

Sustainability Management

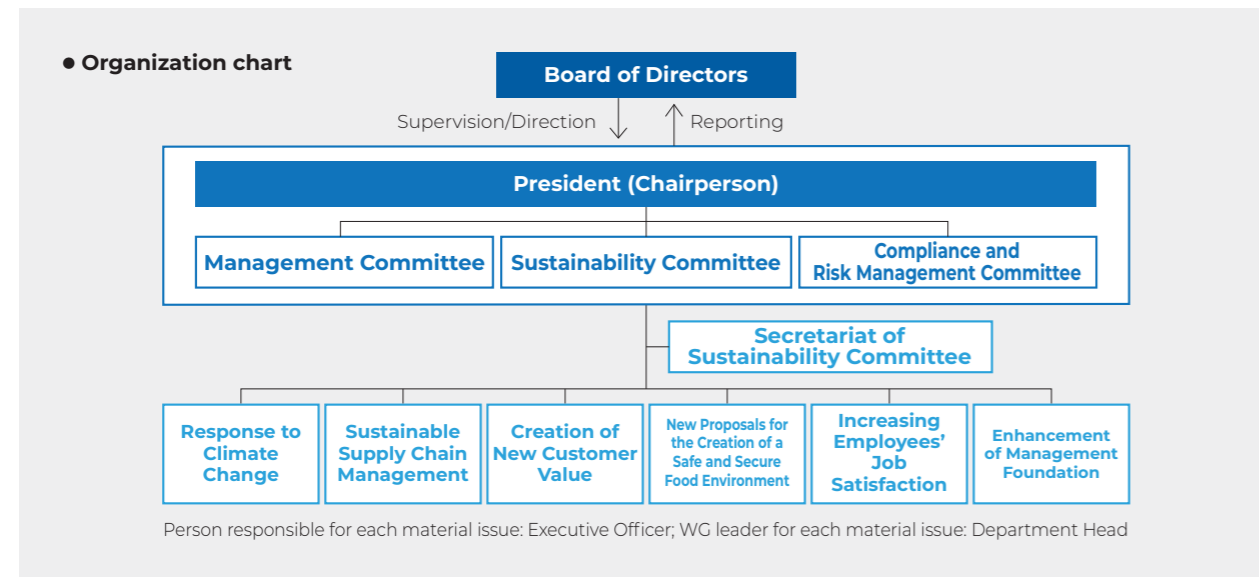
In June 2022, Hoshizaki established the Sustainability Committee as a meeting for discussing governance, strategies, risk management, metrics and targets for monitoring results and progress and designing countermeasures regarding the group's sustainability initiatives, including social and environmental measures. The Sustainability Committee strengthens and promotes initiatives for solving materiality listed by Hoshizaki to realize its Long-term Vision.

▶ As for the Hoshizaki Group's Sustainability Principle, please visit its website. <https://www.hoshizaki.co.jp/en/esg/sustainability/management.html>

Governance

Hoshizaki established the Sustainability Committee in June 2022, which is chaired by the Representative Director, President & CEO and vice chaired by the Senior Executive Officer in charge of the administration. The Sustainability Committee, which worked on a quarterly basis, regularly reports on the progress of each meeting, including deliberation results, to the Board of Directors (once in every quarter in principle). The business risks related to sustainability are shared

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



Details of deliberation by the Sustainability Committee

Meeting	Date	Key Points
First meeting	November 2022	<ul style="list-style-type: none"> Development of Sustainability Principle Direction of sustainability Initiatives Initiatives for materiality
Second meeting	March 2023	<ul style="list-style-type: none"> Setting KPIs for materiality Challenges for the disclosure of sustainability information Analysis of climate change scenarios (strategy update)
Third meeting	June 2023	<ul style="list-style-type: none"> Future Sustainability Promotion System, establishment of materiality WGs, and appointment of person responsible for each WG (Executive Officer) Disclosure contents of Integrated Report 2023
Fourth meeting	September 2023	<ul style="list-style-type: none"> Increase and enhance sustainability disclosure Report on materiality WG activities <ul style="list-style-type: none"> Installation of solar power generation facilities at Hoshizaki Corporation Status of development of female managers and other issues Review of Integrated Report 2023
Fifth meeting	January 2024	<ul style="list-style-type: none"> Report on materiality WG activities <ul style="list-style-type: none"> Execution of the supplier survey Target to reduce CO₂ emissions (Scope 1 & 2), etc. Progress report on compliance with Europe's CSRD Disclosure of sustainability information in the securities report
Sixth meeting	March 2024	<ul style="list-style-type: none"> Report on materiality WG activities <ul style="list-style-type: none"> Analysis of climate-related scenarios (update to 1.5°C scenario, etc.) Decided global target to reduce CO₂ emissions (Scope 1 & 2) Customer satisfaction survey conducted for recipients of maintenance and inspection services Status of sustainability initiatives at overseas group companies Progress report on compliance with Europe's CSRD Disclosure contents of Integrated Report 2024

Sustainability Strategy

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

▶ For more details, see Page 25

As for the environmental initiatives focused on climate change, we are promoting environmental management aimed at reducing environmental impacts across the entire group through the reduction of CO₂ emissions, the suppression of waste generation, and the development of energy-saving products that are environmentally friendly.

▶ For more details, see Page 53

As part of our societal initiatives, we are working to enrich our human capital while promoting active workplace participation of women with a view of increasing employee satisfaction. To develop a sustainable supply chain, we are striving to strengthen our supply chain management by maintaining closer communication with suppliers and conducting surveys on environmental preservation, response to human rights, safe working conditions, and other issues.

▶ For more details, see Page 59, Page 61

For customers, in Japan, we are working in full swing for the sale of environmentally friendly natural refrigerant *(see Page 06) refrigerators and freezers, which are ahead of competing products of other companies, and aiming to create new customer value through active expansion in the non-restaurant market. At the same time, leveraging our nationwide sales offices, we are making new proposals for creating a secure and safe environment.

▶ For more details, see Page 58

To enhance our management foundation, we are strengthening our governance promotion framework through activities of the Compliance and Risk Management Committee, Nomination and Compensation Committee, and Sustainability Committee.

▶ For more details, see Page 76

To integrate efforts for addressing the identified six material issues and achieving our management vision, in principle, the materiality WGs each led by an Executive Officer have set goals and indicators, and are actively promoting activities ▶ For more details, see Page 27

Risk Management

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

Metrics and Targets

As for metrics and indicators related to the promotion of sustainability initiatives, we are evaluating the progress of our activities and enhancing their effectiveness by setting goals and target values aimed at solving the six material issues. ▶ For more details, see Page 25

Development of Future Sustainability Initiatives

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

- Response to the growing requirements for the disclosure of sustainability information
- Enhancement of partnerships with overseas group companies and development of joint activities
- Synchronization between six material issues and the management strategy

Development of Future Sustainability Initiatives

