

Initiatives to Reduce Environmental Impact

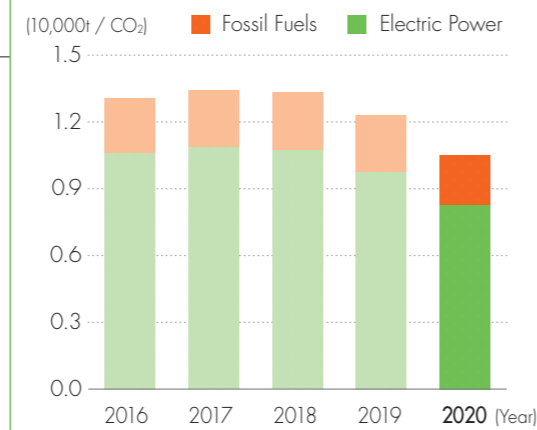
The Hoshizaki Group recognizes the need to control greenhouse gas emissions as an issue directly related to its business. In addition, we are actively working to reduce waste emissions, promote the three 'R's, and eliminate CFCs in our products.

Preventing Global Warming

● Efforts aimed at reducing CO₂ emissions

At Hoshizaki, in order to reduce the CO₂ emissions from sources of energy for its business activities, both manufacturing and back-office departments have been engaged in initiatives such as the introduction of power-saving equipment, improved equipment operation, and improved operational efficiency. At the same time, we have been proactively working to reduce the amount of energy required for transport through efforts to reduce product weights and component counts in the design stages, and to reduce the amount of electric power consumed through improved production processes. CO₂ emissions in FY2020 were 10,492 t-CO₂ (85.4% of the amount for the previous year), due to both the above-mentioned efforts and a decrease in production volume caused by the spread of COVID-19. We will continue to make efforts to reduce CO₂ emissions by promoting the introduction of power-saving equipment and the improvement of production processes.

Changes in Electric Power / Fossil-Fuel CO₂ Emissions



Thorough Incorporation of Energy Conservation in Products

To reduce its environmental impact, Hoshizaki is constantly working to improve its products with the aim of developing energy-saving and other environmentally friendly products. With the launch in March 2020 of the door-type dishwasher with built-in gas booster, space-saving installation has been made possible with an industry-first incorporation of a small, dishwasher-dedicated

water-heating unit included inside the dishwasher housing. In addition, improved combustion efficiency reduces the amount of gas consumed to boil water compared to conventional models, and conserves energy by eliminating combustion to maintain rinse water temperature during standby periods.

Door-type dishwasher with built-in gas booster

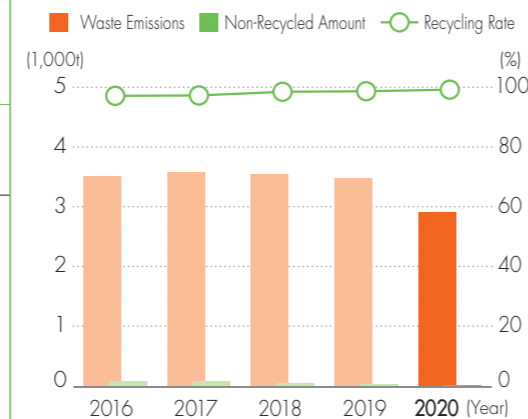


Suppressing Waste Generation

● Efforts aimed at suppressing waste generation

Hoshizaki is actively implementing the three 'R's (Reduce, Reuse, Recycle) by working to improve yield rates for metal materials (getting more parts out of one piece of metal material), improve yield rates for plastic materials, reduce defects during manufacturing processes, and thorough inventory management. The amount of waste generated in FY2020 was 2,891 tons (83.6% of the amount for the previous year), due to both the above-mentioned efforts and a decrease in production volume caused by the spread of COVID-19. In addition, we achieved a

Changes in Waste Emissions



recycling rate of more than 99.0% at the head office and Shimane factories through the promotion of waste separation and reuse. We will continue to promote suppression of generated waste and make efforts to further improve our recycling rates.

CFC and Chemical Substance Management

● Basic Position on elimination of CFCs

In order to deliver more environmentally friendly products to our customers, Hoshizaki is working to reduce the amounts of hazardous substances contained in our products and to promote manufacturing of products that comply with laws and regulations such as the European RoHS Directive*, and

is also pursuing initiatives to make our refrigerants and foaming agents CFC-free.

* A directive and environmental standard of the European Union (EU) to restrict the use of specific hazardous substances (lead, hexavalent chromium, cadmium, mercury, PBDEs, etc. (and 5 other substances)).

● Elimination of CFCs in insulation materials

CFCs are used as foaming agents in insulation materials, and we have been promoting technological innovation with respect to their use as we see it as one of the issues to be addressed in improving the environmental performance of our products. In 2007, Hoshizaki began production of CFC-free table-type refrigerator-freezers and beer showcases that use cyclopentane as a foaming agent. In 2012, we expanded this CFC-free insulation methodology to standing refrigerators, and this has achieved a reduction in greenhouse gas emissions. Furthermore, in August 2020, we completed our changeover to use all CFC-free foaming agents.

Table-type refrigerator-freezer



● Elimination of CFCs in refrigerants

In Europe, there are growing calls for the elimination of CFCs, as evidenced in initiatives such as the 2022 ban on the sale of equipment using alternative CFC refrigerants (the F-Gas Regulations). In 2009, we commenced the manufacture and sale of the world's first commercial ice machines that use propane (R290), a natural refrigerant, and since then have continued to make further improvements and are working to expand our product lineup. One example of this can be seen in Hoshizaki Europe's development and launch of a CFC-free ice dispenser in 2019 and crescent ice machine in 2020.

Crescent ice machine



Efforts to Protect Water Resources

● Water consumption in production processes

Water is used in Hoshizaki's production process for limited purposes such as indirect cooling. In addition, our factories are located in areas that have low risk of water shortages, etc., and use tap water, industrial water, or groundwater as appropriate depending on the situation in each region. In order to use water resources appropriately, we monitor the amount we use and make efforts to reduce it. Water consumption in FY2020 was 129,000 m³ (96.2% of the amount for the previous year), due in part to a decrease in production, of which 50,000 m³ was tap water, 20,000 m³ was industrial water, and 59,000 m³ was groundwater.

Changes in Water Consumption

