

**The GALILEI Group
Information Disclosure
in Accordance with
the Recommendations of the Task Force
on Climate-Related Financial Disclosures
(TCFD)**

September 2025

GALILEI

Be cool, Be alive.

The GALILEI Group Climate Change Information Disclosure In Accordance with the Recommendations of the Task Force on Climate- Related Financial Disclosures (TCFD)

Fundamental Approach

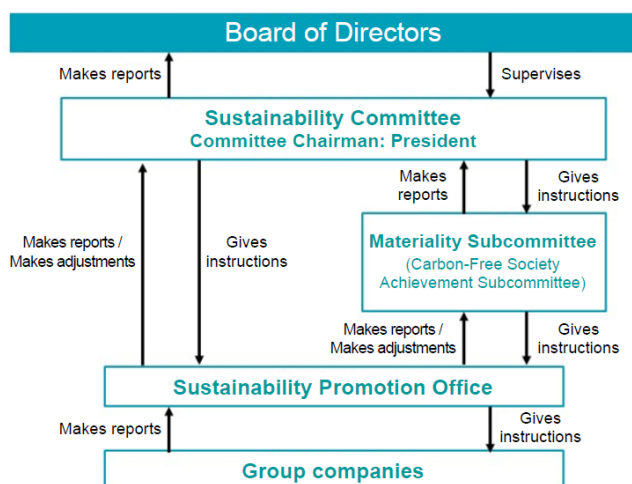
The GALILEI Group is committed to pursuing environmental management to realize a carbon-free society and achieve the SDGs in compliance with international climate-related frameworks and rules, such as the Paris Agreement, as well as Japan's laws and regulations, such as the Act on Promotion of Global Warming Countermeasures and the Act on Rationalizing Energy Use. We actively work to reduce our energy consumption and to help protect the environment throughout our manufacturing processes, and we monitor our energy consumption and CO₂ emissions and submit an annual report of the data to the relevant authorities in a timely manner. We have identified combating climate change as a critical issue in the Environment Vision 2025, and we are working to reduce CO₂ emissions from our products and services as well as in our entire supply chain and to introduce renewable energy. Through dialogue with our stakeholders, we remain dedicated to improving our business activities, products, and services, contributing to the development of our society, and enhancing our long-term corporate value.

TCFD Initiatives

In June 2023, the GALILEI Group expressed its support for the TCFD recommendations and disclosed information in line with the TCFD scenario analysis. In September 2025, we reviewed and revised some of the disclosed information to expand and improve our disclosures. We will regularly incorporate climate-related parameters and changes in our business environment into our disclosures, and continue to assess our risks and opportunities and the measures required to address these risks and opportunities.

■ Governance

The Sustainability Committee has been established to promote sustainability throughout the GALILEI Group. Climate change initiatives are also carried out by a subcommittee of the Sustainability Committee responsible for “Achieving a carbon-free society,” under the supervision of the subcommittee chairperson.



■ Strategy

Analysis process

As part of our commitment to addressing climate change and leaving a sustainable environment for future generations, we established a sustainable vision, Dramatic Future 2050. We also established the Environment Vision 2050 to achieve a carbon-neutral and carbon-free society by 2050, and developed the Environment Vision 2030, which outlines specific steps and initiatives. As an environmentally conscious company, we recognize the importance of meeting stakeholder expectations and fulfilling social obligations. The GALILEI Group analyzed the potential impacts of climate change on its business operations based on the risks and opportunities identified in the TCFD recommendations. Changes in policy and market trends (transition risks and opportunities) and physical changes caused by natural disasters and other similar events (physical risks and opportunities) were examined using two scenarios: a 1.5°C scenario and a 4°C scenario. Through these analyses, we identified risks and opportunities, analyzed the impact levels, and determined the necessary measures to take.

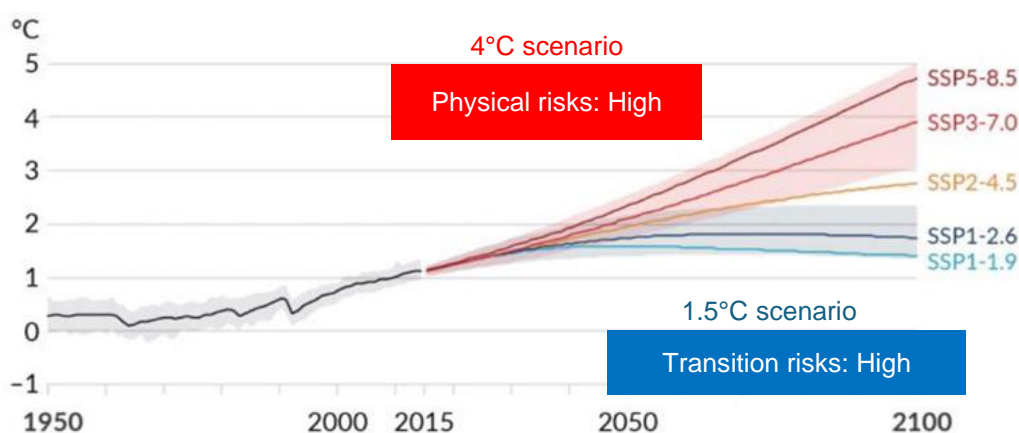


Climate change scenarios

To conduct a scenario analysis, the GALILEI Group created two scenarios with reference to materials published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). We will regularly incorporate climate-related parameters and changes in our business environment into our disclosures, and continue to assess our risks and opportunities and the measures required to address them.

| | Decarbonization transition scenario (1.5°C scenario) | High emission scenario (4°C scenario) |
|--------------------|--|--|
| Projected society | Aspirational policies and technological innovations will be implemented to limit the temperature increase to 1.5°C above pre-industrial levels by the end of this century. Societal changes and stricter laws and regulations associated with the transition to a carbon-free society are highly likely to have a significant impact on business activities. | Response to climate change will make little progress, and the global average temperature will rise by about 4°C above pre-industrial levels by the end of this century. Extreme weather events are expected to become noticeably more severe, and it is highly likely that torrential downpours and heatwaves will have a significant impact on business activities. |
| Reference scenario | IEA: NZE 2050 IPCC: RCP1.9 | IPCC: RCP8.5 |

- ◆ Changes in the global average temperature using the period from 1850 to 1990 as a baseline



Source: Provisional Japanese translation of the Summary for Policymakers, the Working Group I (WGI) contribution to the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) (Ministry of Education, Culture, Sports, Science and Technology and the Japan Meteorological Agency)
 Figure: SPM.8 reproduced from the same provisional Japanese translation.

The GALILEI Group's main climate-related risks and opportunities

The GALILEI Group conducted analyses to evaluate the potential impacts of climate change on our business operations in accordance with the TCFD recommendations. These analyses were carried out using the 1.5°C scenario and the 4°C scenario.

In the 1.5°C scenario, efforts to achieve decarbonization will make progress and costs will increase due to a decarbonization tax imposed on GHG emissions. Stricter environmental laws and regulations (e.g., the Kigali Amendment) are likely to increase research and development costs and capital investments to promote product decarbonization. To address these risks, we will, in accordance with Environment Action 2030, reduce our CO₂ emissions, conduct research and development and make capital investments to develop new refrigerants, and provide education and training programs to strengthen technical skills. At the same time, we anticipate increased demand for energy-efficient, CFC-free products and services that prevent refrigerant gas leaks as well as business opportunities to expand the use of thermal insulation panels to non-refrigerated spaces. We aim to seize these opportunities by developing more energy-efficient products, transitioning to green refrigerants, and developing high-performance thermal insulation panels, including those used for non-refrigerated spaces.

In the 4°C scenario, we anticipate that the growing severity of extreme weather events will damage facilities, disrupt business operations, and delay overseas material procurement. To address these risks, we will develop and review a business continuity plan (BCP) and a procurement plan, and consider raising inventory levels to enhance our resilience. Frequent heatwaves are expected to expand cold storage networks and increase demand for freezing equipment and panels, and we will therefore aim to strengthen upstream group synergies across the entire food production stream.

Based on these analyses, we will implement necessary measures, including reducing CO₂ emissions. We view changes caused by climate change as medium- to long-term growth opportunities, and will aim to build a highly resilient business structure while strengthening our revenue base.

Major climate-related risks and opportunities
Possible financial impacts in 2030 and risk mitigation measures

| Risk | Driver | Length of time | Revenues / Expenditure | Who is affected | Impacts on the GALILEI Group | Impact level | Risk mitigation measures | |
|--|-------------------------------|---|--|---------------------------|------------------------------|---|--|---|
| Transition risks (1.5°C scenario) | Policy / Legal | Requirements for existing products, services, laws, and regulations | Medium term | Expenditures | The GALILEI Group | Increased research and development costs and capital investments to promote product decarbonization as a result of stricter environmental laws and regulations (e.g., the Kigali Amendment) | Medium | <ul style="list-style-type: none"> Conduct research and development and make capital investments to develop new refrigerants, and provide education and training programs to strengthen technical skills, in line with the goals of Environment Action 2030. |
| | | Increased cost of GHG emissions | Medium term | Expenditures | The GALILEI Group | Stricter energy efficiency regulations and increased compliance costs (for products and at business locations) | Low | <ul style="list-style-type: none"> Develop and offer products with superior environmental performance, as stated in Environment Action 2030. Develop an investment recovery plan and an equipment renewal plan to introduce renewable energy (e.g. solar power, storage batteries). Utilized available incentives. |
| | | Increased cost of GHG emissions | Medium term | Expenditures | The GALILEI Group | Increased operating costs due a decarbonization tax imposed on the GALILEI Group's Scope 1 and 2 emissions | Low | <ul style="list-style-type: none"> Reduce CO₂ emissions, as stated in Environment Action 2030. |
| | Market | Increased raw material costs | Medium term | Expenditures | Upstream | Increased raw material costs and procurement costs due to a decarbonization tax imposed on suppliers | Low | <ul style="list-style-type: none"> Implement supply chain measures to manage the situation and reflect cost increases in pricing. Enhance the value of new technologies and strengthen collaboration with business partners. |
| | | | Short term to long term | Expenditures | Upstream | Increased electricity costs and energy procurement costs due to fluctuations in energy prices | Low | <ul style="list-style-type: none"> Install solar power generation equipment and make related investments. Introduce electric vehicles. Promote a modal shift (transitioning from truck to other forms of transport). |
| | Reputation | Increased stakeholder concern or negative stakeholder feedback | Short term to medium term | Revenues | The GALILEI Group | Potential decline in the GALILEI Group's corporate value due to growing environmental awareness among investors if CO ₂ emissions reduction efforts are delayed | Medium (*) | <ul style="list-style-type: none"> Obtain certification, e.g., Science-Based Targets (SBT). Strengthen Environmental, Social, and Governance (ESG) communications with shareholders. |
| | Physical risks (4°C scenario) | Acute | Increased severity of extreme weather events such as cyclones and floods | Short term to medium term | Revenues | The GALILEI Group | The GALILEI Group's facilities damaged or flooded by increasingly severe natural disasters, leading to operational disruptions | Medium |
| Increased severity of extreme weather events such as cyclones and floods | | | Short term to medium term | Revenues | Upstream | Delays in overseas material procurement due to increasingly severe natural disasters, resulting operational disruptions and reduced sales opportunities | Medium | <ul style="list-style-type: none"> Diversify purchases, use multi-purpose parts, and increase inventory levels. |

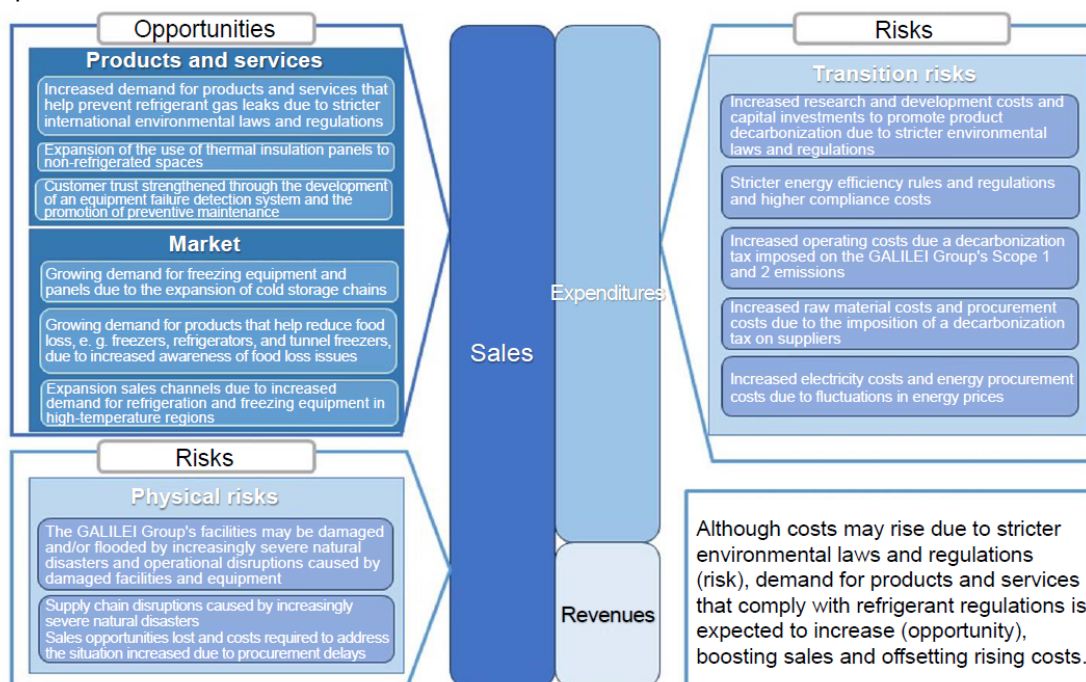
| Opportunities | Driver | Temperature | Length of time | Revenues/Expenditure | Who is affected | Impacts on the GALILEI Group | Impact level | Opportunity realization measures | |
|---------------|-----------------------|---|----------------|---------------------------|-----------------|------------------------------|---|----------------------------------|---|
| Opportunities | Products and services | Development or expansion of low-emission products and services | 1.5°C | Medium term | Revenues | Downstream | Increased demand for products and services that help prevent refrigerant gas leaks due to stricter international environmental laws and regulations (e.g. the Kigali Amendment) | High | <ul style="list-style-type: none"> Transition to green refrigerants, and develop and offer products with superior environmental performance, as stated in Environment Action 2030. |
| | | Development of new products or services through research and innovation | 4°C | Medium term to long term | Revenues | Downstream | Expansion of the use of thermal insulation panels to non-refrigerated spaces | Medium | <ul style="list-style-type: none"> Develop panels used for non-refrigerated spaces. Propose the use of panels in non-refrigerated spaces. |
| | | Climate change adaptation and development of insurance and risk solutions | 1.5°C | Short term to medium term | Revenues | The GALILEI Group | Customer trust strengthened by developing an equipment failure detection system and promoting preventive maintenance | Low | <ul style="list-style-type: none"> Prevent refrigerant gas leaks, as stated in Environment Action 2030. Improve the precision of the equipment failure detection system. Propose a 10-year refrigerant gas leak warranty contract. |
| | Market | Access to new markets | 4°C | Short term to long term | Revenues | Downstream | Growing demand for freezing equipment and panels due to the expansion of cold storage chains | High | <ul style="list-style-type: none"> Expand upstream group synergies across the entire food production stream. Improve productivity and installation efficiency. |
| | | | 1.5°C | Medium term | Revenues | The GALILEI Group | Growing demand for products that help reduce food loss, e.g., freezers, refrigerators, and tunnel freezers, due to increased focus on food loss reduction | Medium | <ul style="list-style-type: none"> Propose freezing and storage methods suitable for food ingredients, and engage in product development. |
| | | | 4°C | Long term | Revenues | Upstream | Expanded sales channels due to increased demand for refrigeration and freezing equipment in high-temperature regions | Medium | <ul style="list-style-type: none"> Develop products tailored to high-temperature regions. Strengthen overseas sales channels and establish local business locations. |

* Time frame: Short term: 2025 to 2028, Medium term: 2028 to 2030, Long term: 2030 to 2050

* Impact level: Low: Financial impact of 1 billion yen or less, Medium: Financial impact of more than 1 billion yen and less than 10 billion yen, High: Financial impact of 10 billion yen or more

(*) Reputational risks are qualitatively assessed based on their impact on business operations.

We identified climate-related risks and opportunities and linked their financial impacts to expenditures and sales.



■ Risk management

Climate change risk management is carried out by a subcommittee of the Sustainability Committee that is responsible for one of the material issues, "Achieve a carbon-free society."

■ Metrics and targets

We have set metrics and targets for each item of the Environment Action 2030. We monitor the progress of each indicator when conducting the above governance. Please see the table below for key themes and medium- to long-term targets.

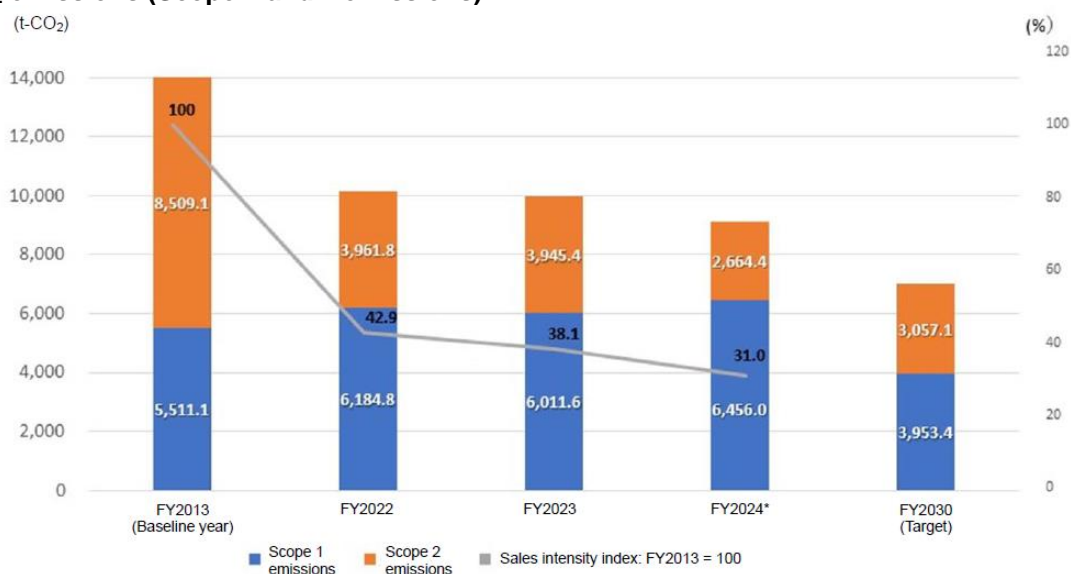
Key themes and medium- to long-term targets in Environment Action 2030

| Key theme | Indicator | Medium- to long-term target | |
|---------------------------------------|---|-----------------------------|-------------|
| | | Target | Target year |
| Transition to green refrigerants | | | |
| Plug-in type products | Weighted average Global Warming Potential (GWP) | GWP 150 or below | 2029 |
| Remote type products and installation | Weighted average Global Warming Potential (GWP) | GWP 750 or below | 2029 |
| Customers' products / equipment | Replace products containing CFC refrigerants that have greater environmental impact | - | Every year |

| | | | |
|--|---|------------|------|
| Prevent refrigerant gas leaks | | | |
| Amount of refrigerants leaks | Refrigerant leaks (t-CO ₂) from products manufactured and projects completed within the past 10 years | 0 | 2035 |
| Plug-in type products | 10-year CFC refrigerant leak warranty | Start | 2025 |
| Remote type products and installation | 10-year CFC refrigerant leak warranty under a maintenance agreement | Start | 2025 |
| Develop and offer products with superior environmental performance | | | |
| Life cycle assessments (LCA) | LCA for major models | Disclosure | 2023 |
| Transition to environmentally friendly products | Transition to products with less environmental impact based on LCA results | - | 毎年 |
| Reduce CO ₂ emissions | | | |
| Decarbonization | Scope 1 and 2 CO ₂ emissions(absolute amount) reduction rate (from 2013) | 50% | 2030 |
| | Reduction of CO ₂ emissions by working with customers | - | 毎年 |

■ CO₂ emissions data

CO₂ emissions (Scope 1 and 2 emissions)



* Nippon Senjoki K.K., which became a consolidated subsidiary in FY2024, is included in the calculations.