

Financial and Capital Strategies

Message from the Officer in Charge of Finance

We will further strengthen our initiatives to improve profit margins and capital efficiency with the aim of realizing our five-year management vision, which is currently on track.

Ryuichiro Seki

Director, Senior Executive Officer
In charge of Accounting Department
and Global Administration Department



Progress of financial strategy in line with five-year management vision

The Hoshizaki Group has established the five-year management vision aimed at enhancing economic value as well as social and environmental value and is currently working toward its realization. To enhance economic value, the Group is implementing a growth strategy with the key management indicators as net sales of 450.0 billion yen, consolidated operating profit to net sales of 14% or higher (before amortization of goodwill from M&A), and consolidated ROE (see p. 11) of 12% or more. In particular, we are committed to increasing the operating profit to net sales and ROE. Although progress on the operating profit to net sales in fiscal 2024 was largely on track, excluding the impact of approximately a negative 1% due to inflation accounting applied to Ozti in Türkiye, we believe further improvement is needed to achieve the target.

For fiscal 2024, the third year of the five-year management vision, net sales and operating profit reached all-time highs, outperforming initial forecasts. The factors behind this strong performance included our ability to meet strong capital expenditure demand in Japan and the contribution of newly acquired companies overseas, in addition to organic growth in business results in India and the Americas, mainly in the dispenser business. In fiscal 2025, the fourth year of the five-year management vision, we are likely to achieve the target for net sales under the vision one year ahead of schedule, as we expect the positive impact from consumption of services and inbound tourist demand will continue in Japan, and we also anticipate continued demand in addition to the contribution of newly consolidated companies overseas.

For shareholder returns, we aim to pay consistent and stable dividends and have set a target of 40% or more for the payout ratio with a policy of providing dividends in line with profit growth. We will also consider acquisition of treasury shares, with a flexible and agile approach while being conscious of capital efficiency and fully considering factors such as making strategic investments and investment for growth and optimizing our cash position.

Financial strategies aimed at further enhancing corporate value

1) Increasing capital efficiency/ROE

We set the target for ROE in fiscal 2026, the final year of the five-year management vision, at 12% or more, a level which we believe will consistently and adequately exceed the expected cost of capital (6~7%). We verify the cost of capital based on regular updates from a number of external experts. We will continue working to reduce the cost of capital through measures such as the following:

- Strengthening the management base through various forms of risk management, including ensuring rigorous management of business performance, and Group governance (pp. 65-76)
- Engagement with shareholders and investors (p. 60)
- Appropriate disclosure of financial and non-financial information, including sustainability information

ROE has been steadily improving up to and including fiscal 2024. Of the three elements that make up ROE, financial leverage is roughly in line with the plan. Total assets turnover has increased slightly, due in part to the results of CCC* management, but the increase in the net profit margin has slowed somewhat due to the impact of rising costs and inflation accounting.

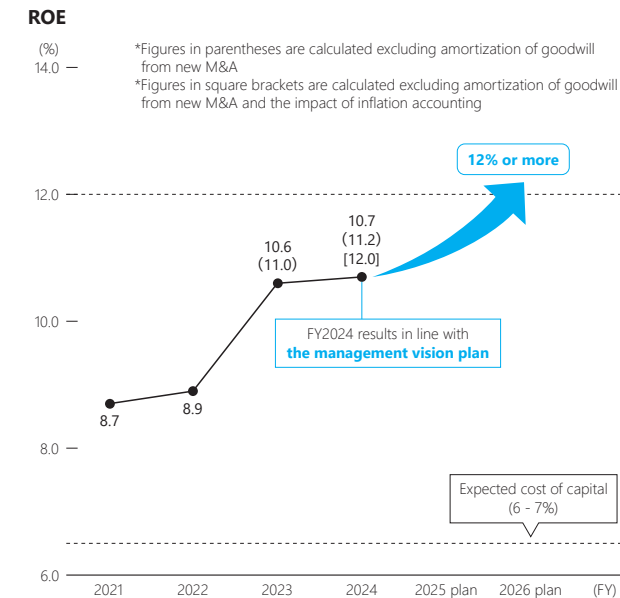
*CCC: An abbreviation of cash conversion cycle, which is one the financial indicators that show funding efficiency

2) Measures to increase capital efficiency

Of the three elements that make up ROE, the Group, which has relatively low financial leverage, considers improvement of business profitability (net profit margin) and increasing invested capital turnover (total assets turnover) as important for reaching the ROE target.

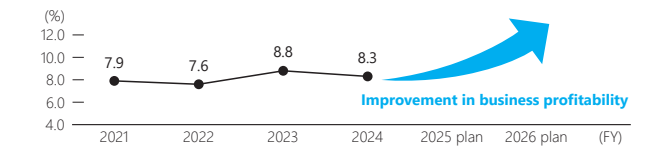
To achieve our five-year management vision, we are already working to increase net sales, operating profit, and the operating profit to net sales ratio and to improve the CCC. We are also ensuring execution of economically disciplined investment, promoting awareness about increasing capital

► Approach to increasing capital efficiency/ROE

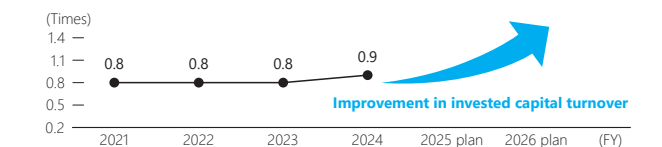


efficiency within the Group, and steadily implementing steps to further improve it. More specifically, we have set ROIC (see p. 11) as an internal management indicator for Hoshizaki and the group companies, which we break down into operating profit to net sales ratio and invested capital turnover to enable us to understand the issues at individual companies and businesses. We expect this will lead to bottom-up improvement while striking a balance between growth investment and profitability. Although ROIC in the domestic business is generally high at present, there are major disparities between areas and companies in the overseas business where invested capital is increasing due to growth investment, and we believe there is still room for improvement, primarily in the operating profit to net

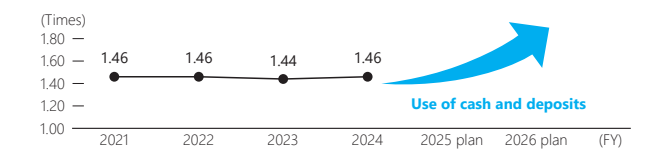
Net profit margin



Total assets turnover



Financial leverage



sales ratio. Consequently, we plan to prioritize overseas business for the implementation of ROIC initiatives. Going forward, as each department and the group company continue taking action to make improvements, we will further refine our unique Hoshizaki ROIC framework by building up case studies, which we will apply across our organization.

Through the internal application of ROIC, I believe that the managers of each group company will gain the same level of awareness about capital efficiency and the balance sheet as investors. As a result, they will work persistently and steadily to improve the profitability and capital efficiency of each business and speed up actions aimed at further enhancing corporate value.

► Measures in Japan and overseas to increase ROE and ROIC

	Japan	Overseas
Improvement in business profitability	• Further raise productivity of sales and services • Consolidate shared functions and strengthen cross-functional operations in the sales business • Implement VA activities* and reduce costs of overseas procurement • Reduce processing costs through optimization of production sites • Reduce costs by standardizing and streamlining indirect operations	• Optimize global supply system in the refrigerator business • Strengthen cost competitiveness by establishing manufacturing sites • Make radical cost reductions through global procurement, etc. • Tighten control of expenses and implement structural reform in accordance with circumstances • Develop and launch more competitive products • Capture large-scale demand such as global and local restaurant chain customers
	• Implement M&A with commitment to profitability • Promote cost reduction activities through review of components between Japan and overseas • Implement strategic price revision • Strengthen IT support for improving work efficiency	

*VA activities: An abbreviation for Value Analysis Activities to reduce costs, including reducing the number of components, modifying designs, and reviewing materials and components



	Japan and overseas	
	Increase working capital turnover	Increase fixed asset turnover
Improve invested capital turnover	• Shortening of CCC ▶ Strengthen management of trade receivables ▶ Set appropriate payment terms based on profitability ▶ Reduce inventory by improving PSI* and shortening lead times ▶ Obtain advances from customers	• Implement capital expenditure to improve production efficiency and increase capacity • Invest in new products that identify market needs • Strengthen economic feasibility verification before and after implementing capital expenditure • Realize synergies after acquisitions with awareness of goodwill

*PSI: Optimization of production, sales, and inventories

Financial and Capital Strategies

3) Cash allocation and strong financial capital

Operating cash flow in fiscal 2024 was 47.3 billion yen, up approximately 10.0 billion yen year on year, mainly due to growth in operating profit, which demonstrates our strength in generating strong cash flows. Investment cash flow recorded an outflow of 37.3 billion yen, mainly growth investment including M&A and capital expenditure in Japan and overseas. As a result, free cash flow in fiscal 2024 was approximately 10.0 billion yen. Furthermore, financing cash flow recorded an outflow of 40.1 billion yen, as a result of shareholder returns, including acquisition of treasury shares. As a result of these factors and the impact of exchange rates, the balance of cash and deposits at the end of fiscal 2024 decreased by approximately 15.0 billion yen from the end of the previous fiscal year to 239.0 billion yen.

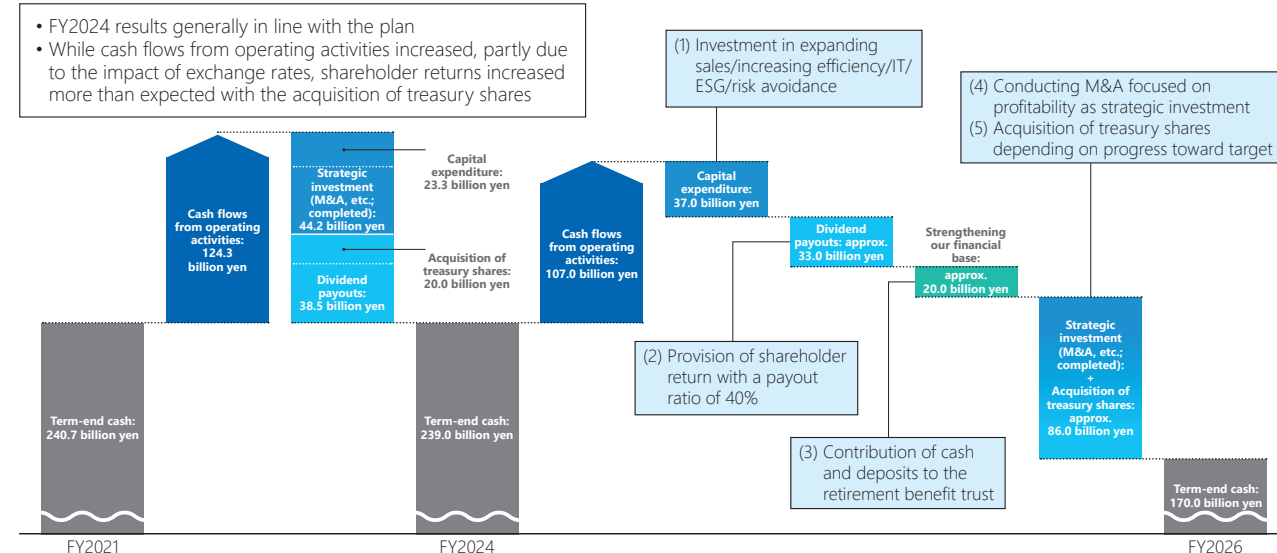
We plan to use cash and deposits for active strategic investment and other activities aimed at achieving ROE of 12% or more. More specifically, in addition to capital expenditure, shareholder returns (payment of dividends), strategic investment (M&A, etc.), and acquisition of treasury shares, we plan to use cash and deposits for contributions to

the retirement benefit trust as a measure to strengthen our financial base.

We will provide dividends in accordance with profit growth with a target payout ratio of 40% or more. In fiscal 2024, we paid a dividend of 105 yen per share, an increase of 10 yen per share from the dividend in the previous fiscal year.

We will continue to consider acquisition of treasury shares as necessary with a flexible and agile approach looking to further increase capital efficiency, and we plan to reduce the balance of cash and deposits to 170.0 billion yen by the end of fiscal 2026. The breakdown of cash and deposits of 170.0 billion yen comprises cash for working capital and funds to be used for growth investment, including M&A, and for talent retention in emergency situations, among others. Furthermore, in addition to working to maintain an appropriate level of cash and deposits, we will establish a global cash management system between Hoshizaki Head Office and regional headquarters to be used to consolidate funds, strengthen control, and address any imbalances between regions in funding demands.

► Use of cash and deposits (cash allocation through to FY2026)



4) Active growth investment and capital expenditure

The Group plans to further step up capital expenditure aimed at business growth and improving profitability with a focus on its ability to propose appropriate solutions and develop suitable products and services in order to build more long-

lasting and solid relationships with customers. For example, the standard models of refrigerators and freezers went through a model change at the end of fiscal 2024 and were switched completely to natural refrigerants. Going forward, we plan to continue our focus on deeper penetration of the

► Active capital expenditure in Japan and overseas

Capital expenditure	Expand sales	- Strengthen development of new products to capture the market - Newly establish and extend warehouses in preparation for sales growth	- Update equipment in preparation for model changes - Newly establish kitchen showrooms	Update equipment to increase production capacity
	Increase efficiency	- Restructure factories to optimize production centers - Transfer production between companies with a focus on efficiency	- Reduce the number of processes through the introduction of new equipment or updating of equipment - Streamline production lines	
	IT	- Update core systems for manufacturing and sales - Utilize generative AI	- Introduce tools to streamline indirect operations - Introduce and update ERP systems	- Refurbish SFA (see p. 13) - Update core systems
	ESG	Invest in reducing greenhouse gases		
	Avoid risk	- Strengthen earthquake countermeasures - Update equipment for ensuring employee safety	- Address risk of production stoppages, including updating aging equipment - Address cyber risks	

restaurant market and development of the non-restaurant market. In addition, we will continue to actively invest management resources in raising the productivity of sales and services at sales companies. We will also carry out active capital expenditure in Japan and overseas for expanding sales, improving efficiency, IT, ESG, and avoiding risk. In fiscal 2024, company-wide capital expenditure was around 14.0 billion yen, and we expect this figure will increase to around 20.0 billion yen in fiscal 2025.

5) Continuing to conduct M&A focused on profitability and investment discipline

We will continue M&A investment driven by our growth strategy in accordance with our five M&A principles. More specifically, we will set priority targets and conduct active investment in new M&A focused on profitability and investment discipline (acquisition at an appropriate price). Our overall policy emphasizes “selecting high-profit targets with business scale,” “selecting targets with renewed focus on Europe and the USA,” and “selecting targets that will become a third pillar following ice makers and commercial refrigerators.”

We also regard sales and profit growth through the implementation of the post-merger integration (PMI)

process (see p. 14) to realize synergy effects as an important management issue, and we intend to continue strengthening this process. When implementing PMI, we set PMI targets before acquisitions. We promote the manufacture of Hoshizaki brand products using the acquired company and expand and promote sales of the acquired company's products using our Group network. We also focus on establishing business promotion structures that suit local characteristics and the scale of the company. Through PMI, the Company and the regional headquarters will play a leading role to realize synergy effects in the supply chain, sales, governance, and other areas.

Led by Hoshizaki's Accounting Department and Global Administration Department, as well as regional CFOs, we are also strengthening the global accounting and financial management system for new group companies added through M&A in addition to existing group companies. While respecting the independent management of each group company, we work in close communication with regional headquarters and the CFOs of each company to ensure Group-wide awareness and compliance with common management policies, and to continually maintain and improve financial reporting systems and governance.

► Priority targets and reason for target selection

Priority targets	Reason for selecting target
Commercial refrigerator manufacturer Ice maker manufacturer	- Strengthening lineup of products that existing group companies do not yet have - Increasing market share and profitability of Hoshizaki brand products leveraging high-profit structure and flexible product development capabilities of local company
Coffee machine manufacturer Thermal equipment and food preparation assistance equipment manufacturer Dishwasher manufacturer	Creating mainstay products to follow ice makers and refrigerators with the presence of many large-scale, high-profit companies with strong brands
Manufacturer with high brand value	Generating synergy effects with the Company's sales network leveraging the commercial products of a company with a high share of the global market and an extensive product lineup
Distributor Leading local dealer Commercial kitchen installer	- Increasing profitability through establishment of direct sales system - Capture business from restaurant chains, hotels, etc. utilizing major local dealers and commercial kitchen installers

Aiming to continuously enhance economic value as well as social and environmental value

Our current PBR and PER levels reflect shareholder and investor confidence in the Group, meaning that capital costs are low and future growth is expected. However, we are not satisfied with the status quo and remain committed to meeting these expectations by realizing growth with an emphasis on profits and profit margins. To achieve this, in addition to short-term profits, it is crucial to take measures that will enhance corporate value over the medium to long term, including the allocation of management resources to growth investment. As part of this, we will work to continuously improve business profit margins and increase capital efficiency. We believe improvement of TSR*, which is an indicator of shareholder returns, will follow on from this.

We consider ROIC (see p. 11) to be a shared language expressing corporate value and enterprise value that connects shareholders and investors with internal stakeholders. To

push forward with improving capital efficiency across all our business departments, we will quantitatively analyze business issues based on ROIC and foster a culture that is dedicated to profit margins and turnover.

As I mentioned at the beginning, we have established a policy of enhancing not only our economic value but also our social and environmental value under our five-year management vision. We believe that reducing social and environmental risks with a focus on ESG in order to enhance social and environmental value can also lead to lower capital costs. At present, we have set KPIs for each material issue and manage the targets. However, in the future, we believe it will also be important to visualize financial economic value impacts, including opportunities, through these initiatives, so that all stakeholders understand the true value of the Group.

*TSR: An abbreviation for Total Shareholder Returns

Domestic Business Strategy

To achieve sustainable growth, we aim to further explore the restaurant market and to strategically develop non-restaurant markets through stronger collaboration between sales and services and effective new product launches, while improving profitability.

SWOT analysis

Strengths	1. Overwhelming direct sales capability with some 430 sales offices across Japan 2. Products/systems/solution-proposing power eclipsing competitors 3. Service and maintenance system with highly satisfactory to customers (with approximately 2,800 service staff in Japan)	Growth strategy	1. Maintaining and further strengthening direct sales capability through sales-service collaboration model (see p.19) 2. Promoting delivery of new customer value through products with natural refrigerants (see p.03), etc. 3. Creating new services through Hoshizaki Connect Wi-Fi (see p.30)
Weaknesses (issues)	1. Displaying agility through organizational collaboration between manufacturing and sales 2. Standardizing skills of sales staff and sharing information 3. Product lineup for non-restaurant markets	Strategies / Measures	1. Strengthening collaboration through organizational restructuring and persistence to results 2. Enhancing talent development and improved information sharing through Hoshizaki Sales 3. Strengthening in-house development capabilities via manufacturing-sales collaboration and enhancing product lineup in partnership with other companies
Business opportunities	1. High growth potential of non-restaurant markets 2. Actualizing potential demand for switching to eco-friendly products 3. Need to improve operational efficiency and productivity due to labor shortages	Future initiatives	1. Proactive strategy for developing untapped markets 2. Gradually standardizing products with natural refrigerants (refrigerators and ice makers) 3. Offering solutions through products that contribute to reducing manpower and saving labor, and researching the use of AI
Threats	1. Intensified competition in non-restaurant markets 2. Structural contraction of domestic restaurant market from population decline 3. Demands for action and stronger initiatives covering Scope 1 through Scope 3	Responses and preparedness	1. Building a growing track record of successful organizational sales through partnerships with other companies 2. Further expanding into non-restaurant markets and introducing new products to meet labor-saving needs 3. Reducing CO₂ emissions by strengthening energy- and resource-saving measures in manufacturing and further pursuing energy savings in product use

M&A Policy and Track Record

To achieve the targets of the five-year management vision, which ends in 2026, we will set priority targets and actively promote investment in M&A with a focus on profitability. Overseas, we aim to step up acquisitions with a view to investing in manufacturers of food service peripheral equipment, sales channels, and other areas while strengthening our research into high added-value brands. In Japan, we will advance acquisitions and strengthen business partnerships to enhance our product lineups.

Aiming to build optimal portfolio in line with five M&A principles

At the Group, we select candidate companies that meet the criteria outlined in the five M&A principles and conduct due diligence. While working to expand business scale through M&A, we promote optimization of our production network and our regional and product portfolio. We also pursue maximization of synergy effects and work to ensure such effects contribute to business performance by steadily implementing PMI* (see p. 14) after acquisition. We proceed with scaling down M&As or withdrawing from them if unexpected changes in the market environment occur or if it is determined that creating anticipated synergy effects is challenging. In 2018, we sold our stake in Zhejiang Aixue Refrigeration Electric Appliance Co. in China, and in 2022, we closed the Gram factory in Denmark (owned by Gram Commercial A/S acquired in 2008).

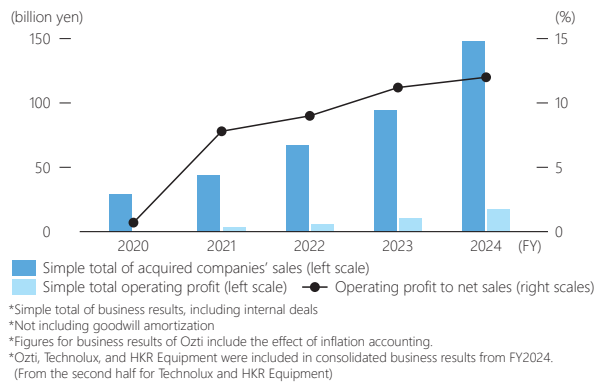
Hoshizaki Group's five M&A principles

- 1 Profitable companies
(operating profit to net sales ratio of 10% or higher)
- 2 Companies with excellent executives
- 3 Companies with which we can expect synergies
- 4 Companies over of a certain size
(sales of several billions of yen or higher)
- 5 Companies with desire for more (not satisfied with status quo)

Contribution of acquired companies to business performance

The combined business results (simple total, including internal deals) of nine major overseas subsidiaries – Lancer, Jackson, Hoshizaki Macom, Brema, Ozti, Western, Royalkitchen, Technolux, and HKR Equipment – in fiscal 2024 came to 148 billion yen in net sales, 17.8 billion yen in operating profit, and 12.0% in the operating profit to net sales ratio. In fiscal 2024, Ozti (Türkiye), which was newly consolidated, and Technolux and HKR Equipment (both in the Philippines), which were consolidated from the second half, pushed up net sales and operating profit.

► Changes in performance of nine acquired companies (simple total, including internal deals)



► Main M&A results and expected synergies

	Timing of acquisition	Main products and services	Synergy effects
Lancer (USA)	February 2006	Beverage dispensers	• Market share expansion through synergy effects based on overseas production and sales bases
Western (India)	January 2013	Glass door refrigerators Glass door freezers Refrigerators	• Manufacture and sales in India of Hoshizaki Group products, including commercial refrigerators • Enhancement of Western product development, productivity, and quality with support from Hoshizaki
Jackson (USA)	January 2013	Dishwashers	• Use of Hoshizaki Group's global sales channels, mutual introduction of customers, and joint sales of products • Enhancement of Jackson's product development, productivity, and quality with support from Hoshizaki
Macom* (Brazil)	July 2013	Refrigerators, thermal equipment (complete kitchen set)	• Manufacture and sales in Brazil of Hoshizaki Group products, including ice makers • Enhancement of Macom's product development, productivity, and quality with support from Hoshizaki
Ozti (Türkiye)	December 2019 (made equity method affiliate) March 2024 (turned into consolidated subsidiary)	Thermal equipment Dishwashers Refrigerators	• Expanding Hoshizaki's market share by leveraging Ozti's sales channels in Middle East, Europe, and Africa • Expanding Hoshizaki Group's product lineup through Ozti's development and manufacture of refrigerators for Europe, dishwashers for Asia, etc. • Creating synergies such as enhancement of Ozti's product development, productivity, and quality with support from Hoshizaki
Brema (Italy)	July 2022	Ice makers	• Market share expansion in Europe and the Middle East of commercial ice makers based on local production and sales bases
Naomi (Japan)	October 2022	Filling machines	• Market expansion for filling machines by leveraging Naomi's product strength and consulting sales capabilities along with our sales and service network • Strengthening Naomi's business functions in development, manufacturing, sales, service, and management with support from Hoshizaki
Royalkitchen (China)	December 2022	Design and construction of complete kitchen set	• Expansion of sales channels to luxury hotels, major companies' cafeterias, chain restaurants, supermarkets, etc. • Acquisition of expertise in kitchen set business and its enhancement
Fogel (Panama/Guatemala)	February 2024 (made equity method affiliate)	Refrigerators Glass door refrigerators	• Expanding product lineup in volume zone of US refrigerator business • Expanding business in Latin American region by leveraging Fogel's sales and service network for major beverage manufacturers
Technolux, HKR Equipment (both in the Philippines)	May 2024	Importer, distributor	• Market expansion for Hoshizaki products by leveraging both companies' extensive delivery records to hotels and restaurant chains • Enhancing added value through sharing of Hoshizaki's after-sales service expertise and strengthening service infrastructure in the Philippines
Cannon Marketing (USA)	January 2025 (acquisition)	Food service equipment wholesaler	• Expanding sales of Hoshizaki products in the south eastern USA by leveraging extensive product knowledge • Increasing U.S. market share by strengthening direct sales to dealers from our own distribution center
ARICO (Vietnam)	February 2025	Industrial refrigeration and refrigerators for food processing equipment	• Strengthening ability to supply products in Southeast Asia by combining ARICO's market knowledge and cold chain-related equipment manufacturing technology with Hoshizaki's technology in the development and production of commercial refrigerators • Expanding business territory in Southeast Asia by establishing a new refrigerator factory
Living Technology (Japan)	April 2025 (acquisition)	Water electrolyzer	• Accelerating non-restaurant market food-related businesses in the region by providing high-flow water electrolyzers

*Macom: Currently Hoshizaki Macom

Basic policies of management vision and FY2024 results/issues

Basic policies	FY2024 results	Issues
Further explore the restaurant market and develop non-restaurant markets • Strengthen exploration of four non-restaurant markets: retail sector, processing and sales sectors, primary industries, and hospitals, nursing facilities, and welfare facilities	• Captured strong equipment investment demand, mainly from restaurants and the service industry • Secured revenue growth in both the restaurant and non-restaurant markets; in the non-restaurant market, sales grew particularly for hospitals, nursing facilities, welfare facilities, and lodging facilities • Expanded sales of natural refrigerant based products	• Business expansion of local chains in the restaurant market • Further new product launches and lineup expansion in non-restaurant market
Thoroughly improve profitability and productivity • Implement strategic price revision • Reduce cost ratio and work to improve productivity • Additional structural reforms to improve Selling, General and Administrative expenses (SG&A) ratio	• Focused on management practices that improve gross profit margin and strictly control fixed costs to ensure profitability • Implemented rapid horizontal deployment of successful cases across sales companies • Advanced optimization of personnel and compensation at sales companies • Fully implemented shared use of call centers, etc.	• Further strengthening in-house development capabilities through promotion of manufacturing-sales collaboration • Standardizing and streamlining indirect Group operations (improve SG&A ratio)
Create new value by optimizing sales-service collaboration and use of IoT • Optimally allocate direct sales, corporate sales, and service resources and strengthen customer response • More advanced customer response and service operations through use of IoT	• Enhancement and greater efficiency achieved in sales and service capabilities through cross-functional unit Hoshizaki Sales • Fully utilized the SFA (see p.13) system, Dynamics • Direct sales capabilities enhanced through regionally focused sales efforts • Commercialized Hoshizaki Connect Wi-Fi	• Reducing workload in service operations • Strengthening coordination between customer responsiveness and service operations through use of the SFA system, Dynamics • Improving strategic efficiency through the use of the customer database
Enhance product development capabilities tailored to market needs • Shorten lead times for proprietary product development and strengthen strategic partnerships with other companies	• Net sales of our own products increased by 2.1 percentage points year-on-year, reaching 71% • Development lead times shortened and new product launches accelerated	• Enhancing sales of our own products and engaging in strategic partnerships with other companies • Timely launch of new products for non-restaurant markets • Reducing cost of sales to improve profitability

Domestic Business Strategy

Message from the Officer in Charge of Domestic Business

Captured strong demand for capital investment, achieving higher sales and profit

Yasushi Ieta

Director, Senior Managing Executive Officer
(in charge of domestic sales)



Trends and overview of the domestic market in FY2024

In fiscal 2024, the restaurant market continued its recovery trend, surpassing pre-COVID-19 levels. While inbound demand remained strong, rising construction material, labor, raw material, and energy costs, along with a chronic labor shortage, led to a tendency among major and local chains to scale back store opening plans. In the non-restaurant market, strong inbound demand supported favorable performance, including higher room rates at lodging facilities. In addition, the labor shortage has accelerated moves toward new cook-chill methods and central kitchen operations, driving increased demand from hospitals, nursing facilities, and the food processing and sales sector.

Amid these conditions, we actively captured strong demand for capital investment in fiscal 2024, achieving a 7.7% year-on-year increase in domestic net sales. Although materials and labor costs continued to rise, we rigorously improved gross profit margins and strictly controlled fixed costs in each region, resulting in a 21% year-on-year increase in operating profit. As a result, the operating profit to net sales improved by 1.4 points year on year to 13.2%.

For fiscal 2025, we plan to achieve higher sales and profit by further exploring the restaurant market and strategically developing non-restaurant markets, against a backdrop of continued service consumption and sustained inbound demand.

Domestic strategic policy for realizing the five-year management vision

While further exploring the existing restaurant market, we will seek new growth by developing non-restaurant markets. A particular focus for improving operational efficiency will be strengthening the sales-service collaboration model (see p.19). We are currently promoting the use of tools such as the CRM system, Dynamics, and going forward we plan to devise various measures to further strengthen coordination between customer responsiveness and service operations. In

addition, by utilizing new sales models and other means, we will also focus on acquiring customers in the rapidly changing restaurant market and the diverse non-restaurant market.

“Proactive” strategy for deep penetration into restaurant market

To further explore the restaurant market, we will strengthen our proposal capabilities to help resolve the increasingly serious labor shortage. For example, in dishwashers, we will actively propose pre-jet washers that eliminate the need for pre-washing and improve washing efficiency, and in cooking equipment, we will promote steam convection ovens that cook using the convection of steam and hot air.

In addition, the use of Hoshizaki Connect Wi-Fi (see p.30), commercialized in January 2024, will be one solution for alleviating labor shortages. We are also developing a machine diagnosis app as a sales tool to meet the growing customer need for early resolution of equipment problems. For individual stores, we will strengthen support for the use of subsidies and grants to meet customer needs.

“Proactive” strategy for developing untapped non-restaurant markets

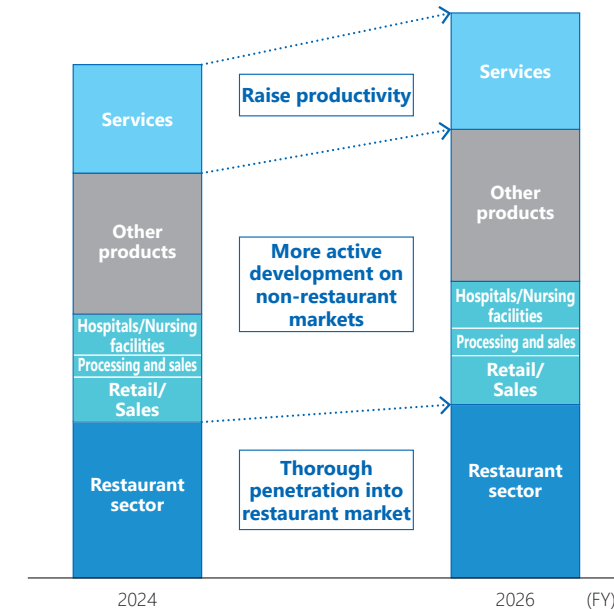
The labor shortage is also becoming more pronounced in the non-restaurant market. As mentioned in the restaurant market strategy, we will also promote the use of the machine diagnosis app in the non-restaurant market to enhance services for customers. In addition, we will actively promote labor-saving proposals using products unique to the Hoshizaki Group, such as vacuum microwave thawing machines that leverage our proprietary thawing technology to achieve high-quality thawing, and reheating cabinets that enable chilled storage, reheating, and keeping warm in a single unit.

Furthermore, under the national MIDORI Strategy for Sustainable Food Systems, as government initiatives advance the creation of a sustainable food system, the aforementioned moves toward new cook-chill methods and central kitchen operations are becoming more prominent. We see this as a

significant business opportunity for the Group, and we will utilize our core technologies in freezing, storage, and thawing to help address issues in customers’ food value chains.

To further expand in the non-restaurant market, we are also looking to increase sales of large-scale electrolyzed water generators. While viewing collaboration with related companies as an important option, we will actively make proposals to primary industries and the food processing and sales sector.

► Sales growth plan



“Defensive” strategy for achieving goals

One aspect of our defensive strategy is improving service quality. A hallmark of the Hoshizaki Group's sales style is having our well-trained service staff and sales staff work together as one to create an environment where each customer can use our products with confidence. For our customers, we believe it is important not simply to sell a single product, but to provide various proposals and support tailored to each customer's stage of growth.

It is also important to enhance employee satisfaction and maintain high motivation. To this end, we have been working to reform our personnel and compensation systems, including revising the compensation of contract employees who have reached retirement age, with the revised system coming into effect from fiscal 2025.

Initiatives for materiality

To realize “creation of new customer value,” we have developed the aforementioned reheating cabinets and a vacuum microwave thawing machine. In “creation of new customer value” and “response to climate change,” we are working to further promote sales of products using natural refrigerants (see p.03), such as commercial refrigerators and ice makers, and are steadily progressing with our plans. In fiscal 2025, we will continue expanding the use of natural refrigerants, aiming for domestic sales of products using natural refrigerants to reach ¥26 billion by fiscal 2026.

Strengthening the sales-service collaboration model

Takashi Akita

Director, Senior Managing Executive Officer
HOSHIZAKI SALES CO., LTD.



Strengthening the sales-service collaboration model is not only about enhancing our direct sales capabilities through locally focused sales that are closely aligned with each customer, but also holds the key to further improving productivity going forward. Given the limited number of sales and service staff, it is necessary to streamline labor-intensive administrative tasks that rely heavily on manpower and secure more time for productive work.

In addition, sharing information held by the sales and service divisions can lead to the creation of new business opportunities. The rapid horizontal deployment of successful cases across sales companies in fiscal 2024 has produced good results, and we will now move forward with strategic efficiency improvements by leveraging the customer database. Our initiatives to turn information into value are finally moving into full swing.

Global Business Strategy

In line with our Long-term Vision, while maximizing growth in existing businesses, we will accelerate investment in growing emerging markets and retail to expand our business, with the aim of becoming the world’s No. 1 over the long term.

In addition, by expanding intercompany transactions across regions, we will maximize Group synergies and strive to survive amid an uncertain trade environment.

SWOT analysis

Strengths	1. Strong brand power in global market 2. Top-class share of global ice maker market (in number, FY2024) 3. Global expansion of production, sales, and after-sales services 4. Market launch of new products tailored to applications, regions, and customer needs	Growth strategy	1. Enhancing brand strength by launching high-performance, high-quality, and differentiated products not offered by competitors 2. Further increase in market share through M&As, regional strategies, and tiered product development 3. Enhancing organizational structure through M&As and establishing strategic supply bases with overseas Group companies 4. Accelerating joint development with overseas Group companies and evolution of core technologies originating in the region
Weaknesses (issues)	1. Speed and profitability of expanding sales of commercial refrigerators 2. Product lineup and price competitiveness in mid-price range (volume zone) 3. Shortage of globally capable talent	Strategies / Measures	1. Maximizing synergy effects with consolidated companies and advancing global cost reduction activities 2. Formulating strategies for each region to address market needs through new product launches, sales channel development, and expansion of second brand 3. Enhancing talent development and mid-career recruitment and improving employee exchanges
Business opportunities	1. Mid-price range (volume zone), which has a large market 2. M&As focused on overseas markets 3. Maximizing synergy effects with consolidated companies	Future Initiatives	1. Improving expansion speed through brand and sales channel strategies 2. M&A effects: ¥50 billion sales gain (FY2026) 3. Improving profitability through expanded cross-selling
Threats	1. Intensified competition with competitors (cost, functional enhancements, product portfolio) 2. Economic security risks 3. Rising material costs, procurement risks, and rising labor costs 4. Uncertain trade environment due to U.S. tariff policies	Responses and preparedness	1. Development and proactive launch of differentiated products 2. Early risk identification and prompt countermeasures 3. Appropriate price adjustments, design changes, search for new material suppliers (strengthening global procurement), and securing logistics 4. Accelerate localization of parts procurement

Basic policies of management vision and FY2024 results/issues

Basic policies	FY2024 results	Issues
Active forays into new markets ● Pursuing growth opportunities for different areas, products, channels, and customer segments	● Steady progress in developing new customers, new product development (such as ice makers), and cost reduction in the Americas ● Steady progress in developing next-generation ice makers in Europe, with sales to begin in 2025 ● Launched a new ice maker lineup in India under the "by Hoshizaki" brand	● Global slowdown in growth of commercial refrigerators (excluding India) ● Expanding customer base for chocolate and ice cream in India ● Developing new customers in China ● Promoting market penetration of ice makers in Southeast Asia
Clarify area strategies ● Americas: Pursue optimal balance between sales growth and profit ratio improvement for sustainable profit growth ● Europe/China: Execute major business model reforms in Europe and China. Strengthen growth and profitability improvement in cooperation with acquired companies ● China: Aggressively pursue growth on the strength of product lineup enhancement, using high brand power	● Strengthened regional coordination in the Americas under the leadership of the Regional Headquarters (RHQ), including internal controls, targeting global chains, M&A/PMI (see p.14), and multi-brand strategy ● Coordinated product development processes between Ozti and Hoshizaki Europe B.V. ● Promoted initiatives to reduce manufacturing costs in China through review of components and improvement of production processes	● Promoting commercial refrigerator supply strategy in the Americas ● Further strengthening collaboration with Ozti in Europe and promoting integrated manufacturing and sales management (expand sales through cost reductions in commercial refrigerators) ● Expanding sales of the Ozti brand in Türkiye ● Generating synergies through integration of operations in China
Strengthen QCD ● QCD is the core of the Hoshizaki brand, and we will steadily reinforce QCD through collaboration among Japan and other areas ● Reducing costs and shortening delivery times through supply chain optimization	● Launched global strategies led by each function at Hoshizaki Head Office, achieving results such as cost reductions	● Strengthening price competitiveness against competitors (particularly Chinese manufacturers)
Strengthen area management ● Delegating authority to area heads and accelerating decision-making ● Efficient business support from Hoshizaki's Head Office by strengthening functional axes (across all overseas areas)	● Established a six-region overseas structure through making Ozti a consolidated Group company (East Asia under direct control of Hoshizaki Head Office) ● Established a new company in China integrating development, manufacturing, and sales ● Expanded synergies in Southeast Asia through the consolidation of new companies in the Philippines into the Group	● Promoting new M&A to achieve the FY2026 net sales target
Strengthen organizational ability related to M&A ● Planning to actively invest in M&A and strengthen organizational capabilities from project development to PMI	● Achieved performance recovery at Hoshizaki Macom in Brazil ● Consolidated Ozti and acquired new companies in the Philippines	● Strengthening the structure for promoting PMI activities at new group companies ● Promoting PMI at newly acquired M&A companies

Message from the Officer in Charge of Global Business

We will further strengthen cross-functional collaboration at Hoshizaki Head Office, promote our global strategy, and aim for growth in each region

Shiro Nishiguchi

Director, Senior Managing Executive Officer (in charge of global business)



Trends and overview of the global market in FY2024

Global nominal GDP reached approximately US\$110 trillion in fiscal 2024, representing a 3.9% increase from the previous year (meaning a real growth rate of +3.3%). The Hoshizaki Group's global (outside Japan) net sales for fiscal 2024 rose 32.9% year on year to ¥228.0 billion, outpacing global GDP growth, driven by contributions from three newly consolidated companies and strong performance centered on India. Net sales reached a record high for the third consecutive year and, partly due to exchange rate effects, exceeded 50% of total net sales for the first time. Operating profit was ¥26.1 billion, up 22.2% year on year, despite a ¥3.5 billion negative impact from the application of inflation accounting at Ozti, a Türkiye food service equipment manufacturer that became a consolidated subsidiary in March 2024.

By region, in the Americas, amid an increasingly competitive environment, we focused on improving productivity in manufacturing as well as on developing and strengthening relationships with new customers. While we achieved results such as expanding sales of ice makers, commercial refrigerators, dispensers, and dishwashers, and developing new customers, sales of commercial refrigerators struggled. In Europe, we worked to strengthen collaboration among group companies and to expand sales of mainstay products such as ice makers and commercial refrigerators, but sales of commercial refrigerators faced the same challenges as in the Americas. In Asia, sales of commercial refrigerators and other products remained strong, particularly in India.

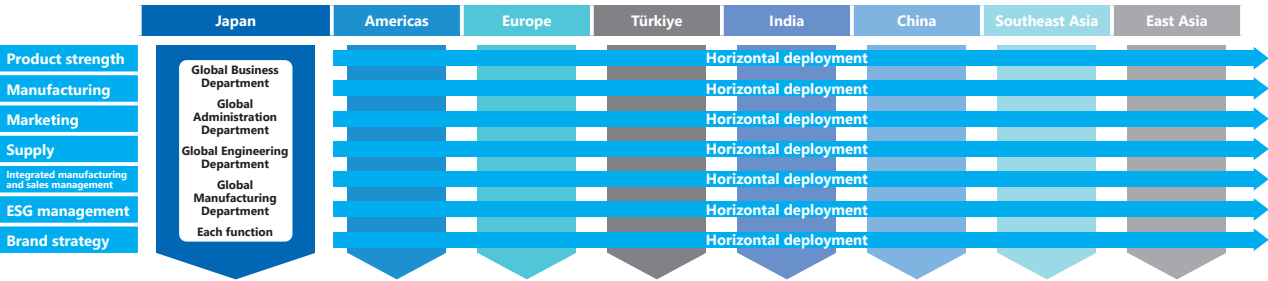
Promotion of the global strategy

In the global strategy for fiscal 2025, we will focus on the following five areas: (1) product strength, (2) manufacturing, (3) marketing, (4) supply, and (5) integrated manufacturing and sales management. In addition, we will position Ozti as one of the key bases in the Group's global product supply strategy, strengthening the lineup of commercial refrigerators for the European market and promoting the rollout of dishwashers for the Asian market by leveraging the Group's sales channels.

(1) Product strength	Improve development efficiency and strengthen cost competitiveness by standardizing core components of commercial refrigerators for new products and promoting global procurement
(2) Manufacturing	Strengthen communication to achieve high-level standardization of efficiency and quality
(3) Marketing	Target global chain accounts with significant growth potential worldwide
(4) Supply	Leverage sales channels to efficiently expand sales across regions and the group companies to maximize the Group sales and profit
(5) Integrated manufacturing and sales management	Build frameworks for manufacturing and sales collaboration across regions to expand the Group earnings

At the Head Office functional level, we have newly added ESG management and brand strategy, and by adding East Asia (under the direct control of the Head Office) to the regions of deployment, we are working to further strengthen the promotion of the global strategy.

► Cross-functional global collaboration by Head Office functions



Global Business Strategy

Growth strategies by region

Americas market

Although the macroeconomic outlook for the Americas remains uncertain, conditions continue to be firm. Amid intensifying competition, we are focusing on improving productivity in manufacturing and on developing and strengthening customer relationships, with particular emphasis on enhancing the refrigerator business through collaboration with Fogel.

We also believe it is necessary to closely monitor tariff trends and consider the localization of component procurement.

Europe and Türkiye market

The macroeconomic outlook for Europe remains uncertain, and in Türkiye in particular, a hyperinflationary economic environment continues. Under these conditions, we will continue to develop markets while focusing on strengthening collaboration among group companies.

In particular, we will focus on building product development processes with Ozti, promoting speedy collaboration in product development, cost reduction, and market responsiveness.

In the ice maker business, we will launch new products to further solidify our market position.

India market

In India, the macroeconomic environment remains favorable. Anticipating demand, we have expanded production capacity, and the plant established in 2022 is now operating at nearly full capacity. Looking ahead, we will consider building new plants and work to expand our business domains for further growth. For Visi Coolers (for beverage storage), we will focus on expanding a low-priced product lineup to compete with Chinese manufacturers, broadening our customer base, developing new markets in the Middle East, and increasing sales in Africa. For ice makers, we will expand the product lineup to create demand. In addition, we will work to develop new customers by approaching large, untapped facilities such as hospitals and schools, and expand our product range with new product groups developed to meet local needs based on regional characteristics.

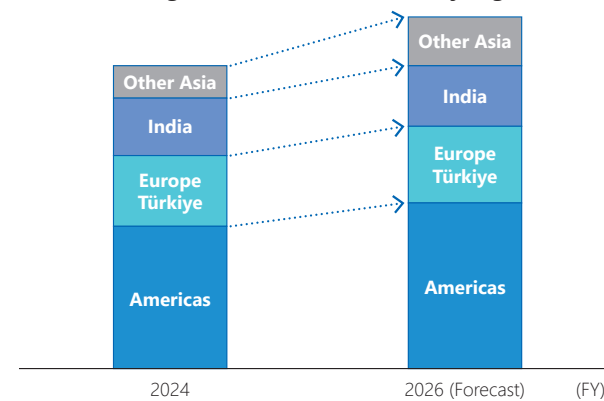
China market

In China, despite a challenging macroeconomic environment, we integrated the three functions of development, manufacturing, and sales into a single company in January 2025. By strengthening collaboration among functions, we will accelerate decision-making and development processes while maintaining the high quality that is a strength of the Hoshizaki Group. From a market-in perspective, we will build a structure that can quickly develop, mass-produce, and deliver made-to-order products that meet the specifications and price ranges demanded by restaurants. At the same time, we will promote streamlining through functional integration, strengthen price competitiveness, and work to develop new customers, including major chains.

Southeast Asia market

In Southeast Asia, we will strengthen sales of commercial refrigerators through product enhancement and direct sales, and for ice makers, we will work to reduce costs and shorten delivery times by starting shipments from our Suzhou Factory in China, as well as create demand through the launch of small ice makers. We will also aim to generate synergies with the two Philippine food service equipment distributors that became consolidated subsidiaries in May 2024. In the first half of fiscal 2026, ARICO in Vietnam—now a consolidated group company—will establish the first production base in Southeast Asia, close to the markets. This will serve as a growth driver going forward and contribute to further enhancing customer satisfaction.

► Forecast of global sales breakdown by region



Initiatives for materiality

To realize the materiality “creation of new customer value,” we are focusing on the development and sale of new ice makers. In Europe, we launched a next-generation ice maker with the latest IoT functions in January 2025. In the Americas, we are developing ice makers with competitive advantages such as industry-leading cube ice quality, intuitive electronic control interfaces, and wireless connectivity. These products also have high environmental performance, including energy saving, and contribute to the materiality “response to climate change.”

Going forward, since there are differences in regulations and initiatives across various countries and regions, we aim to focus on enhancing economic value while contributing to social and environmental value, taking regional characteristics into account. Currently, the KPIs for achieving our targets are primarily focused on domestic operations. However, overseas, where advanced initiatives such as the empowerment of women are already in place, we are starting to consider setting target values and other aspects as part of our review.



Next-generation ice maker with the latest IoT functions launched in Europe in January 2025

Interview with the Chairman and CEO of Technolux (Philippines)

Capturing demand in the Philippine market through collaboration with Hoshizaki and aiming for further growth

William A. Stelton

Chairman and CEO
Technolux Equipment and Supply Corporation
Philippines



Q. Please tell us about the characteristics and strengths of Technolux’ business.

Technolux has built its business on a foundation of trust and long-standing relationships with our customers. For nearly 50 years, clients have relied on our commitment to provide spare parts, qualified technicians, and a dependable inventory of equipment to meet their needs—whenever and wherever required.

Our strength lies in our responsiveness and customer-centric approach. We listen carefully to our clients, act promptly on their feedback, and ensure we are available for meetings or urgent concerns at any time. By solving problems as they arise, we earn the trust that leads to the next order. For us, it’s not just about the sale—it’s about being a reliable partner in our customers’ success.

Q. What kind of synergy effects do you plan to create by joining the Hoshizaki Group?

By joining the Hoshizaki Group, we aim to create strong synergy through integration and knowledge sharing. Our plan includes incorporating Hoshizaki equipment across our full range of products while ensuring compatibility with the various brands we serve.

We are committed to providing technical training and sharing operational techniques with our partners in the region. This will help enhance efficiency, elevate service quality, and drive profitability for all parties involved.

Moreover, we see great value in the exchange of ideas. We hope to contribute insights from our market experience while also learning from Hoshizaki’s expertise to address challenges that remain unresolved in our market.

Q. Please tell us about the current market environment in the Philippines and medium to long-term market trends.

The current market environment in the Philippines is highly dynamic, marked by renewed business activity and expansion, particularly in the food service and hospitality sectors.

Looking at the medium to long term, the outlook remains very promising. Numerous provinces are actively investing in infrastructure and business development, signaling robust regional growth.

This decentralization is creating fresh opportunities beyond the major urban centers. Given these trends, we are highly confident that the coming years will be record-breaking for our business in food and hotel equipment, as we continue to support the evolving needs of a rapidly expanding market.

Q. How do you plan to expand your global chain account business in the future? (Any suggestions for Hoshizaki?)

Our immediate priority is to address domestic challenges to build a stronger foundation. We believe Hoshizaki’s global expertise can be instrumental in helping us make our service more responsive and reliable.

Long-term, building stronger relationships with our existing global chain customers is critical. Focusing on chain accounts with simpler expansion models will allow us to scale more effectively. To support this, we suggest that Hoshizaki establish dedicated management teams focused on partnering with us to grow sales across our various brands.

These teams should work closely with us to:

- Reduce costs through operational efficiencies,
- Improve service responsiveness,
- Drive continuous innovation.

While ambitious, we believe this collaborative approach is achievable and will position us for sustained global growth.

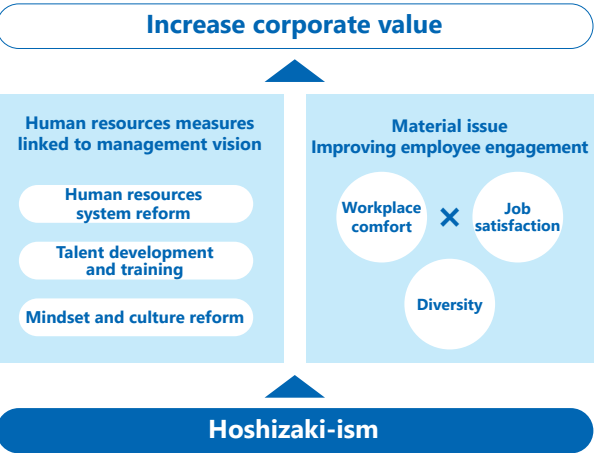
Human Resources Strategy

In the Hoshizaki Group, each employee is encouraged to embody the “Hoshizaki-ism,” our action guidelines, starting with “Have a Dream.” We aim to achieve our Purpose of being an “evolving company” that contributes to society by being aware of and acting on these values.

Basic policies

For the Group, improving the quality of human capital represents one of the most important issues for achieving sustainable growth. Based on this recognition, we have set “improving employee engagement” as a material issue, and by balancing “workplace comfort” with “job satisfaction,” we are creating a corporate environment where talented human resources with diverse backgrounds can thrive.

Additionally, to link our management vision with our human resources measures, we have formulated the Human Resources Policy and Medium-Term Human Resources Strategy. By strategically promoting efforts in an integrated manner along three axes—human resources system reform, talent development and training, and mindset and culture reform—we will create an environment where employees can demonstrate their full potential and support the sustainable growth of the Group.



Our human capital

At the end of fiscal 2024 (December 31, 2024), the number of employees of 60 consolidated Group companies was 16,061, showing a year-on-year increase of 2,700. The total comprised 8,799 in Japan (Hoshizaki and 20 Group companies), up 101; 2,956 in the Americas (18 Group companies), up 333; 1,998 in Europe (5 Group companies), up 1,553; and 2,308 in Asia (17 Group companies), up 713. At Hoshizaki Corporation alone, the average length of service is 17.6 years, the average age 44.5 years, and the average annual salary 7.68 million yen, up 2.3% from the previous year. The proportion of employees who are women among the 7,787 employees of Hoshizaki and its domestic sales companies has increased by 1.2 percentage points from five years before to 17.8%. The ratio of women among new graduates is 25.3%. The number of women in positions at or above assistant manager level was 233, up 36 from five years before, which accounts for 9.0% of all employees in such managerial posts.

Human capital	- Number of employees: 16,061 - Number of domestic sales and service personnel (sales: approximately 3,400, service: approximately 2,800) - Number of R&D personnel: Approximately 670 (consolidated) - Ratio of employees who are women: 17.8% (total of Hoshizaki and its domestic sales companies) - Percentage of managers who are women (assistant manager level and above): 9.0% (Hoshizaki and its domestic sales companies) - Average annual salary: 7.68 million yen (Hoshizaki) - Investment in personnel education: 96.561 million yen, training hours per person: 15 hours (Hoshizaki)
Outcomes of human capital	- Employee satisfaction survey: 39.3 points (out of a total of 55 points [Japan]) - Average service years: 17.6 years (Hoshizaki) - Creating new value and generating revenue through products and services - High customer satisfaction & reliability - Hoshizaki Brand - Diversity in human resources

Characteristics of Hoshizaki Group's human capital

In order to meet the diverse needs for food, the Group not only focuses on manufacturing, but also operates 15 independent sales companies in each region of Japan, resulting in a system that allows us to respond to the requests of each individual customer in fine detail. We value dialogue with each customer in each region and provide support from every angle possible.

The Group's human resources can best be described as diligent and honest. Our people have the ability to find sincere and reliable answers to any given problem, and each has extremely high potential. As such, we believe that by effectively drawing on this potential, we can achieve even greater performance as an organization.

Message from the Person in Charge of Human Resources Strategy

We will implement human resources measures linked to our management vision, focusing on HR system reform, talent development and training, and mindset and culture reform, in order to achieve sustainable growth



Yasuko Shimizu

General Manager, Human Resources Department

Human resources measures linked to our five-year management vision

Five-year management vision	Human resource measures	Roadmap (FY2026 to FY2028)
Strategy in Japan - Seeking growth, further strengthen development of non-restaurant markets while also continuing to explore the existing restaurant market. - Establishing a new sales model (sales-service collaboration model; see p.19) to accommodate the needs of customers in the restaurant market, whose conditions are fast changing, and in non-restaurant markets, which have a diverse range of customers.	HR system reform - Initiating and promoting HR system reform at sales companies in Japan (job grades, bonuses, etc.) Talent development and training - Providing career design opportunities for each employee Mindset and culture reform - Developing women managers and promoting women's empowerment in the workplace	HR system reform - Introducing new evaluation and compensation systems at sales companies in Japan Talent development and training / Mindset and culture reform - Developing programs to foster an environment to attract and retain right talent
Overseas strategy Surpassing our competitors our competitors to enter and expand business into emerging markets with growth prospects, while maximizing growth in existing markets	HR system reform - Exploring the need to introduce systems and measures that should be introduced globally - Considering global activity management and target setting, including compliance with legal disclosure requirements in each country Talent development and training - Promoting global talent development	HR system reform - Implementing the system from a global perspective Talent development and training - Launching language training incentive program at Hoshizaki
Japan and overseas - Strengthening active initiatives to meet diversifying customer needs and resolve issues as required by society. - Establishing global business bases and stable revenue bases to enable sustainable growth.	Talent development and training - Formulating the Talent Development Policy based on other policies - Building a training framework in line with the Talent Development Policy Mindset and culture reform - Promoting the next phase of diversity initiatives to foster a culture that embraces different cultures and different ways of thinking	Talent development and training - Formulating the Talent Development Policy and Medium-Term Human Resources Strategy - Implementing a training framework in line with the Talent Development Policy Mindset and culture reform - Improving global coverage of engagement surveys

Financial impact generated by human capital

Human capital is the Group's greatest and most important asset, and the key to management is how effectively it can be utilized. To strengthen human capital over the medium to long term in order to achieve sustainable growth, we are forecasting long-term trends in the number and age composition of employees at sales companies in Japan and have begun discussions on measures based on an analysis of anticipated future risks. Specifically, we anticipate that the total number of employees will decrease and that middle-

aged employees who currently make up the majority of the workforce will transition to senior employees. Given this, to maintain and improve our sales and service capabilities, we will consider introducing a contract work system with differentiated positions for each job type and establishing a human resources system (such as a promotion and advancement system) to facilitate the delegation of authority, which will help to secure and grow sales.

Human Resources Strategy

We will also work with business divisions to visualize a human resources map for the future. Through the optimal allocation of personnel based on this human resources map, we will accurately identify regions and business areas with business opportunities and steadily promote initiatives aimed at growth.

In addition, by improving employee engagement and a sense of belonging to the company, we intend to improve each employee's capabilities and encourage a positive approach to work, thereby improving net sales per employee and productivity per employee.

FY2024 results and issues

In fiscal 2024, we steadily advanced our efforts to reform the HR system (contract work system, promotion and advancement system, etc.) of our sales companies in Japan.

We also began conducting engagement surveys at overseas Group companies, modifying the questions to reflect overseas labor practices. In 2023, we conducted the engagement survey in the Americas (Hoshizaki America, etc.) and in 2024 in Europe (Hoshizaki Europe, etc.). As our overseas business grows, we will further expand the number of overseas Group companies where we conduct the survey and strengthen our human resources foundation as a global company. We will also work to further improve "workplace comfort" and "job satisfaction" within the Hoshizaki Group worldwide.

Meanwhile, with regard to efforts for talent development, we have begun full-scale discussions in 2025 to clarify the type of human resources we will need in the future and to formulate basic policies and guidelines for talent development to achieve this.

Employee satisfaction survey

At our Group companies in Japan, we conduct an anonymous employee satisfaction survey once a year. The survey consists of questions about the Company as a whole, the organization, the work environment, supervisors, work, activity targets, and personnel evaluations. The survey results are analyzed, and an action plan is created and implemented to improve the workplace comfort and job satisfaction.

The average score on the fiscal 2024 survey for the entire Group in Japan was 3.57 points (an increase of 0.09 points compared to the previous year). Scores in all categories improved from the previous year, with those for the "Company-wide evaluation," "employee satisfaction activities," and "compliance with standards" reaching record highs. On the other hand, in light of the results showing that improvements have been slow in the areas of "paid leave/time of leaving work" and "activity targets," we will review our HR system and work to better manage working hours.

Future approaches

In order to attract and retain talented human resources for the future of the Group, we will formulate the Human Resources Policy and Medium-Term Human Resources Strategy. Under this, we will implement measures based on three pillars: HR system reform, talent development and training, and mindset and culture reform.

In terms of HR system reform, the Group's ratio of overseas net sales rose to 51.2% by fiscal 2024, requiring different approaches for each country and region. As we need to expand our HR scope, which has focused primarily on Japan until now, to include other countries, we will explore the need to introduce systems with a global perspective.

Regarding talent development and training, we will formulate a Human Resources Development Policy based on our Talent Development Policy and improve our training framework. We will also focus on discovering and developing global talent to support the growth of our overseas business.

Looking at mindset and culture reform, we are promoting diversity initiatives, primarily through the Diversity Promotion Center, which was established in fiscal 2022, in order to foster a culture that embraces different cultures and ways of thinking. Promoting diversity is not an end in itself, but a prerequisite for doing business in countries and regions around the world. On the other hand, as employees of the Hoshizaki Group, we have goals to achieve in every country and region, and we believe that striking a balance between "diversity" and "consistency" is important in human resources management.

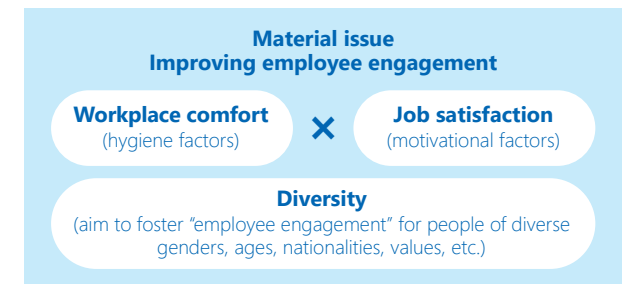
To promote women's empowerment in the workplace, we have set a goal of having 50 managers who are women (4 times the number in fiscal 2020) and 300 women in positions at or above the assistant manager level (1.5 times the number in fiscal 2020) at Hoshizaki, Hoshizaki Sales, and domestic sales companies by fiscal 2025. In fiscal 2024, these numbers totaled 34 and 233, respectively. We aim to achieve our targets for fiscal 2025 and will also formulate policies for our efforts from fiscal 2026 onwards. Furthermore, in order to develop women managers, we will identify any obstacles that emerge from the initiatives of each Group company, improve our activities based on those findings, and advance our plans.

Materiality: Improving Employee Engagement

The Hoshizaki Group will achieve its vision by evolving toward the vital workplace culture in which all employees share diverse values, respect each other, and work with pride

Initiatives toward realizing materiality

In order to improve employee engagement, we intend to achieve a balance between "workplace comfort (hygiene factors)" and "job satisfaction (motivational factors)." Furthermore, we are creating a corporate environment where talented human resources can thrive and continue working by ensuring that employees with diverse backgrounds, including gender, age, nationality, and values, respect each other and can work to their full potential by leveraging diversity.



Workplace comfort

To improve "workplace comfort," we are reviewing our HR system and working hours management, and promoting initiatives such as establishing a system that allows for flexible work styles.

Review of HR system and working hours

The Group is reviewing its HR system so that employees feel that their performance is reflected in their compensation and benefits. In fiscal 2024, our sales companies in Japan began reviewing the current system and introduced a new job grade system and method for determining individual bonus amounts. We will continue to review the system further, aiming to introduce a new evaluation system (e.g., reflecting evaluations in wages) and compensation system (e.g., salary determination method) in 2026.

Regarding working hours, we have taken steps such as increasing the number of holidays per year and eliminating potential unpaid overtime (domestic sales companies), as well as making indirect department working hours visible

and preparing quarterly reports (Hoshizaki). Going forward, we plan to continue activities aimed at eliminating potential unpaid overtime for improving employee satisfaction (domestic sales companies).

In addition, we provide detailed support to our employees, such as a mentorship system for new employees for the first three years after joining the company (Hoshizaki and domestic sales companies) and annual personnel interviews for employees seconded overseas (Hoshizaki).

As part of our efforts to expand work style options, we have introduced teleworking at Hoshizaki and its sales companies in Japan. We are also conducting research to increase work style options and strive to improve "workplace comfort."

Childbirth and childcare support

Hoshizaki introduced various systems as assistance measures for employees' life events and established an environment to encourage them to use such systems, thus actively supporting in the achievement of a good work-life balance. To facilitate the smooth return to work of employees who are women after childcare leave, employees undergo interviews with their department heads about their future careers before

taking leave and before and after their return to work. We have introduced online courses to support childcare and skill development that they can complete from home while they are on childcare leave. We have raised awareness of parental leave of employees who are men and worked to encourage them to use parental leave. We will continue to improve such systems and promote support for employee life events.

► Status of childcare leave use by gender (Hoshizaki)

	FY	2020	2021	2022	2023	2024
Men	Number of employees who use leave	14	11	16	36	27
	Rate of leave use	30%	36%	50%	63%	73%
	Average days taken	28	32	29	32	42
Women	Number of employees who use leave	5	7	8	4	11
	Rate of leave use	100%	100%	100%	100%	100%
	Average days taken	388	395	322	389	391

Note: The average days taken by women was calculated on the basis of the average days taken by employees who returned to work in the relevant year.

Human Resources Strategy

Job satisfaction

We create job satisfaction by providing career design support and growth opportunities, including education and training that supports employee growth.

Creating opportunities for individual employee growth

To create opportunities for individual employee growth, we have worked to provide opportunities and places where employees feel themselves growing by proceeding with

ability development through Off-JT, such as training for next-generation managers, logical thinking enhancement training, English proficiency enhancement training, and career development to help each and every employee realize their vision in the future.

► Status of investment in education and training

FY	2021	2022	2023	2024
Investment in education or training (1,000 yen)	69,411	72,739	83,468	96,561
Total number of training participants (persons)	2,726	5,543	6,600	5,736
Training hours per participant	15	10	10	15

Investment in education or training is the amount spent by Hoshizaki on a non-consolidated basis and Hoshizaki Sales, which does not include the amount of training independently planned by sales companies in Japan but includes domestic Group companies in terms of the number of participants.

► Three education or training program categories

Position-specific training To develop capabilities or skills required for specific positions	Selective skills development training To improve specific skills and awareness	Customized training for specific needs Based on plans designed by group companies and departments
• Training for employees newly appointed to managerial positions • 360° evaluation training • Service training (review training up to the 3rd year after employment) • Service training (employees in general) • Sales training (review training up to the 5th year after employment) • Sales training (employees in general) • Training for new graduate and mid-career hires (review training up to the 3rd year after employment)	• Training for next-generation managers • Global talent development • Training to develop women managers	• Unconscious bias • Marketing • Teaching techniques • Anger management • Career design • Boosting motivation • Communication • Business skills

Of the three education or training program categories, we recently strengthened selective skill development training to foster next-generation leaders.

We support employees’ autonomous career options by offering motivated employees opportunities to develop their abilities through programs such as training for next-generation

managers at Hoshizaki and sales companies around the country, global talent development for those aiming to have smooth communication and to play active roles at overseas divisions or at the group companies outside Japan, and training to develop women managers.

► Selective skills development training

Training for next-generation managers	We have a program that selects executives and executive candidates for Hoshizaki and sales companies in Japan who demonstrate excellence and work on business case study and in-house issues to thoroughly develop their logical thinking and problem-solving skills and, in doing so, strengthen their strategic conceptualization and strategic planning abilities.
Global talent development	We are conducting various programs including logical thinking enhancement and language training to improve the abilities required of a global workforce.
Training to develop women managers	We provide training for managers who are women to build a network in which employees support each other’s growth through awareness of anticipated roles and deepening self-understanding and to acquire the skills necessary for management.

► Number of participants in the selective skills development training (persons)

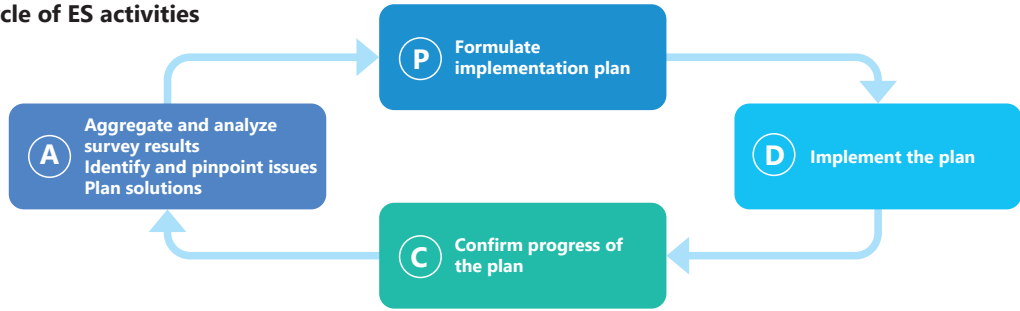
Program focus/year	2019	2020	2021	2022	2023	2024
Training for next-generation managers	45	45	39	42	49	40
Global talent development	18	16	293	243	265	124
Training to develop women managers	—	—	—	69	169	103

Improving employee engagement and job satisfaction

We have established a HR system to help employees in different life stages and lifestyles work comfortably and have worked to further enhance communication within the workplace and create a corporate culture in which everyone respects each

other. We analyze the results of the employee satisfaction (ES) Survey that we conduct annually for all employees of the Group companies in Japan, identify issues from the free comments of employees, grasp and specify them as management issues, and continually work on reforms for their resolution.

► PDCA cycle of ES activities



► ES survey response rates and free comments (surveys at 19 Group companies in Japan)

FY	2020	2021	2022	2023	2024
Survey questions	59	59	59	59	59
Employees surveyed	8,614	8,556	8,443	8,451	8,443
Response rate	99.9%	100%	99.9%	98.9%	98.0%
Free comments	5,964	5,632	5,597	1,725*	1,882

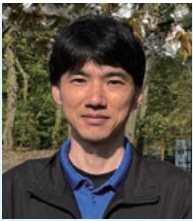
*We changed the free-comment column format in 2023 (from a comment section for each item to one combined comment section).

► Trend in ES scores

FY	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total score (perfect score: 55 points)	36.5	36.5	38.4	38.5	38.6	39.9	40.1	39.6	38.2	39.3
Average	3.32	3.32	3.49	3.50	3.51	3.62	3.65	3.60	3.48	3.57

For all Group companies in Japan in fiscal 2024, the total score was 39.3 points (up 1.1 points from the previous year), with an average score of 3.57 points (up 0.09 points). The survey identified issues in the personnel evaluation items, primarily in domestic sales companies, and we are working to establish a new HR system, including revisions to the evaluation and

compensation systems and promotion requirements. For overseas Group companies (some covered companies), we have started conducting engagement surveys (questions have been modified to reflect overseas labor practices) from fiscal 2023. In the future, we will identify and pinpoint issues globally, and implement activities aimed at improving employee engagement.



Shunji Tsubouchi
Hoshizaki Europe Limited

Thoughts on global talent development

I have engaged in design and development work at the R&D Center for 25 years. I joined Hoshizaki because I wanted to do design work, and was enjoying a fulfilling career, but one day, I suddenly wondered if my perspective had become too narrow. It was at this time that I participated in the global talent development. I struggled with the task of deciding on issues logically and independently from a high perspective, something I had never experienced before. In spring 2024, I was assigned to work in the UK. Although I’m struggling with English and cultural differences, I feel that the basic way of thinking I learned in training is the same everywhere. I’m working together to solve problems with the same members who took the training with me in Europe. I will continue to take on new challenges to find new fulfillment in my work.

Human Resources Strategy

Diversity

We seek to evolve toward a vital workplace culture where all employees share diverse values, respect each other, and work with pride. In addition to developing women managers, we are broadening initiatives for mindset and workplace culture reform to encompass men and senior employees.

Promotion of women's empowerment and organizational and cultural reform

Since fiscal 2010, Hoshizaki and its domestic sales companies have been promoting the *Kagayaki* Project, which is based on the vision of "becoming a company where excellent staff can pleasantly work and play active roles, irrespective of gender." With a target called "Ladies10," in which we aim to increase the percentage of women in positions at or above the assistant manager level to ≥10%, we have provided support for women's career development while working to create a comfortable working environment.

After taking over the *Kagayaki* Project in 2021, we established the *Kagayaki* Committee, which consists primarily of Hoshizaki directors, executive officers, and members of the Human Resources Department. In cooperation with the heads of sales

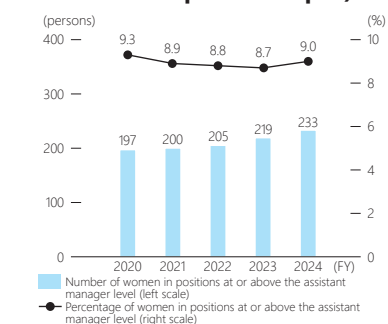
companies in Japan, we are examining the successes and challenges of the project and set to targets of 50 women in positions at or above the section manager level and 300 women in positions at or above the assistant manager level in 2025. We are now working to develop talent to reach these targets.

Additionally, as part of our efforts to support the increasing number of women in managerial positions, we are holding a conference of women in leadership with the aim of building a network of women managers, sharing issues related to women's empowerment in the workplace and managerial development from the perspective of those directly involved, and considering countermeasures. This conference, which also includes participation from management, serves as a valuable opportunity to exchange opinions and deepen mutual understanding.

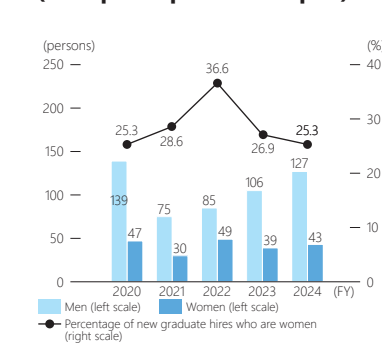
► Diversity-related activities carried out in FY2024

Title	Purpose (scope)	Participants (persons)
Conference of women in leadership	Women managers within the Group gather to consider issues related to their development from the perspective of those involved and make proposals to management. Participants formulate tasks to create a comfortable working environment for women in sales and services. (Hoshizaki and domestic sales companies)	27
System of requested mentors	If there is no mentor within the Company that meets the desired criteria, we request matching from within the Group. Mentors provide emotional support for the mentee and contribute greatly to their growth. (Hoshizaki)	Approx. 100
Women in sales and services—exchange meetings with supervisors	A social gathering for sales and service staff who are women and have been with the Company for the past 3 years, including their supervisors. Managers who face challenges with developing their team members share good practices along with their concerns and questions. (Hoshizaki and domestic sales companies)	86
Diversity awareness lecture on unconscious bias	Participants explore the importance of unconscious bias from an equity perspective. (Hoshizaki and domestic sales companies)	639

► Number and percentage of women in positions at or above the assistant manager level (Hoshizaki and sales companies in Japan)



► Number and percentage of new graduate hires who are women (Group companies in Japan)



► Percentage of women by position

Position	End of FY2023		End of FY2024	
	Head count	Ratio	Head count	Ratio
Department manager level	3	1.9%	3	2.0%
Section manager level	25	3.9%	31	4.7%
Assistant manager level	191	11.2%	199	11.2%
Total	219	8.7%	233	9.0%



Yuko Kato
Manufacturing
Innovation Department

With support from my family and coworkers

Since joining Hoshizaki and building my career in the Manufacturing Department 1 and 2 at the Head Office, I have found that there are many colleagues and support groups within the Company. Currently, I'm in the Manufacturing Innovation Department, where I'm mainly involved in Z-Mission activities* for manufacturing performance management and quality improvement. After taking childcare leave and working reduced hours, I have found it challenging to spend each day as a section manager with limited time, but I've been supported by my family and coworkers.

*Z-Mission activities: quality improvement activities carried out in cooperation with the supply chain.

Going forward, my goal is to support and encourage people in similar situations, just as I was, to continue working in a way that allows them to balance both work and family life in a comfortable way.

Development and Technology Strategy

Guided by the motto "A company cannot grow without original products," we aim for sustainable growth through our outstanding product development capabilities that leverage proprietary technologies.

Basic policies

Since its founding, the Hoshizaki Group has operated under the motto "A company cannot grow without original products," focusing on the creation of differentiated original products based on unique technologies.

Globally, we have a consistent research and development system that starts with gathering information on social issues and customer needs, and extends through element development, design, prototyping, and production follow-up. In Japan, we have built a nationwide direct sales structure and a service and support system, enabling divisions with sales, R&D, and manufacturing functions to share information on customer challenges and issues. While placing emphasis on profitability, we are promoting research and development of new technologies and new products that can deliver added value to a diversifying customer base from a market-in perspective. In recent years, in addition to developing products that improve functions and performance, we have focused on developing eco-friendly products and strengthened initiatives aimed at contributing to sustainability.

► Hoshizaki's product development system



Our intellectual capital

The Hoshizaki Group has a total of 13 research and development bases—4 in Japan and 9 overseas—and the number of employees engaged in research and development has increased by about 200 over the past five years to 676. R&D expenses in fiscal 2024 increased by 20% over the previous year to 5.6 billion yen (3.1 billion yen in Japan, 1.9 billion yen in the Americas, 0.1 billion yen in Europe, and 0.3 billion yen in Asia). Their ratio to sales is 1.3%.

In fiscal 2024, our initiatives focused on development activities for new products and model changes, as well as cost reduction activities to improve profitability. In Japan, we completed the full transition of commercial refrigerators and freezers to natural refrigerants (see p.03), and developed and commercialized natural refrigerant ice makers and deep freezers for Southeast Asia. In the Americas, we implemented model changes for commercial refrigerators, ice makers, and dispensers in line with each country's fluorinated gas regulations, while also conducting research and development to improve energy efficiency in response to energy efficiency regulations. In Europe, where F-gas regulations were implemented ahead of other regions worldwide, we carried out a full model change for cube ice makers to comply with the regulations. In Asia, we worked on development aimed at improved energy efficiency by equipping products with inverter controls. R&D investment in fiscal 2025 is expected to increase by 7.2% from the previous year, reaching 6 billion yen.

With regard to intellectual property, we protect promising technologies by obtaining rights such as patents, ensure strict confidentiality management to prevent the leakage of know-how and ideas outside the company, and, in the event that counterfeit products appear, take appropriate measures in accordance with intellectual property laws to safeguard and utilize our intellectual property.

Intellectual capital	13 R&D sites (four domestic, nine overseas sites) - Amount invested in R&D: 5.6 billion yen (results in FY2024), 6.0 billion yen (planned in FY2025) - Dedicated organizations in terms of both a product development axis and a function axis (Number of R&D personnel: Approximately 676) - Consistent R&D system from product planning through production - Global design platform expansion
Outputs and outcomes of intellectual capital	- Product lineup including approximately 6,000 models in Japan 74 patents and 59 design registrations obtained in Japan (FY2024) - Number of themes for launch of new products: 13 (in Japan) - Natural refrigerant adoption rate for domestic products: 46% (target for FY2027: 87%) - Total sales ratio of new products and remodeled products: 53.6% (in Japan) - Creation of new markets/applications exceeding customer needs - Contribution to addressing customer issues including energy efficiency, resource conservation, and labor saving - Creation of new added value by introducing differentiated products to market

Development and Technology Strategy

Message from the Officer in Charge of Development and Technology

We aim for sales growth with profitability by enhancing product functions and environmental performance and introducing new technologies

Toshikazu Tanjima
Director and Senior Executive Officer
(Head of R&D, in charge of manufacturing and Corporate Planning & Strategy Department
General Manager of Corporate Planning & Strategy Department)



FY2024 results and issues

In fiscal 2024, we promoted initiatives based on the following activity plans: (1) natural refrigerant adoption for commercial refrigerators, (2) commercialization of Hoshizaki Connect Wi-Fi (see p.30), (3) planned model changes, (4) new product planning, (5) incubation, (6) support for overseas Group companies, (7) establishing shorter development lead times, and (8) activities to reduce material costs.

Key achievements included (1) strengthening the lineup of natural refrigerant products by concentrating development personnel on the design and development of refrigerators, thereby achieving a full lineup as planned; and (6) supporting

overseas Group companies by entering into joint development agreements with Group companies for ice makers and commercial refrigerators, thereby helping to accelerate and optimize global development.

For (7) establishing shorter development lead times, we developed 26 product groups, including product series such as refrigerators/freezers and ice makers, increasing the number of product groups developed to 1.6 times that of the past.

On the other hand, a key issue was that although we conducted industry-academia-government collaborative research and development as part of our incubation efforts, this did not result in commercialization.

► Development and technology strategy aligned with the five-year management vision

Five-year management vision	Development and technology strategy
Domestic strategy - Seeking growth, further strengthen development of non-restaurant markets while also continuing to explore the existing restaurant market - Establishing a new sales model (sales-service collaboration model*; see p.19) to accommodate the needs of customers in the restaurant market, whose conditions are fast changing, and in non-restaurant markets, which have a diverse range of customers	- Prioritizing the development of products that contribute to labor saving and manpower reduction - Promoting the adoption of natural refrigerants, aiming to increase the natural refrigerant ratio from 46% at the end of FY2024 to 87% at the end of FY2027, while improving profitability and contributing to higher margins
Overseas strategy Expanding business into emerging markets with growth prospects ahead of other companies while maximizing growth in existing markets	Strengthening technical support for overseas Group companies, contributing to the expansion of overseas sales
Domestic and overseas - Strengthening active initiatives to meet diversifying customer needs and resolve issues as required by society - Establishing global business bases and stable revenue bases to enable sustainable growth	- Continuing to launch products with overwhelming quality and performance in the food supply chain with speed - Strengthening collaboration with divisions with manufacturing functions further to reduce material costs and contribute to higher margins

Financial impact generated by intellectual capital

At Hoshizaki's development and technology division, we focus on profitability while working toward the realization of the five-year management vision by enhancing functionality and energy efficiency through the creation of new products and model changes.

In terms of profitability, we develop products with specified

target profit margins and set region-specific profit targets overseas. This accelerates our activities to achieve the numerical targets outlined in our management vision.

In fiscal 2024, the ratio of domestic net sales from new products and remodeled products launched within the last three years reached 53.6%, surpassing the target by approximately 8.1 percentage points. In addition to launching

new products, the introduction of new functions and design modifications of existing products contributed both to expanding net sales and reducing material procurement costs. The reduction in material procurement costs over the past two years totaled approximately 1.1 billion yen for Hoshizaki.

Initiatives for materiality

As initiatives related to the material issues “response to climate change” and “creation of new customer value,” we have focused on developing natural refrigerant products and energy efficiency products, and in Japan, we completed the full transition of standard commercial refrigerators to natural refrigerants in fiscal 2024.

In addition, with respect to the material issues “creation of new customer value” and “new proposals for the creation of a safe and secure food environment,” this is a field in which the development and technology division can fully leverage its strengths and experience, and in recent years we have focused on the freezing and thawing of food using our proprietary control technologies. While freezing food is relatively straightforward, thawing food in a way that preserves quality is difficult and presents many challenges. If advances in thawing technologies make it possible to transport food in frozen form instead of at room temperature, this will reduce the frequency of shipments. Furthermore, if only the amount to be sold can be thawed and returned to room temperature, it will enable convenience stores and restaurants to operate even in remote areas, thereby contributing to the reduction of food waste. In this context, we have developed the industry's only vacuum microwave thawing machine, which realizes high-quality, short-time thawing through vacuum cooling and microwave heating, with shipments scheduled to begin in July 2025. Going forward, we will continue to strengthen product development that contributes to enhancing social and environmental value, while also expanding profitability.

Future strategies

(1) Launch products in a timely manner and contribute to expanding net sales

We will contribute to expanding net sales by launching products in a timely manner through new market-oriented product themes, evolution of core technologies, and model

changes that include natural refrigerant adoption in line with our roadmap. New product themes are created in collaboration with the sales division, with a market-oriented approach, aiming to create new markets through innovative products. In particular, in light of labor shortages in both the restaurant and non-restaurant industries, we will focus on development under the key themes of “automation,” “efficiency,” and “larger scale.”

To evolve our core technologies, we will place emphasis not only on freezing, storing, thawing, and washing (labor saving and automation), but also on dispensing (portion control) and AI, targeting sales expansion through timely product launches.

For model changes, we will advance the adoption of natural refrigerants in line with our development roadmap, promoting their penetration in the Japanese market, while also improving product profitability and enhancing margins. Adoption of natural refrigerants for products equipped with refrigeration circuits, such as commercial refrigerators and ice makers, has already reached 100% in Europe and 50% in the Americas (with a target of 100% by 2026). As a leading company, the Hoshizaki Group plans to raise the adoption rate of natural refrigerants for all commercial refrigerators and ice makers sold in Japan from 46% at the end of fiscal 2024 to 87% at the end of fiscal 2027. By replacing non-natural refrigerant products with higher energy efficiency natural refrigerant products, we aim to generate replacement demand and increase market share.

(2) Reducing cost of sales to improve profitability

We will improve profit margins by reducing material procurement costs through reviewing designs, processes, and components, rationalizing product lineups, and collaborating with divisions with manufacturing functions. We will also accelerate joint product development on a global scale, focusing on specific regions and applications.

(3) Business expansion of overseas Group companies

To support the business expansion of overseas group companies, we will further strengthen technical support to increase refrigerator sales, while also establishing an overwhelming No.1 position in ice makers to build a stable earnings base.

Strengthening product development that contributes to enhancing social and environmental value

Material issues	Relevance to our Vision	Technological perspective	Product examples
Response to Climate Change	In response to the global climate changes, contribute to resolution of environmental issues through provision of comfortable food environment (business).	Pursuit of energy efficiency, shift to low-GWP (see p. 28)	Natural refrigerant-based products, etc.
Creation of New Customer Value	Manufacture products flexibly responding to changes and create service business, quickly catching up with changes in environment surrounding customers.	Labor saving, automation High-quality freezing, high-quality thawing	Prejet washer Vacuum microwave thawing machine, etc.
New Proposals for the Creation of a Safe and Secure Food Environment	In response to changes in diversifying food environment, provide safe and secure products and services to help people lead a good life.	Freezing, storing, thawing	Liquid freezer Deep freezer, etc.

Environmental Strategy

Guided by the management philosophy “Good product comes from a good environment,” the Hoshizaki Group has pursued harmonization of business activities with the environment. At the same time, because we use large amounts of metal materials and refrigerants and consume energy during both the manufacturing and use stages, we have identified “response to climate change” as a material issue, and under the Hoshizaki Eco Plan, we are promoting various initiatives to reduce environmental impact.

- Please see Hoshizaki’s website for the Hoshizaki Environmental Policy.
<https://www.hoshizaki.co.jp/en/esg/environment/>

Please see Hoshizaki’s website for details of the materials flow.
https://www.hoshizaki.co.jp/en/esg/environment/material_flow.html

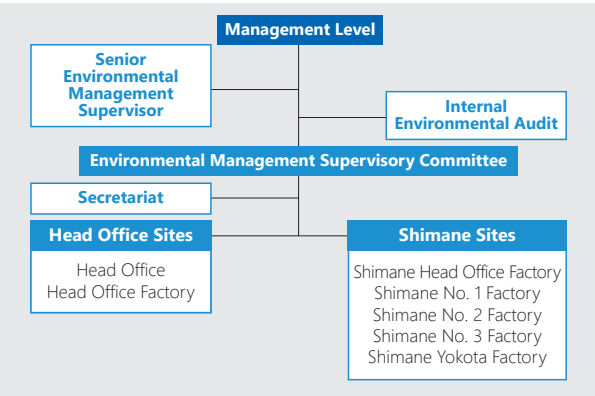
Hoshizaki Eco Plan

The Hoshizaki Eco Plan is promoted under a rigorous environmental management system, systematizing a wide range of environmental conservation initiatives—including the development of eco-friendly products, promotion of recycling, and recovery of CFCs/HCFCs/HFCs—to maximize their effectiveness.



Environmental management system promotion organization structure (Hoshizaki)

We have in place a structure where all departments of our domestic factories participate in activities to reduce environmental impacts, with the Executive Officer in charge of the General Affairs Department, the Executive Officer in charge of the Shimane Plant as management, and the General Manager of the General Affairs Department acting as the Senior Environmental Management Supervisor. For the priority items set by the system, each department plans specific tasks, regularly evaluates their implementation status, and adds new tasks, as necessary.



► Environmental priority goals and results

	FY2024 goals	Results	Comments	FY2025 goals
Response to climate change	Energy consumption rate 1% reduction compared to FY2023 at all sites	◎	Goal achieved	Energy consumption rate 1% reduction compared to FY2024 at all sites
	Loading size (loading rate) improvement Goal values set for each site	◎	Goal achieved	Loading size (loading rate) improvement Goal values set for each site
Development and design of eco friendly products	Development of products using refrigerants with low global warming potential	◎	Completed the shift to natural refrigerants for all standard upright and undercounter refrigerators and freezers Worked on adopting natural refrigerants for small and medium-sized cube ice makers Worked on switching some ice makers to refrigerant R-448A	Development of products using refrigerants with low global warming potential
	Improvement in product energy efficiency	◎	In working to shift products to natural refrigerants, we ensured energy efficiency equivalent to that of conventional models.	—
Promotion of effective use of resources	Rate of yield on metal materials Goal values set for each department and each relevant process	△	Due to the product mix of production models and difficulties in procuring sketching materials, some departments were unable to achieve their targets.	Rate of yield on metal materials Goal values set for each department and each relevant process
	Internal failure costs of plastic materials Goal values set for each department	◎	We have achieved the target value for the annual cumulative amount.	Internal failure costs of plastic materials Goal values set for each department
	Suppressing waste product generation Goal values set for each department, each relevant process, and each root cause	△	We worked to reduce assembly defect rates, internal failure costs, and product returns from the market, but were unable to achieve the target for reducing market returns.	Suppressing waste product generation Goal values set for each department, each relevant process, and each root cause
	Zero emissions	◎	We continue to maintain zero emissions with a recycling rate of 99.4%.	Zero emissions
Compliance with efforts for legal obligations	Communicated the direction of initiatives to comply with the Act for Promotion of Recycling of Plastic Materials	◎	At the Environmental Management Supervisory Committee meeting in January 2024, it was reported that activities to promote the effective use of resources would continue.	—
Conservation of the natural environment	Execution of activities for the conservation of the natural environment	◎	We cooperated with and participated in nature conservation activities and local cleanup activities.	—

Scope: Hoshizaki Head Office Plant and Shimane Plant

Materiality: Response to climate change

The Hoshizaki Group aims to contribute to solving environmental issues related to global climate change through our provision of comfortable food environment (business). During the period of the five-year management vision, we are focusing particularly on reducing GHG emissions by shifting to natural refrigerants.

Leading the industry in the shift to HFC-free natural refrigerants

The Hoshizaki Group has been promoting and leading the transition from HFCs to natural refrigerants as a global manufacturer supplying products that use refrigerant gases, including the development of commercial natural refrigerant refrigerators ahead of the industry both in Japan and overseas. In Japan, we announced the transition to natural refrigerants in 2023.

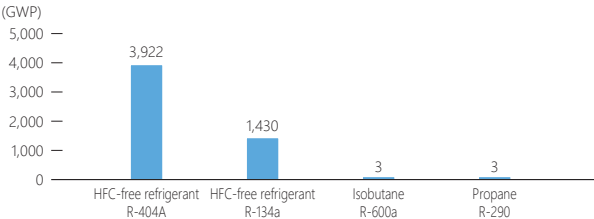
While HFCs do not destroy the ozone layer, they are greenhouse gases with global warming potentials (GWPs) (see p.28) tens to over ten thousand times higher than that of carbon dioxide (CO₂). As a result, international calls to switch from HFCs to HFC-free refrigerants are increasing.

Among HFC-free refrigerants with low global warming potential, we are actively adopting natural refrigerants—substances such as isobutane and propane that exist naturally



in the environment rather than being man-made—which can reduce GWP by 99% compared with HFCs. This contributes significantly to reducing environmental impact by lowering GHG emissions across the entire product lifecycle.

► GWP comparison*



*Source of GWP values: United Nations Environment Programme (UNEP), OzonAction Kigali Fact Sheet No. 3 (released in 2017)

Compliance with the Fluorocarbon Emission Control Act

Hoshizaki is working to prevent any leakage by identifying equipment using CFCs/HCFCs/HFCs to be monitored at factories and offices, preparing the management record, and performing regular and simple inspections and maintenance according to equipment capacity. It is required under the law to report any leakage of 1,000 metric tons or more of CO₂. The amount of leakage at Hoshizaki in fiscal 2024 was below that level.

Progress of natural refrigerant adoption

Rate of natural refrigerant adoption in Japan

In Japan, Hoshizaki released 68 models of commercial natural refrigerant-based refrigerators and freezers in the value price range in May 2023. By the end of fiscal 2024, we had expanded to a full lineup of natural refrigerant-based refrigerators and freezers, totaling 364 models, resulting in a natural refrigerant adoption rate of 46% for our products in Japan. We will continue to promote natural refrigerant adoption for all refrigeration equipment, aiming to reach a rate of 87% by the end of fiscal 2027.

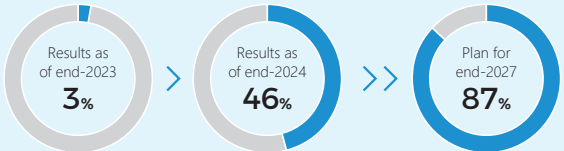
Through these initiatives, we have achieved significant acceleration of our original HFC reduction plan. Before launching natural refrigerant products, we ensure thorough testing, evaluation, and risk assessment, and confirm compliance with Japan’s safety standards (JIS standards) and international standards (IEC standards).

Creating new customer value through natural refrigerants

Products in the Hoshizaki Group that use natural refrigerants bear the “NATURAL REFRIGERANTS” mark, clearly emphasizing their reduced environmental impact. In addition, since products using natural refrigerants do not use HFC gases, they are exempt from legally mandated inspections or leakage reports, helping customers reduce labor requirements.

Furthermore, because their environmental impact is lower than that of products using HFC, adoption has been increasing among companies promoting ESG and the SDGs, contributing to improved profitability.

► Natural refrigerant adoption rate for Hoshizaki products



Environmental Strategy

Information disclosure based on TCFD framework



In February 2022, the Hoshizaki Group expressed its support for the TCFD recommendations and has been proceeding with information disclosure based on the TCFD framework. In 2024, we also responded to CDP. Toward achieving net zero CO₂ emissions (Scope 1 and 2) from business activities by 2050, we established a Group* reduction target in 2024: “Reduce CO₂ emissions (Scope 1 and 2) by 30% by 2030 compared with 2023 levels” as an interim target. We will continue to promote initiatives across the entire Group under this target.

*Figure does not include overseas sales companies or associated companies accounted for by the equity method

Governance

The Group has established the Sustainability Committee as an organization for promoting initiatives for materiality including responses to climate change, with the Representative Director, President & CEO as Chair. The climate change working group (WG) is conducting activities under this committee to promote measures against climate change. Progress in the results of activities by the WG is reviewed regularly by the Sustainability Committee

For more details, see p.73

Strategy: Scenario analysis for climate change

We conduct scenario analysis for 2030 and 2050 based on two potential future temperature rise scenarios: 1.5°C and 4°C. We evaluate the financial impact on a three-point scale for each risk and opportunity based on its impact on periodical profit and its probability.

*See the following page for details on the scenario analysis.

Scenarios for reference
World Bank “State and Trends of Carbon Pricing 2021” IEA
World Energy Outlook (WEO) 2021
IPCC AR5, RCP2.6 (Under 2°C Scenario), RCP8.5 (4°C Scenario)

Risk management

The Sustainability Committee conducts planning, formulation and management related to climate change, promoting the Company-wide measures for climate change. Specifically, the Sustainability Committee evaluates and identifies impacts (risks and opportunities) of climate change on the Company and then proposes and conducts countermeasures.

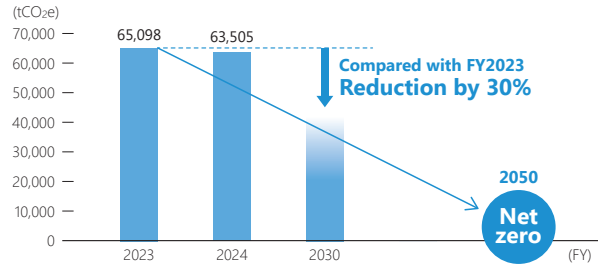
Metrics and targets

Toward reducing CO₂ emissions from business activities (Scope 1 and 2) to net zero in 2050, the Hoshizaki Group will promote thorough energy-saving activities and proactive utilization of renewable energy. The Hoshizaki Group has set as an interim goal for 2030 (including overseas), a target aiming for 30% reduction compared with 2023.

Hoshizaki Group: Interim (2030) Target to Reduce CO₂ Emission (Scope 1 and 2)

Reduction by 30% CO₂ emission in 2030 compared with the result in 2023

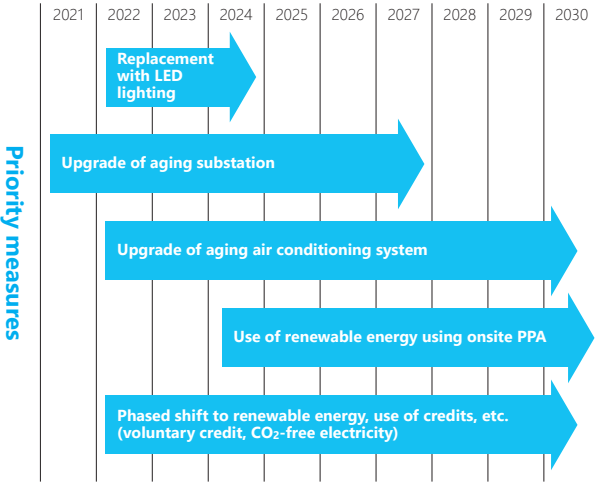
► Changes in CO₂ emissions (Scope 1 and 2)* and target for 2030 (tCO₂e)



*As Ozti became a consolidated subsidiary in 2024, its 2023 actual results were retroactively calculated and added, and the 2023 figure was revised accordingly.

For CO₂ emissions Scope 3, we plan to disclose actual results in Japan and overseas in 2026 and to disclose target values from 2027 onward. We are also considering obtaining SBT certification for our targets.

► Priority measures for achieving target



In 2024, we completed the installation of solar panels at the Head Office Plant and Shimane Plant, with expected annual power generation of 1.54 million kWh, which is anticipated to reduce CO₂ emissions by 754 tCO₂e per year. Overseas as well, renewable energy power generation facilities have been introduced at Western in India, Ozti in Türkiye, and Brema in Italy, and we plan to further expand such efforts going forward.

► Financial impact of climate change risks and opportunities, and countermeasures

Category	Item	Relevant scenario		Period of occurrence	Financial impact		Countermeasures	FY2024 Results
		1.5°C	4°C		Amount	Probability		
Transition risks	Policy and legal	○		Short term	Small	Middle	• Planned investment in R&D and product design • Installation of energy-saving facilities • Utilization of support programs such as national and municipal subsidies	• Installation of solar power generation facilities in the Head Office Plant and Shimane Plant • Completion of replacement with LED lighting in Head Office
	Markets	○	○	Short, medium, and long term	Medium	High	• Increasing procurement of renewable energy to reduce Scope 2 emissions • Emissions for supply chains for the Company's business (Scope 3 emissions) will be calculated going forward and measures considered for them	• Preparations for calculating Scope 3 emissions • In Japan, all standard models of commercial refrigerators and ice makers (14 models) have been shifted to natural refrigerants (see p. 03)
	Markets	○		Short and medium term	Large	Middle	Value analysis (VA)*, cost-saving activities (reduction of number of parts, change in design, review of materials and parts), decentralization of suppliers, strategic pricing revision	• Preparation of questionnaire for suppliers • Secure appropriate parts inventory, optimize global supply chain
	Markets	○		Short term	Small	Middle	Activities to reduce electric power consumption of factories, planned investment in off-grid power facilities such as solar panels, raising the ratio of external electric power from renewable energy sources	• Installation of solar power generation facilities in the Toyoake Head Office Plant and Shimane Plant
Physical risks	Acute		○	Short and medium term	Medium	Low	• Decentralization of suppliers and development of new suppliers • Procurement from suppliers in close proximity to manufacturing sites, optimization of parts inventory for procurement risks	• Non-restaurant market sales: approximately 95.3 billion yen (in Japan) • Undergo cost saving and price revision.
	Acute		○	Medium term	Small	Middle	• Clarification of BCP* at global locations (manufacturing and sales) • Enhancement of cooperation with suppliers for stable procurement in times of emergency	
	AAA		○	Medium term	Medium	Middle	Expansion of customer channels (non-restaurant markets, focusing especially on retail sector, processing and sales sector, basic industries, hospitals, nursing facilities)	
Opportunities	Products and services	○		Short, medium, and long term	Large	High	• Expansion of lineup for products using natural refrigerants • Reduction of electric power consumption of products and water consumption of products that use water, such as ice makers and dishwashers • Increase in qualified inflammable gas handlers, arrangement of repair tools and equipment, service development	• In Japan, all standard models of commercial refrigerators and ice makers (14 models) have been shifted to natural refrigerants • Introduction of Hoshizaki Connect Wi-Fi (see p. 30), a service to manage operational and temperature data on a cloud server (SaaS)
	Markets	○	○	Medium to long term	Medium	Middle	• Expansion and entry of cold chain products in areas with greater impact from temperature rise • Expansion of sales of cold chain products into countries where we have no presence yet and development of service network in proportion to expansion of sales areas	• Promotion of overseas expansion (M&A) • Ratio of overseas net sales: 51.2% (+5.3 points year on year)
	Markets	○		Medium to long term	Medium	Middle	• Improved lineup and services of sanitary products • Expansion of automation, robotics, development of remotely operated products and services, labor-saving products	• Introduction of Hoshizaki Connect Wi-Fi, a service to manage operational and temperature data on a cloud server (SaaS) • Collaboration with Connected Robotics

*BCP (business continuity plan) refers to how to continue business in emergency situations

Manufacturing and Quality

We aim to establish a production system that is mindful of the environment and meets customer needs while achieving absolute quality, optimizing production systems in Japan and abroad, and enhancing production capacity.

Basic policies

Guided by our founder’s belief “good product comes from a good environment,” we make it a basic policy to ensure the stable supply of high-quality products that meet all customers’ needs. During the product development and design stages, we set stringent quality standards and conduct acceptance inspections of externally sourced materials and 100% inspections of finished products. Leveraging our unique technologies for processing ice making and refrigeration mechanisms during manufacturing, we have realized small-lot production of approximately 6,000 different models for the domestic market. We are committed to pursuing uncompromising quality. Simultaneously, we are restructuring our production systems in Japan while enhancing production capacity in Europe and India.

Our manufactured capital

Manufactured Capital	- A total of 27 production sites (9 domestic sites, 18 overseas sites, including equity method affiliate Fogel) - Capital expenditure: 13.8 billion yen (results in FY2024), 21.9 billion yen (planned in FY2025)
Outputs and Outcomes of Manufactured Capital	- Actual output: 267.9 billion yen (FY2024), up 23.8% year-on-year - Global cumulative shipments of products with natural refrigerants (see p.03): Approximately 2,380,000 units* - Planned lead time: 23.5% reduction (Over FY2022) - Realization of limited production of diversified products - Optimum production system friendly to environment and employees

* Number of products sold with natural refrigerants (ice makers, refrigerators, sushi display cases, and Visi Coolers for beverage storage) globally 2009–2024

FY2024 initiative results and issues

Results

- We pursued initiatives to reduce material and processing costs by reducing the number of components, modifying designs, and reviewing materials. We also engaged new suppliers in Japan and overseas and supported cost reduction initiatives at the group companies.
- We created significant value by rebuilding our domestic manufacturing system through capacity expansion, restructuring, and production transfers.
- To improve quality, we introduced a remote monitoring system for key overseas processes into the refrigerant charging and performance test process for Hoshizaki products manufactured by Western.
- To expand production capacity and improve productivity, we modified the production line for large ice machine models at Hoshizaki America’s plants, added new production lines at Brema, and introduced low-cost, high-performance equipment at Ozti and Western.

Issues

- We reinforce internal evaluations and test criteria with a greater focus on the customer perspective, aiming to further improve customer satisfaction.
- We maximize results through the rapid launch of new products and factory restructuring.
- We systematically need to update component equipment at Hoshizaki America’s plants

Future strategies

In the manufacturing division, we will implement the following initiatives with the goal of becoming “a mother plant that

supports sales and profit growth.”

Pursuing cost optimization

We will implement measures such as expanding overseas procurement to optimize costs, using new manufacturers, insourcing high value-added or complex components, and conducting projects focused on reducing costs at the R&D Center.

Reduce processing cost ratio through optimization of domestic manufacturing sites

At the Head Office Plant, Shimane Plant, Nestor, Sansei, we will restructure and expand production capacity to build an optimal production system. More specifically, we will work to increase profit through collaboration among the manufacturing Group companies. The Head Office Plant will promote the release of new products through collaboration among sales, design, and manufacturing, the Shimane Plant will reduce costs for mass-produced products and provide manufacturing support for manufacturing Group companies. Nestor will establish itself as a mass production factory with productivity equivalent to Hoshizaki, and Sansei will help improve overall Group profitability by expanding component processing and contract manufacturing.

Building a fundamental framework for product quality and manufacturing

We will further strengthen proactive prevention of issues for products scheduled for sale by evaluating products from the customer’s perspective. More specifically, we will enhance the final verification of products by confirming how products will be used in the market through market research and market monitoring and revising our internal test criteria based on that usage.

Combine greater efficiency and high quality at overseas manufacturing companies

At overseas manufacturing companies, we aim to achieve both greater efficiency and high quality. We will focus on designing and supporting production lines to improve production efficiency and expand capacity, applying design, equipment, and management methods that will lead to cost reductions and quality improvements, providing support from Japan, and promoting coordination across the group companies.

Initiatives for materiality

With regard to the material issue of “sustainable supply chain management,” the manufacturing division will conduct a sustainability questionnaire of suppliers that include environmental protection (waste, etc.) and human rights and labor (safety) as well as plant policy briefings for ongoing communication with suppliers.

Supply Chain Management

Hoshizaki Group considers the suppliers to be important partners and is striving to build trusting relationships through open, fair and equitable transactions while also pursuing responsible procurement in the supply chain, including suppliers, to earn the trust of society as a global company.

Material issues: Sustainable supply chain management

With a supply chain considering the environment and human rights, we will minimize waste emissions and promote healthy and safe working conditions.

Basic policies

When commencing transactions with suppliers, we ensure that such suppliers understand Hoshizaki’s Basic Policy on Procurement, and we use certain criteria to evaluate them. To carry out procurement under consistent standards, we

also use a Supplier Checklist based on ISO 9001 to select suppliers based on an evaluation of factors such as human rights, occupational health and safety, compliance, and environmental protection in addition to quality, stable supply, and soundness of management.

► Hoshizaki’s Basic Procurement Policy

Human rights and labor	Compliance	Environmental protection
- Eradication of discrimination - Prohibition of forced labor and child labor - Prevention of inhumane treatment and harassment - Fair working hours and payment of wages	- Fair competition - Prohibition of abuse of a dominant bargaining position - Elimination of all relationships with antisocial forces - Protection of intellectual property - Responsible procurement	- Environmental activities - Efficient energy use - Advancement of the three R s (Reduce, Reuse, Recycle) and proper waste management - Prevention of air, water, soil, and other environmental pollution

- Please see Hoshizaki’s website for details on its Basic Policy on Procurement.
<https://www.hoshizaki.co.jp/en/esg/social/supply-chain/supply-procurement.html>

Sustainability questionnaire conducted

We hold regular plant policy briefings for suppliers to promote understanding of Hoshizaki’s Procurement Policy. At a briefing held in February 2024, we requested cooperation with our sustainability questionnaire, which is designed with consideration of the global norms related to supply chains.

After collecting the surveys, we communicated the results of evaluation to our suppliers to enhance their understanding of their standing. In the following fiscal year and thereafter, we will continue to conduct this survey, establishing and embedding a PDCA cycle for responsible procurement to build a sustainable supply chain.

*Scope of aggregation: Hoshizaki’s suppliers in Japan

Survey results and future actions

► Sustainability questionnaire: five survey categories (a total of 50 questions) and average scores*

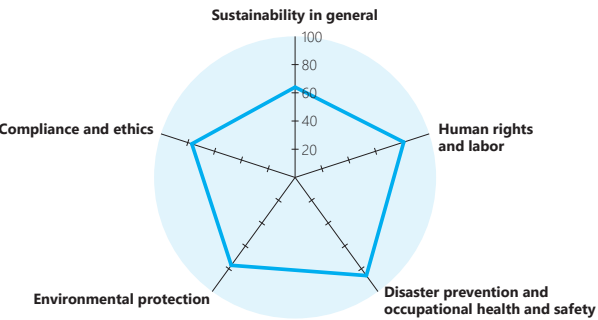
Sustainability in general Four questions Average score 64 points	Compliance and ethics 14 questions Average score: 77 points	Human rights and labor 13 questions Average score: 81 points	Environmental protection Nine questions Average score: 77 points	Disaster prevention and occupational health and safety 10 questions Average score: 86 points
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Results

- The highest scores were in the “disaster prevention and occupational health and safety” category, and the lowest scores were in the “sustainability in general” category. With regard to sustainability in general, some companies were found to have little awareness of sustainability activities and need to further strengthen initiatives such as policy formulation and the establishment of promotion systems, taking into account global trends.
- No violations were found, and there was no need for action, such as corrective measures.

*Evaluation criteria for each category
100 points.....Fully addressed. Initiatives are adequate and there are no issues.
60 points.....Addressed to a certain degree. Or measures are planned.
There are no major issues, but there are areas for improvement in current practices.
20 points.....Not yet addressed or there are issues.

► Average scores of Hoshizaki’s domestic suppliers based on the questionnaire



FY2025 activities

- In the area of sustainability activities, we will carry out the activities below to raise awareness with the aim of increasing understanding about the activities in general.
Feb.: Plant policy briefings
Apr.: Hoshizaki sustainability activities summary report
Send out questionnaire

Respect for Human Rights

The Hoshizaki Group, as a globally operating company, recognizes respect for human rights as one of the critical elements in its business activities. It has established principles regarding respect for fundamental human rights and is committed to creating a workplace environment with high psychological safety.

Basic policies

At the Hoshizaki Group, we ensure respect for the human rights of each employee. Through compliance training for all employees, we disseminate our fundamental policy of human rights respect widely among them, seeking to foster a corporate culture of (1) prohibition of discrimination, (2) prohibition of harassment, and (3) mutual respect. The importance of respecting human rights and addressing related risks is emphasized and communicated through the Message from Management distributed regularly to management teams across the Hoshizaki Group, including those abroad.

As part of its efforts to respect human rights within its

supply chain, Hoshizaki began conducting a sustainability questionnaire in 2024 (see p. 58) to investigate its suppliers' awareness and efforts concerning human rights and improvement of labor practices. We continued to conduct the questionnaire in 2025 and will work in partnership with suppliers to raise awareness.

In terms of our policy for the future, with human rights education and the complaint settlement mechanism as the foundation for respecting human rights, we will strengthen our framework for identifying, assessing, preventing, and mitigating human rights risks in our relationships with all stakeholders.

► Hoshizaki's initiatives for human rights

FY	Details
2007	Launch of the whistleblowing system and commencement of helpline (see p.76) operation
2007	Launch of harassment prevention training (as part of compliance training)
2010	Establishment of a counseling desk for mental health
2014	Launch of a supplier check list that refers to human rights protection and working conditions
2022	Launch of training for supervisors with subordinates who are women
2023	Understanding of unconscious bias promoted at lecture seminars to promote participation by women
2024	Execution of a sustainability questionnaire on human rights and improvement in labor conditions for suppliers

► No. of training sessions on human rights and that of participants (2024)

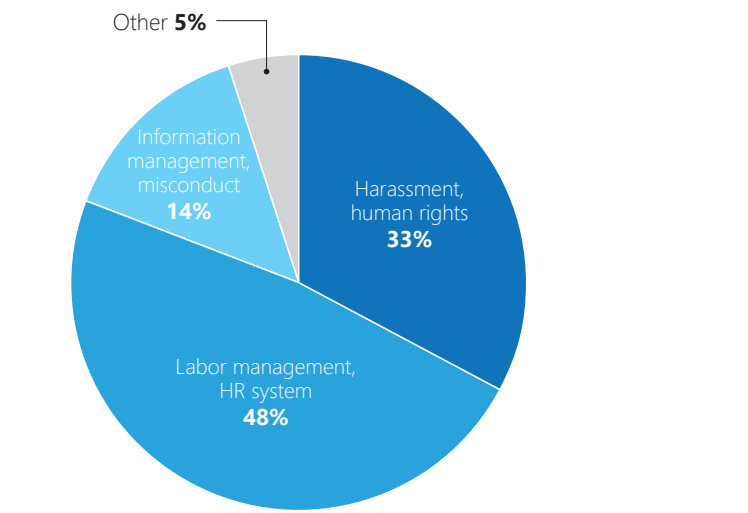
Details of training	No. of sessions	No. of participants
Harassment prevention training (as part of compliance training)	758	Attended by all Group company employees
Understanding of unconscious bias (lecture seminars to promote participation by women)	1	639
Training for supervisors with subordinates who are women	29	584

Harassment prevention training conducted globally, including overseas, while other training programs conducted domestically within the Group

Operation of the complaint settlement mechanism

A helpline (consultation and reporting desk) is in place for the Group employees, including those overseas. Besides, in the Americas and Europe, helplines using region-specific common platforms have also been in operation since around 2020. About 30% of the consultations and whistleblowing cases involve issues related to harassment and other human rights concerns. These are reviewed by the Compliance and Risk Review Committee, as is the case with other reports, and appropriate corrective actions and measures to prevent recurrence are implemented. Any matters reported via phone or other means are treated as risk information, reviewed similarly, and corrective actions and preventive measures are taken before reporting to the Compliance and Risk Management Committee.

► Breakdown of consultations and whistleblowing cases by content type (2024)



Engagement

We aim to achieve a sustainable society and further enhance corporate value by striving to build trust with our customers, suppliers, local communities, shareholders, and investors.

Basic policies

The Hoshizaki Group is committed to building trust through continuous and constructive dialogue with our customers who use our products and services, our suppliers who support the production of high-quality products and their stable supply, local communities including those around our manufacturing sites and sales offices, our valued shareholders and investors, and the broader general public.

Activities for engagement with customers

Hoshizaki and its domestic sales companies leverage strengths in proposal-based sales closely aligned with customer needs and in a business model that integrates sales and services, enabling the provision of rapid and careful services. We not only provide products and services to our customers but also actively seek their feedback. As part of this effort, we conducted a customer satisfaction (CS) survey following maintenance inspections, reaching approximately 80,000 customers between May 2023 and October 2024. In the CS survey, approximately 80% of responses that customers selected for each question showed high ratings.

Activities for engagement with suppliers

As a global company's responsibility, the Hoshizaki Group considers its suppliers around the world as partners, conducting procurement with a focus on openness, fairness, and equity while also emphasizing respect for human rights and environmental considerations. Hoshizaki regularly conducts plant policy briefings and surveys with key suppliers. In 2024, we conducted a sustainability questionnaire with domestic suppliers to achieve our materiality of “sustainable supply chain management.”

Activities for engagement with local communities

Founder Shigetoshi Sakamoto not only worked on the development of the business but also established various foundations and provided a range of support, bearing in mind the belief that “the purpose of a company is to make the world a better place.” The activities started by the founder have been passed down to each of our employees, and we

continue to carry out environmental and social contribution activities, which include providing support for organizations that promote the independence of people with disabilities, supporting recovery efforts after natural disasters, and voluntary activities by employees.

Activities for engagement with shareholders and investors

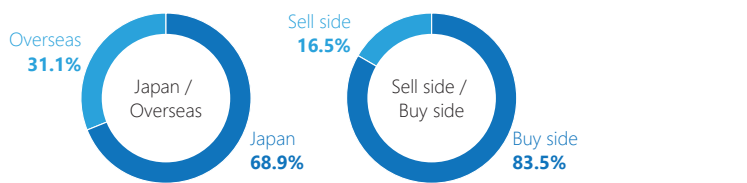
Hoshizaki holds financial results briefings for institutional investors each quarter. In addition to in-person explanations from the Representative Director, President and CEO, we conduct individual meetings, and we also attend various briefings organized by securities companies. In response to requests for dialogue from shareholders and investors, we hold meetings conducted by relevant personnel, primarily the President and CEO, top management, or the Corporate Planning & Strategy Department, in accordance with the wishes and shareholding of the applicant, unless there are unavoidable circumstances such as scheduling issues.

Shareholder and investor feedback and concerns that are identified through dialogue are reported to the Board of Directors in a timely and appropriate manner, which helps us to accurately understand the demands of the market and to engage in management with an awareness of enhancing corporate value.

► Investor relations activities (FY2024)

Activity details	No. of times
Financial results briefing	4
Individual meetings with institutional investors	278
Including ESG-related meetings	5
Attendance at conferences organized by Japanese securities companies	1

► Attributes of counterparty



Main External Evaluations in FY2024

- Ozti of Türkiye was awarded first place last year in the industrial kitchen product category at the “Metallic Stars of Export Award,” organized by the Istanbul Ferrous and Non-Ferrous Metal Exporters’ Association. It is the 15th successive year that Ozti was given the top rank.
- Hoshizaki was given the highest “A rank” for the second year in a row in the 2024 “antifluorocarbon rating,” an independent assessment of compliance with the “Fluorocarbon Emission Control Act,” announced by the Japan Refrigerants and Environment Conservation Organization.

