



Food & Beverage Distribution Business Strategies

May 17, 2012

Fuji Electric Co., Ltd.

Food & Beverage Distribution Business Group



Contents

- Business Overview
- Business Targets
- Business Strategies / Priority Measures



Business Overview

Provide optimal products and solutions utilizing core **heating and cooling technologies**, **mechatronics technologies** accumulated through vending machine and currency handling system operations, and **system technologies** fused with IT

Vending machine field

Vending machines



- Can vending machines
- Cup vending machines
- Paper pack vending machines
- Food and other item vending machines

Food service equipment



- Automatic tea service machines
- Cool beverage dispensers
- Coffee machines

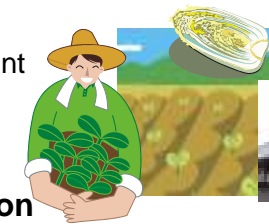
Store distribution field

Stores



- Refrigerated and freezer showcases
- Store energy-saving systems
- Store energy management systems

- Cultivation history management
- Environment monitors
- Solar power generation



Agriculture

Distribution / Refrigeration



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

Currency handling systems

- Automatic change dispensers
- Coin/Cash counters



Business Targets



Food and Beverage Distribution Market - Market Scale and Targets

Provide optimization to all, from producers to consumers, through **heat control** for food and beverage distribution based on key concepts of **safety, security, and energy saving**

Producing area



Food processing plant



Refrigeration center



Agriculture/Fishing
(primary sector)

Market scale: ¥11 trillion

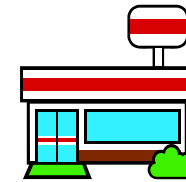
Food processing industry
(secondary sector)

Market scale: ¥35 trillion

Food production industry
(tertiary sector)

Market scale: ¥80 trillion

Convenience stores



Super markets



Low-temperature
distribution



Restaurants



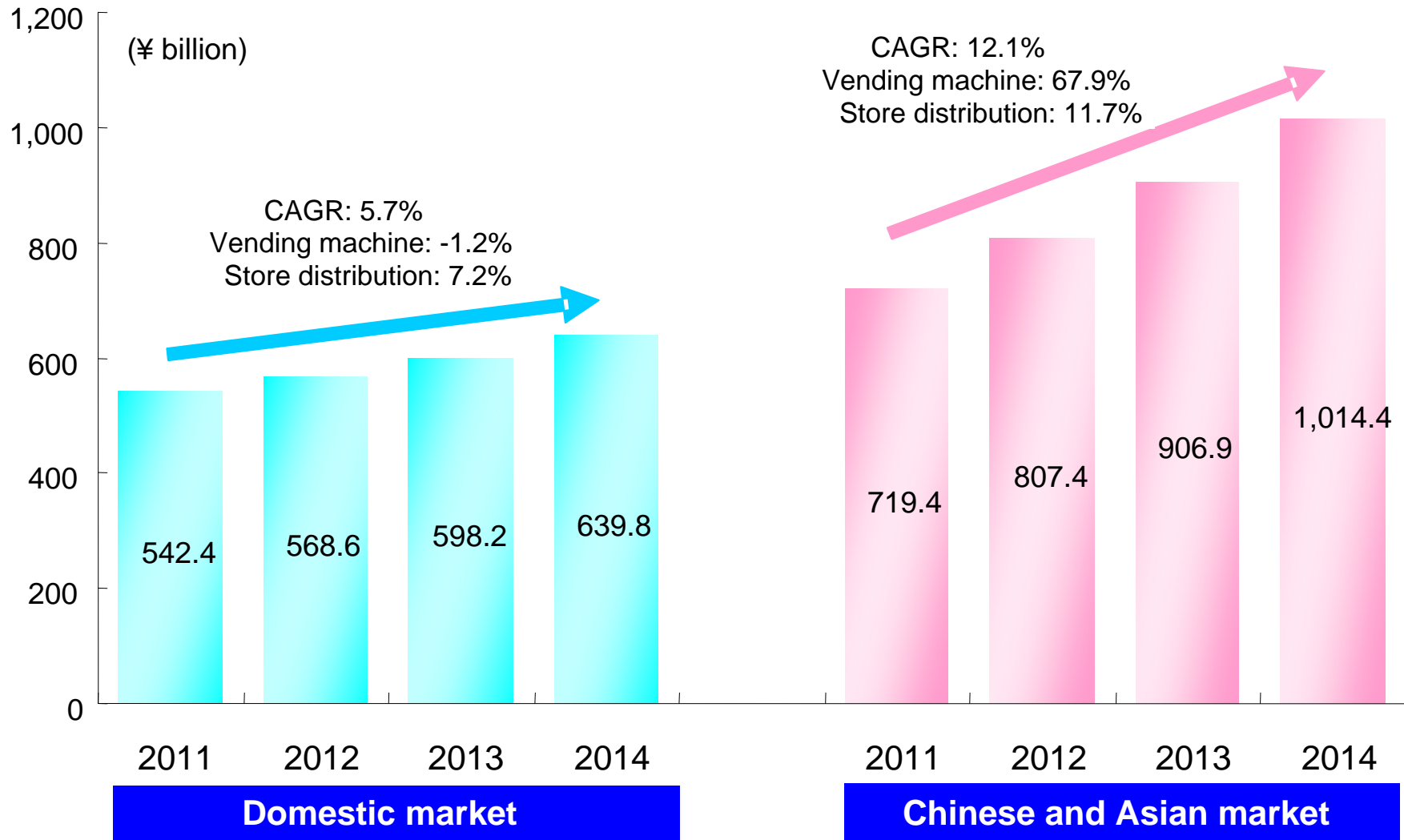
Vending machines





Market Trends

Food and beverage distribution market scale growth projections



* Fuji Electric's estimate

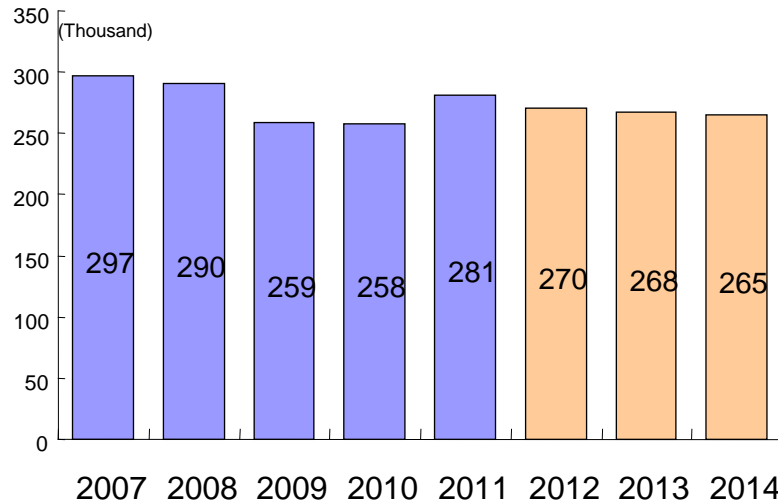


Market Trends

Domestic markets for existing customers and products will be unchanged or shrink slightly, creating need to realize new added value and explore latent demand in the food and beverage distribution business. Demand overseas will expand rapidly.

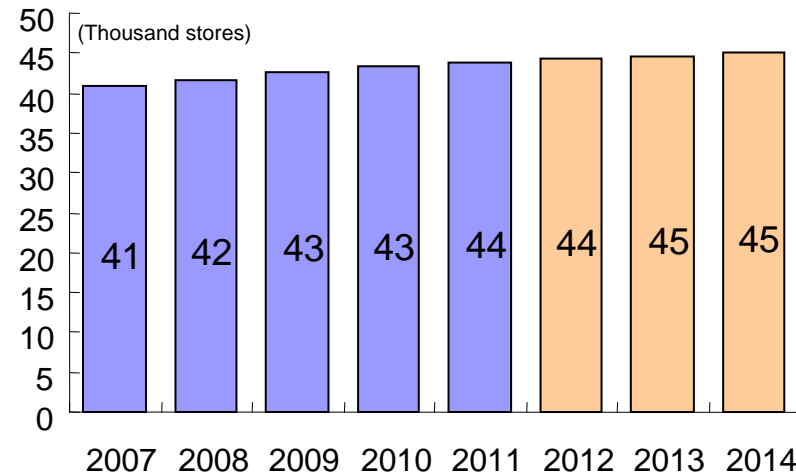
Vending machine market

Scale of domestic can vending machine market (shipment volume base)

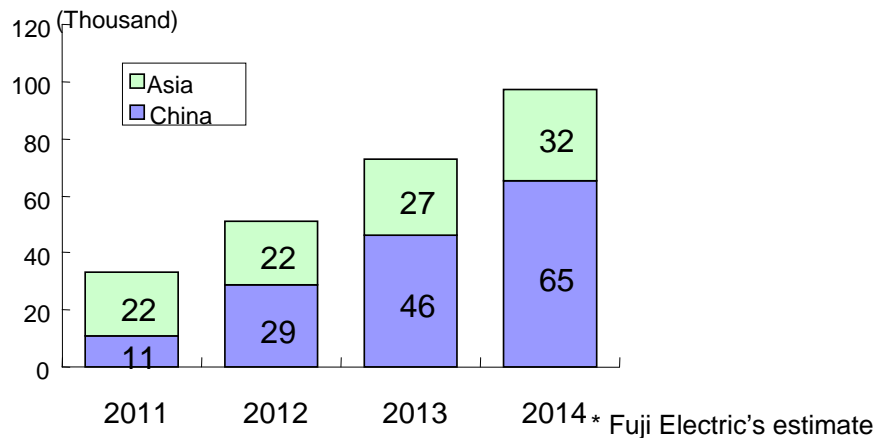


Convenience store market

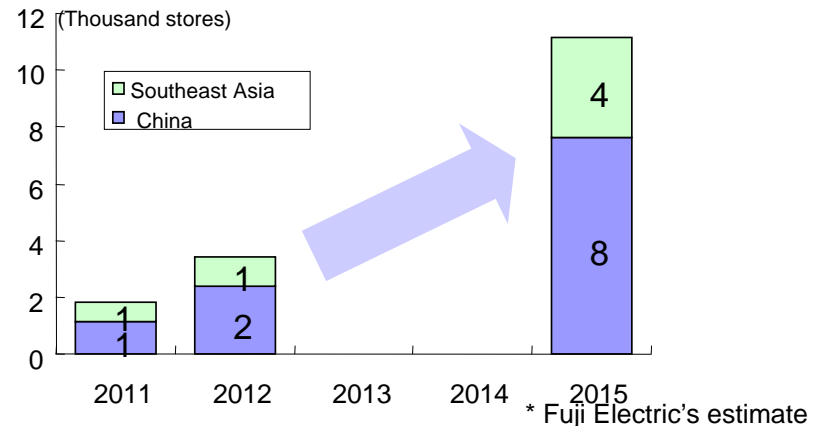
Scale of domestic convenience store market (existing store base)



Scale of Chinese and Asian vending machine market (shipment volume base)



Scale of Japanese-chain convenience store market in China and Southeast Asia (scheduled store base)



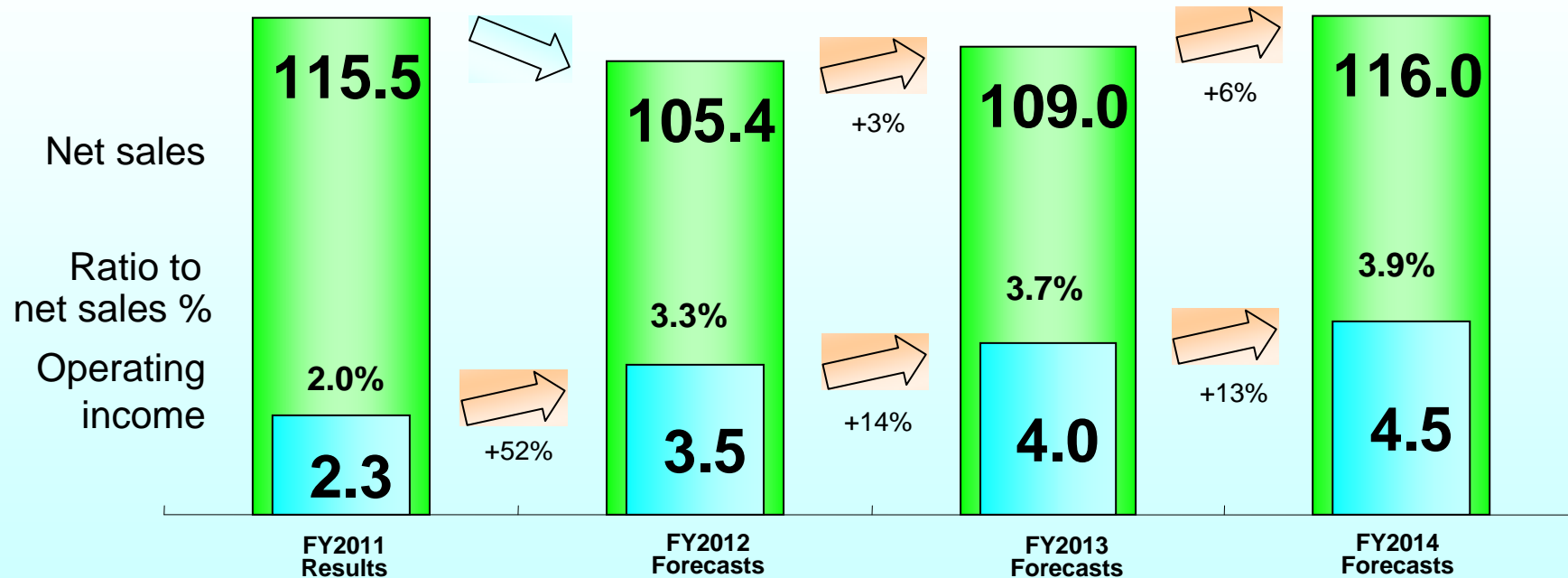


Business Targets

Basic Policy

- In overseas growth markets, expand vending machine business in China, develop overseas eco-store business platform
- In Japan, create new business in food and beverage distribution field utilizing heating and cooling technologies

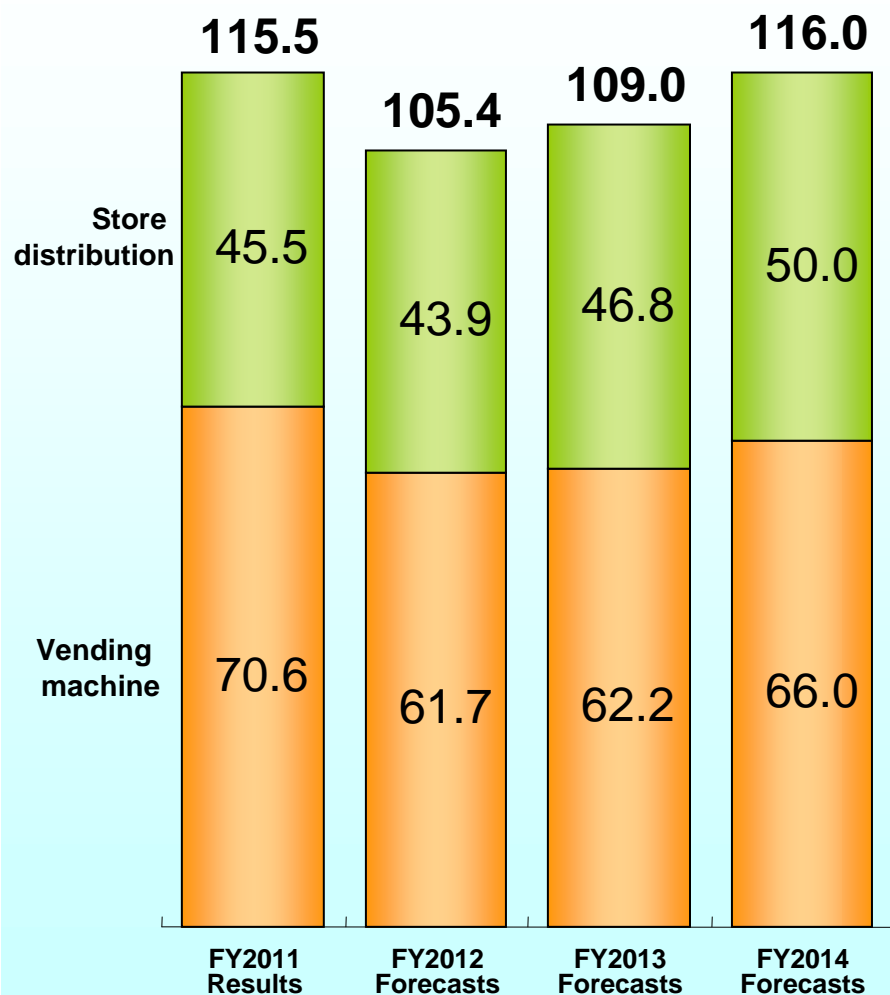
Net sales / Operating income (¥ billion)



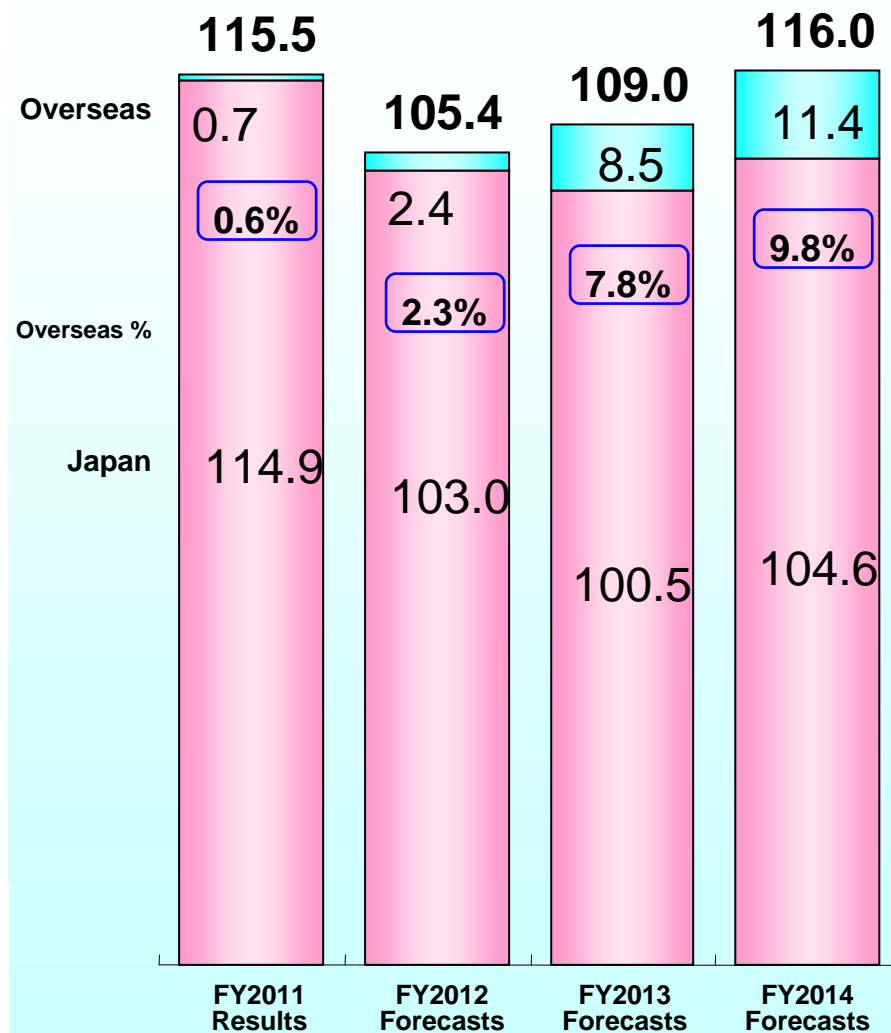


Business Targets

Net sales by sub-segment (¥ billion)



Net sales in Japan / Overseas (¥ billion)





FY2012 Business Strategies / Priority Measures



Business Strategies / Priority Measures for Vending Machines

Business strategies

Secure higher net sales by accelerating development of differentiated machines and expanding in overseas markets

Priority measures

● Secure higher net sales

- Environmentally friendly vending machines equipped with hybrid heat pumps: Promote standardization
- Expand sales of food service equipment

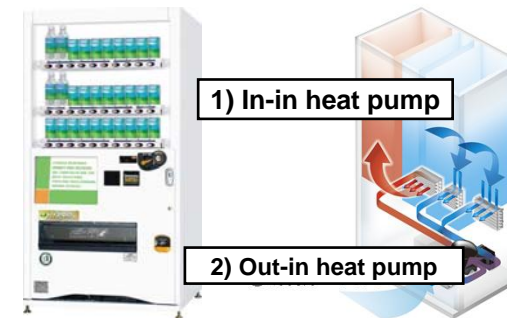
● Expand overseas operations

- Begin full-fledged development of vending machine business in China
- Advance into Southeast Asian market using globally compatible machines

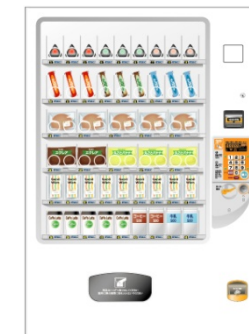
● Improve profitability

- Improve profitability of vending machines through cost reductions focusing on overseas procurement and concentrated purchasing increases

Hybrid heat pump equipped vending machines



Environmentally friendly cup vending machines



Globally compatible vending machines



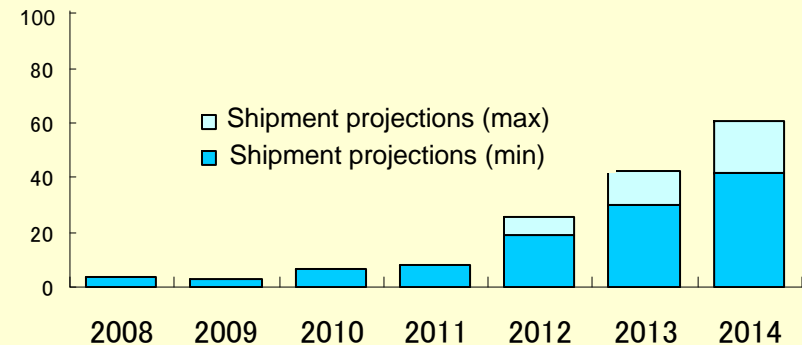
Overseas Expansion

-Vending Machines / Chinese Market

Priority measures

- Invigorate market and reveal latent demand through introduction of vending machines specialized for China
- Strengthen coordination with local Chinese operators
- Promote vending machines to beverage manufacturers including Japanese-affiliated companies
- Enhance service and maintenance businesses
- Increase production capacity in response to market expansion

Can and PET bottle drink vending machine market scale growth projections

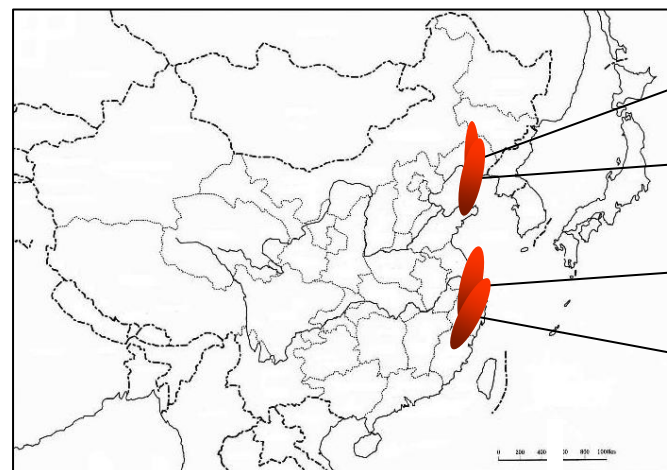


* Fuji Electric's estimate

- Starting in 2012, demand for vending machines will grow rapidly due to economic expansion and rising personnel costs.
- As the market expands, competition will intensify due to appearance of new participants, but Fuji Electric's early position of superiority will allow it to maintain the leading share.



Vending machine specialized for China



Dalian Fuji Bingshan Vending Machine Co., Ltd.

Dalian Jiale Vending Machine Operation Co., Ltd.

Fuji Electric (China) Co., Ltd.

Fuji Electric (Hangzhou) Software Co., Ltd.



Business Strategies / Priority Measures for Store Distribution

Business strategies

Secure higher sales by introducing products that meet market needs and expand operations overseas and in new areas

Priority measures

● Expand overseas operations

- Establish overseas eco-store business foundation

● Improve profitability

- Improve profitability through rationalization
- Reduce costs of construction, products purchased externally, and showcases

● Expand operations in new areas

- Increase sales of distribution systems by fusing refrigeration (cooling and heating technologies) with IT (stores → upstream)

Eco-stores

Customers' stores



Distribution boards



Showcases



Refrigerators



Ecolo units



Service centers



Refrigeration center service package

Power supplies

Insulation panel installation

Freezing facilities

Air conditioning facilities

LED lighting



Information control

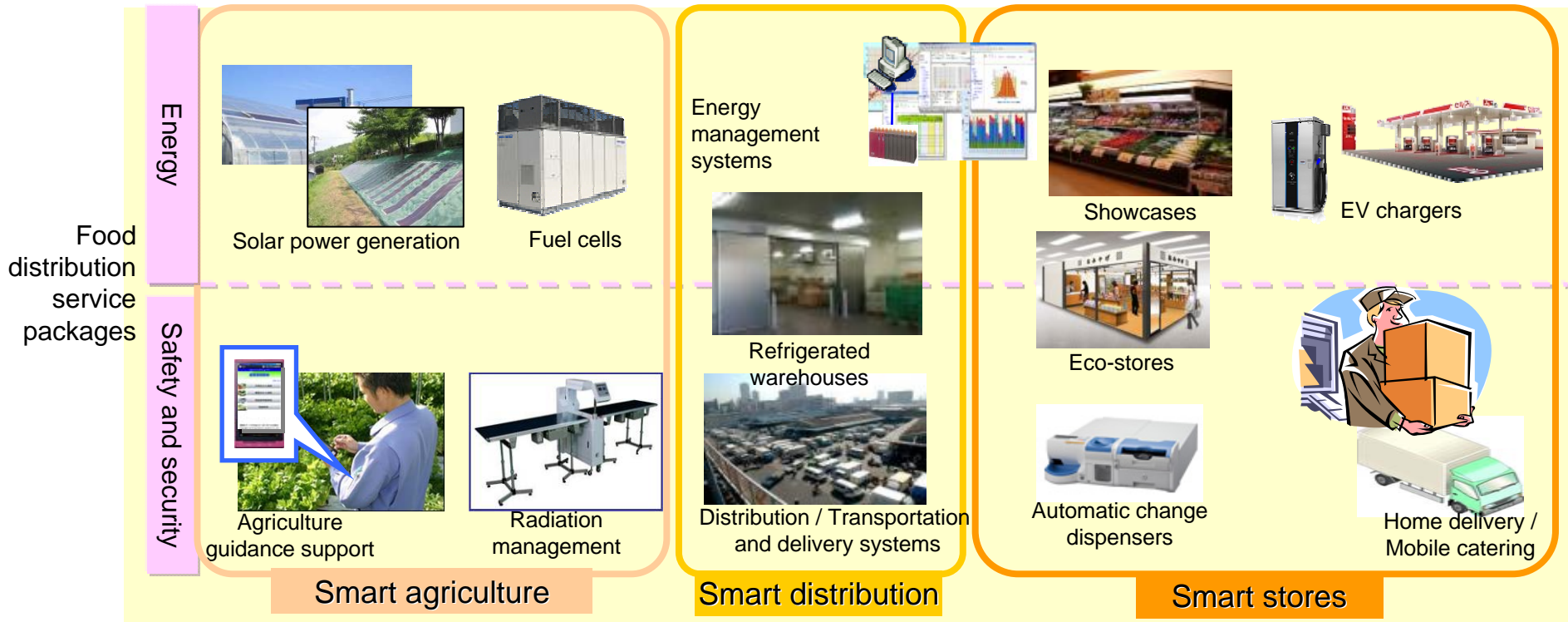
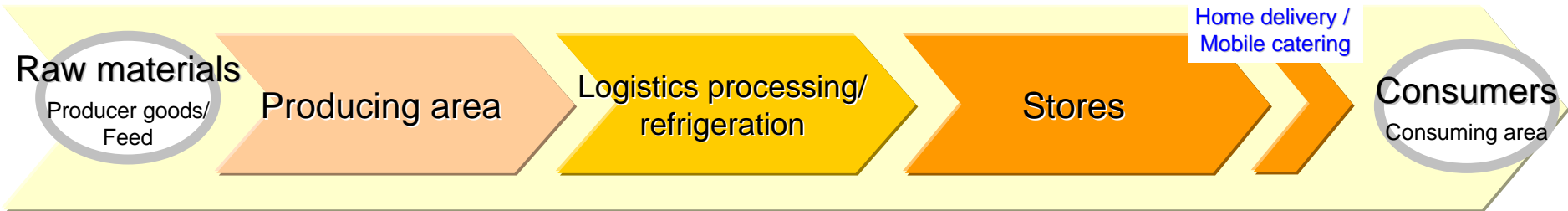
Energy management

IceBattery® System

Air curtains



Expanding Operations in New Areas -Food Distribution Service Packages





Disclaimer

1. These materials are outside the scope of auditing procedures required by law, and as of the date of this results presentation, financial statement auditing procedures required by law have not yet been completed.
2. Statements made in this documents or in the presentation to which they pertain regarding estimates or projections are forward-looking statements based on the company's judgments and assumptions in light of information currently available. Actual results may differ materially from those projected as a result of uncertainties inherent in such judgments and assumptions, as well as changes in business operations or other internal or external conditions. Accordingly, the company gives no guarantee regarding the reliability of any information contained in these forward-looking statements.
3. These documents are for information purpose only, and do not constitute an inducement by the company to make investments.
4. Unauthorized reproduction of these documents, in part or in whole, is prohibited.