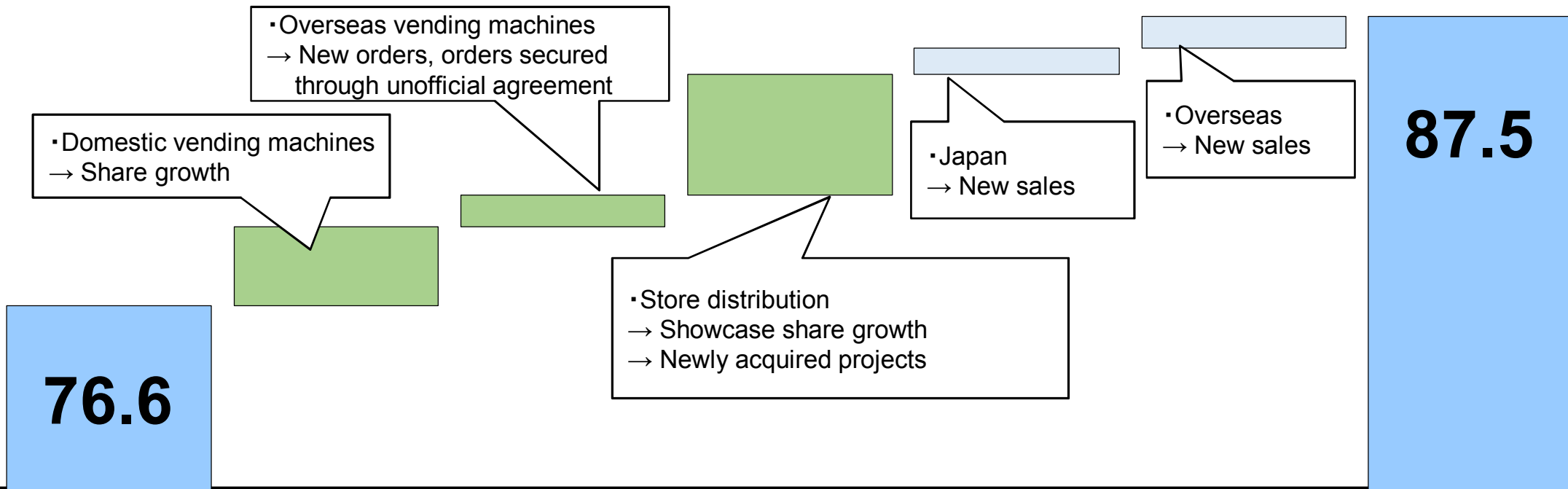
Approx. 80% of net sales growth from FY2020 measures and approx. 20% from FY2021 measures

← Net sales: Increase of 10.9 billion yen →

FY2020 measures
Approx. 80%

FY2021 measures
Approx. 20%

(Billion yen)



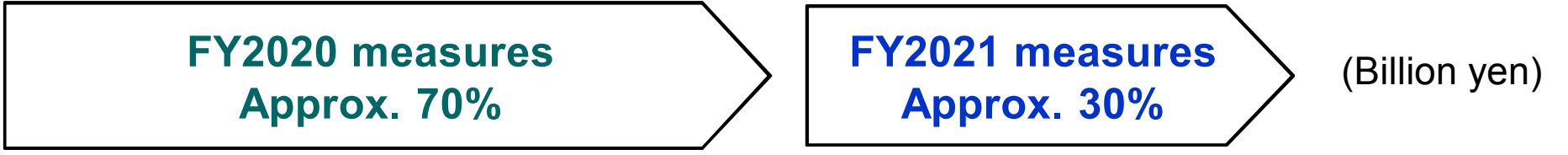
FY2020
Results

FY2021
Plan

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

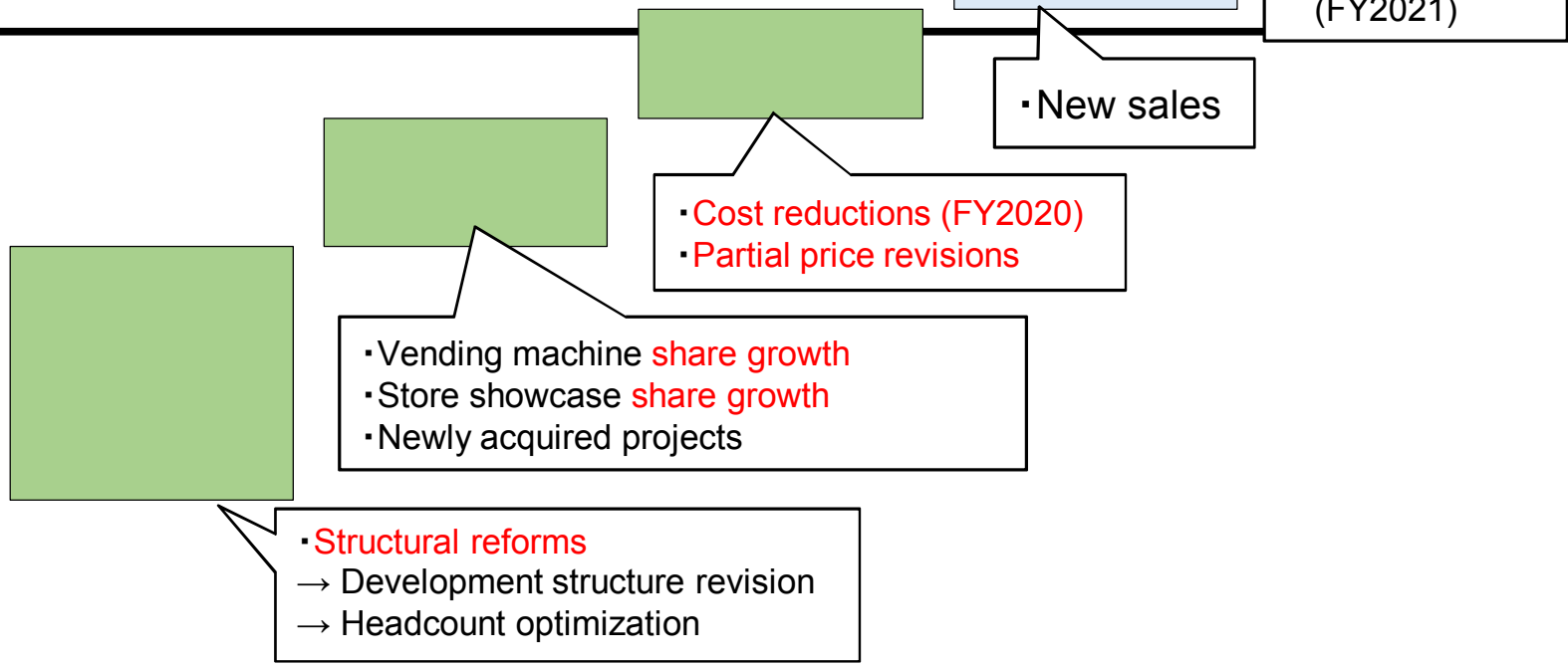
Approx. 70% of income improvement from FY2020 measures and approx. 30% from FY2021 measures

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



▲ 5.3

FY2020 Results



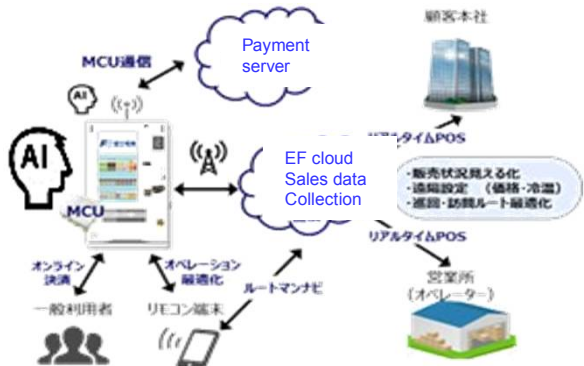
2.7

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

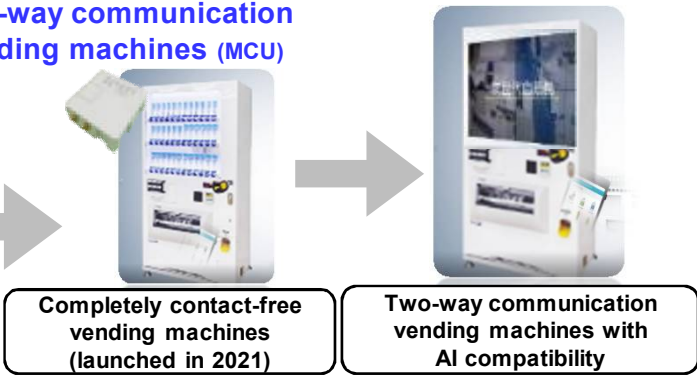
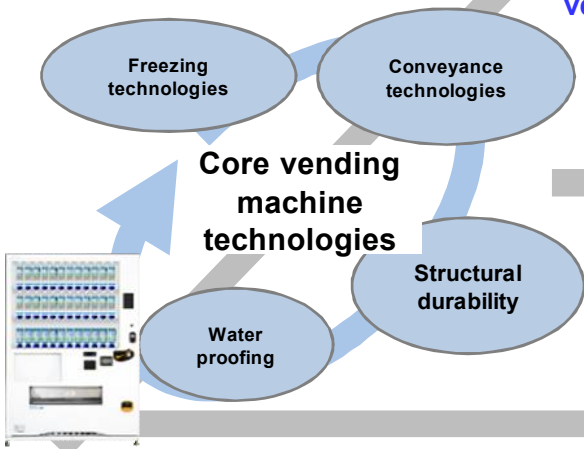


Healthcare providers, distributors, sample processors

Existing Technologies

Beverage manufacturers
Food product manufacturers

Two-way communication vending machines (MCU)



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	<ul style="list-style-type: none"> ▪ Rising energy-saving and eco-friendliness demand ▪ Sales of large items in vending machines (product diversification) ▪ Reliable after sales services 	<ul style="list-style-type: none"> ▪ 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

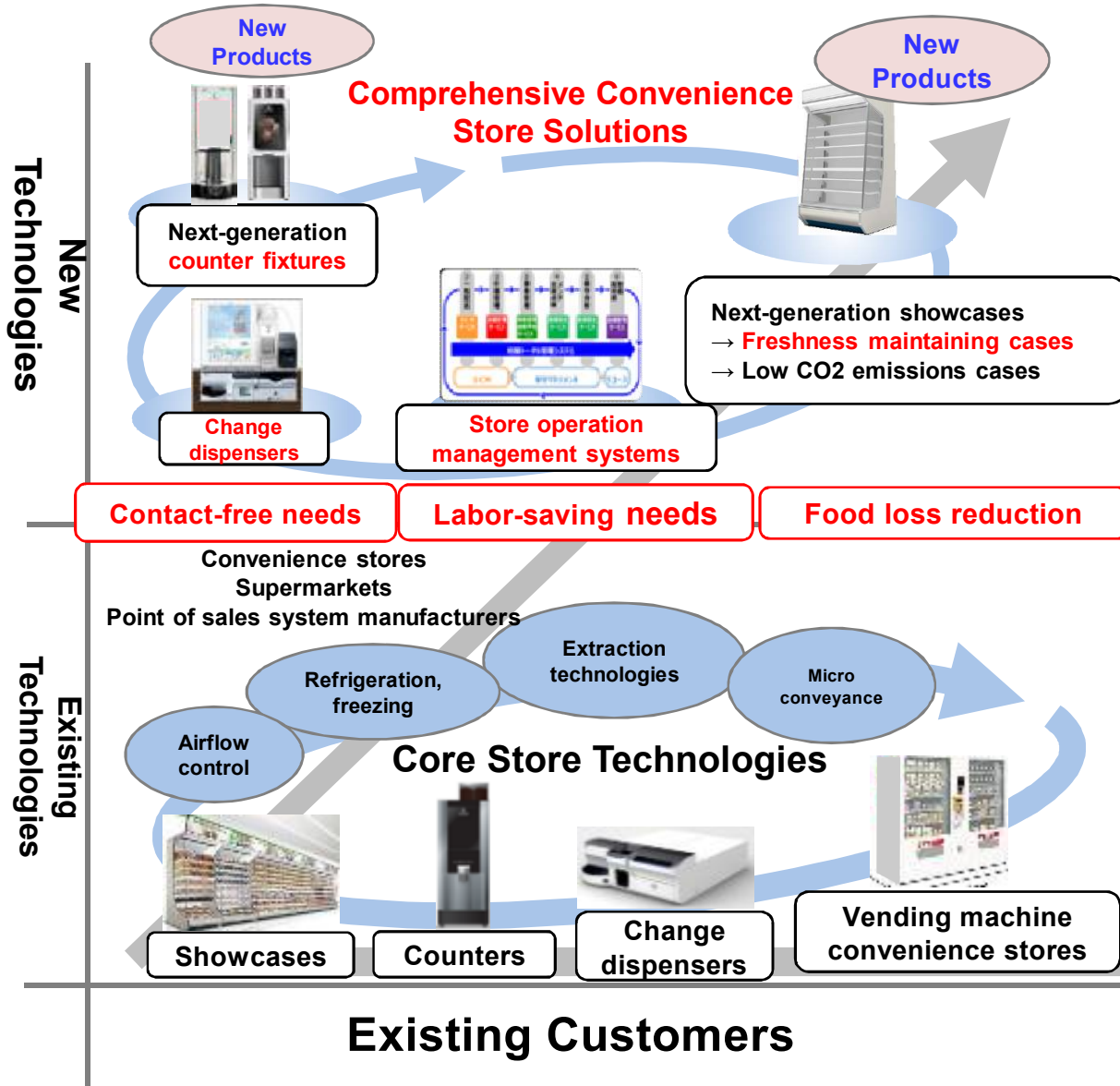
Corporate group (Convenience store operator)



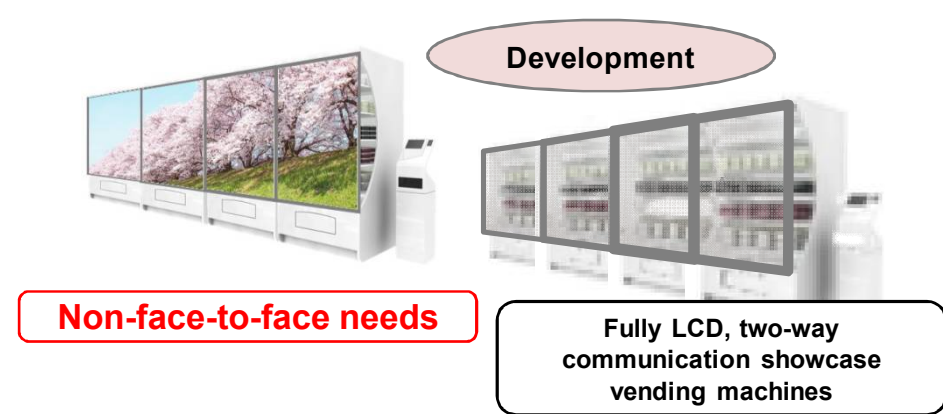
Cashless payment-compatible vending machines

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

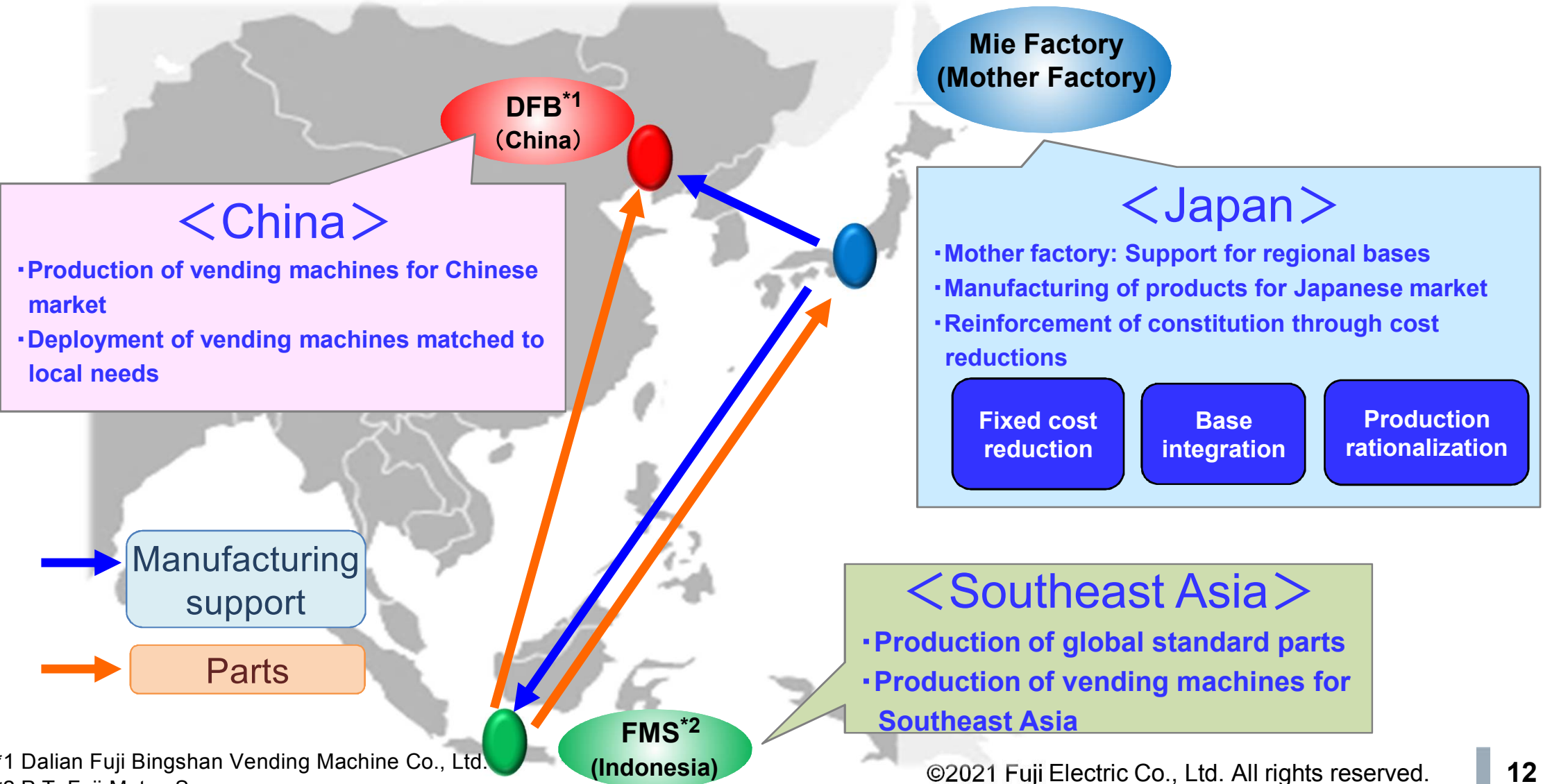


Exploration of new customers (drugstores, food sellers, distributors, etc.)



New Customers

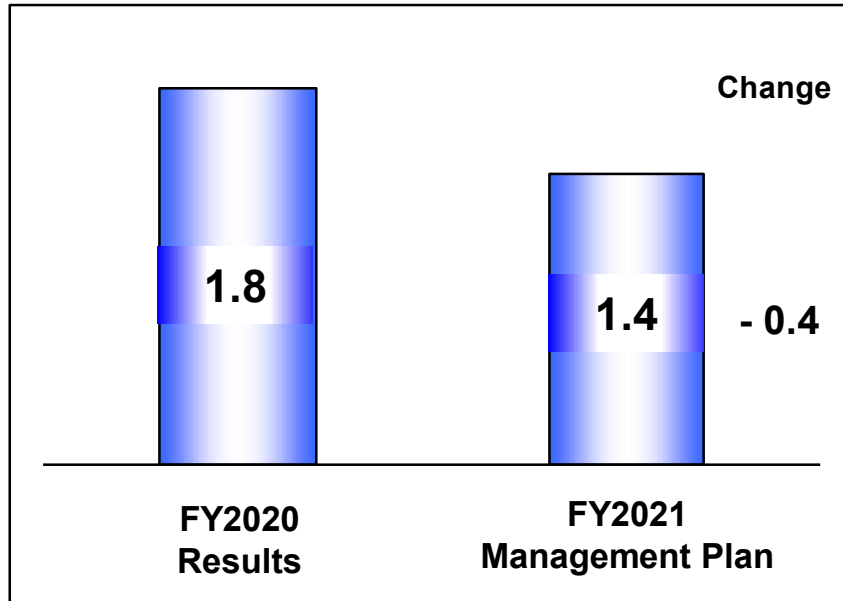
Promotion of efficient manufacturing at individual bases through local production and consumption



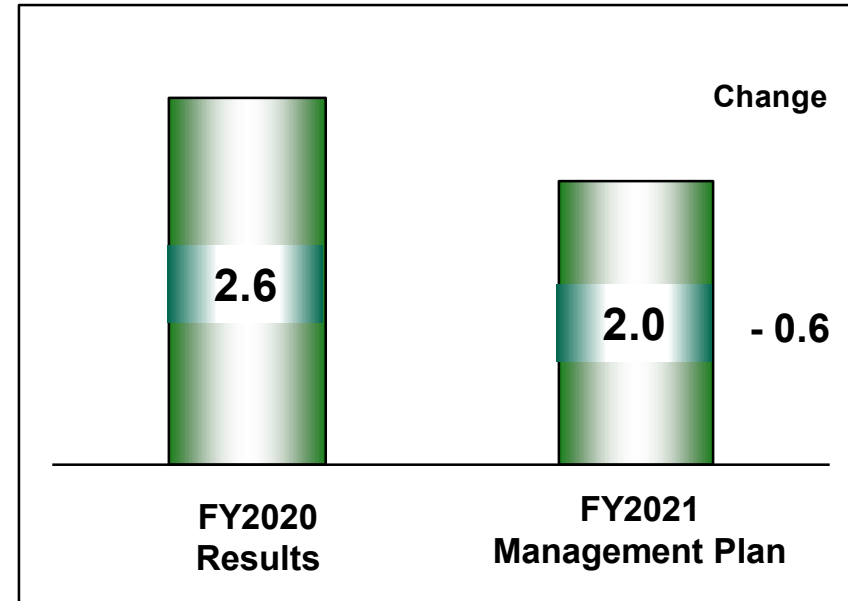
*1 Dalian Fuji Bingshan Vending Machine Co., Ltd.
*2 P.T. Fuji Metec Semarang

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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