

Sustainability Governance

At Hoshizaki, we have established the Sustainability Committee as a meeting for discussing the Group’s sustainability initiatives, reviewing achievements and progress, and implementing countermeasures. The Sustainability Committee strengthens and promotes initiatives to solve the material issues identified by Hoshizaki in order to realize its Long-term Vision.

• Please see Hoshizaki’s website for details of the Hoshizaki Group’s Sustainability Principle.
<https://www.hoshizaki.co.jp/en/esg/sustainability/management.html>

Sustainability Management

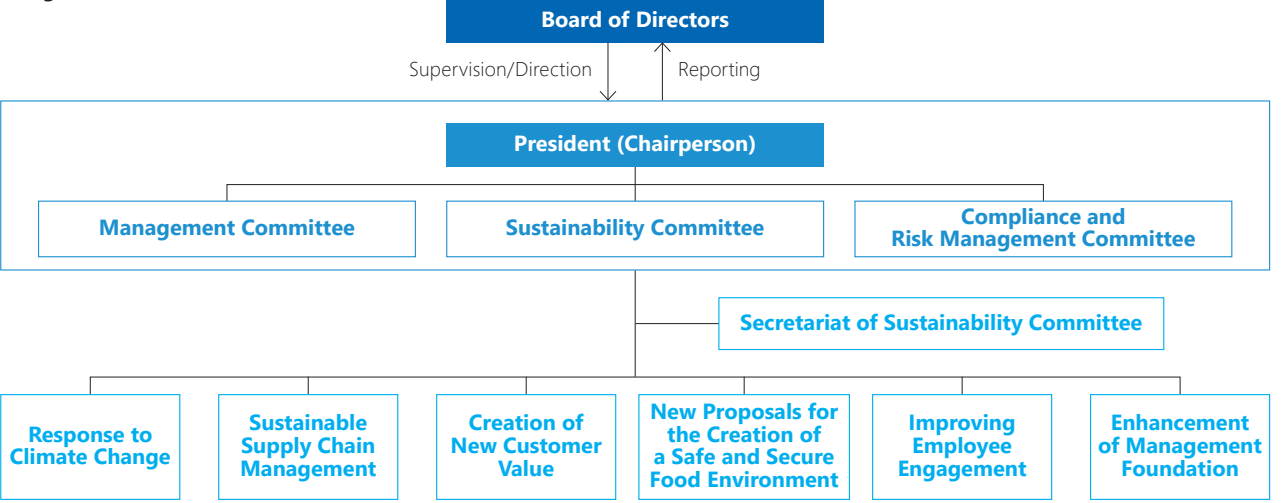
Governance

In June 2022, Hoshizaki established the Sustainability Committee, chaired by the Representative Director, President & CEO. The Sustainability Committee, which meets on a quarterly basis, regularly reports on the progress of each meeting, including deliberation results, to the Board of Directors (once in every quarter in principle). The business risks related to sustainability are shared with the Compliance and Risk Management Committee and reported to the Board

of Directors as needed.

Under the Sustainability Committee, working groups (WGs) have been established for each material issue to promote solutions to these material issues. Each WG is headed by an executive officer in principle, and the details of their initiatives and the status of progress are reported to the Sustainability Committee, as needed.

► Organization chart



Person responsible for each material issue: Executive Officer; WG leader for each material issue: Department Head

► Details of deliberations by the Sustainability Committee in FY2024

January 2024	<ul style="list-style-type: none">Report on materiality WG activities<ul style="list-style-type: none">Execution of the supplier surveyTarget to reduce CO₂ emissions (Scope 1 and 2), etc.Progress report on compliance with Europe’s CSRDDisclosure of sustainability information in the securities report
March 2024	<ul style="list-style-type: none">Report on materiality WG activities<ul style="list-style-type: none">Analysis of climate-related scenarios (update to 1.5°C scenario, etc.)Decided global target to reduce CO₂ emissions (Scope 1 and 2)Customer satisfaction survey conducted for recipients of maintenance and inspection servicesStatus of sustainability initiatives at overseas Group companiesProgress report on compliance with Europe’s CSRDDisclosure contents of Integrated Report 2024
June 2024	<ul style="list-style-type: none">Report on materiality WG activities<ul style="list-style-type: none">Activities related to employee engagementProgress report on compliance with Europe’s CSRDDisclosure contents of Integrated Report 2024
November 2024	<ul style="list-style-type: none">Report on materiality WG activities<ul style="list-style-type: none">Initiatives to create new customer valueProgress report on compliance with Europe’s CSRDFeedback on investor engagement activities

Sustainability strategy

The Hoshizaki Group discussed and examined various social issues, identifying six material issues. We will realize our management vision and Long-term Vision by setting targets and KPIs for each material issue, as well as implementing measures for solving issues.

To integrate efforts for addressing the identified six material issues and achieving our management vision, in principle, the materiality WGs each led by an executive officer have set goals and indicators, and are actively promoting activities.

• For more details, see pp.25-26

Risk management

In consideration of the risks and opportunities related to each materiality, we will timely monitor the KPIs in place and take measures considering the strengths and weaknesses of relevant department and the Company to minimize the risks and maximize the opportunities. In terms of the risk management associated with business activities, the Compliance and Risk Management Committee seeks to ensure risk management and take prompt measures at its monthly meeting.

Metrics and targets

As for metrics and indicators related to the promotion of sustainability initiatives, we are evaluating the progress of our activities and enhancing their effectiveness by setting goals and target values aimed at solving the six material issues.

• For more details, see pp.25-26

Development of future sustainability initiatives

Toward the final year of our management vision in 2026, we will focus on the following activities to synchronize with our management strategy:

- Integrate sustainability strategy with management strategy
- Globalize sustainability activities
- Increase and enhance sustainability disclosure

► Development of future sustainability initiatives



Group Governance

To strengthen the Group governance, we have established activity guidelines for both domestic and overseas operations. In domestic governance, we are pursuing further efficiency in the control environment of domestic sales companies, including initiating efforts to standardize indirect operations among sales companies, which serve as the foundation for operational efficiency. In overseas governance, we are advancing the development of the global control environment by strengthening Head Office functions and making full use of regional headquarters functions.

► Activity guidelines and results

	Activity guidelines	FY2024 results
Strengthening domestic governance	Further enhanced efficiency in the control environment of domestic sales companies	<ul style="list-style-type: none">• Expanded scope of audits (audit items, Group companies)• Initiated standardization of indirect operations among sales companies, forming the basis for operational efficiency
Strengthening overseas governance	Enhanced the global control environment by strengthening Head Office and regional headquarters functions	<ul style="list-style-type: none">• Expanded scope of audits (audit items, Group companies)• Supported introduction of overseas ERP systems• Strengthened functions such as placement of regional headquarters functions and internal controls