

# GALILEI

FUKUSHIMA GALILEI CO. LTD.

Integrated Report 2023

**GALILEI**  
Be cool, Be alive.

FUKUSHIMA GALILEI CO. LTD.

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[www.galilei.co.jp](http://www.galilei.co.jp) 2023

(2023-11)D



# GALILEI

Be cool, Be alive.

Our goal is to be a “Happiness Creation Company,” with the themes of the environment, safety and peace of mind

## The Corporate Philosophy of the GALILEI Group

1.	<b>Consumer Happiness</b>	Taking the environment, safety and peace of mind as our themes, it is our basic aim to work with our customers to contribute to the happiness of the consumer.
2.	<b>Customer Happiness</b>	By using original technology and systems, it is our basic aim to add new value to the food business and contribute to the happiness of our customers.
3.	<b>Employee Happiness</b>	It is our basic aim to pursue both material and emotional happiness by enhancing ability to shoulder responsibility, and through development as individual employees and as a company.
4.	<b>Stakeholder Happiness</b>	It is our basic aim to strive towards common goals, always working to increase company performance and providing happiness to our shareholders and trading partners.

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## ESG Initiatives

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## Charter of Corporate Behavior

### Food Safety and Security

We prioritize food safety and security at all times. We are committed to enhancing the quality of people's diets, and will continue supporting a healthy and robust food infrastructure.

### Environmental Conservation

We acknowledge that conducting environmentally friendly business activities is one of our key challenges. As we actively and consistently advance our initiatives, we will take their environmental impact into consideration.

### Global

We will adapt a flexible mindset with a global perspective to target business growth and expansion in the global market. At the same time, we will encourage the localization of our system to preserve Japan's extraordinary food culture and uphold high-quality food standards.

### Fair and Free Transactions

We regard our customers and suppliers as equal partners, and we will ensure fairness in all business transactions across our processes.

### Disclosure of Information

As a transparent company, and we strive to disclose our corporate information to our shareholders, investors, and the public in a timely and appropriate manner.

### Stance Towards Antisocial Organizations

We neither have, nor will we establish, any relationships with antisocial forces or organizations that threaten the order and safety of citizens and their communities.

### Pursuit of Customer Satisfaction

Our priority is the customer. We are committed to innovative technical development, and to offering high-quality products and services that meet customer needs.

### Social Engagement

Our goal is to bring joy to consumers through food, and we will contribute to a sustainable society through both our core business operations and additional activities.

### Legal Compliance

We will adhere to the laws and regulations of Japan and other countries applicable to us, as well as international norms. We will also conduct business in a transparent and fair manner and in accordance with GALILEI's ethical principles.

### Respect for Employees

We are committed to supporting our employees in maintaining their quality of life, respecting their diverse backgrounds and individuality. We will proactively cultivate a work environment that fosters a mindset of challenge and innovation and offers staff training opportunities.

### Information Management

We will stringently manage our confidential information and that of other companies, as well as the personal information of our customers and employees. We will not disclose this information to any third parties or use it for any purposes other than conducting our business operations.

## Employee Code of Conduct

- Food Safety and Security — Safe and secure food, anywhere, anytime
- Customer Oriented, Customer Focused — Become immersed in the customer experience
- Teamwork — Test your limits with Team GALILEI
- Creativity and Vision — Boldly take on challenges with eyes on the future
- Education — Develop people and cultivate yourself
- Adhere Strictly to Rules — Do what is expected, as expected

Editorial policy	This report aims to communicate the GALILEI Group's medium- to long-term value creation process and growth strategy, covering both financial and non-financial aspects, to shareholders, investors, and other stakeholders.
Reporting period	FY2022 (April 1, 2022 to March 31, 2023) Some activities conducted outside the reporting period have also been included in this report.
Reporting entities	FUKUSHIMA GALILEI CO. LTD. and its consolidated subsidiaries
Published	November 2023

It has been four years since we re-branded our business to GALILEI in 2019, and we have redefine our purpose based on the vision that we have embraced at the GALILEI Group. Our purpose, "Shape a future of food and life," focuses on ensuring the safety and security of food, which is essential for our survival, and extends to protecting our lives and our planet. In pursuit of this purpose, we remain committed to working with you to successfully address social challenges.



### Our Purpose

# Shape a Future of Food and Life

Shape a future of delicious and delightful food. This means promoting the safety and security of food, as well as the joy it brings, through food innovation and continuing to share the delight and excitement of tasty food with people.

Shape a future of quality of life. This means further advancing our exceptional cooling technology and enhancing the dietary quality of people around the world, making their daily lives more comfortable and convenient.

Shape a future of lives. This means ensuring the vitality and health of people and all forms of life on our planet.

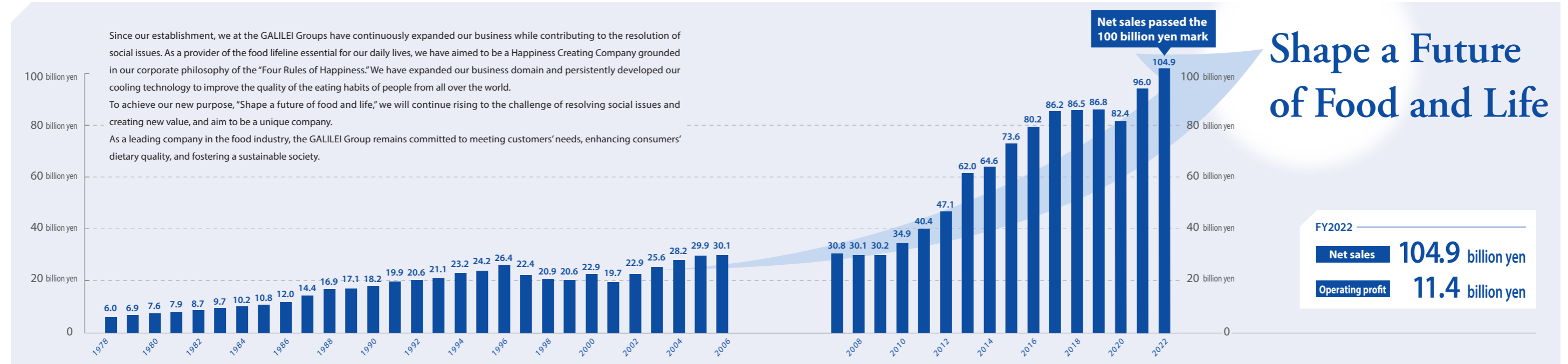
Shape a future of happiness. This means making people around the world happy, a process that starts with making ourselves and those around us happy.

There is still so much more we can do and should do.

All of us at the GALILEI Group are ready to explore possibilities to create a better future.

# For Our Future

# The GALILEI Group continues to grow as it expands its scope of value creation



## Changing Societal Issues and Needs

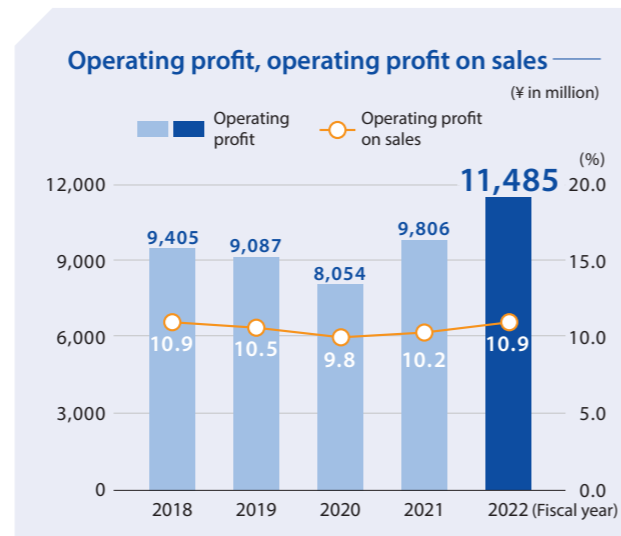
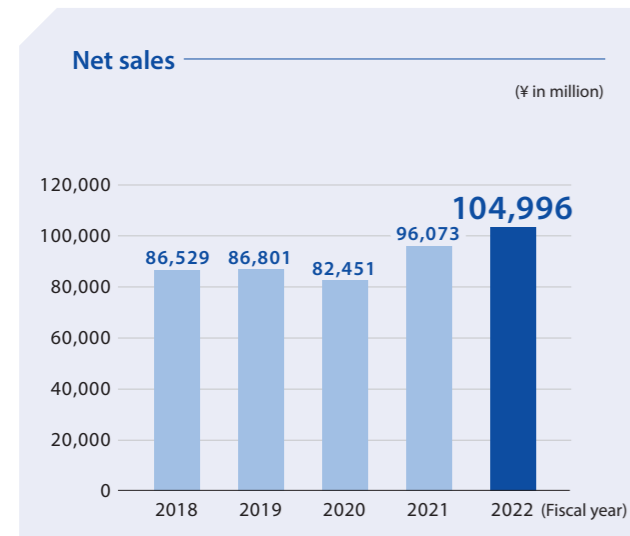
1960s and 1970s	1980s	1990s	2000s	2010s	2020s and into the future
Increase in the number of eating establishments, especially res-taurant chains, accompanying the postwar recovery and economic growth	Expansion of consumption encouraged by the economic bubble, advances in urban functionality and science and technology	Growing concern over food safety due to outbreaks of mass food poisoning caused by pathogens such as O-157	The myth of food safety collapses due to a series of events including food poisoning, food fraud, and the first domestic instance of BSE	Successive natural disasters such as the Great East Japan Earthquake lead to demands for products with lower power consumption and high ecological standards	Waves of digitization and IoT implementation due to advances in technology

## Solutions Provided by the GALILEI Group

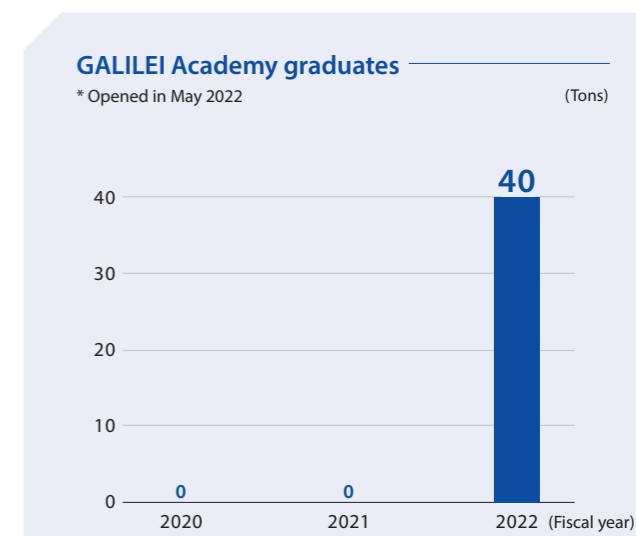
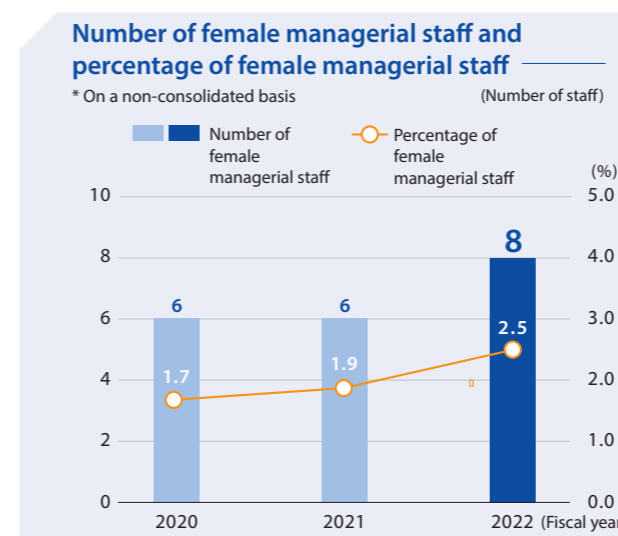
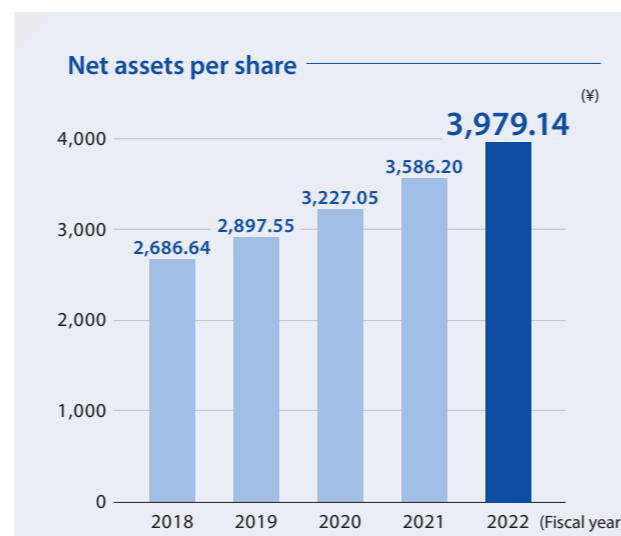
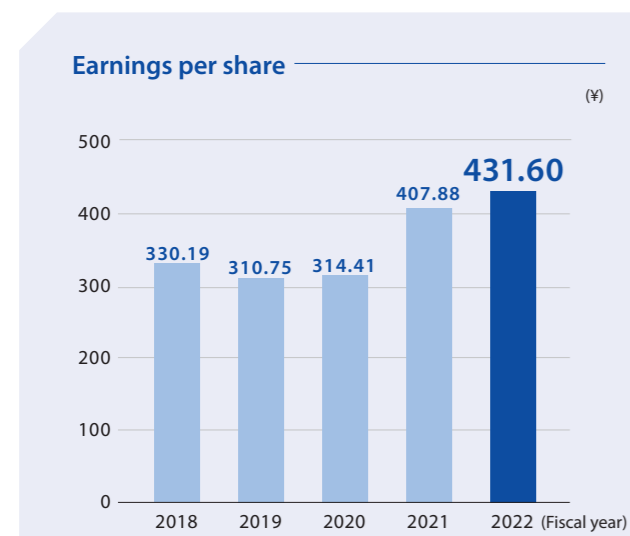
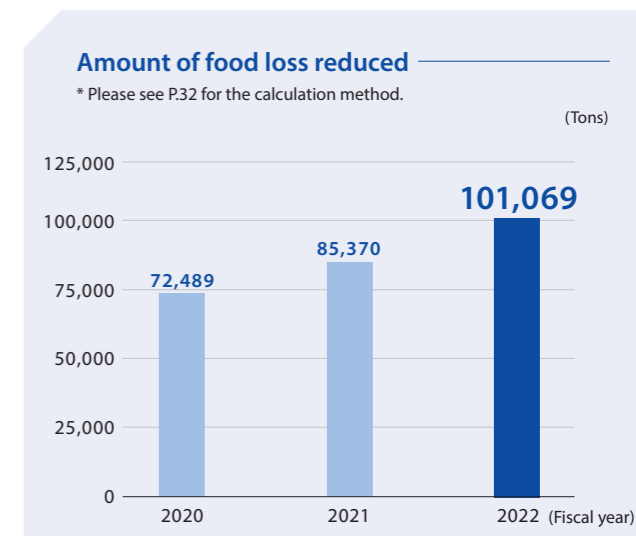
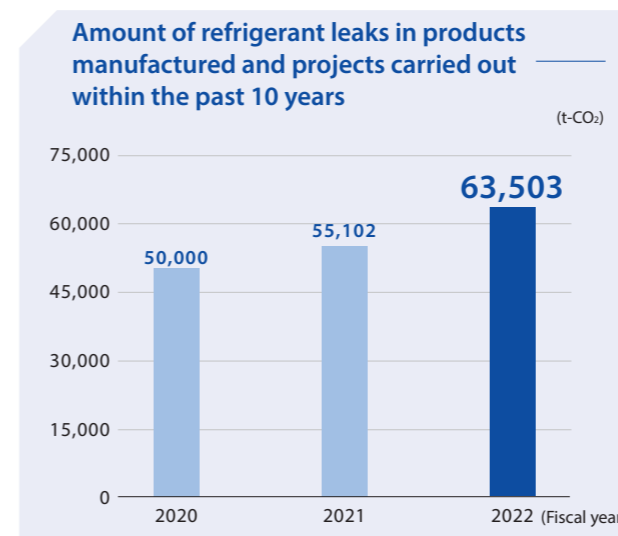
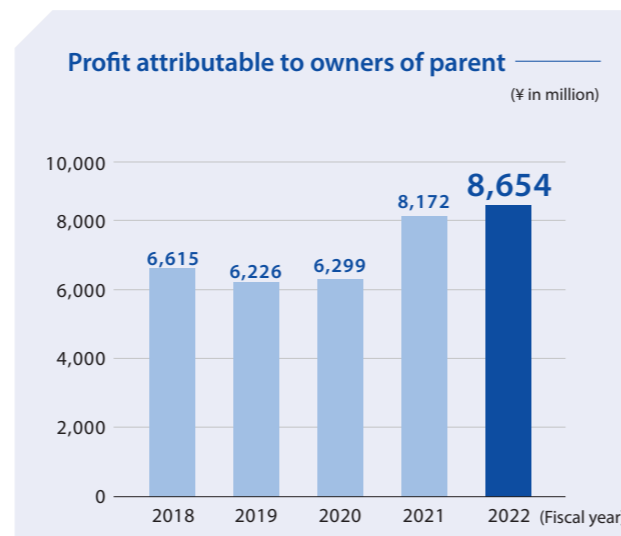
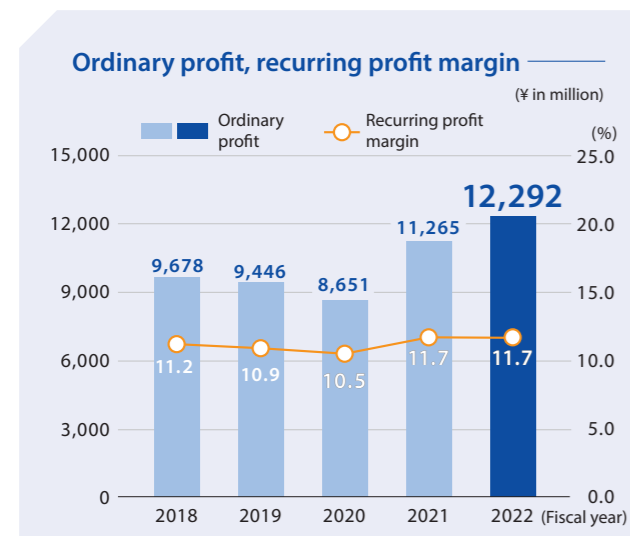
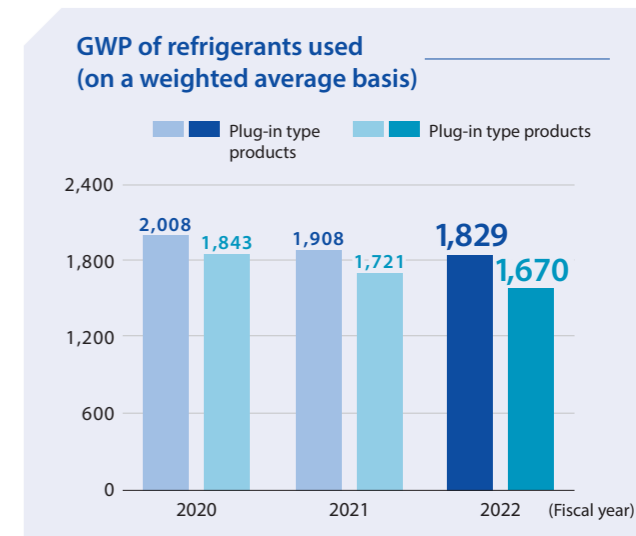
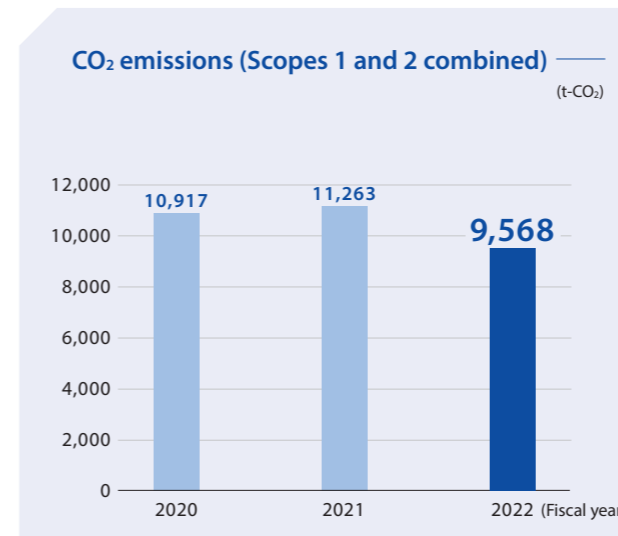
Core operations shifted to the production of commercial freezers, refrigerators and showcases	Heavy investment in infrastructure implemented to enhance productivity Put in place a system that can deal with the expansion in orders	Application of freezing and refrigerating technology expanded to the healthcare field Shift made to become a specialist in the manufacture of temperature control equipment
<p>1962</p> <p>ER model standardized refrigerators</p> <p>1964</p> <p>Refrigerated and freezer showcases POS series</p>	<p>1984</p> <p>ER series</p>	<p>1995</p> <p>1998</p>
<p>1962</p> Developed and started mass production of the ER model standardized refrigerator, an industry first <p>1964</p> Started mass production of the POS series	<p>1984</p> New Okayama Factory built Started mass production of the ER series	<p>1995</p> New Shiga Factory completed Listed on the 2nd section of the Osaka Stock Exchange (OSE) <p>1998</p> Started selling Blast Chillers <p>1999</p> Advanced into the field of scientific and medical laboratory equipment

Efforts focused on developing our own solutions to ensure food security and safety	Wide range of offerings become available through expanding fields of operation by increasing cooperation between corporations	Brand, company name, and company premises all renewed with an orientation towards the future to help improve profitability through group synergies
<p>2001</p> <p>2009</p>	<p>2013</p> <p>FSP株式会社</p> <p>株式会社 省研</p> <p>2017</p>	<p>2019</p> <p>GALILEI Be cool. Be alive.</p>
<p>2001</p> Started Fukushima S net 24 service <p>2005</p> Listed on the 1st section of the Tokyo Stock Exchange (TSE) <p>2006</p> Okayama Second Factory completed <p>2009</p> Takahashi Manufacturing Co., Ltd. (currently known as TAKAHASHI GALILEI CO. LTD.) joined the Fukushima Group.	<p>2013</p> FSP Corporation (currently known as GALILEI PANEL CREATE CO. LTD.) and Shoken Corporation (currently known as SHOKEN GALILEI CO. LTD.) joined the Fukushima Group. <p>2017</p> Fukushima Women's Tennis Team established	<p>2019</p> New head office and company premises completed Company name changed. GALILEI Group formed <p>2022</p> Management structure changed to appoint two executives, Yutaka Fukushima and Go Fukushima, to represent the company Purpose redefined

# Financial Highlights



# Non-Financial Highlights



## By addressing our redefined purpose and material issues, GAL-ILEI will become even more resilient

In June 2022, FUKUSHIMA GALILEI CO. LTD. changed its management structure to appoint two executives who represent the company. Here, both executives share their thoughts on the impacts that the GALILEI Group's purpose<sup>\*1</sup> and material issues<sup>\*2</sup> have on the company, and discuss its business prospects.

\*1 Purpose ▶ P.03-04

\*2 Materiality ▶ P.22-30



President  
**Go Fukushima**

Chairman  
**Yutaka Fukushima**



### Our purpose, “Shape a future of food and life,” is a guiding compass for all of our employees

**President** When we initiated the GALILEI Group's branding project in 2017, we recognized the importance of defining our vision in writing to avoid confusion among our employees. From the start, we embraced the term “pioneers,” though we had yet to specify which social issues we would address. Given our roots in the food industry since the company's inception, it was essential to include this sector in our branding efforts. We deliberated whether to focus solely on food-related issues. At that time, we were expanding into the medical science field and were optimistic about future business prospects in this sector. This led us to consider “life” as a key theme. Our mission expanded to encompass the “life of food,” i.e. its quality and sustainability, as well as extending people's healthy life expectancy, safeguarding “the lives of people,” and controlling global warming or protecting the “life of our planet.” Consequently, we adopted “Pioneers in the future of food and life” as our vision. Upon assuming the presidency, I redefined this vision as our core mission and formulated a new purpose, “Shape a future of food and life.”

**Chairman** During my thirty-year tenure as president, we redefined our vision every five years, leading to development of our current purpose. We launched the branding project

when we were contemplating our next vision. Our younger staff spearheaded the project, elevating my long-held vision to a higher level. They coined the catchphrase, “Shape a future of food and life,” which I believe transcends our original vision and elevates it to a universal purpose. The involvement of our employees in the branding process has been deeply meaningful, and it has fostered a deeper sense of ownership among our staff. I hope that all 2,300 employees of the GALILEI Group fully grasp and appreciate the significance of this catchphrase.

**President** During that time, everyone at the GALILEI Group, including staff from our group companies, took part in our discussions. It was through these concerted efforts that we were able to commit to addressing “life” issues.

**Chairman** Incorporating the word “life” into our purpose added a significant dimension to our vision. While our primary focus had been on the food industry, the inclusion of the word “life” brought greater depth and scope to our business endeavors.

### Eight material issues identified to achieve the purpose

**Chairman** In recent years, the public has shown a growing interest in companies' purposes. It was about 20 years ago that I became aware of how important they were.

I recall visiting, on its opening day, a supermarket where our showcases were installed. The store also had our RO water generator, and I saw a line of young mothers waiting to use it. They were using the RO water to prepare formula for their babies. Seeing customers standing in line and finding our product so useful was a revelation. This led to us incorporating the phrase “Customer happiness” into our corporate philosophy. Over the past decade, the importance of ESG (Environmental, Social, and Governance) management has been increasingly emphasized. The public is beginning to judge businesses based on their social contributions. Aligning business activities with the resolution of social issues is crucial, and in this sense, it is essential to identify material issues that resonate with our values.

**President** I am firmly convinced that addressing social issues will be an integral part of business operations in the future, and will be pivotal in achieving our purpose. Actively identifying new indicators and setting goals for social issues will undoubtedly form a part of our evolving business strategies.

**Chairman** It is of utmost importance that we articulate our purpose and material issues clearly to provide guiding principles for our employees. The “Zero Call Company” concept and the 10-year warranties for refrigerant leaks were our employees’ ideas, not top management decisions. This underscores the strength of our work environment, where everyone is aligned with the guiding principles and empowered

to act independently. I am confident that these guiding principles will make the GALILEI Group even more resilient.

**President** The GALILEI Group has set ambitious goals, some of which we cannot achieve independently. Among the eight material issues we have identified, the paramount one is to “improve consumers’ lives.” This encompasses exploring cooking methods and achieving nutritional balance, tasks not achievable by our group alone. We believe that it is crucial to collaborate with our customers, MILAB users, and startups (for more information about MILAB, please refer to p. 31). To facilitate this collaboration, we plan to expand MILAB and increase staffing.

### The strength of the GALILEI Group lies in our people, who have grown even stronger and more united this year

**President** This year the GALILEI Group has undertaken numerous initiatives, reaffirming my belief that our greatest strength lies in our people. During our efforts to identify material issues, each project team member took personal ownership and demonstrated their deep commitment. While the chairman and I occasionally provided direction and advice, more often than not, we adopted the team members’ ideas as they were. When I share my thoughts with them, they have the ability to transform them into reality. My reliance on them is total, and my confidence in them is unwavering.

**Chairman** I agree that our employees have significantly



enhanced their execution skills and sense of responsibility. It is the president’s leadership that has unearthed and nurtured the previously unseen strengths of the GALILEI Group. His positive approach, which emphasizes fostering good qualities and acquiring new ones, has encouraged collaboration among all staff members, regardless of their experience level.

**President** I agree that our group synergy has strengthened significantly over the past year. In 2023, the GALILEI Group’s participation in various exhibitions, including FOOMA JAPAN, exemplified this. We experienced a profound sense of unity among our group companies, transcending their individual boundaries. Our success at these exhibitions, marked by numerous trade inquiries, can be attributed to this approach.

**Chairman** Enhancing the Group’s sales capabilities has certainly been a key factor in our success.

**President** Imagine transforming two-dimensional information into a three-dimensional matrix by intertwining information from each group company. This is precisely what we’ve achieved. Such integration doesn’t happen spontaneously; it requires deliberate action. Establishing a project team that facilitates regular meetings among staff from various group companies has fostered this active exchange of people and information.

**Chairman** The lowered boundaries between the group companies have made us more unified and efficient, which is

immensely beneficial to our customers as well. There’s a growing sentiment among them that “everything will be fine if we leave it to GALILEI.” This trust reflects the true value of the GALILEI Group.

### The strength of the GALILEI Group lies in our people, who have grown even stronger and more united this year

**President** I am confident that by continuing with our current projects and initiating future ones, we will move closer to becoming a truly unique company. Our goal is to be a sought-after entity that everyone wants to collaborate with. We are already observing progress towards this goal across all our group companies and in our business operations. We plan to make strategic investments to maintain and accelerate this momentum.

**Chairman** As previously stated, our people are our greatest asset. To cultivate their skills and capabilities, it’s essential to engage our group companies more often and work together to grow our business. I firmly believe that as our business grows, our people also develop. As our operations become increasingly localized, whether in Japan or abroad, this growth will naturally extend to contributing to local communities. At the GALILEI Group, we are all acutely conscious of our purpose and material issues, and we are committed to pursuing our mission collectively as a team.

# Value Creation Model

As a vital provider in the food lifeline, essential for daily life, we at the GALILEI Group are expanding our business domain. Our goal is to enhance the quality of eating habits for people worldwide and to further develop our cooling technology. We are committed to stepping up efforts to shift toward smart technology to achieve growth. As a leading company in the global food industry, we are dedicated to innovation, contributing to the building of a sustainable society, and are focused on boosting our medium- to long-term company value.



# With our cooling and engineering capabilities

Leveraging the combined strengths of our group's cooling and engineering capabilities, we offer comprehensive support to our customers.

Our long-developed cooling capabilities, coupled with our advanced engineering skills, we fulfill a wide range of customer needs while ensuring the safety and security of food for consumers. The synergy created by the unique attributes and core technologies of our group companies enables us to provide all-encompassing support across the entire food production stream.

## Primary industry (Agriculture and fishing)

We are committed to keeping food ingredients fresh and minimizing food loss during the production process, thereby reducing resource waste. This enables us to contribute to achieving carbon neutrality.



GALILEI PANEL CREATE



SHOKEN GALILEI



TAKAHASHI GALILEI

## Secondary industry (Manufacturing and warehousing)

We supply Tunnel Freezers, various other equipment, and environmental control systems to food factories, central kitchens, and low temperature warehouses. We practice hygiene management and reduce manpower at every stage of food processing operations, and we aid in reducing food loss by extending the shelf life of food products.



FUKUSHIMA GALILEI

## Tertiary industry (Food service and retail)

We ship approximately 130,000 refrigerated and freezer showcases and commercial refrigerators annually. Our products play a crucial role in supporting food safety for restaurants and consumers.

### Refrigerator and Freezer Operations

Respond to new needs of the restaurant industry with products that set new standards

FUKUSHIMA GALILEI has been dedicated to Refrigerator and Freezer Operations as its core business since its establishment in 1951. Our extensive product range is specially designed with a focus on energy efficiency, advanced temperature control technology, and user-friendliness.



CFC-free, upright-type commercial refrigerator and freezers The Galilei X Series

R1234yf (GWP: 1), a CFC-free refrigerant with a much lower GWP, is used in this product. It is more environmentally friendly than our existing products that use R404A (GWP: 3920) or R134a (GWP: 1430).

### Showcase Operations

Leverage monozukuri manufacturing technology (sophisticated manufacturing technology) with users in mind to create stores of the future

We are dedicated to preserving the freshness of food displayed in supermarkets and convenience stores across the country. Utilizing IT and high-performance equipment, we assist in creating stores that are pleasant and visually appealing.



Plug-in reach-in showcase with CO<sub>2</sub> refrigerant

A natural CO<sub>2</sub> refrigerant (R744) is used for this product. The CO<sub>2</sub> refrigerant has a GWP of 1. It has no flame propagation and is safe to use.

### Engineering Operations

Maximize group synergy Create a better future

We flexibly employ our refrigeration and freezing technologies, along with the products of our group companies, to offer comprehensive solutions for food manufacturing factories and other facilities.



Equipment planning

### GALILEI PANEL CREATE CO. LTD.

Optimal panel solutions backed by our panel and design and installation technologies

Our advanced thermal insulation panel technology and system engineering capabilities facilitate the creation of refrigerating and freezing spaces, as well as clean workspaces and clean rooms for facilities such as food processing factories.



CFC-free thermal insulation panel "econe series"

### Overseas Operations

Bringing food safety and security to Asian countries with Japanese quality

With business bases in 11 countries and regions across China and Southeast Asia, we capitalize on the trust placed in Japanese quality. This allows us to support Japanese companies in their overseas business expansion and effectively market products to local customers.

### Medical Science Operations

Enhance internal and external collaboration and contribute to the development of medical science

We offer medical products tailored specifically for the medical and research fields, adopting an approach that directly contributes to the protection of people's health and lives.

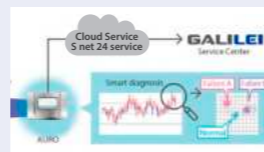


CFC-free medical cool box MediFridge Series FMS-125GSX

### Service Operations

Improve the quality of maintenance services in both digital and technological terms

We offer comprehensive support to customers who have installed our products, including maintenance and regular inspection services. We are also actively advancing IT-based servitization.



Smart diagnosis makes us a Zero Call Company.

### TAKAHASHI GALILEI CO. LTD.

Forward-looking product development to create the future

As pioneers, we developed, designed, and manufactured the industry's first Tunnel Freezer®, a device for continuous rapid freezing and cooling. We take pride in our 60-year track record since our founding and our number one market share in Japan.



Spiral freezer Largest production volume per square meter. Ideal for mass production

### SHOKEN GALILEI CO. LTD.

Develop optimal production lines for customers in an integrated manner

Since our establishment in 1968, as a specialized manufacturer of machinery and plants for food factories and drive apparatuses, we have contributed to automation, introduced labor-saving devices, and reduced power consumption on many production lines and logistics lines.



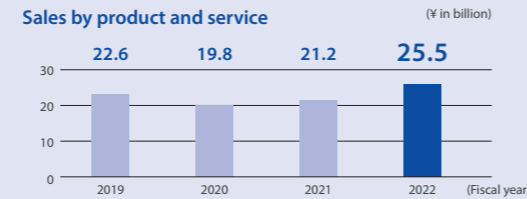
Robots To address staff shortages, an increasing number of factories have introduced robots into their operations. We offer comprehensive solutions, from layout design to installation of robots that are optimally suited for customers' production lines.



UE Series made at our Thai factory Plug-in type glass door cabinet

# Business Overview

## Refrigerator and Freezer Operations



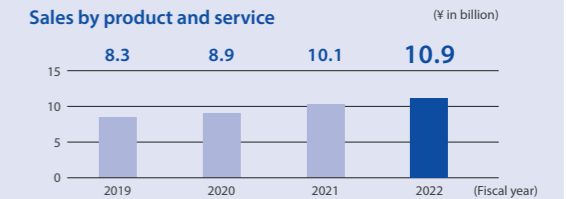
### FY2022 review

As restaurants adapted their business models during the COVID-19 pandemic beginning in 2020, demand for in-store processing and takeout remained strong. Also, demand in the food service industry began to rebound after the Japanese government eased COVID-19 movement restrictions in the second half of the year. As a result, our Refrigerator and Freezer Operations surpassed their pre-pandemic performance levels.

### Business strengths and prospects

In FY2023, we blazed a trail in the industry by announcing a product redesign of upright-type commercial refrigerators and freezers, as well as compact ice makers, to switch their refrigerants to a CFC-free refrigerant, R1234yf (GWP: 1). By using a refrigerant with a substantially lower GWP, we are making a significant step toward achieving a carbon-neutral society. R1234yf has a lower burning velocity and is safe to handle, making it suitable for on-site repairs and inspections. Our commitment to improving customer service includes increasing sales of products that are both safe and environmentally friendly.

## Service Operations



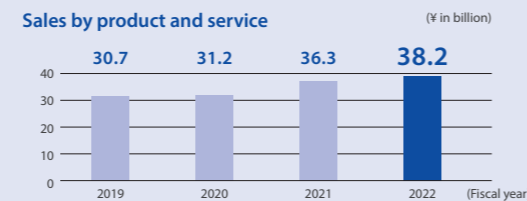
### FY2022 review

Net sales from maintenance contracts with supermarkets, convenience stores, and drug stores for showcases have continued to rise since FY2021. Our Service Operations surpassed their FY2021 performance levels, buoyed by recovery in the food service industry in the second half of the year and a rise in net sales of maintenance services for refrigerators and freezers. This year, the expansion of our installation and service staff enabled us to more closely integrate our sales, installation, and service teams. This demonstrates our ability to offer a wide range of services, from sales to maintenance, in a unified and efficient manner.

### Business strengths and prospects

In recent years, we have been advancing the Zero Call Company initiative which aims to detect potential malfunctions and intervene before they escalate into actual failures. G-Compass, a key component of this system, became fully operational in FY2023. This technology collects showcases' operation data and feeds back smart diagnosis results to boost diagnostic accuracy. We are committed to continuing our digital transformation, shifting our strategy from "repair" to "don't stop," in order to enhance our maintenance services for our customers. Additionally, in December 2022, we organized GALILEI Contractor Hub to strengthen our partnerships with installation and service contractors, with the aim of providing 10-year refrigerant leak warranties. Our ongoing efforts are focused on ensuring that customers can use our products with confidence, and on contributing to environmental protection.

## Showcase Operations



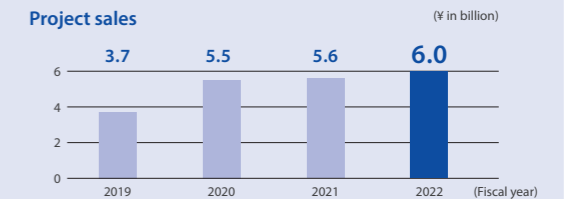
### FY2022 review

In the first quarter, our sales primarily to supermarkets and drug stores declined due to the suspension of orders caused by shortages of bubble fluid solutions. However, from the second quarter onward, orders normalized and we were able to resume normal delivery to customers. Demand for renovations and other capital investments from supermarkets saw a slowdown due to rising building and energy costs. Despite these challenges, our marketing of showcases with natural refrigerants, a key component of our Dramatic Future 2050 strategy, continued to perform well, particularly in sales to convenience stores.

### Business strengths and prospects

In response to soaring energy costs that pose a significant challenge for the retail and distribution industries, we are proactively marketing CFC-free, plug-in showcases, which have higher energy efficiency and a lower environmental impact. Additionally, we are expanding our range of plug-in reach-in showcases with CO<sub>2</sub> refrigerants. Our commitment to innovation extends to promoting the installation of a next-generation air conditioning system, the "Galilei Air-tec System." This system enhances in-store environments by properly controlling air conditioning, humidity, and showcases, thereby saving energy throughout the entire store. Our ongoing dedication to environmental protection and energy efficiency underscores our commitment to offering solutions that meet our customers' needs.

## Engineering Operations



\* Sales of FUKUSHIMA GALILEI's engineering projects

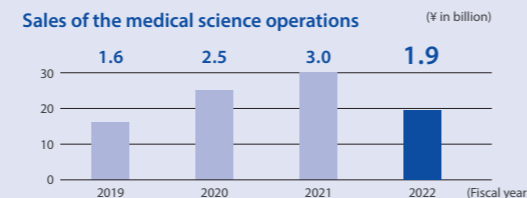
### FY2022 review

Since FY2021, there has been strong demand for the construction of freezing factories for convenience store vendors and process centers for supermarkets. Meanwhile, demand in the logistics industry intensified against the backdrop of online shopping for fresh food and the upcoming 2024 logistics challenge. We have successfully addressed challenges our customers faced, such as labor shortages and the need for integrated and streamlined logistics operations. This success stems from our ability to offer comprehensive services that encompass design, installation, and maintenance.

### Business strengths and prospects

To enhance our Engineering Operations, which deliver comprehensive engineering services for large-scale warehouses and food manufacturing factories, particularly for their refrigeration, freezing equipment, and air conditioning systems, we entered into a business partnership with Fujinetsu Co., Ltd in January 2023. Fujinetsu specializes in design, installation, and maintenance of air conditioning and sanitation equipment. Through this collaboration, we aim to create new value by synergizing our engineering expertise with freezing and refrigeration technologies.

## Medical Science Operations



\* Sales of FUKUSHIMA GALILEI's medical science products, related installation, and prefabricated refrigerators are included.

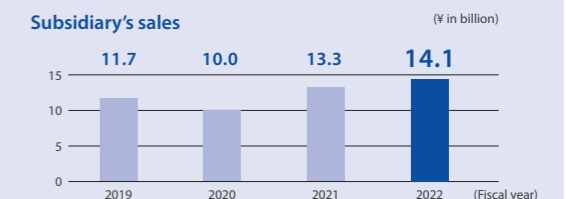
### FY2022 review

Demand for medical cool boxes and freezers, used to store COVID-19 vaccines and diagnostic agents, was high in FY2020 and FY2021, but has declined. Consequently, the performance of Medical Science Operations fell significantly below the previous year's level. This downturn was due to a decrease in sales from large projects for regenerative medicine in FY2021 and in sales of prefabricated refrigerators for pharmaceutical wholesalers. In terms of product development, medical cool boxes were redesigned in November 2022 to be CFC-free, in alignment with decarbonization efforts.

### Business strengths and prospects

As part of our Dramatic Future 2050 initiatives, we are advocating a shift to natural refrigerants in the medical science field. We aim to redesign medical freezers to utilize CFC-free refrigerants in the winter of 2023. Also, we plan to establish a presence at Nakanoshima Qross, which is scheduled to open in Nakanoshima, Kita-ku, Osaka, in 2024. We will collaborate with other occupants of the building to advance the industrialization of state-of-the-art "future healthcare" centered around regenerative medicine, which is the concept of Nakanoshima Qross. Through this effort, we will strive to make a valuable contribution to the international community.

## GALILEI PANEL CREATE CO. LTD.



### FY2022 review

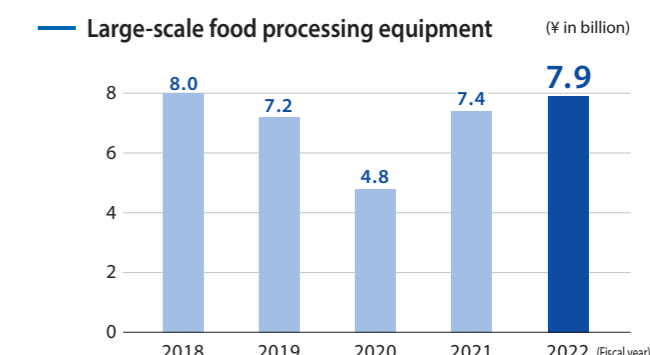
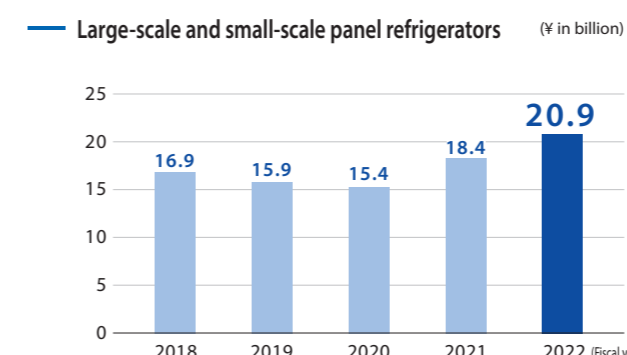
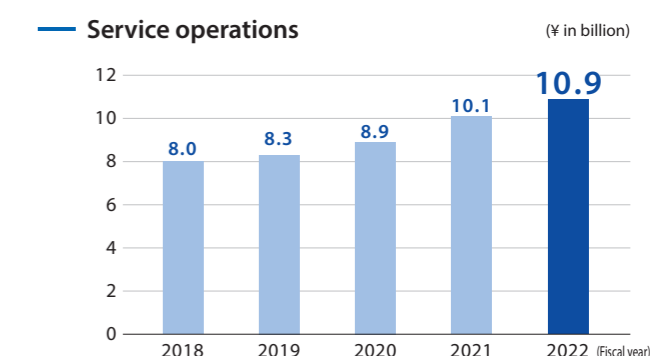
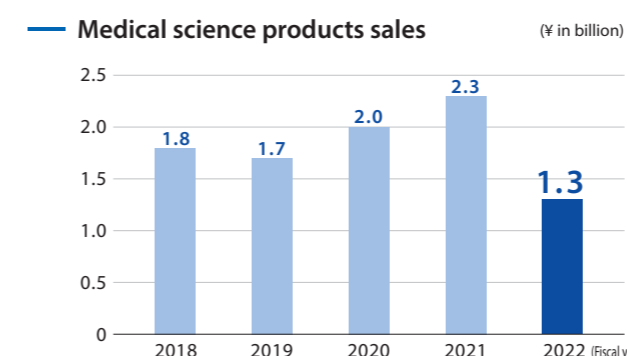
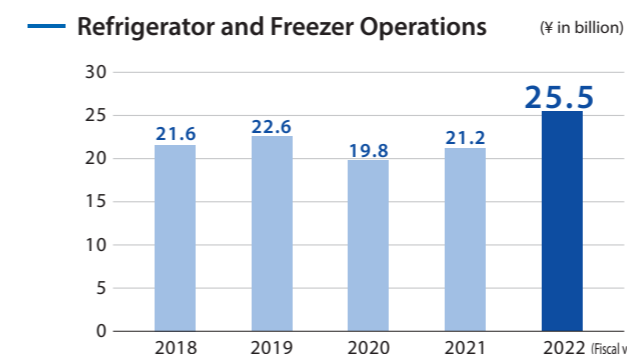
GALILEI PANEL CREATE began receiving orders for large projects in FY2021, but sales experienced a temporary decline due to the impact of shortages of bubble fluid solutions. However, sales to supermarkets, small-scale food manufacturing factories, and hotels recovered. Additionally, sales to food manufacturing factories, convenience store vendors, and logistics centers generally remained robust throughout the year. Recently, we have expanded our focus to include clean rooms in non-refrigeration fields, such as semiconductor plants and pharmaceutical companies, and we have made significant progress in this area.

### Business strengths and prospects

GALILEI PANEL CREATE's core competencies include managing the entire process of panel design, production, and installation, as well as providing the GALILEI Group's comprehensive coordination services for refrigerator and freezer installation, thereby tapping into various sales channels. We have concentrated on the clean room market and have started to receive an increasing number of orders from semiconductor plants and pharmaceutical companies. We especially anticipate sustained demand in the semiconductor industry, in light of the expansion of Taiwanese semiconductor manufacturers to Japan and the repatriation of Japanese production plants to Japan.

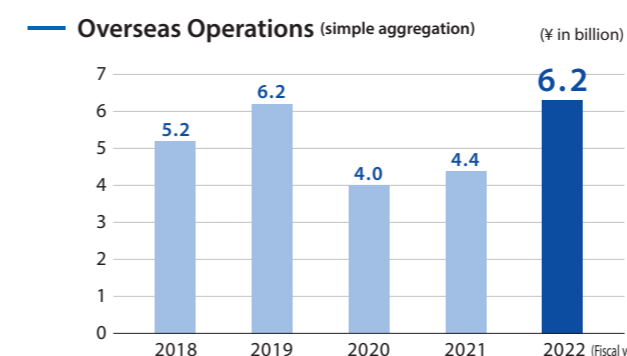
## Sales Trends by Operation

\* Divisional sales are indicated according to the sales categories used in financial results briefing materials.

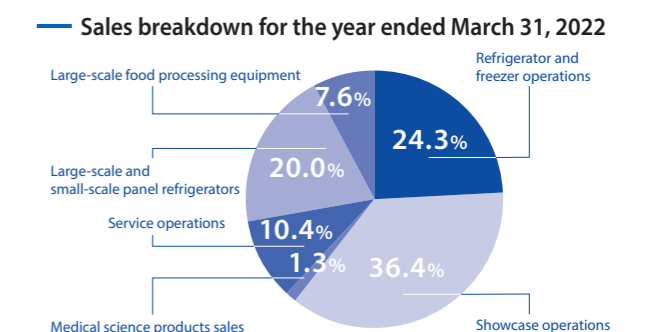


\* Sales of large-scale and small-scale panel refrigerators are sales achieved by our Engineering Operations division and sales achieved by GALILEI PANEL CREATE CO. LTD. combined.

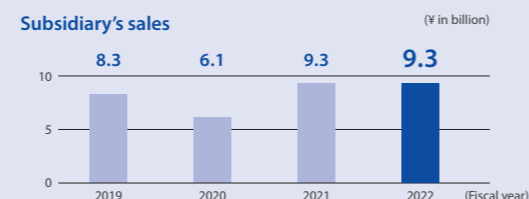
\* Sales of large-scale food processing equipment are sales achieved by TAKAHASHI GALILEI CO. LTD. (excluding Service Operations) and sales achieved by SHOKEN GALILEI CO. LTD. combined.



\* Sales achieved by our Foreign Operations division are included in sales achieved by the Refrigerator and Freezer Operations division and sales achieved by the Showcase Operations division.



## TAKAHASHI GALILEI CO. LTD.



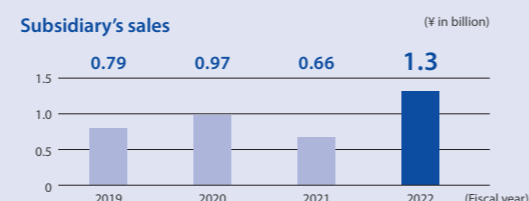
### FY2022 review

Despite some customers being hesitant about capital investment decisions due to the surge of raw materials costs, demand for frozen foods and ready-to-eat meals from food manufacturers and convenience store vendors remained robust. Sales of the Spiral Freezer, which is capable of fulfilling a diverse array of customer needs, rose strongly alongside our flagship product, the Tunnel Freezer. Consequently, sales for TAKAHASHI GALILEI attained the levels seen in FY2021.

### Business strengths and prospects

Leveraging the MILAB Food Factory Laboratory in the GALILEI Group's headquarters and our solution-based business model, we tailor our freezing technology and equipment to meet our customers' specific needs. In response to the rising demand for natural refrigerants, we began actively marketing the "NOBRAC" CO<sub>2</sub> chiller in April 2023. This product, designed for use with the Tunnel Freezer and large refrigerators and freezers, not only minimizes environmental impact but can also save up to 20% of energy when its control is integrated with the freezers.

## SHOKEN GALILEI CO. LTD.



### FY2022 review

SHOKEN GALILEI successfully navigated the challenges posed by the rising prices of stainless steel, their main product material, and the difficulty in sourcing electrical components. This was achieved by strategically pre-ordered the necessary materials in the first half of the year. Coupled with strong demand for frozen food since FY2021, SHOKEN GALILEI saw a remarkable 198% V-shaped recovery from the previous year's performance.

### Business strengths and prospects

To maximize group synergy, we are stepping up efforts to become a robot system integrator (Sler). Our focus extends beyond supplying equipment for before or after the freezing process and conveyor equipment used in production, as we are also aiming to enhance the packaging process in the logistics sector. In April 2023, SHOKEN GALILEI's new head office and factory building was constructed and became operational. This new facility, with a production area twice as large as the previous one, is instrumental in improving productivity, and has a laboratory designed for testing automated and labor-saving equipment.

## Overseas Operations



### FY2022 review

Following the economic recovery from the lockdowns during the COVID-19 pandemic that began in 2020, businesses in Japan as well as in other countries have resumed active capital investments. As a result, nearly all of our sales companies significantly outperformed the previous year's results. Notably, our Overseas Operations achieved a 142% V-shaped recovery from the previous year. Furthermore, our Thai Factory saw exceptional performance, with its production volume surpassing the FY2021 level due to the expansion of production lines and increased production capacity. We plan to continuously broaden our product range to boost sales in the Asian market.

### Business strengths and prospects

In FY2022, our Overseas Operations achieved a V-shaped recovery, and we anticipate substantial growth in the overseas market during the post-pandemic period. Our strengths lie in our ability to offer superior Japanese freezing technology, honed in Japan, to our international customers. A key aspect of our overseas strategy involves developing and marketing blast chillers tailored to international specifications, offering labor-saving solutions for stores. In addition, we are currently formulating "GALILEI Global Vision 2030", a medium-term plan for our Overseas Operations leading up to 2030. Our goal for further overseas expansion includes conducting market analysis of various countries and exploring opportunities to enter new markets.

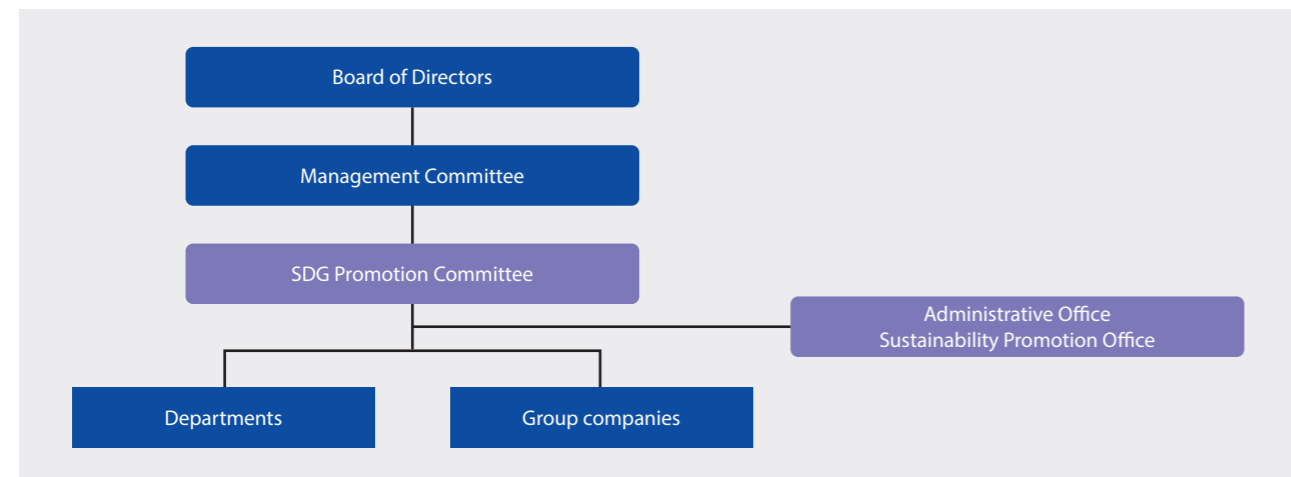
# Sustainability Initiatives

## Sustainability Policy

The corporate philosophy of the GALILEI Group revolves around the Four Rules of Happiness: achieving consumer happiness, customer happiness, employee happiness, and stakeholder happiness. In line with this philosophy, we are committed to addressing social issues through our business activities, creating a sustainable society, and enhancing our medium- to long-term company value.

## Sustainability Promotion Framework

In June 2021, the GALILEI Group established the SDG Promotion Committee to advance sustainability efforts throughout the Group. The president of the GALILEI Group chairs the Committee, which convenes quarterly to review the progress of our sustainable vision, "Dramatic Future 2050." The Committee also focuses on addressing social issues, particularly environmental issues, and offers advice to departments and group companies as needed. In April 2023, we established the Sustainability Office, a specialized unit dedicated to handling sustainability and ESG issues. This structure enables us to expedite our sustainability initiatives by working closely with various organizations. With this robust framework in place, both management and staff are actively engaged in group-wide efforts to realize our sustainable vision, "Dramatic Future 2050," and to tackle material issues that we have identified.



### Items on the SDG Promotion Committee's agenda (excerpt)

Third meeting held in March 2023	Fourth meeting held in July 2023
Participation in GX League	GX-ETS (GX League) targets
TCFD (Scenario analysis and reviews of risks and opportunities)	Reviews of target amounts of reduction in CO <sub>2</sub> emissions
Sustainability information disclosure schedule	Sustainability information disclosure policy
Progress reviews of "Dramatic Future 2050"	Progress reviews of "Dramatic Future 2050"

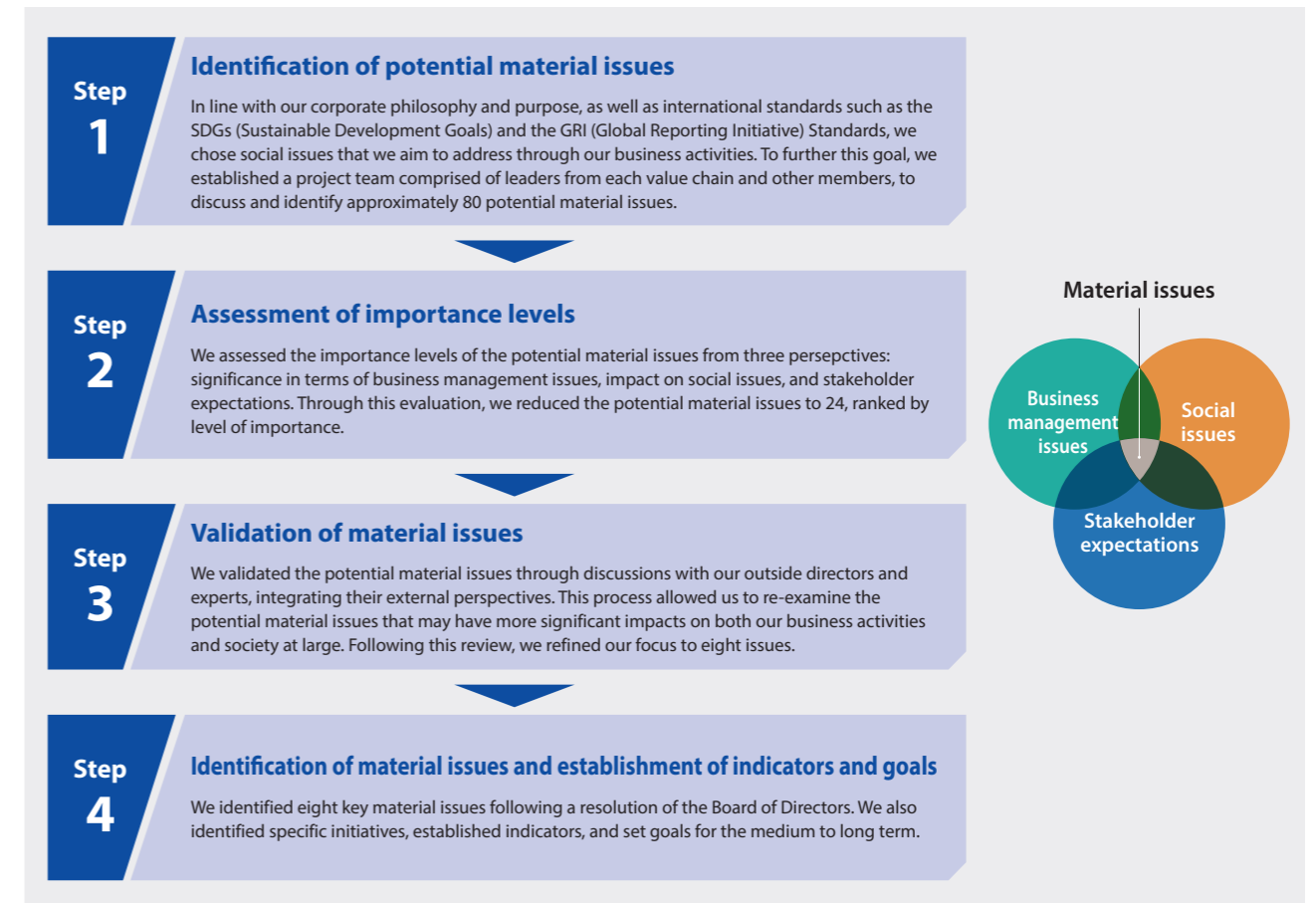
### Workshop

In February 2023, we conducted a sustainability workshop led by Ms. Eriko Nashioka, an outside director. The workshop was attended by directors, SDG Promotion Committee members, and staff from the Administration Headquarters. It served as an educational platform where all attendees gained insights into the importance of sustainability initiatives. The workshop offered valuable opportunities for the participants to enhance their understanding of sustainability and brainstorm potential solutions to social issues.

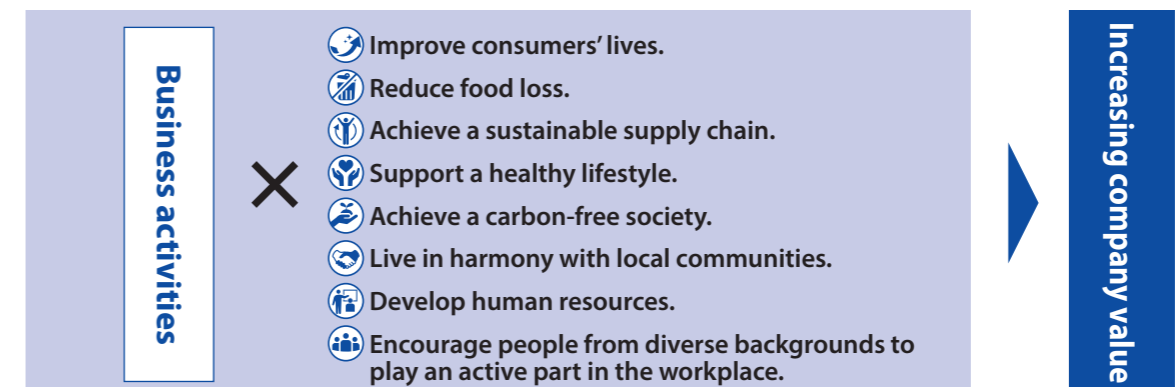
## Identification of Material Issues

Confronted with numerous social challenges, including food-related issues, climate change, and diversity, we at the GALILEI Group recognize the necessity of addressing these issues through our business operations. In September 2023, we identified key material issues to clarify which social issues the GALILEI Group should focus on. Also, we identified specific initiatives to undertake in the medium to long term, established measurable indicators, and set goals. By tackling these material issues, the GALILEI Group strives to achieve two missions: creating a sustainable society and enhancing our medium to long-term company value.

### Material Issues Identification Process



## Material Issues and Increasing Company Value



### Material issues and the value we offer

The GALILEI Group has identified material issues that the Group must address in order to achieve our purpose, "Shape a future of food and life," and our four visions. We remain determined to offer value to consumers by tackling these material issues.

**Our Purpose**

# Shape a Future of Food and Life











Value we offer

Material issues

Shape a future of <b>delicious</b> and delightful food	Shape a future of <b>quality</b> of life	Shape a future of <b>lives</b>	Shape a future of <b>happiness</b>
<p><b>Share the joy and excitement of tasty food with people</b></p> <ul style="list-style-type: none"> <li>Encounters with new food cultures</li> <li>Diversification of food</li> <li>Optimization of food preservation techniques</li> </ul>	<p><b>Support a food lifeline for better living</b></p> <ul style="list-style-type: none"> <li>Food safety and security</li> <li>Efficient food supply</li> <li>Development of cold storage chains</li> </ul>	<p><b>Ensure the vitality and health of people and all life on our planet</b></p> <ul style="list-style-type: none"> <li>Diverse approaches to medical and healthcare services</li> <li>Reduction of environmental impact</li> <li>Reduction of CO<sub>2</sub> emissions</li> </ul>	<p><b>Contribute to the happiness of people around the world</b></p> <ul style="list-style-type: none"> <li>Community connection</li> <li>Cultivation of personnel supporting cold storage chains</li> <li>Diverse work styles</li> </ul>

## Key Issues the GALILEI Group Must Address to Achieve Its Purpose

<p>Improve consumers' lives <span style="float: right;">17 PARTNERSHIPS FOR THE GOALS</span></p> 	<p>Reduce food loss <span style="float: right;">12 RESPONSIBLE CONSUMPTION AND PRODUCTION</span></p> 	<p>Support a healthy lifestyle <span style="float: right;">3 GOOD HEALTH AND WELL-BEING</span></p> 	<p>Live in harmony with local communities <span style="float: right;">11 SUSTAINABLE CITIES AND COMMUNITIES</span></p> 
<p>Achieve a sustainable supply chain <span style="float: right;">9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</span></p> 	<p>Achieve a carbon-free society <span style="float: right;">13 CLIMATE ACTION</span></p> 	<p>Develop human resources <span style="float: right;">8 DECENT WORK AND ECONOMIC GROWTH</span></p> 	<p>Encourage people from diverse backgrounds to play active roles in the workplace <span style="float: right;">5 GENDER EQUALITY</span></p> 



With the goal of passing on a sustainable environment to future generations, we have established the Environment Vision 2050, which aims to achieve a carbon neutral, carbon free society by 2050.

**Environment Vision 2050**

- Stop emitting greenhouse gases throughout the GALILEI Group.
- Aim to halt global warming with our refrigerants and cooling technology.
- Be a company chosen by customers for our environmental awareness.

we have established the Environment Vision 2050, which aims to achieve a carbon neutral, carbon free society by 2050.

**Environment Action 2030**

- Convert to green refrigerants
- Prevent refrigerant gas leaks
- Develop and offer products with superior environmental performance
- Reduce CO<sub>2</sub> emissions

©The GALILEI Group SDG Declaration has been updated in the form of material issues.

# Eight Material Issues Identified

Corporate philosophy	Purpose	Vision	Value GALILEI offers	Social issues (trends)	Material issues	SGDs we support	Specific initiatives	Indicator	Target year	Target	Results (2022)					
Four rules of happiness	Consumer Happiness	Shape a future of delicious and delightful food	By pursuing food innovation, we create new food ingredients, new cooking methods, new menu ideas, and new ways of eat-ing. We continue to share the joy and excitement of tasty food with people.	<ul style="list-style-type: none"> <li>Ensuring nutritional balance and pursuing healthy diets</li> <li>Diversification of food and new ingredients (e.g. meat substitutes, insect-based food products)</li> <li>Exploring new cooking methods, new menu ideas, and new ways of eating</li> </ul>	<p><b>Improve consumers' lives</b> ▶P.31</p>		<ul style="list-style-type: none"> <li>Make effective use of using MILAB to promote co-creation through industry-government-academia collaboration.</li> </ul>	Number of MILAB users	2025	● 10,000 users per year	● 3,187 users per year					
							<ul style="list-style-type: none"> <li>Develop food startups.</li> </ul>	Number of startups given support	2030	● 30 companies in cumulative total, 2 listed companies	● 8 companies					
							<ul style="list-style-type: none"> <li>Keep food fresh in cold storage chains</li> <li>Use freezing technology to extend food expiration dates.</li> <li>Develop food loss reduction technology.</li> <li>Contribute to the development of cold storage chains in Asia.</li> </ul>	Amount of food loss reduced through products and services	2030	● 150,000 tons per year	● 101,069 tons per year					
							<ul style="list-style-type: none"> <li>Promote adherence to the Sustainable Procurement Guidelines.</li> <li>Promote sustainable procurement.</li> </ul>	Procurement based on Sustainable Procurement Guidelines (survey response rate)	2025	● 80%	● Not yet implemented					
							<ul style="list-style-type: none"> <li>Promote the optimization of supply chains.</li> </ul>	Promotion of in-house production, strengthened operations, and digitization	2030	● 100%						
							<ul style="list-style-type: none"> <li>Promote the Zero Call Company concept.</li> </ul>	Number of stores using AI for smart diagnosis	2025	● Qualitative assessment	—					
							<ul style="list-style-type: none"> <li>Promote the Zero Call Company concept.</li> </ul>	Number of stores using AI for smart diagnosis	2030	● 10,000 stores per year	● 2,404 stores per year					
							<ul style="list-style-type: none"> <li>Employ various approaches to the regenerative medicine and healthcare fields.</li> </ul>	Products developed for new business fields, such as the regenerative medicine and healthcare fields	2025	● Qualitative assessment	—					
							<ul style="list-style-type: none"> <li>Contribute to the medical and healthcare industries in Asia.</li> </ul>	Number of products, systems, and services provided to the medical and healthcare industries	2030	● 10,000 products / systems / services per year	● 5,570 products / systems / services per year					
								<p><b>Environment Action 2030</b></p> <ul style="list-style-type: none"> <li>Transition to green refrigerants.</li> <li>Prevent refrigerant gas leaks.</li> <li>Develop and offer products with superior environmental performance.</li> <li>Reduce CO<sub>2</sub> emissions.</li> </ul>	<p><b>Environment Action 2030</b></p> <ul style="list-style-type: none"> <li>Weighted average GWP (Global Warming Potential)</li> <li>Amount of refrigerant leaks</li> <li>Shift to products with less environmental impact, calculated by a LCA (Life Cycle Assessment)</li> <li>Reduction in CO<sub>2</sub> emissions across the entire value chain</li> </ul>	2025	● 500 (plug-in type) ● 1,500 (remote type)	● 1,829 (plug-in type) ● 1,670 (remote type)				
										2035	● 0 t-CO <sub>2</sub> per year	● 63,503 t-CO <sub>2</sub> per year				
										2025	● Qualitative assessment	● LCA performed ● Horizontal normal compressors discontinued				
2030 2050	● Down 50% from 2013 ● Down 100% from 2013	● Down 31% from 2013 (9,568 t-CO <sub>2</sub> )														
Customer Happiness	Shape a future of lives	By reducing our environmental impact and innovating in energy management, we ensure the vitality and health of people and all life on our planet.	<ul style="list-style-type: none"> <li>Intensification of global warming</li> </ul>	<p><b>Achieve a carbon-free society</b> ▶P.35-40</p>		<ul style="list-style-type: none"> <li>Employ various approaches to the regenerative medicine and healthcare fields.</li> </ul>	Products developed for new business fields, such as the regenerative medicine and healthcare fields	2025	● Qualitative assessment	—						
						<ul style="list-style-type: none"> <li>Contribute to the medical and healthcare industries in Asia.</li> </ul>	Number of products, systems, and services provided to the medical and healthcare industries	2030	● 10,000 products / systems / services per year	● 5,570 products / systems / services per year						
						<ul style="list-style-type: none"> <li>Transition to green refrigerants.</li> </ul>	Weighted average GWP (Global Warming Potential)	2025	● 500 (plug-in type) ● 1,500 (remote type)	● 1,829 (plug-in type) ● 1,670 (remote type)						
						<ul style="list-style-type: none"> <li>Prevent refrigerant gas leaks.</li> </ul>	Amount of refrigerant leaks	2035	● 0 t-CO <sub>2</sub> per year	● 63,503 t-CO <sub>2</sub> per year						
						<ul style="list-style-type: none"> <li>Develop and offer products with superior environmental performance.</li> </ul>	Shift to products with less environmental impact, calculated by a LCA (Life Cycle Assessment)	2025	● Qualitative assessment	● LCA performed ● Horizontal normal compressors discontinued						
						<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions.</li> </ul>	The GALILEI Group CO <sub>2</sub> emissions reduction rates	2030 2050	● Down 50% from 2013 ● Down 100% from 2013	● Down 31% from 2013 (9,568 t-CO <sub>2</sub> )						
						<ul style="list-style-type: none"> <li>Reduction in CO<sub>2</sub> emissions across the entire value chain</li> </ul>	Reduction in CO <sub>2</sub> emissions across the entire value chain	2025	● Qualitative assessment	● Air-tech System installed at 14 stores, Energy Management System installed at 464 stores (10.6% energy efficiency)						
						Employee Happiness	Shape a future of happiness	As members of the global community, our first goal is to make those around us happy, and then extend that happiness to people worldwide by living in harmony with our community.	<ul style="list-style-type: none"> <li>Expansion of philanthropic activities, e.g. support for NPOs, disaster-stricken areas, people living in poverty and single-parent families, as well as sporting events</li> </ul>	<p><b>Live in harmony with local communities</b> ▶P.41-42</p>		<ul style="list-style-type: none"> <li>Promote social engagement through the GALILEI 1% Club.</li> </ul>	Number of the GALILEI 1% Club activities performed	2030	● 100 activities per year	● 42 activities per year
												<ul style="list-style-type: none"> <li>Contribute to local communities by supporting sporting events.</li> </ul>	Support for sporting events jointly organized with local communities and authorities	2030	● 1,000 people per year	● 34 people per year
												<ul style="list-style-type: none"> <li>Continue to enhance human resources development and training programs.</li> </ul>	Training hours per employee	2025	● Qualitative assessment	● Corporate tennis lessons provided
												<ul style="list-style-type: none"> <li>Promote and expand the GALILEI Academy.</li> </ul>	Cultivation of refrigeration engineers through operation of a technical training school	2030	● 20 hours per employee <sup>*1</sup>	● 10.5 hours per employee <sup>*1</sup>
												<ul style="list-style-type: none"> <li>Promote and expand the GALILEI Academy.</li> </ul>	Cultivation of refrigeration engineers through operation of a technical training school	2025	● Qualitative assessment	● Accredited and recognized as a short-term vocational training school ● 42 students per year completed the training.
<ul style="list-style-type: none"> <li>Improve employee engagement.</li> </ul>	Mean deviation of employee engagement in the GALILEI Group	2030	● 65 <sup>*1</sup>	● 48.6% <sup>*2</sup>												
Stakeholder Happiness	Shape a future of happiness	By cultivating personnel who will support cold storage chains in the future, we shape a future of delicious and delightful food, a future of quality of life, a future of lives, and a future of happiness for everyone around the world.	<ul style="list-style-type: none"> <li>Lack of technical staff supporting cold storage chains</li> <li>Development of global human resources</li> </ul>	<p><b>Develop human resources</b> ▶P.43-44</p>		<ul style="list-style-type: none"> <li>Continue to enhance human resources development and training programs.</li> </ul>	Training hours per employee	2030	● 20 hours per employee <sup>*1</sup>	● 10.5 hours per employee <sup>*1</sup>						
						<ul style="list-style-type: none"> <li>Promote and expand the GALILEI Academy.</li> </ul>	Cultivation of refrigeration engineers through operation of a technical training school	2025	● Qualitative assessment	● Accredited and recognized as a short-term vocational training school ● 42 students per year completed the training.						
						<ul style="list-style-type: none"> <li>Improve employee engagement.</li> </ul>	Mean deviation of employee engagement in the GALILEI Group	2030	● 65 <sup>*1</sup>	● 48.6% <sup>*2</sup>						
						<ul style="list-style-type: none"> <li>Build a diverse workforce by promoting women's empowerment, increasing mid-career hires, reducing turnover among younger staff, employing mature staff, and increasing non-Japanese staff.</li> </ul>	Percentage of female directors	2030	● 30%	● 8.3%						
						<ul style="list-style-type: none"> <li>Build a diverse workforce by promoting women's empowerment, increasing mid-career hires, reducing turnover among younger staff, employing mature staff, and increasing non-Japanese staff.</li> </ul>	Percentage of female managerial staff		● 10% <sup>*1</sup>	● 2.5% <sup>*1</sup>						
						<ul style="list-style-type: none"> <li>Provide a positive work environment and offer diverse work styles.</li> </ul>	Average overtime hours worked	2025	● 75%	● 50%						
<ul style="list-style-type: none"> <li>Provide a positive work environment and offer diverse work styles.</li> </ul>	Paid annual leave take-up rate	● 20 hours <sup>*1</sup> ● 70% <sup>*1</sup>	● 28.3 hours <sup>*1</sup> ● 53.5% <sup>*1</sup>													

\*1 On a non-consolidated basis  
\*2 FUKUSHIMA GALILEI East Japan Branch Office (Asakusabashi Office and Nihonbashi Office)

# From Material Issues to New Value Creation

Academics assess the current status and goals of the GALILEI Group's initiatives to promote sustainability management and provides advice for future initiatives.



## Discussion for Sustainability



### Eriko Nashioka

FUKUSHIMA GALILEI CO. LTD.  
Outside Director (Audit & Supervisory Committee)

### Tatsuo Hino

FUKUSHIMA GALILEI CO. LTD.  
Director & Senior Executive Officer  
General Manager of Administrative Headquarters

### Professor Katsuhiko Kokubu

Professor, Kobe University  
Graduate School of Business Administration  
Doctor of Business Administration  
Completed Doctoral Program at Osaka City University  
Graduate School of Business

### Professor Daizo Takaoka

Honorary Professor, Osaka Electro-Communication University, Doctor of Engineering  
Member of the Shijonawate City Environmental Council Committee  
Former member of the Osaka City ESCO Project Proposal and Evaluation Committee  
Completed Master's Program at Osaka University, Graduate School of Engineering, Division of Mechanical Engineering

### Go Fukushima

FUKUSHIMA GALILEI CO. LTD.  
President

### Keiichi Yodoshi

FUKUSHIMA GALILEI CO. LTD.  
Outside Director (Audit & Supervisory Committee Member)

### Perspectives on social issues are a driving force for companies to create value

**Fukushima** It's been a year since I assumed the position of president. Being responsible for managing this company, I have been more focused than ever on increasing our company's value. While it's natural for businesses to aim for increased sales and revenue, I believe it's crucial for the GALILEI Group to consider how best to promote ESG management and enhance our company value. Our business activities haven't always been directly associated with ESG, but now that we've recently identified material issues, I think we can more clearly demonstrate to everyone how our past and future business activities are connected to ESG.

**Kokubu** When identifying material issues, it's extremely important to social issues. If a company integrates its perspective on social issues into its business management, it will be driven to create new value. This is why identifying material issues is crucial for companies. Without a focus on social issues, a company will inevitably manage its business in a conventional manner.

**Fukushima** Professor Kokubu, what do you think of the material issues we identified? Do you believe they are appropriate?

**Kokubu** I believe all the material issues identified by the GALILEI Group are connected to social issues and have great significance. If I may suggest just one improvement, it would be more impactful if you could position each of the material issues within the context of broader social issues. Take "Improve consumers' lives," for instance. You have pinpointed the development of food startups as a specific initiative under this material issue. If you were to incorporate a focus on ending poverty into this issue, for example, it would enhance the public's understanding of the significance of the GALILEI Group's business activities.

### Facing the material issue of decarbonization as a solution business

**Kokubu** One of your material issues, "Achieve a carbon-free society," is particularly crucial for the GALILEI Group's business operations as it is directly linked to value creation. Reducing CO<sub>2</sub> emissions, which increases energy efficiency, is in itself a form of value creation. I acknowledge the steps the GALILEI Group has taken to switch to green refrigerants, but in terms of addressing social

issues, I suggest broadening your perspective. Consider not only the environmental impact of your products but also their wider implications. This approach aligns with a solution business that aims to comprehensively reduce CO<sub>2</sub> emissions. A solution business encompasses more than just products; it is intertwined with the circular economy and digital transformation. Adopting this mindset will reveal previously unseen connections with your products and open up new business opportunities.

**Fukushima** We also view the achievement of a carbon-free society as an issue that is directly tied to our business operations. Professor Kokubu, your insights have highlighted the need for us to establish more specific goals for the next five and ten years. The example of a supermarket obtaining ZEB (Zero Energy Building) certification by reducing its building equipment's primary energy consumption to net zero is inspiring. I believe the GALILEI Group should proactively offer similar solutions. Moreover, it's important that we officially declare this approach as a specific initiative in addressing our material issues.

**Kokubu** You are absolutely right. The refrigerated showcases in your product range are indeed significant. You could build a model supermarket and then integrate it with regional development, opening up more possibilities.

**Takaoka** Your product range includes a system that centrally controls the air conditioning system and refrigerated showcases in a supermarket, which aligns precisely with the business area Professor Kokubu has just mentioned.

**Fukushima** Indeed, offering comprehensive energy management services for supermarket customers, such as the installation of solar panels and storage batteries, is a forward-thinking approach. There's likely to be growing demand for these services in the future, and we intend to proactively promote them.

### Considering human resources development not as a GALILEI-specific issue, but as a broader social issue

**Kokubu** The development of human resources is another material issue, and I see it as having great significance in terms of sustainability. It's true that every company recognizes the importance of human resources development. However, if this development is viewed solely within It is only when a company aims to cultivate individuals

## Addressing material issues should not be a mere formality. We will declare our commitment addressing these issues, and collectively focus our efforts towards meaningful action.

who can significantly contribute to society that human resource development becomes a social issue. Consequently, providing a positive work environment is vital, as it allows outstanding staff to work with enthusiasm.

**Fukushima** My sentiments exactly. We take pride in the establishment of GALILEI Academy for human resources development. Currently serving as a training hub for our staff, it holds great potential to evolve into a center of learning accessible to people beyond the GALILEI Group. In fact, discussions are underway to make this a reality.

**Kokubu** That's wonderful to hear. I believe the employment of retirees is another highly pertinent human resources issue. The employment of elderly individuals in the workforce presents a significant challenge in an aging society. It is crucial for the GALILEI Group to deliberate on how best to address this issue.

**Fukushima** Indeed, the majority of our technical staff are relatively young, but a significant portion of them will reach retirement age in the next 10 to 15 years. We need to begin strategizing on the best approaches to retain their expertise and experience when that time comes.

### To genuinely advance diversity, we must cultivate an environment that enables everyone to reach their full potential

**Takaoka** Considering human resources issues, the material issue of "Encouraging people from diverse backgrounds to play active roles in the workplace" is indeed crucial. For instance, women's empowerment, as one of your specific initiatives, is highly significant. Nowadays, there's a noticeably higher number of female students in chemistry or other scientific fields compared to when I was in university. Their exceptional abilities are evident during presentations at academic conferences. It's essential and logical for the GALILEI Group to increasingly recruit female graduates in the future.

**Fukushima** We are committed to actively hiring female staff. The career path I envision for our female administrative staff involves transitioning them to career track positions where they can be promoted to technical roles, effectively using CAD or digital transformation skills. At our Tokyo and Osaka offices, we've seen an increase in female hires, many of whom are highly motivated. I am confident they will acquire new skills to advance their professional development.

**Takaoka** I firmly believe that your female staff will take up technical roles. I hope to see that come to fruition.

**Kokubu** My university has been approach to develop a training program specifically for female executives and managers. Our research into these requests has revealed that the business approaches and styles preferred by men don't necessarily align with those preferred by women. Women may find certain work styles or situations more suitable or rewarding, and it's crucial to identify and cater to these aptitudes. A company should aim to create a workplace where everyone, regardless of gender, can demonstrate their aptitude and competence. This is the essence of diversity.

**Nashioka** As a female staff member at FUKUSHIMA GALILEI, I can identify with Professor Kokubu's observations. Applying the existing performance evaluation system to female staff inevitably leads to issues. It's true that some women may not aspire to managerial positions due to the increased workload. In contrast, men are often more willing to accept additional responsibilities for career advancement. This discrepancy needs to be addressed. I believe there's a distinct difference between being a team player and managing a team. Fostering a work environment that is comfortable in both vertical and horizontal structures is key to promoting diversity and inclusivity.

### Make it a reality, not just a formality

**Takaoka** From my perspective, the eight material issues and specific



initiatives appear to be well-conceived. If I could offer one technical suggestion, it would be beneficial to include your perspective on freeze-drying in the food, medical, and science fields. By doing so, you could add more social value to your material issues, particularly "Reduce food loss" and "Support a healthy lifestyle."

**Kokubu** What is most crucial when considering material issues and sustainability is addressing and dealing with them because they are important, not merely as a formality. As a researcher, I've observed that many companies treat sustainability management as a checkbox-ticking exercise. Materiality should be the guiding principle in executing sustainability management. The widespread identification of material issues initially arose from the need for companies to recognize issues that genuinely matter to them, prompting actionable steps. However, it's increasingly seen as a mandatory task, leading to its treatment as a mere formality. his mindset needs to be avoided because material issues are indeed significant. It's essential that specific efforts are made to address these issues due to their importance. Material issues open up opportunities to discover non-financial value. If the GALILEI Group seriously addresses and deals with issues that are important to society even if they are not directly related to the Group's core business operations, it can lead to the creation of new value for the Group.

**Yodoshi** Professor Kokubu and Professor Takaoka, I want to express my gratitude for your valuable insights and advice. Although there is still much to discuss regarding the material issues we've identified, the progress we've made with these eight material issues is highly significant to the GALILEI Group. For us, addressing material issues is synonymous with managing a company. As Professor Kokubu highlighted, dealing with these issues should not be a mere formality. I firmly believe that handling these matters correctly is crucial for growing our business, ensuring its

sustainability, and enhancing our company's value. The GALILEI Group is defined by its unwavering commitment to achieving goals. We are dedicated to collaboratively tackling these material issues to create value, and I am confident that this approach will distinguish us as a unique company.

**Nashioka** Indeed, we are just beginning to address and deal with material issues. As the professors emphasized, there are social issues that the GALILEI Group must prioritize and thoroughly consider how to contribute effectively to their resolution. remain acutely aware of these issues, they can lead to new business opportunities. I am hopeful that identifying these material issues will mark the beginning of a significant leap forward in our future endeavors. While it's true that these new business opportunities may yield immediate profits, I believe they will eventually prove to be of great value to the GALILEI Group. Now that we have pinpointed the material issues, it's important for all staff to engage in discussions about these matters.

**Hino** Thank you, Professor Kokubu, for your insightful advice. We now recognize the importance of identifying and addressing material issues because of their intrinsic significance. We have recently established medium to long-term goals for each of our material issues. These goals were set with the intention of motivating every member of our staff to take action. While these goals are the goals we have in mind at this point in time, represent our current aspirations, we plan to continually refine and elevate them. Our team is committed to working collaboratively to review and enhance these goals by applying the PDCA (Plan-Do-Check-Act) cycle. Professor Kokubu and Professor Takaoka, we greatly appreciate your continued guidance and support, and we look forward to it as we strive to evolve the GALILEI Group into a company that creates even greater value.



## Improve Consumers' Lives

By pursuing food innovation, we are dedicated to creating new food ingredients, cooking methods, menu ideas, and ways of eating. Our goal is to share the joy and excitement of delicious food with people and to enhance their lives.

### MILAB

#### Where new food is created

MILAB, situated in the GALILEI Group's head office building, is regarded as the Group's "third factory." Operating under the concept of "JOIN," which bridges the gap between people and technologies, MILAB is a hub for culinary creativity and innovation. This is a collaborative facility where customers, companies from various industries, universities, research institutes, and entrepreneurs come together to develop new technologies and ideas.



#### Number of MILAB users



#### MILAB Office

The MILAB Office serves as an incubation hub, offering multifaceted support for start-ups in the food service industry, as well as for individuals who are considering launching new businesses. In addition to facility access, users receive assistance in turning their new value creation ideas into tangible realities.

#### Food Science Center

Inaugurated in 2022, the GALILEI Food Science Center is a state-of-the-art facility dedicated to conducting a wide range of tests, inspections, and analyses in collaboration with customers. Our primary goal is to scientifically assess food hygiene and quality, contributing to creation of new value in product development.

**Joint development of canned products with a MILAB Office user company**  
Currently, we are partnering with Canbright on development of a canned bread product. We conduct thorough hygiene inspections, food texture assessments, and sensory evaluations, ensuring that the canned food products we develop are delicious and safe to eat.



#### MILAB Office user companies



#### TOPIC

### GALILEI Group to sponsor the thematic project "Cycles of Lives" in the Expo 2025 Osaka, Kansai, Japan

It has been confirmed that the GALILEI Group will be a sponsor for EARTH MART, a project produced by Mr. Kundo Koyama, as part of the thematic project "Signature Pavilion." This initiative is integral to the success of the main theme of EXPO 2025 Osaka, Kansai, Japan, titled "Designing Future Society for Our Lives." The GALILEI Group plans to contribute significantly to this project by utilizing its refrigeration and freezing technologies and food storage technologies.

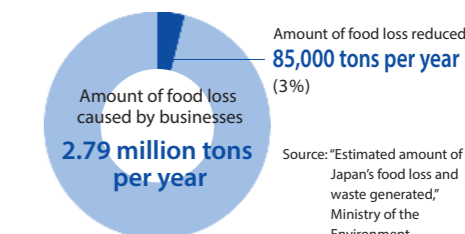


©EARTH MART / EXPO2025

## Reduce Food Loss

By enhancing the efficiency of food supply and innovation in food preservation techniques, we aim to reduce food loss and make it possible for everyone in the world to enjoy an abundant supply of food at any time, anywhere, and for many years to come

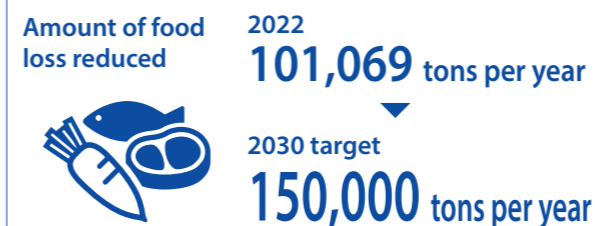
#### Amount of food loss reduced (2021)



### Keeping food fresh in cold storage chains

#### 1. Extending food expiration dates with our freezing technology

We are actively promoting the concept of "cooling cooking." This innovative method enhances food safety, improves food quality, and boosts the efficiency of cooking processes by maintaining food at appropriate temperatures. This is achieved by removing residual heat and rapidly cooling and freezing food using special equipment such as the Blast Chiller. Temperature control is tailored to specific ingredients and the intended purpose of the cooking process. Ingredients that might otherwise be discarded are instead frozen and stored properly, thereby minimizing food loss.



#### How the amount of food loss reduced is calculated



When food ingredients are frozen using cooling equipment, their shelf life is extended beyond what it would be if merely refrigerated. The amount of food loss reduced is calculated based on the quantity of food ingredients that have been frozen.

Example: A single Blast Chiller Model 6 unit reduces 13.2 tons of food loss per year.

Basis of calculation:  
Example: A Blast Chiller Model 6 is used to freeze (from 20°C to -20°C) approximately 11 kg of fried chicken in each cycle of approximately 80 minutes. Five cycles over the course of eight hours = 55 kg per day. 55kg x 240 days = 13.2 tons per year.

#### 2. Contributing to the development of cold storage chains in other Asian nations

We collaborate with our group companies, leveraging our collective experience and technologies to offer solutions to customers and to develop comprehensive cold storage chains across the entire food production stream. Our Thai Factory serves as the GALILEI Groups' overseas production facility, and began manufacturing commercial refrigerators and freezers in August 2015. Our robust sales network spans 12 locations across Asia, where we market products that are high in quality, energy-efficient, and environmentally friendly. As our primary production base in Asia, the Thai Factory is committed to continually enhancing its production capacity. This allows us to meet the evolving needs of our customers more effectively and responsively.



Reach-in showcase Machine room mount type UEN-060REC

#### TOPIC

### GALILEI Air-tech System delivered to Aeon Vietnam

SORA Gardens SC was opened in July 2023 as the first shopping center in Binh Duong New City in Vietnam. We supplied the GALILEI Air-tech System, which optimizes the in-store environment, to Aeon's new store in the shopping center. In addition, we provided refrigerated and freezer showcases and other equipment.



## Achieve a Sustainable Supply Chain

By achieving a sustainable supply chain, we aim to maintain a lifeline for food and health even in times of calamity or under extreme circumstances.

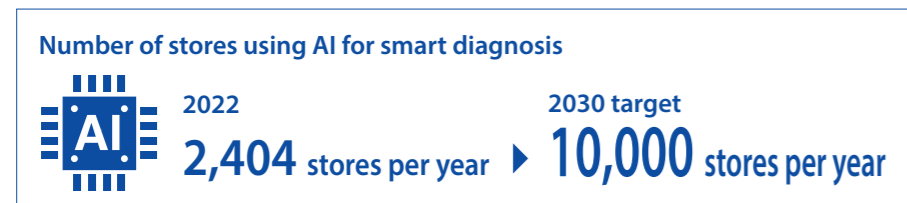
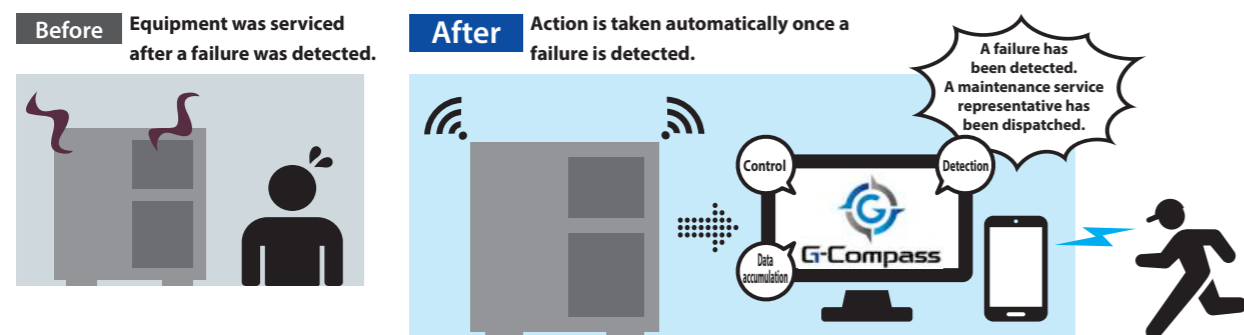
### Stronger relationships with business partners

To strengthen our relationships with our business partners, we regularly organize the GALILEI Supplier Hub for parts and components suppliers, along with the GALILEI Contractor Hub for installation and service contractors. In our pursuit of a sustainable supply chain, we share the GALILEI Group's policies with our business partners. Together, we fulfill supply obligations and collaboratively develop new technologies.



### With smart diagnosis, we aim to be a Zero Call Company

If our smart diagnosis system detects a potential malfunction based on analysis of operational data, a maintenance service representative is dispatched for inspection and repair before it escalates into an actual failure. By utilizing big data for smart diagnosis, we have shifted our strategy from "repair" to "don't stop," and aim to maintain an uninterrupted lifeline for food and health.



TOPIC

### GALILEI provides assistance to the Harashin supermarket's Arakawa store for recovery from flooding damage

In August 2022, one of our supermarket customers in Murakami City, Niigata Prefecture experienced extensive flooding damage due to torrential rain. The GALILEI Group promptly extended assistance to this supermarket chain, aiding in its recovery efforts. Fortunately, the customer was able to resume operations one week after the disaster. The GALILEI Group is committed to providing support for disaster recovery operations, playing a crucial role in maintaining the food supply.



## Support a Healthy Lifestyle

We aim to broaden our business domain, extending it from the food industry into the medical and healthcare sectors. Our goal is to ensure that all consumers, regardless of their lifestyle or life stage, can enjoy good health.

### Creation, expansion, and strengthening of new business fields

#### 1. Development of products for regenerative medicine and healthcare

Leveraging our expertise in food temperature control technology, we seek to expand our line of products line that address social issues in emerging business fields such as regenerative medicine and healthcare. Collaborating with our group companies, we strive to innovate and create new value in these areas.



**CFC-free medical cool box**  
**MediFridge Series FMS-125GSX**

R1234yf (GWP: 1), a CFC-free refrigerant, is used for this product. The use of a microchannel condenser reduces the likelihood of gas leaks, and the product is environmentally friendly.

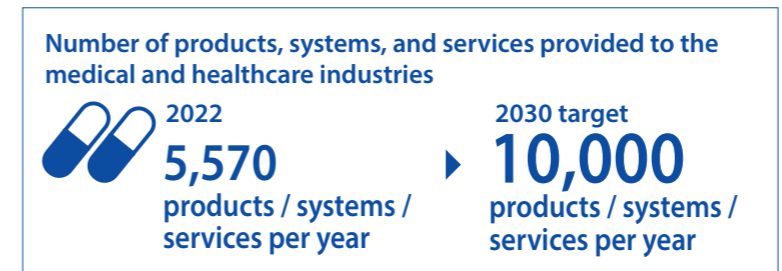


**Steam Heating Type Food Reheating Cart**

This reheating cart automatically reheats chilled food at a specified time and ensures that meals are served at the ideal temperature. The device is often used at hospitals and elderly care homes. Our unique steam heating method is employed to reheat food while preventing it from drying and keeping it soft and juicy.

#### 2. Contribution to the medical and healthcare industries in Asia

We collaborate with our group companies, utilizing our collective experience and technological expertise in the design, installation, and operation of cold storage warehouses. Our goal is to offer comprehensive solutions to customers, and to develop robust cold storage chains tailored to the pharmaceutical and healthcare industries.



We are actively promoting our prefabricated refrigerator and freezer equipped with a dual cooling system. This innovative product has two separate refrigeration circuits, designed to provide a fail-safe mechanism. Even if one refrigeration circuit fails, the other will continue to operate, preventing food spoilage. The product prevents temperatures from rising when the food is being defrosted, ensuring added temperature control precision.

TOPIC

### GALILEI Group to participate in co-creation at Nakanoshima Qross

The GALILEI Group is set to participate in co-creation projects at Nakanoshima Qross, a new development scheduled to open in Nakanoshima, Kita-ku, Osaka, in 2024. In this endeavor, we plan to work closely with professionals and innovators in the future medical field, including those specializing in regenerative medicine. By leveraging our advanced temperature control technology and technical development capabilities, we aim to contribute to the industrialization of future medical technologies.

\* The photograph on the right is a conceptual perspective drawing as of March 2021, and is subject to change. Photograph courtesy of Advanced Healthcare Global Hub Development and the Operation Project Manager for the site at Nakanoshima 4-chome.



# Achieve a Carbon-Free Society

By pursuing food innovation, we are dedicated to creating new food ingredients, cooking methods, menu ideas, and ways of eating. Our goal is to share the joy and excitement of delicious food with people and to enhance their lives.

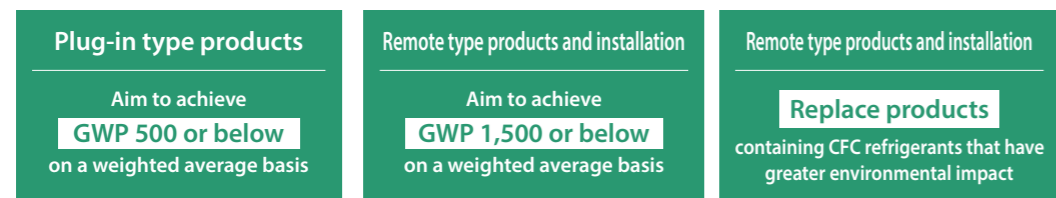
## Environment Action 2030

As an environmentally conscious company, we have established the Environment Vision 2030. This initiative is a direct response to the expectations of our stakeholders and a fulfillment of our social obligations. It is anchored in our commitment to achieving SDG (Sustainable Development Goal) 13: Take urgent action to combat climate change and its impacts by 2030.

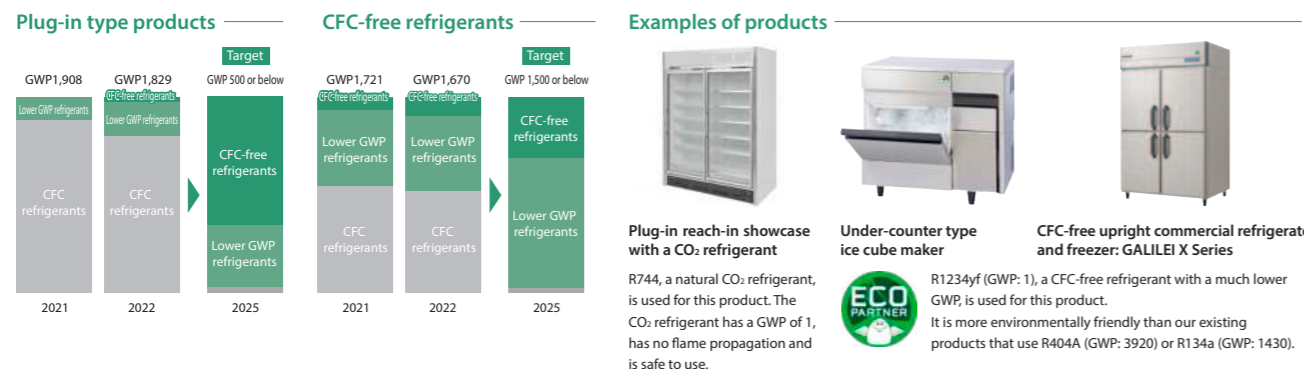
### Transition to green refrigerants

We are committed to reducing greenhouse gases and preventing global warming by transitioning to green refrigerants. Starting in 2025, we plan to use lower Global Warming Potential (GWP) refrigerants and CFC-free refrigerants in our new products.

2025 mid-term target

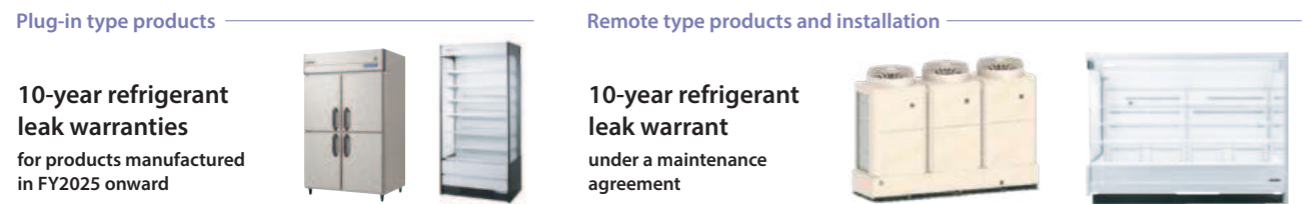


\* Refrigerants' global warming potentials (GWP) are calculated on a weighted average basis.



### Prevent refrigerant gas leaks

We aim to halt global warming by preventing refrigerant leaks in products manufactured and projects carried out in FY2025 and thereafter. We also aim to provide 10-year refrigerant leak warranties by offering enhanced preventative maintenance services.



- Specific actions
- Actions taken at the manufacturing stage:**
    - Remove welding or reduce the number of welding points.
    - Introduce new inspection techniques.
    - Expand measures to prevent materials deterioration.
  - Actions taken at the installation stage:**
    - Utilize digital transformation at the installation stage.
  - Actions taken at the maintenance stage:**
    - Take preventive measures using digital transformation.
- From "Repair" to "Don't stop"

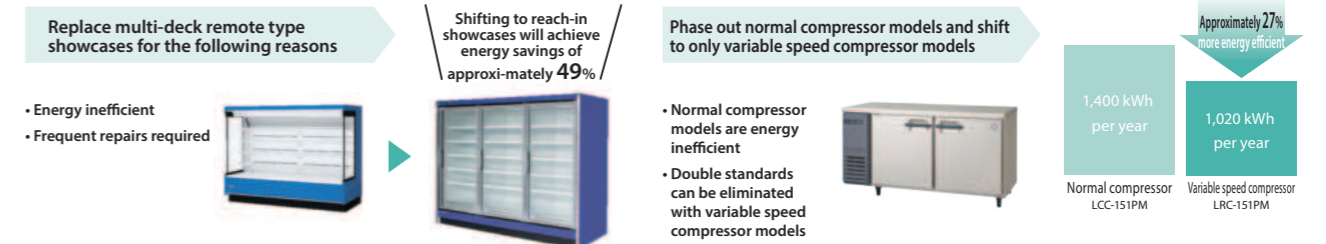
### Develop and offer products with superior environmental performance

We are dedicated to offering products with superior environmental performance, reducing CO<sub>2</sub> emissions, and transitioning to products with less environmental impact over the product life cycle.



A Life Cycle Assessment (LCA) quantifies total CO<sub>2</sub> emissions from all processes, from raw material extraction through product use and disposal.

#### Transition to products with less environmental impact



### Reduce CO<sub>2</sub> emissions

The Galilei Group aims to reduce CO<sub>2</sub> emissions by 50% by 2030 (compared to 2013).



\* Estimates

#### Solar power generation equipment installed at Okayama Factory and Shiga (Minakuchi) Factory

Solar power generation equipment has been installed at Okayama Factory (Okayama Factory 1 and Okayama Factory 2), which manufactures commercial refrigerators, and Shiga (Minakuchi) Factory, which manufactures showcases. The solar system at Okayama Factory began generating power on January 31, 2022. We revised power supply for the factory, and from January 1, 2022 we switched entirely to CO<sub>2</sub>-free electricity provided by Chugoku Electric Power Co., Inc. As a result, we have achieved zero CO<sub>2</sub> emissions from electric power in our commercial refrigerator manufacturing and research and development activities. Similarly, the solar system at Shiga (Minakuchi) Factory, dedicated to showcase production, commenced power generation on March 22, 2022.

<b>Okayama Factory</b> CO <sub>2</sub> emissions in FY2022: Down 84% from FY2013		<b>Shiga (Minakuchi) Factory</b> CO <sub>2</sub> emissions in FY2022: Down 36% from FY2013	
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We work closely with our customers to reduce CO<sub>2</sub> emissions across the entire value chain, through focused energy management activities and the promotion of ZEB (Zero Energy Buildings).

Approximately 30% of the 22,500 supermarket outlets nationwide are equipped with the Galilei Group's showcases. Equal to 2.23 million tons of CO<sub>2</sub> emissions per year. Aiming for a 46% reduction.

<b>Bems-you</b> Building EMS (energy management system) Number of EMS stores: 471 stores Power consumption when using EMS: 11.2% reduced	<b>Galilei Air-tec System</b> Optimization of supermarkets' in-store environments Number of stores using Galilei Air-tec System: 24 stores in Japan
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# Achieve a Carbon-Free Society

## TCFD-related financial disclosures

The GALILEI Group is committed to supporting the Sustainable Development Goals (SDGs). In November 2019, we made a significant step forward with the GALILEI Group SDG Declaration. We underscored our intention to two primary objectives: improving the quality of people's eating habits and taking better care of the global environment. Additionally, we reaffirmed our overarching purpose, which is to shape a future of food and life. In our evaluation of material issues, we considered the extent of their impact on business continuity and our mission to protect the Earth. This assessment led us to identify combating climate change as the most critical issue we must address. In June 2021, we developed the "Dramatic Future 2050" vision.

The GALILEI Group's sustainable vision: "Dramatic Future 2050"



The GALILEI Group is a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD). We conduct thorough analyses to understand the impact of climate change on business operations, and ensure transparent and detailed disclosures based on the TCFD recommendations.

### 1. Governance

To align our operations with our sustainable vision, the GALILEI Group established the SDG Promotion Committee in June 2021. The committee is comprised of members from group companies. The GALILEI Group's president serves as chairman of the Committee. The Committee is responsible for making decisions regarding environmental targets, including those related to climate change. Medium- to long-term targets set by the Committee are subject to approval by the Board of Directors. The Committee convenes every quarter to review the progress made by group companies in achieving these targets, and important issues are identified and reported to the Board of Directors.

### 2. Strategy

In our commitment to bequeathing a sustainable environment to future generations, we established the Environment Vision 2050. This vision is centered on creating a carbon-neutral, carbon-free society by 2050. To translate this long-term vision into tangible actions, we have also developed the Environment Vision 2030, which outlines specific steps and initiatives. As an environmentally conscious company, we recognize the importance of meeting the expectations of our stakeholders and fulfilling our social obligations. An increase of 4°C in average temperature caused by climate change would have a catastrophic impact on society. The international objective to limit the earth's temperature increase to 1.5°C is a critical target that we are committed to supporting. The GALILEI Group has conducted comprehensive scenario analyses based on both 1.5°C and 4°C scenarios.

### Major climate-related risks and opportunities

Risks and opportunities	Types	Outline of risks and opportunities	Financial impact		Actions
			1.5°C	1.4°C	
Risks	Transition risks	More stringent refrigerant regulations and increased compliance costs (for products and at business locations)	High	Low	· Transition to green refrigerants and prevent refrigerant gas leaks, as outlined in the Environment Action 2030. · Invest capital for the launch new refrigerants. Engage in research and development, and organize training for acquiring technical skills.
		More stringent energy efficiency regulations and increased compliance costs (for products and at business locations)	Medium	Low	· Develop and offer products with superior environmental performance, as stated in the Environment Action 2030.
		Increased costs due to the introduction of a decarbonization tax	Medium	Low	· Reduce CO <sub>2</sub> emissions, as stated in the Environment Action 2030.
	Physical risks	Rising raw material prices and procurement costs	High	Medium	· Launch the GALILEI Supplier Hub and the GALILEI Contractor Hub. · Implement supply chain measures to address the situation and incorporate cost increases into pricing.
		Increased impact on business operations from more devastating natural disasters and extreme weather conditions	Medium	High	· Develop a BCP (Business Continuity Plan) and create alternative plans for high-risk business locations.
Opportunities	Products / Services	Delays in procurement due to supply chain disruptions	Medium	High	· Diversify purchases, use multi-purpose parts, and increase in-inventory levels.
		Growing demand for environmentally friendly products (green refrigerants and energy efficient products)	High	Medium	· Transition to green refrigerants and develop and offer products with superior environmental performance, as outlined in the Environment Action 2030.
		Wider application of thermal insulation panels in non-refrigerated spaces	High	Medium	· Promote the use of panels in non-refrigerated spaces. · Advance the application of technologies in highly insulated houses.
		Customer trust and confidence earned through the Zero Call Company strategy	Medium	Medium	· Prevent refrigerant gas leaks, as specified in the Environment Action 2030.
	Energy source	Growing demand for freezing equipment and panels due to the expansion of cold storage chains	Medium	High	· Expand group synergies to the upstream of the entire food production stream. · Improve productivity and installation efficiency.
		Reduced costs of renewable energy	Medium	Low	· Optimize the use of renewable energy.

## 3. Risk management

To conduct risk management, our Risk Management Committee assesses the severity of all risks faced by the GALILEI Group, including climate-related risks, in terms of frequency and impact levels. We manage climate-related risks following the PDCA (Plan-Do-Check-Act) model in ISO14001. All group companies have implemented a management program as a framework for continuously improving our environmental protection initiatives. The program aligns with ISO14001 and is utilized by all group companies.

## 4. Metrics and targets

We have set metrics and targets for each item of the Environment Action 2030.



## Biodiversity conservation initiatives

### Fundamental policy

To protect life on Earth, the GALILEI Group is committed to protecting and maintaining the natural environment.

1. We will strive to achieve net zero greenhouse gas emissions, as outlined in our sustainable vision, "Dramatic Future 2050."
2. We will collaborate with NPOs and public interest incorporated foundations to protect and restore nature and conserve biodiversity.
3. We will regularly disclose our biodiversity conservation efforts on our website.

### Beach Cleanup

Our GALILEI 1% Club has contributed to society by donating refrigerators and freezers, and engaged in voluntary work for the recipients of these donations. Recently, the Club has initiated a new activity, Beach Cleanup.

At the GALILEI Group, we are diligently working towards achieving net zero greenhouse gas emissions, as detailed in our sustainable vision, "Dramatic Future 2050." The motivation behind undertaking this activity stems from our desire to protect whales, the emblematic animal of our slogan, "A Great Leap for the Earth" and to preserve the oceans which are their natural habitat. Beach Cleanup contributes to the conservation of biodiversity, addressing a key environmental issue. Through this activity, we are committed to making strides toward achieving a carbon-free society, increasing social engagement, and protecting the environment.

### Our activities

June 2023	Shimizu Mihokaihin Park Shizuoka Prefecture	46 people
September 2023	Yuigahama Beach Kanagawa Prefecture	20 people
September 2023	Sakaihama Shizen Saisei Fureai Beach Osaka	71 people
October 2023	Shimizu Mihokaihin Park Shizuoka Prefecture	58 people



# Achieve a Carbon-Free Society

## Environmental Policy

At FUKUSHIMA GALILEI, we acknowledge that making our operations environmentally friendly is a crucial task. We are committed to continuously and actively implementing initiatives that consider and reduce our environmental impact.

- We will offer and recommend products, systems, and services designed to minimize environmental impact throughout the manufacturing, sales, installation, and maintenance processes.
- In our commitment to environmental protection, we will closely monitor the impact of our business activities on the environment and continuously enhance our environmental management systems.
- We will adhere to laws, regulations, and codes of industry associations of which we are members, as well as community rules pertaining to environmental management.
- In the course of our business activities, we will address and manage key issues that impact the environment:
  - Promote the development, manufacture, and sales of environmentally friendly products, systems, and services.
  - Reduce the use of environmentally harmful chemicals and enhance the control levels of such chemicals.
  - Promote the effective use of resources.
  - Combat climate change.
  - Protect the environment.
- We will establish environmental targets, formulate and implement an action plan, and regularly review these targets and the plan as necessary.
- We will document, implement, and maintain the environmental management system.
- We will ensure all employees are familiar with the Environmental Policy and conduct training to increase awareness of the importance of environmental protection. Additionally, we will inform our business partners about the Environmental Policy and encourage them to engage in environmental protection efforts.
- We will regularly disclose our environmental protection efforts on our website.

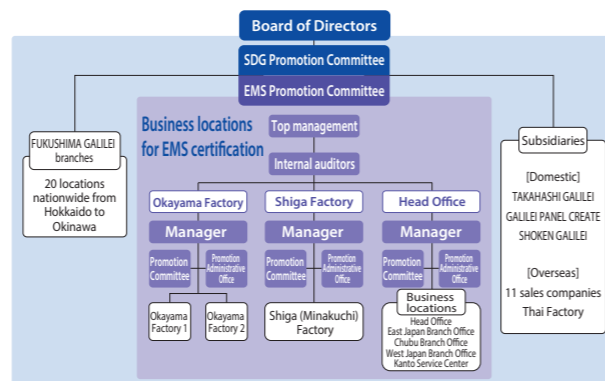
## EMS Promotion Framework

### 1. Environmental audit

To ensure the effective functioning of our Environmental Management System (EMS), we conduct an annual internal audit as well as an annual external audit performed by an external certification body. As in FY2021, we organized internal auditor training in FY2022, led by an external instructor. The aim of this training is to improve the knowledge and skills of our internal auditors. The number of registered internal auditors rose from 126 to 162.

### 2. Promotion Committees

Both the head office and the factories have their respective Promotion Committees, which report directly to the Manager. These committees convene regularly to set targets, review progress, and share information. The number of committee members in FY2022 was 36 at the head office, 24 at the Shiga (Minakuchi) Factory, and 20 at the Okayama Factory.



### 3. Environmental training

We conduct annual environmental training for all employees, including full-time employees, part-time employees, temporary workers, and contractors, as per our annual training schedule. The recovery of CFCs is a critical environmental activity for our organization. We have established our own certification criteria for the operation, which can only be performed by certified engineers. Each year, our CFC recovery engineers receive specialized training to improve their emergency response skills.

## Environmental Performance

### Environmental Conservation Goals and Performance Evaluation: Head Office, East Japan Branch, Chubu District Branch, and West Japan Branch

Success rate: ◎=100% ○=80 or more △= Less than 80%

Environmental Policy	Environmental Goals	Targets (actions taken)	Performance in 2022	Evaluation
I. Improve the quality of people's eating habits	1. Ensure food safety and security	Increase product sales (Target: Total projected sales)	Implementation rate 149%	◎
		Develop and offer contracts and systems which ensure safety and security (Propose MILDE, HACCP Master, Bems-you.)	Implementation rate 119%	◎
	2. Reduce food loss	Create promotional materials for the above items and offer information	Implementation rate 137%	◎
II. Take better care of the global environment	1. Adapt to and mitigate climate change	Promote and offer energy saving systems (Blast Chiller, quick freezing equipment, freezer lockers)	Implementation rate 173%	◎
		Develop and offer energy saving systems	Implementation rate 108%	◎
	2. Contribute to sustainable local environments	Record the number of times and the amount of gas replenished, with or without charge, and the cost	Implementation rate 76%	△
		Reduce wasteful power consumption (e.g., lighting, filter cleaning, simplified servicing)	Implementation rate 100%	◎
III. Strictly adhere to laws and regulations (Comply with environmental laws, regulations, and industry codes)	1. Adhere to laws and regulations	Increase energy saving product sales (Target: Total projected sales)	Implementation rate 126%	◎
		Ensure recording of the amount of refrigerants collected and destroyed	Implementation rate 100%	◎
		Disclose information relating to environmental laws and regulations	Implementation rate 100%	◎
IV. Staff training	1. Conduct training / Carry out social contribution activities	Comply with the "Article 36 Agreement" rule (Hold work improvement meetings, check hours worked overtime)	Implementation rate 98%	○
		Ensure compliance checks are made	Implementation rate 100%	◎
		Conduct training	Implementation rate 85%	○
		Organize neighborhood cleanups	Implementation rate 100%	◎
		Galilei 1% Club	Implementation rate 87%	○

### Environmental Conservation Goals and Performance Evaluation: Shiga (Minakuchi) Factory

Success rate: ◎=100% ○=80 or more △= Less than 80%

Environmental Policy	Environmental Goals	Targets (actions taken)	Performance in 2022	Evaluation	
Mitigate global warming (Reduce CO <sub>2</sub> emissions)	Develop energy efficient products by reducing power consumption Calculate CO <sub>2</sub> -equivalent emissions of new and old products and parts in the new product development and product improvement stage Reduce CO <sub>2</sub> emissions through improvements	Calculate CO <sub>2</sub> equivalent emissions of new products and parts in the product development, parts design, and performance stage Aim to reduce CO <sub>2</sub> emissions by 10% from FY2021 Also, aim to reduce power consumed for performance tests in the testing wing by 2.0% from FY2021	Use of R-448A refrigerant / Product redesigning • CO <sub>2</sub> equivalent emissions: 48.4% reduction compared to 2021  • Power consumption in the testing wing: 16.2% reduction compared to 2021	◎  △	
		Reduce greenhouse gas emissions to 2.0% below the 2021 financial year level	4.0% reduction compared to 2021	◎	
		Reduce emissions of greenhouse gases	Increase value added per hour at the factory to 107% compared to the 2021 financial year level	0.1% increase in production of hour compared to 2021	○
		Reduce power consumption to 2.0% below the previous year's level	5.5% reduction in value added per hour compared to 2021	○	
Reduce and appropriately dispose of industrial waste	Reduce amount of material used and consumed	Reduce LPG consumption to 2.0% below the previous year's level	6.7% increase compared to 2021	○	
Use resources effectively	Reduce industrial waste generation to 2.0% below the previous year's level	Reduce paper use to 2.0% below the 2021 financial year level	9.4% reduction compared to 2021	◎	
		Reduce specially controlled industrial waste generation to 2.0% below the previous year's level	9.9% increase compared to 2021	○	
			25.2% increase compared to 2021	△	

### Environmental Conservation Goals and Performance Evaluation: Okayama Factory

Success rate: ◎=100% ○=80 or more △= Less than 80%

Environmental Policy	Environmental Goals	Targets (actions taken)	Performance in 2022	Evaluation
Reduce the environmental impact of CFCs	Ensure recovery of refrigerant	Implement recovery recording using check sheets	Implementation rate 100%	◎
		Control CFC emissions	Strictly adhere to CFC emissions laws Manage and regularly service devices containing CFCs	Implementation rate 100%
Mitigate global warming (Reduce CO <sub>2</sub> emissions)	Reduce emissions of greenhouse gases	Reduce greenhouse gas emissions to 5% below the 2021 financial year level	35.0% reduction compared to 2021	◎
		Improve productivity and reduce power consumption by 5% from 2021	16.9% reduction compared to 2021	◎
		Reduce LPG consumption by 5% from 2021	7.5% reduction compared to 2021	◎
Use resources effectively	Reduce the amount of material used and consumed	Reduce the amount of paper purchased by 3% from 2021	2.6% reduction compared to 2021	×
Reduce and appropriately dispose of industrial waste	Reduce industrial waste generation	Reduce industrial waste generation by 5% from 2021	1.7% increase compared to 2021	×

# Live in Harmony With Local Communities

As members of the global community, our first objective is to make those around us happy. Then, we aim to make people around the world happy by living in harmony with our community.

## Galilei 1% Club

All GALILEI Group staff members are committed to continuously engaging in social contribution initiatives

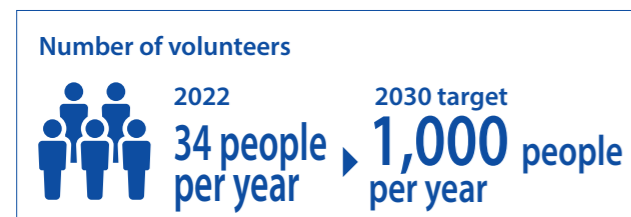
In 2021, we established the Galilei 1% Club, which is funded by approximately 1 percent of our pre-tax profit, to continue our commitment to social contribution initiatives. All group company employees actively take part in voluntary work and social contribution initiatives. Employees are encouraged to suggest potential activities, and participation is voluntary. We successfully conducted 42 activities in FY2022. Our primary area of focus has been the donation of refrigerators as well as voluntary work. In FY2022, we donated 76 refrigerators and freezers to 49 different organizations.

Going forward, we will continue to encourage all group company employees to contribute ideas for social contribution initiatives related to food and life. We are committed to taking proactive action based on these suggestions.



### Example Foundation for Slum Child Care

We donate our products and perform voluntary work overseas as well as in Japan. We donated a reach-in refrigerator, manufactured in our factory in Thailand, to a daycare center run by the Foundation for Slum Child Care.



### VOICE

#### What our volunteers say

I recently helped out at a children's cafeteria, marking my first experience with voluntary work. I assisted in baking a sponge cake for the children and serving meals. The children were lively, energetic, and full of smiles, which brightened my day and motivated me to work even harder. The children's cafeteria serves as a community gathering place, and has a warm and welcoming atmosphere that reminds me of the good old days. I intend to engage in more voluntary work in the future.

General Manager, Shikoku Branch

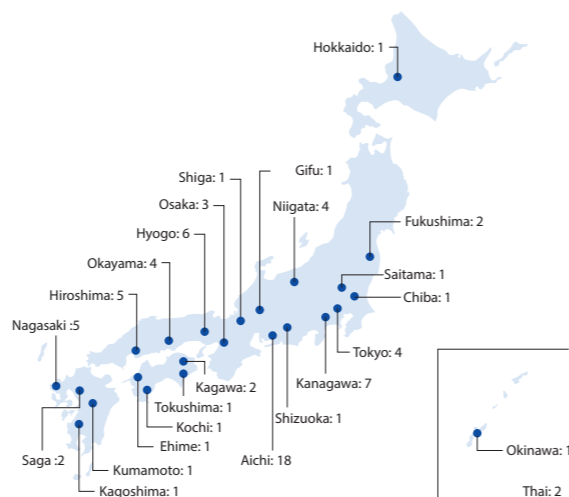


### Donations

FY2022



Main recipients: Children's cafeterias, food banks, community fridges



## KidZania Koshien

Kids learn the mechanism of cooling, experience repairing and servicing machines, and increase their interest in food along with their parents

Since 2015, we have been hosting an exhibition at the "Refrigerator Support Center" pavilion in KidZania Koshien, located in Nishinomiya, Hyogo Prefecture. KidZania is a unique place where children can learn about work and society through hands-on experiences. At our exhibition, children have the opportunity to learn about the cooling systems used in supermarket and convenience store showcases, understand how we ensure the food they eat every day is kept safe, and get an insight into the processes of repairs and maintenance. They can also experience what it's like to monitor these systems. Our aim is to spark an interest in both food and the significance of work among the visiting children and their parents. By educating them about the products of FUKUSHIMA GALILEI, we hope to highlight our role as an essential, though often unseen, part of society.



### KidZania Koshien



## Regional co-creation promoted through sports

### Corporate women's tennis team

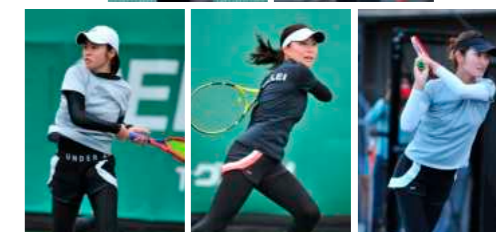
Our women's tennis team established in April 2017 is in the Japan League, which is the highest league of corporate tennis teams in Japan. In 2022, the team played tough matches and unfortunately could not reach the final, but clinched fourth place overall. This confirms that they will remain in the Japan League. The team, which has six members as of 2023, is determined to try harder and to reach the final next time.

We are committed to continuing this program as a means of contributing to the advancement of women's tennis, improving our environment, advancing the career design of the team members, and improving working styles.



### Recent achievements

- January 2022 Took part in the 36th Japan League tournament 5th place in the Red Block
- January 2023 Took part in the 37th Japan League tournament 4th place in the Blue Block



### TOPIC

## We participated in the Uniqlo Japan Junior Tennis Championships 2023 as corporate volunteers

We participated in the Uniqlo Japan Junior Tennis Championships 2023 as corporate volunteers. Our team of 25 employees, including members of our corporate women's tennis team, participated as championship supporters in the Uniqlo Japan Junior Tennis Championships 2023, held in August 2023. To combat the intense heat, we provided an ice bath for the players, helping them lower their core body temperature and cool down effectively. This ice bath was maintained at the optimal temperature using our ice maker. Also, we supplied Lipovitan Ice Slurry for Sports, which were kept in our refrigerant-powered rapid freezer. These efforts were part of our contribution to realizing the championships' concept of beating the heat, staying cool, and make the Uniqlo Japan Junior Tennis Championships 2023 the world's safest sporting event and one that the participants were delighted to be a part of. Our corporate women's tennis team members and other volunteers also played key roles in supporting the winners' interviews and the national coach clinic, an event primarily for players who lost in the earlier rounds of the championships. We are committed to continuing our support for local communities by promoting and contributing to sporting events.



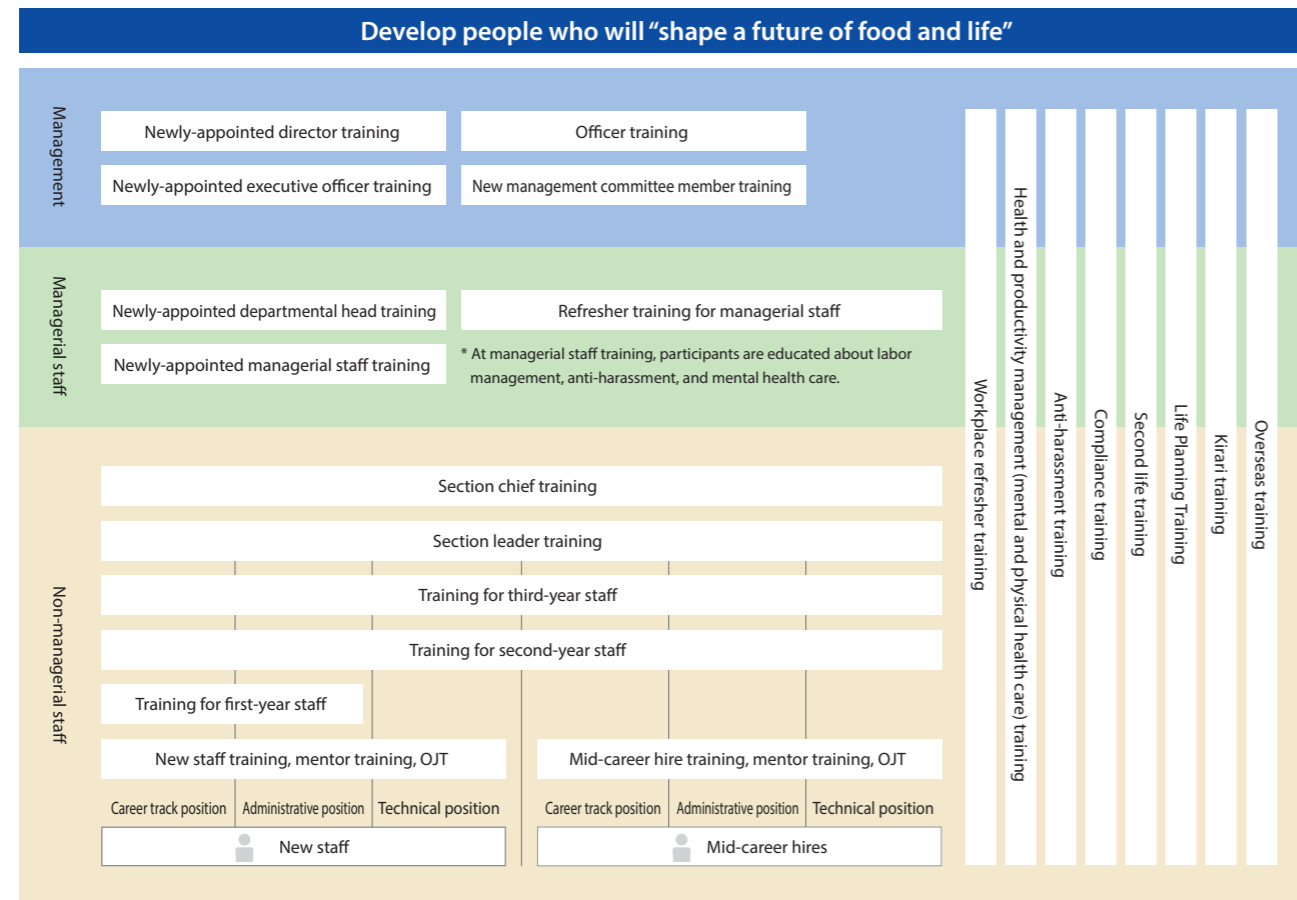
# Develop Human Resources

By focusing on the development of people who will support cold storage chains in the future, we are contributing significantly to shaping a future filled with delicious and delightful food, a future of quality of life, a future of lives, and a future of happiness for everyone around the world.

## Expansion of the Company-wide Training Program

We are expanding our company-wide training program to develop people who will shape a future of food and life. In 2022, we inaugurated the GALILEI Academy as a training facility, designed to provide professional development opportunities for our staff. This initiative enables them to quickly acquire and apply new skills in the workplace. Following this, in 2023, we launched the Sales Academy. We offer a broad spectrum of training programs, including level-specific training, aimed at enhancing our company-wide training framework. Previously, our focus was on training junior staff to prevent early attrition from the company. However, we have expanded our approach to include training for mid-career staff, supporting their professional development, career advancement, and enhancement of organizational skills. This training initiative is designed to help each employee recognize and fulfill their role based on their job level. By doing so, staff can collaborate more effectively, better determine the direction of their workplace, and significantly increase their levels of engagement.

### Company-wide training and level-specific training



## Increased focus on human resources development for the maximization of the GALILEI Group’s strengths

To achieve our vision, it is vital to develop people who will shape a future of food and life. We are committed to enhancing our training programs and fostering a culture of rising to challenges, with the goal of training our people to take on any challenge in the workplace.



### 1. GALILEI Academy training facility opened

In 2022, we launched the GALILEI Academy, a dedicated training facility aimed at offering professional development opportunities for our staff. The goal is to enable them to quickly acquire and demonstrate their skills in the workplace. Freezing and refrigeration technology is essential for supporting the food infrastructure. One of the major challenges we face, along with the broader industry, is the difficulty in finding and training successors because of the aging technical workforce and the higher turnover among younger workers. To address this challenge, we established the GALILEI Academy. It serves as a platform where experienced technical staff can pass on their knowledge and skills to younger workers. This initiative not only enhances the technical competencies of our workforce but also ensures the consistent delivery of our technical services. At the GALILEI Academy, participants engage in a comprehensive two-month practical training program that includes both classroom learning and hands-on training. This program is designed to impart fundamental product knowledge, repair and maintenance skills, and installation techniques. In the second half of the curriculum, on-the-job training is provided. This enhances the participants' understanding and response skills, ensuring they are fully prepared to enter the workforce. In addition, the training program offers support for those aiming to obtain nationally recognized qualifications, such as Class 3 Refrigerated Equipment Supervisor and Class 2 Electrician. In December 2022, GALILEI Academy was accredited and recognized as a Short-Term Vocational Training School by the Osaka government. The academy regularly hosts workshops for our customers, aimed at enhancing their understanding and knowledge of our products. We also have plans to extend the use of this facility to our contractors for conducting their own training sessions. At GALILEI Academy, our goal is to develop human resources who are not only skilled technically but also motivated to contribute positively to society. We believe in empowering our trainees to find their work rewarding and to grow both personally and professionally.



**GALILEI Academy**

**FY2022**

- Accredited and recognized as a Short-Term Vocational Training School
- 40** students completed the training course.

### 2. Sales Academy opened

In 2023, we inaugurated the Sales Academy, designed to provide job-specific training for new sales staff who joined us post-graduation. The purpose of the Academy is to enable these new sales staff to quickly adapt and demonstrate their skills in the workplace, ensuring they feel comfortable and prepared when assigned to their respective workplaces. In its first year, 21 people completed the training course. The training is tailored to equip sales staff with the basic technical skills and essential work knowledge required for their roles as sales representatives of a manufacturer. Teams from the factory, equipment design, installation, and service departments contributed to the program, which spanned a total of three months. This cross-departmental approach to sales training has been particularly beneficial for new staff with less experience, helping them build a strong network within the GALILEI Group.

### 3. GALILEI Juku provides support for obtaining professional qualifications

We established GALILEI Juku with the aim of encouraging our employees to obtain construction-related qualifications. This initiative is supported by internal instructors who provide follow-up training courses. In 2022, the program helped 12 employees to pass the Class 1 Chief Piping Work Engineer examination. To further motivate our employees in their pursuit of professional qualifications, we offer qualifications allowances.

## Encourage People From Diverse Backgrounds to Play an Active Part in the Workplace

By employing people from diverse backgrounds, promoting diverse work styles, and changing the way we work, we aim to achieve both material and emotional well-being for our employees and their families. This approach also encourages people from diverse backgrounds to participate actively in the workplace.

### Promotion of diversity by Kirari Promotion Office

The Kirari Promotion Office is specifically focused on women's empowerment, with the three key objectives of hiring, retaining, and empowering women. The office has implemented a range of measures designed to provide a positive working environment, to help women stay in the workforce and succeed in their roles.

#### 1. Recruitment of more female graduate employees in career track positions

To boost the proportion of female employees in career track positions, we are proactively hiring female liberal arts graduates in these roles, aiming to ensure that they comprise 50% or more of such hires each year. After hiring, we offer dedicated support to these employees, including the organization of round-table discussions.

#### 2. Promotion of female employees to managerial positions

We are committed to increasing female representation in management to 10% by 2030. In May 2023, we organized the Career Design Forum for Women and the Ikubosu Seminar in collaboration with other companies. Discussions with female leaders from other companies at the Career Design Forum for Women empowered participants to envision their future career paths. The Ikubosu Seminar equipped managers with skills to support staff in balancing work and family care duties, enhancing both personal and professional growth. These initiatives mark significant steps toward a diverse and inclusive workplace.

As of April 2023, our progress is evident: 26 women hold key section manager and leader roles, placing them on a track for higher managerial positions.

#### 3. Job Transfer Scheme

Introduced in 2016, the job transfer scheme promotes diversity by allowing female employees to transition from administrative roles to career track positions or region-specific career track roles.

#### 4. Encouraging male employees to take paternity leave

We aim to foster a corporate culture where male employees feel comfortable taking paternity leave, aiming to increase its uptake. Since April 2022, we have encouraged this by offering five days of paid special leave to those who take paternity leave. Additionally, we internally acknowledge male employees who utilize this benefit.

### Improvement of the work environment

#### 1. Promotion of health and safety in the workplace

In April 2023, the GALILEI Group established a superior Health and Safety Committee to prevent workplace accidents. Our aim is to ensure an environment free from workplace accidents, traffic accidents, and health problems.

#### 2. Initiatives to improve employee engagement

In September 2022, we initiated a pilot engagement survey and workplace improvement activities in selected areas, which significantly increased engagement. In June 2023, these initiatives were extended to other departments, with plans to implement them across the entire Group. This will help reform our framework and strengthen our corporate culture. We are committed to qualitatively evaluating and monitoring our work environment to ensure that every employee feels safe and satisfied.

Initiative themes	Results		Medium- to long-term target	
	2021 results	2022 results	Target year	Target value
Percentage of female liberal arts graduate employees in career track positions	61.5%	44.4%	Every year	50.0%
Percentage of female managerial staff	1.9%	2.5%	2030	10.0%
Number of job transfer scheme users (total)	21 users	23 users	—	—
Male employee paternity leave uptake rate	5.8%	52.6%	2030	100.0%
Mean deviation of employee engagement	— <sup>*1</sup>	48.6 <sup>*2</sup>	2030	65.0

On a non-consolidated basis

<sup>\*1</sup> Because the engagement survey was launched in FY2022, no data was available.

<sup>\*2</sup> FUKUSHIMA GALILEI East Japan Branch Office (Asakusabashi Office and Nihonbashi Office) only.

### Promotion of Health and Productivity Management

In 2020, we issued a Health Declaration to explicitly state that actively supporting our employees in maintaining and promoting good health is an integral part of our business management policy. Subsequently, in 2021, we identified health issues concerning our employees. We established the Health and Productivity Management Committee, commonly known as Aoharu Team. The committee is tasked with setting activity policies and goals, as well as planning, developing, implementing, and verifying the effectiveness of health management measures. To further enhance employee engagement and awareness of health issues, the Aoharu Team regularly disseminates health information, including advice on diet and exercise.

#### 1. Maintain and promote good physical health

We organize cancer screenings in addition to the statutory medical checkups, emphasizing the importance of disease prevention and early detection, including lifestyle-related diseases. Additionally, we actively encourage our employees to undergo re-tests or further tests and follow-up medical checkups, if required, along with providing specific health guidance.

#### 2. Maintain and promote good mental health

We conduct an annual stress test for our employees, offering them an opportunity for self-care. We encourage all employees to take the test, aiming for a 100% attendance rate. In FY2021, as a component of our health and productivity management training, we conducted Line Care Training for officers and departmental heads. This training is designed to equip them with the skills necessary to identify mental health issues in the workplace at an early stage. In addition, it focuses on improving the working environment, enabling employees to work better and fulfill their potential.

#### 3. Support for smokers and those who want to quit

On June 30, 2022, we issued a non-smoking declaration to encourage employees to quit smoking and to provide support for those who want to stop smoking. We are committed to reducing health risks associated with smoking, including passive smoking, as part of our efforts to help employees to improve their mental and physical health. This initiative is also aimed at minimizing environmental pollution caused by smoking.

##### Non-smoking initiatives

###### FY2020

- 2021 The Stop Smoking campaign was conducted.
- The 22nd of each month was designated as a non-smoking day, and smoking was banned all day.

###### FY2022

- Smoking was completely prohibited on the head office premises.
- Health messages were sent to employees in conjunction with World No Tobacco Day in May each year.

###### FY2021

- Smoking was banned on all business premises during working hours (excluding break periods) and in company cars.
- The company partially covered the cost of outpatient smoking cessation services.

###### FY2023

- Smoking was completely banned on the Okayama Factory premises.

Initiative themes	Results		Medium- to long-term target	
	2021 results	2022 results	Target year	Target value
Medical check-up attendance rate	100.0%	100.0%	Every year	100.0%
Stress test attendance rate	99.1%	98.5%	Every year	100.0%
Smoking rate	30.1%	31.0%	2025	20.0%
Average overtime hours worked	30.8 hours	28.3 hours	2025	20.0 hours
Paid annual leave take-up rate	52.8%	53.5%	2025	70.0%

On a non-consolidated basis

#### 4. Promote work-life balance

We are committed to managing and reducing long working hours through the implementation of several initiatives, including the No Overtime Day, Work from Home, and Interval schemes. At the start of each year, we ensure that all employees plan their paid annual leave and submit their requests to the company, encouraging them to take leave as scheduled.

#### 5. Galilei Exercise

In 2022, we introduced Galilei Exercise as part of our physical exercise program. Everyone at all business locations participates in the exercise at 15:00 every day, starting from October. Additionally, we conduct radio exercise before the start of the workday to further promote our physical exercise scheme.



# Corporate Governance

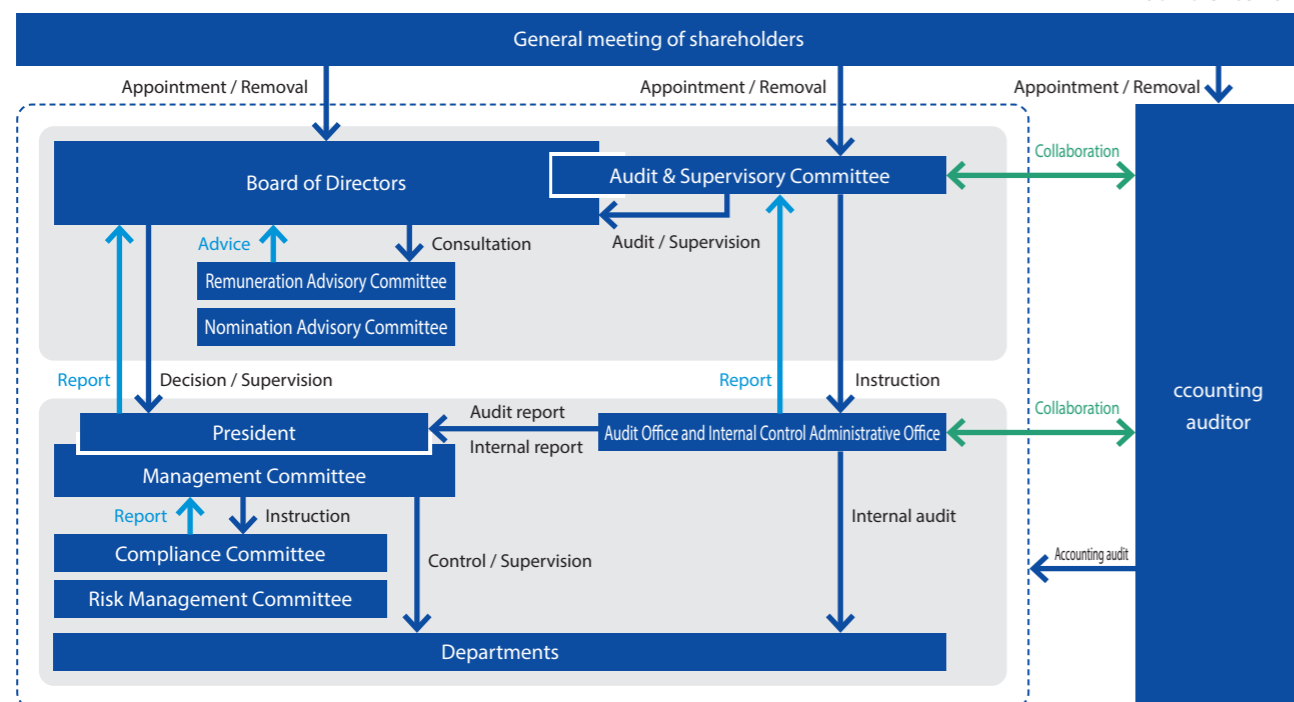
## Fundamental policy

The GALILEI Group is dedicated to promoting fair corporate activities with a strong focus on management transparency. Our goals are to achieve sustainable growth rooted in the trust of society, and to enhance our corporate value over the medium to long term.

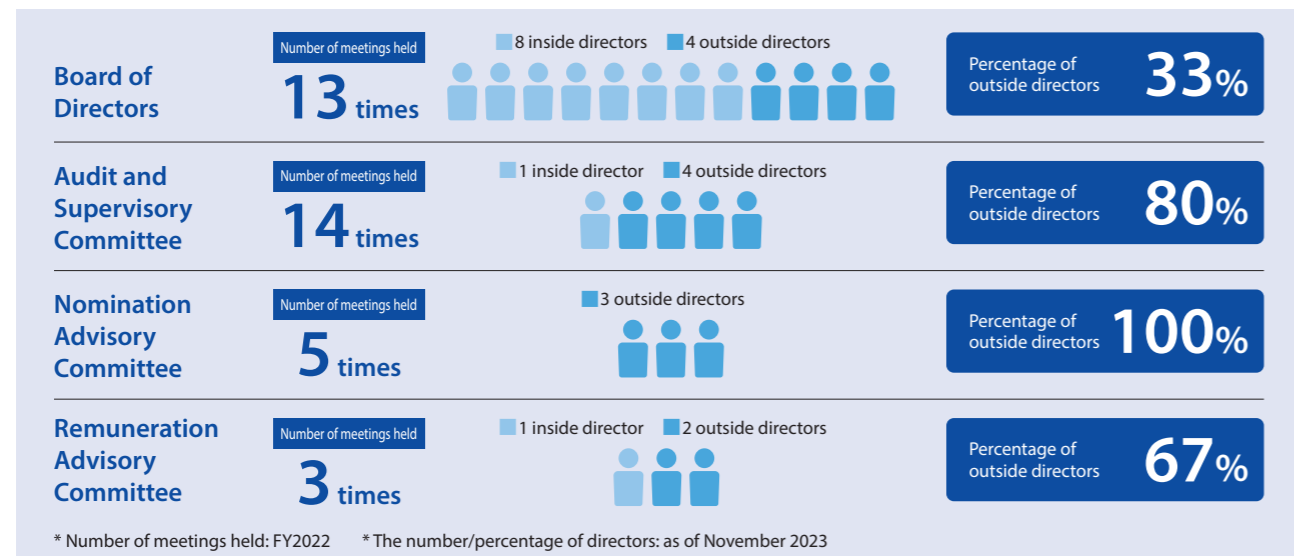
## Corporate governance system

FUKUSHIMA GALILEI has transitioned to a company with an audit and supervisory committee, a change aimed at enabling faster and more flexible decision-making processes, enhancing the discussion of business management strategies, and strengthen the oversight function. We have established the Nomination Advisory Committee and the Remuneration Advisory Committee, primarily composed of independent outside directors, to review key issues including the nomination and remuneration of senior management and directors. With their independent perspectives, the committee members provide valuable advice to the company.

\* As of November 2023



### Meetings and composition of the Board of Directors and Committees



## Officers and Skills Matrix

(As of November 2023)

	Yutaka Fukushima	Go Fukushima	Akira Fukushima	Mitsuru Katayama	Kenji Nagao	Kozo Mizutani
Name	Yutaka Fukushima	Go Fukushima	Akira Fukushima	Mitsuru Katayama	Kenji Nagao	Kozo Mizutani
Title	Chairman	President	Director & Vice Chairman	Director & Managing Executive Officer	Director & Managing Executive Officer	Director & Senior Executive Officer
Attendance at board meetings (FY2022)	13 times / 13 times	13 times / 13 times	13 times / 13 times	13 times / 13 times	13 times / 13 times	13 times / 13 times
Attendance at Audit and Supervisory Committee meetings (FY2022)	—	—	—	—	—	—
Nomination Advisory Committee	Position in the Committee	—	—	—	—	—
	Attendance (FY2022)	—	—	—	—	—
Remuneration Advisory Committee	Position in the Committee	Committee member	—	—	—	—
	Attendance (FY2022)	3 times / 3 times	—	—	—	—
Number of shares held (as of the end of March 2023)		983,000 shares	88,000 shares	667,000 shares	37,000 shares	28,000 shares
Main areas of expertise and experience	Business management	○	○	○	○	○
	Marketing and sales	○	○	○	○	○
	Manufacturing, research and development, and IT	○	○	○	○	○
	International relations	○	○	○	○	○
	Finance and accounting	○	○	○	○	○
	Personnel and human resources development	○	○	○	○	○
	Legal and risk management	○	○	○	○	○
	Addressing sustainability <sup>*1</sup>	○	○	○	○	○
Embracing the GALILEI Philosophy <sup>*2</sup>	○	○	○	○	○	

	Tatsuo Hino	Hiroshi Takeuchi	Takeshi Horinouchi	Takao Fujikawa	Keiichi Yodoshi	Eriko Nashioka
Name	Tatsuo Hino	Hiroshi Takeuchi	Takeshi Horinouchi	Takao Fujikawa	Keiichi Yodoshi	Eriko Nashioka
Title	Director & Senior Executive Officer	(Audit & Supervisory Committee Member) Outside Director	(Audit & Supervisory Committee Member) Director	(Audit & Supervisory Committee Member) Outside Director	(Audit & Supervisory Committee Member) Outside Director	(Audit & Supervisory Committee Member) Outside Director
Attendance at board meetings (FY2022)	13 times / 13 times	13 times / 13 times	13 times / 13 times	13 times / 13 times	13 times / 13 times	10 times / 10 times <sup>*3</sup>
Attendance at Audit and Supervisory Committee meetings (FY2022)	—	14 times / 14 times	14 times / 14 times	14 times / 14 times	14 times / 14 times	10 times / 10 times <sup>*3</sup>
Nomination Advisory Committee	Position in the Committee	—	Committee member	Committee chairman	Committee member	—
	Attendance (FY2022)	—	5 times / 5 times	—	5 times / 5 times	—
Remuneration Advisory Committee	Position in the Committee	—	Committee member	—	Committee chairman	—
	Attendance (FY2022)	—	3 times / 3 times	—	3 times / 3 times	—
Number of shares held		13,000 shares	4,000 shares	9,000 shares	0 share	1,000 shares
Main areas of expertise and experience	Business management	○	○	○	○	○
	Marketing and sales	○	○	○	○	○
	Manufacturing, research and development, and IT	○	○	○	○	○
	International relations	○	○	○	○	○
	Finance and accounting	○	○	○	○	○
	Personnel and human resources development	○	○	○	○	○
	Legal and risk management	○	○	○	○	○
	Addressing sustainability <sup>*1</sup>	○	○	○	○	○
Embracing the GALILEI Philosophy <sup>*2</sup>	○	○	○	○	○	

The above list highlights the expertise, experience, and knowledge that FUKUSHIMA GALILEI specifically expects from its officers.  
<sup>\*1</sup> For FUKUSHIMA GALILEI, addressing sustainability involves making strategic efforts to address the sustainability of society and the global environment. This includes focusing on areas such as diversity, environmental stewardship, and resources, encompassing both ESG and CSR activities. Our aim is to be recognized as a "Happiness Creation Company."  
<sup>\*2</sup> The GALILEI Philosophy represents our universal guiding principles, which include our corporate philosophy, vision, and code of conduct. We expect our officers to fully embrace this philosophy and act as positive role models for our employees.  
<sup>\*3</sup> Ms. Eriko Nashioka assumed her position on June 27, 2022. Her attendance at meetings was calculated based on the number of meetings held from her date of appointment onwards.

For more detailed information about our approach to corporate governance, as well as our policy for addressing the Corporate Governance Code and implementation status, please refer to the Corporate Governance Report.



