

Integrated Report 2025

GALILEI

GALILEI CO. LTD.



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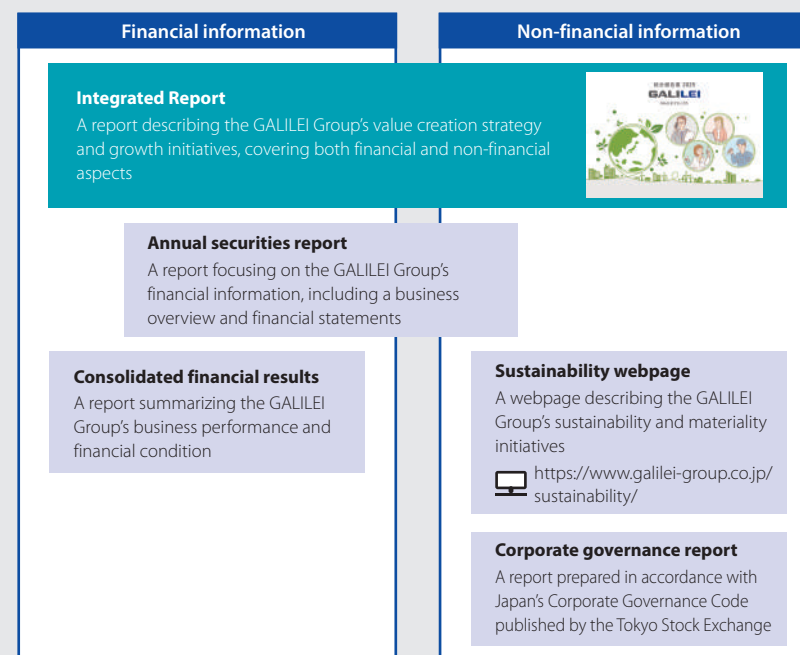
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Editorial Policy

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. In editing this report, we used the Integrated Reporting Framework by the IFRS Foundation and the Guidance for Collaborative Value Creation 2.0 by the Ministry of Economy, Trade and Industry, and sources for reference purposes.

Information Disclosure Structure



Reporting entities

FUKUSHIMA GALILEI CO. LTD. and its consolidated subsidiaries

Reporting period

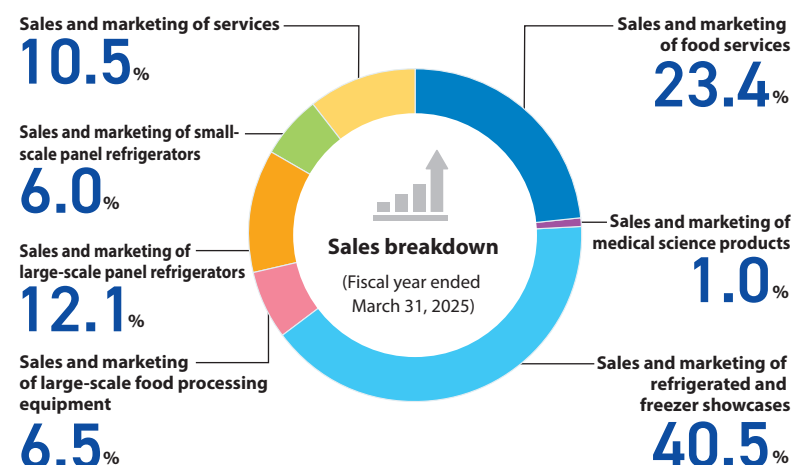
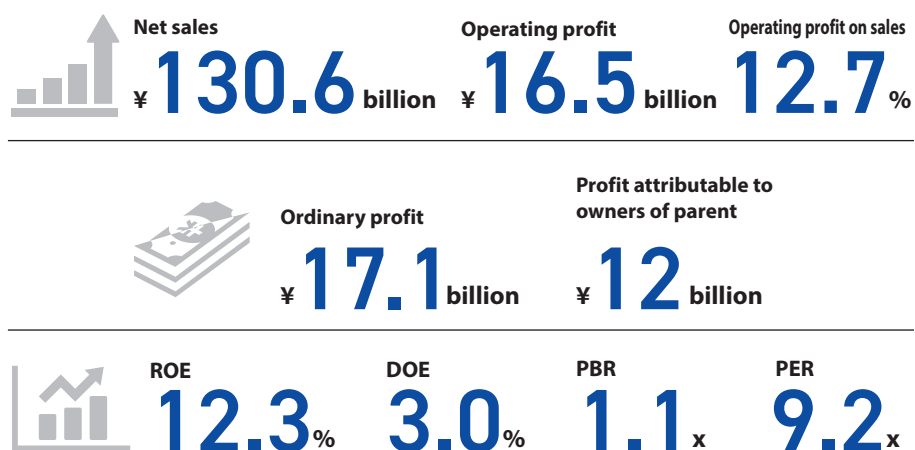
FY2024 (April 1, 2024 to March 31, 2025)
 * Some activities conducted in or after April 2025 have also been included in this report.

Forward-looking statements

The forward-looking statements, including the forecasts, projections, and plans for the GALILEI Group's future contained in this report are based on assumptions and judgment made using information available to the Group as of the date of the statements, and may contain uncertainties. Please note that actual results may differ due to various factors, such as economic conditions and foreign exchange rates.

At a glance

(Fiscal year ended March 31, 2025)



Group companies and employees

(As of the end of March 2025)

Number of group companies	Japan: 6 companies	Overseas: 13 companies
Number of business locations	Japan: 88 locations	Overseas: 14 locations
Number of employees	2,921 employees	
Average age	37.5	



The GALILEI Group's initiatives to address social issues

(FY2024)

Amount of food loss reduced	70,042 tons		
CO ₂ emissions reduced (compared to FY2013)	Scope 1 and 2 emissions	34.9%	
GWP of refrigerants used (on a weighted average basis)	Plug-in type products	640	Remote type products 1,487
Number of GALILEI 1% Club activities performed	177 activities		

Message from Top Management

From solving social issues to increasing corporate value – The GALILEI Group is united in leading the way for the future of food and life.

Go Fukushima

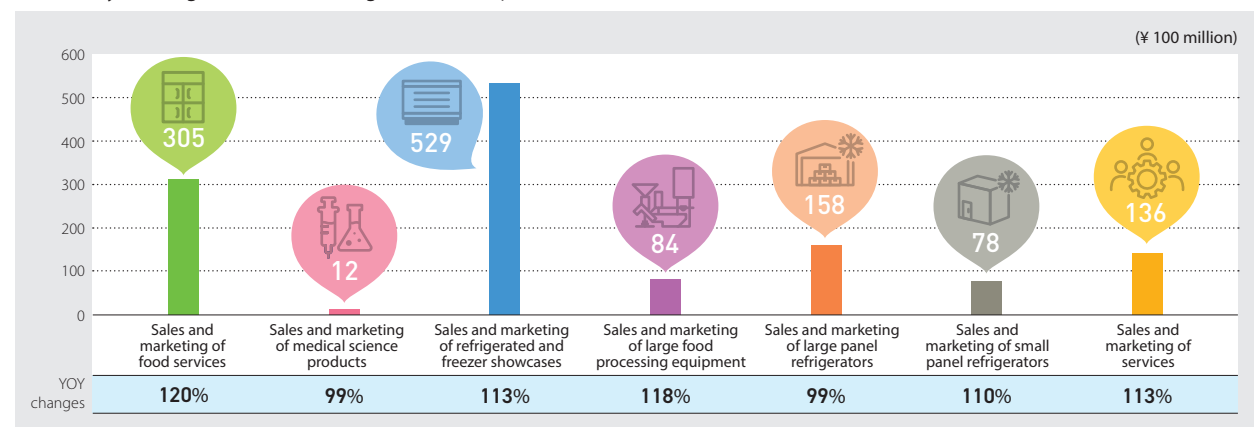
President

A year of challenge

I am pleased that we were able to deliver satisfactory results in each of our business operations in the previous fiscal year. If I were to rate our achievements, I'd give them 80 out of 100 points. Since we managed to boost both sales and profit, which was the least the Group aimed to achieve, I think we did reasonably well. Our management policy for the previous fiscal year was "Take-it-to-a-higher-level challenge" or "Higher-level challenge" for

short, and I declared in front of our employees my personal higher-level challenge, which was to make the GALILEI Group a great place to work. We are not halfway there yet, but one of our achievements so far was that we were able to achieve a goal of doubling our construction and installation workforce and to provide a safe and pleasant working environment for them. We were extremely busy in the previous fiscal year because construction sales increased significantly, but I am glad we were able to reduce long working hours. We have rolled out engagement surveys, which we started a few years ago, to all departments of FUKUSHIMA GALILEI, and we are working to meet the group-wide targets for 2030. We still have a lot more to do to improve the results, but the surveys have helped us to quantify the engagement levels of each department and to identify their challenges. Department heads and section leaders can now better communicate with their team members to address the challenges and find solutions. I think establishing the metrics that help increase motivation is, in itself, a significant achievement. The reason we adopted "Higher-level challenge" as our management policy is that we had planned various major challenges for the GALILEI Group. We wanted to declare our commitment to pursuing this policy to all employees. We wanted each and every one of them to have a clear idea of their roles and to work hard to address and deal with the challenges one by one. Some of our specific tasks

Net sales by sales segment and YOY changes (for the fiscal year ended March 31, 2025)



are the conversion into a holding company, the establishment of the GALILEI Global Vision 2030 (GGV2030), and the construction of new factories in Shiga Prefecture, and there are a lot more we need to do. "Boldly take on challenges with eyes on the future" is part of our Employee Code of Conduct. The culture of challenge had existed in GALILEI before I joined, and it seems to me that it had been deeply instilled in the employees as its DNA. We pursued a series of new challenges last year, so I think it was an important milestone year for the Group.

Effectively managing time to improve productivity

We have set our management policy for this fiscal year as effective time management. Time passes at the same rate for everyone, including our customers. I believe that ensuring the proper functioning of our refrigerators and achieving energy efficiency is not the only value the GALILEI Group offers to its customers, but our ability to readily respond to their needs is equally important to them. Labor shortages are a pressing issue for Japan because it is faced with the declining birthrate and aging population, so our industry, as a whole, should improve productivity, in my opinion. This spring, the GALILEI Group gave its employees a pay raise of more than 5 percent for three years in a row. We also increased each employee's hourly rate. To improve productivity across the Group, we need to manage time effectively. There are three key points in effective time management: First, improve your skills; second, delegate your tasks; and third, decide what you should stop doing. A specific example of this is to disclose financial results as soon as possible. Disclosing financial data accurately and promptly is extremely important for business operations. The ability to disclose financial results promptly is one of the indicators that investors look at when they assess businesses. To do this, it is necessary not only to facilitate consolidated financial reporting but also to change the way the GALILEI Group works, which includes reviewing the timing of receiving delivery notes. I know this is very challenging, but I find it very rewarding. I am sure if every employee puts this into practice, it not only improves customer satisfaction, but also directly contributes to increased sales and profits.

The transition to a holding company structure will deliver greater corporate value.

In April 2025, the GALILEI Group adopted a holding company structure. One of the reasons behind the conversion was that Nippon Senjoki K.K. and PT Aneka Citra Refrindo in Indonesia joined the Group in the previous fiscal year, and the number of our group companies increased as a result. We have chosen a holding company structure to place FUKUSHIMA GALILEI as an operating company on the same level as other subsidiaries, rather than placing many subsidiaries under the control of FUKUSHIMA GALILEI because we wanted to implement a system that would make it easier for each group company to exercise independence, pursue their own growth strategy, autonomously make investments, and proactively take on challenges. I hope the conversion will encourage the group companies to invigorate their business activities. Another objective of the conversion is to train and develop the GALILEI Group's future business leaders. Now that GALILEI CO. LTD. is a holding company, I am more aware of how best to manage the Group, what value the GALILEI Group can offer, and how we can increase our value. These are the things that are always on my mind these days. It is been only a couple of months since we adopted a holding company structure, so we haven't delivered any visible results yet, but I do feel all group companies have made good progress in invigorating their business activities. They've done very well and made proactive investment plans for the next phase of growth. I am glad they're very positive about the future. Currently, we have a specific investment plan to build a new factory for the Showcase Operations. It is a major investment project costing over 10 billion yen. The construction work has just begun and it will take some time before the factory becomes operational. In the meantime, we are also reviewing and carefully finalizing our business plan to maximize the benefits of the investment. We reviewed our cash allocation strategy to invest more for future growth. We already disclosed our dividend policy in May this year, and in view of our future cash flow, we intend to make approximately 40 billion yen worth of investments over the next three years.

For the next 10 years

It is been three years since I took over the responsibilities of my predecessor, who is now the chairman of the board, and assumed the role of president. Now is the time for me to develop the next strategy. I don't intend to make a medium-term plan or a short- to medium-term plan, but I do think that I should make a growth strategy for the Group with a longer-term perspective. We have established a Group Strategy Committee, which consists of relatively young executives in their early 50s (please see Group Synergy on page 35.) and started to discuss the GALILEI Group's vision for the next 10 years. One of the purposes of establishing the committee is to train and develop the next generation of business leaders for the Group. The committee has just been set up, and we haven't made any specific decisions yet, but in my view, we have had very positive and meaningful discussions. We discuss and flesh out our vision for the next 10 years: how we want to do business in 10 years, and what value we'll be able to offer to society. It is very difficult to picture where we'll be and what we'll be doing in 10 years, but we are making plans freely and optimistically, so we are having fun discussing them. When I meet with our investors, they often ask me about the future prospects of our business operations. I think it is important to clearly define the Group's vision and carefully explain it to them so that they can give us support. Once we have developed a gripping vision, we'll disclose our vision at the right time.



The GALILEI Group helps customers to adapt to changes in the environment.

The environment surrounding the GALILEI Group's customers is currently undergoing significant changes. They're faced with many challenges, such as rising food ingredient costs, soaring logistics and energy costs, labor shortages, and escalating wages, to name a few. To overcome these challenges, our customers themselves are also undergoing major changes, and some of them have changed their business models as well. For example, some Japanese-style bars now sell sandwiches. Our customers are constantly taking on new challenges. I believe it is important for the GALILEI Group to be on their side and provide support. Fortunately, we are able to contribute to all stages of the food supply chain, from food production to food retail and food service. I am sure if we are on our customers' side when they take on their challenges, we'll definitely be able to offer support in some way or another. Under these circumstances, I think we still have many business opportunities, which can be broadly divided into three categories. The first one is global expansion. Our customers are aggressively pursuing global expansion. The GALILEI Group announced the GGV2030 last year, and we see providing support for our customers in their overseas expansion as an opportunity for our business to grow as well. The second one is automation and labor saving. SHOKEN GALILEI, which manufactures automated conveyor belts for food production factories, has recently started developing robotic automation technology. It is applied not only in food production factories, but in many other sectors as well, and the company has successfully created new demand. The third one is response to environmental issues. The GALILEI Group has developed the Dramatic Future 2050 (DF2050) to address social issues, such as climate change and energy costs. We are making environmental efforts ahead of competitors, including full-scale mass-production of CFC-free refrigerators and 10-year refrigerant gas leak warranties. We expect a demand for such solutions to continue to grow significantly. The GALILEI Group excels in its ability to work closely with customers across all food industries and business models to provide solutions to their challenges and offer value. This strength

comes from our cooling technology, but we also hope to continuously refine our temperature control technology, such as heat-based cleaning technology developed by a new group company, Nippon Senjoki. By doing that, we want to increase our corporate value as well.

These days, we have more projects we can undertake if all group companies work together as a team. This is an example of the synergy of the group. No single group company would be able to secure these projects alone. We have specifically identified the key markets where we can leverage our group's collective strengths, and we also set up a new committee in this fiscal year to start creating more group synergy. (Please see Expansion of Business Domain on page 34.)

The GALILEI Academy to support cold storage chains of the future

To increase brand value, people and technology are essential, in my opinion. It is people who embody the brand, and without technology, no trust would be earned. That's why we believe we should prioritize investment in people and technology. Businesses in our industry see the training and development of professionals who will support cold storage chains of the next generation as one of their important business challenges. It is a pressing issue for the entire industry. Every industry is faced with serious labor shortages, and the problems are even more acute in rural areas where skilled cold storage chain engineers are in short supply. Some supermarkets in those areas had to be closed down due to the lack of engineers. We opened the GALILEI Academy in Osaka three years ago. It is a technical school for training and developing engineers. Over 150 people have completed the course at the Academy, and they're thriving in their workplaces all over Japan. There are very few companies in the country that are capable of undertaking the whole cold storage chain process from installation to maintenance, and we hope to remain one of these unique companies in the country that can do just that. The GALILEI Academy, currently undergoing renovation, is due to reopen as the Human Resources and Technical Development Center in 2027. (Please see Human Capital Strategy on page 17.) Currently, only

beginner to intermediate technical training courses are offered at the Academy, but when it reopens, we plan to offer a wider range of training courses to make it a technical training school that is widely accessible to non-GALILEI people as well.

Creating refrigerators that never stop

The GALILEI Group also focuses on digital technology. We are working to improve the productivity of our maintenance operations with the use of AI as well as a new technology that combines human expertise with digital technology. I am sure this strategy helps us to increase our competitiveness. A specific example of this is that we have a system that can predict customers' potential equipment failures with 80% accuracy, up to seven days in advance. We are confident that if we refine this technology, we will be able to better serve our customers and society. What we aim for is to repair equipment before it fails, rather than doing nothing until it becomes faulty. As long as our customers' cooling equipment is in good condition, they can concentrate on their business operations and their products don't go to waste. Food loss can also be reduced. Our goal is to maintain the cooling function of our equipment. We are hopeful we can apply this technology to the domain of "life," such as the pharmaceutical and healthcare sectors. We think when we improve our technological capabilities in these fields, we'll be able to further enhance our corporate value.

Making the GALILEI Group a great place to work

The type of person the GALILEI Group seeks to hire is someone who keeps their promises, is ready to apologize straight away if they make any mistakes, and learns from their mistakes. These qualities may be taken for granted, but integrity and sincerity are very important to any business person. Having the ability to build a relationship of trust with customers and a strong spirit of challenge is equally important. We are planning on reviewing our human resources framework to nurture and train people with these qualities. We want the human resources framework to be effective

in achieving the personal and professional development of those who are sought by the Group. We also want to make the Group a great place to work. To do that, we need to review and update our human resources policies so that employees have more choices about their flexible working styles.

We have a system in place that encourages female employees to play an active role in the workplace, but I am not completely satisfied with our progress. I believe that women's empowerment is something we should promote consistently, even if it may take some time, and we also aim to increase the number of female board members. Women's perspectives are extremely important to us, and listening to their views and ideas will help us make the right business decisions. For this purpose, I am aware it is my duty to create a system that allows female employees to choose their career paths and to provide an environment that helps them achieve personal growth and development.

Promoting sustainability management in the course of business activities

For the GALILEI Group, the environmental factor, as in "E" of ESG management, is directly linked to our business. Since our products use electricity, CO₂ emissions from our products used by our customers account for a majority of greenhouse gas emissions generated in our business activities. We knew reducing our CO₂ emissions would be one of our duties, and it would lead to

product and technology differentiation. So, as soon as we changed our brand to GALILEI, we launched a project, developed the DF2050 environment vision, and set targets to work towards our goals. We were the first in the industry to use CFC-free refrigerants. To prevent refrigerant gas leaks, we started offering the industry's first 10-year refrigerant gas leak warranties in April last year. This was our top priority initiative. We clearly communicated our commitment internally and externally, which has been more widely recognized by both our employees and customers alike.

In terms of the social factor, as in "S" of ESG management, we have operated the GALILEI 1% Club since 2021. We contribute 1 percent of our pre-tax profit to social contribution initiatives. We mainly donate our commercial refrigerators to children's cafeterias and food banks across the country and support our employees in doing voluntary work in collaboration with local communities. This initiative has expanded so much that it is been rolled out throughout the country. What's important is that we build good relationships with local communities and that our employees become more aware of social issues by participating in voluntary work. We hope they will develop a greater sense of humanity as well.

Finally, in terms of the governance factor, as in "G" of ESG management, our board of directors is functioning effectively, in my opinion. Our outside directors share their frank and honest opinions with us, and we take them very seriously to make improvements. One of our challenges is to strengthen our compliance efforts. It is important to change company rules, but it is also crucial to change our employees' awareness. We should keep communicating and keep learning. I always say this to all our employees – we won't be able to sustain our growth unless we adhere to legal requirements and ensure business growth at the same time.

To realize our purpose

The reason we established our purpose, "Leading the way for the future of food and life" when I became president was that I felt businesses should think seriously all the time whether they have social significance. To me, corporate value is not just about growing

business, but it is about how we can solve social issues or how many components of new social value we can create by doing business. "Consumer happiness" is part of the GALILEI Group's corporate philosophy, and we have consistently worked to achieve our social significance, which is to improve the quality of people's eating habits. It was very important that, along with the domain of "food," we have added the domain of "life" to our business area. By establishing our purpose, we wanted our employees to know that the GALILEI Group's next direction is to become a group of companies that is committed to solving social issues in the domain of "life," including protecting people's lives, food's life, and life on Earth. This was a powerful message that we wanted to send to all our employees. If we just do what we have been doing, the GALILEI Group won't change and our employees won't change either. Times are changing, our customers are also changing rapidly, and we must change as well. That's why we have established this purpose.

Our employees may not be fully aware of the purpose yet, but I can tell those who have experienced the significance of food and life through their work tend to see things differently. I hope to see many more employees experience it and share the same feeling. It is the duty of top management and executive staff to provide opportunities for our employees to have these experiences.

We are united in leading the way toward the future.

The GALILEI Group adopted a holding company structure in this fiscal year, and I feel we should make more efforts than ever to promote group management and to continue to increase our corporate value. We have made necessary preparations, but we still have more to do. We should further improve our technologies to achieve greater business growth. We have had repeated discussions about our group vision and growth strategy for the next 10 years, and we hope to disclose them soon. We are ready to work hard as a team to meet our stakeholders' expectations, and we look forward to your continued support. Thank you.



Corporate Philosophy and Purpose

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 is based on the Four Rules of Happiness, which are consumer happiness, customer happiness, employee happiness, and stakeholder happiness. To achieve happiness for these groups, we remain committed to contributing to society by leading the way for the future of food and life.

Our corporate philosophy encapsulates our overarching purpose, and we have established the Charter of Corporate Behavior, which details standards of conduct expected in our business operations, and the Employee Code of Conduct, which provides moral guidelines for our officers and employees and guides their execution of business activities.

The Corporate Philosophy of the GALILEI Group

1. Consumer Happiness

With a focus on the environment, safety, and peace of mind, we aim to work with our customers to contribute to the happiness of the consumer.

Consumers

2. Customer Happiness

Through the use of original technology and systems, we aim to add new value to the food industry and contribute to the happiness of our customers.

Customers

GALILEI

Employees

3. Employee Happiness

We aim to foster both material and emotional happiness by strengthening individual responsibility, and by promoting growth at the employee and corporate levels.

Stakeholders

4. Stakeholder Happiness

We work toward common goals, continuously improving company performance and contributing to the happiness of our shareholders and trading partners.

 **Charter of Corporate Behavior and Employee Code of Conduct** <https://www.galilei-group.co.jp/about/philosophy/>

Our Purpose

Leading the Way for the Future of Food and Life

Our purpose, “Leading the way for the future of food and life,” encompasses ensuring food safety and security, which is essential to life, and also increasing our healthy life expectancy and protecting Earth’s ecosystems.

We pursue our purpose while advancing the cooling technology that we have developed over the years, use food to spread happiness to people all around the world, and help resolve social issues.

Share the joy and excitement of tasty food with people

Support a food lifeline for better living

Four aspects of the value we offer

Keep all forms of life on the planet vibrant and healthy

Contribute to the happiness of people around the world



FEATURE

Product sponsorship for EARTH MART at the Expo 2025, Osaka, Kansai, Japan

FUKUSHIMA GALILEI provided its refrigerated and freezer showcases and other equipment to sponsor EARTH MART produced by Kundo Koyama, which was in the thematic project, Signature Pavilion, of the Expo 2025 Osaka, Kansai, Japan, held from April 13 to October 13, 2025.

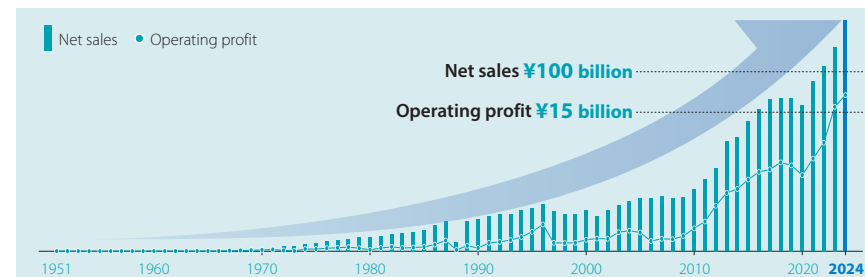
EARTH MART was a representation of the GALILEI Group's purpose – leading the way for the future of food and life.



GALILEI Group History

Since our establishment, we at the GALILEI Groups have continuously expanded our business while contributing to the resolution of social issues.

As a provider of the food lifeline essential for our daily lives, we have aimed to be a Happiness Creating Company grounded in our corporate philosophy of the “Four Rules of Happiness.” We have expanded our business domain and persistently developed our cooling technology to improve the quality of the eating habits of people from all over the world.



1951 to 1974	1975 to 1995	1996 to 2018	2019 and beyond	Strengths we have developed P09
Laying the foundations for Japan's commercial refrigerators <p>1956: Established the Osaka Head Office Factory and started production.</p> <p>1970: Established the Toyonaka Factory and started production.</p> 	Became a specialist in the manufacture of commercial refrigerators and refrigerated and freezer showcases <p>1984: Set up the Okayama Factory and started production.</p> <p>1989: Established the Hong Kong Representative Office.</p> <p>1995: Set up the Shiga Factory and started production. Listed on the second section of the Osaka Stock Exchange.</p> 	Business domain expanded with temperature control technology and group synergy <p>2005: Listed on the first section of the Tokyo Stock Exchange.</p> <p>2009: Takahashi Manufacturing CO., LTD. (currently known as TAKAHASHI GALILEI CO. LTD.) joined the Fukushima Group.</p> <p>2013: FSP Corporation (currently known as GALILEI PANEL CREATE CO. LTD.) joined the Fukushima Group. Shoken Corporation (currently known as SHOKEN GALILEI CO. LTD.) joined the Fukushima Group.</p> <p>2015: Established the Thai Factory and started production.</p> 	Brand name changed to GALILEI. Challenge of achieving the purpose continues <p>2019: The construction of GALILEI Group's new head office building and the MILAB food innovation facility was completed.</p> <p>2024: Nippon Senjoki K.K. joined the GALILEI Group.</p> 	Strength 1 Synergy <p>We are a one-of-a-kind group of companies that leverages each group company's strengths to provide all-encompassing support across the entire food production stream. With our combined capabilities, we offer one-stop solutions for customer challenges.</p>
<p>1962: Developed and launched mass production of the ER model standardized refrigerator, an industry first.</p> <p>1964: Developed and launched mass production of refrigerated and freezer showcases, POS Series.</p>  <p>ER model standardized refrigerator</p> <p>POS series</p>	<p>1979: Launched refrigerated and freezer showcases, SE Series.</p> <p>1985: Launched the industry's first Ultra Fresh, High Humidity Refrigerator with triple temperature range control.</p> <p>1986: Launched commercial refrigerator and freezer, ERX and RC Series.</p> <p>1988: Developed Clean Defrosting Equipment.</p>  <p>Commercial refrigerator and freezer, ERX Series</p> <p>Clean Defrosting Equipment</p>	<p>1999: Launched medical equipment. Launched Blast Chiller, QXF.</p> <p>2001: Launched RO water generators.</p> <p>2014: "Bems-you" won the Energy Conservation Grand Prize and the Minister of Economy, Trade and Industry Prize.</p> <p>2017: Developed Chilled Jet.</p>  <p>Blast Chiller, QXF</p> <p>Chilled Jet</p>	<p>2019: Launched commercial refrigerator and freezer, the Galilei Series. Launched refrigerated and freezer showcase, CLAIR Send-you.</p> <p>2021: Launched host controller, AURO.</p> <p>2023: Developed CO₂ refrigeration system, NOBRAC.</p>  <p>Host controller, AURO.</p> <p>CO₂ refrigeration system, NOBRAC</p> <p>Refrigerated and freezer showcase, CLAIR Send-you</p>	Strength 2 Technology <p>Since our company was established, we have improved cooling technology and advanced temperature control technology. We will continue to offer solutions to customer challenges and environmental issues with our high levels of technical expertise and product development capabilities.</p>
<p>1951: Established Fukushima Kogyo in Osaka City.</p> <p>1967: Established the Luckland logo.</p> 	<p>1977: Held an All-Employee Convention.</p> <p>1985: Adopted "Fresh Oval" as GALILEI's corporate identity.</p> <p>1992: Established the corporate philosophy (customer happiness) and the employee code of conduct.</p> <p>1994: Established the corporate philosophy (employee happiness and stakeholder happiness).</p> 	<p>2004: Established the corporate philosophy (consumer happiness).</p> <p>2005: Adopted "Fresh Value Sphere" as GALILEI's corporate identity (CI).</p> <p>2011: Amended the employee code of conduct.</p> <p>2014: Established the Fukushima Philosophy.</p> 	<p>2019: Changed the brand name to GALILEI.</p> <p>2021: Launched the GALILEI 1% Club.</p> <p>2022: Established the purpose "Leading the way for the future of food and life." Opened the GALILEI Academy.</p> 	Strength 3 Corporate philosophy <p>The Four Rules of Happiness represent our purpose. To achieve consumer happiness, customer happiness, employee happiness, and stakeholder happiness, we will continue to make a positive contribution to society through food and life.</p>

The GALILEI Group's Strengths




Strength 1

Strengths we have developed: Synergy

■ Root of our strengths

We have grown our business, centered around our cooling technology, as the food service and food retail industries grew. We have also expanded our business domains to the medical science and engineering sectors through the application of temperature control technology while actively pursuing overseas expansion. With the addition of freezer operations and panel operations to the GALILEI Group's business activities, we are now truly a one-of-a-kind group of companies that leverages each group company's strengths to provide all-encompassing support across the entire food production stream.

■ Secret to our strengths

	One-stop solutions for customer challenges
	Multi-dimensional understanding of customer needs
	Value creation through technology mix

■ Further enhancing our strengths

We are seeking to lead the way for the future of food and life. In the domain of "food," we have launched the Food Science Center to scientifically analyze food and to share the joy and excitement of tasty food with people. By working closely with Nippon Senjoki, a new member of the GALILEI Group, we expect to invigorate each of our business operations. In the domain of "life," we are striving to expand our panel operations to non-food fields, such as cleanrooms and semiconductor factories, and to enter growth sectors, such as pharmaceuticals and regenerative medicine, by improving the Group's design capabilities.




Strength 2

Strengths we have developed: Technology

■ Root of our strengths

Since our company was established, we have improved cooling technology and advanced temperature control technology. The steady improvement of temperature control technology has helped us develop new products that offer new social value, including clean defrosting equipment, dough conditioners, and blast chillers. In anticipation of labor-saving needs, we have started developing labor-saving products early and refined our energy-efficient, labor-saving technologies. Currently, we are pursuing the development of environmentally friendly products under the environmental vision, Dramatic Future 2050, and we aspire to be a leading company with a strong commitment to environmental responsibility.

■ Secret to our strengths

	Temperature control technology
	Energy-efficient, labor-saving technology
	Environmental technology

■ Further enhancing our strengths

We are working to advance temperature control technology through the improvement of temperature and humidity control technology across a wide range of temperatures, from ultra-low temperature ranges to heating temperature ranges using steam, electricity, and gas, spatial temperature control technology, and temperature precision technology. By further advancing environmental technology, such as gas leak detection technology using AI and IoT, we are pursuing technological innovation to make "refrigerators that never stop." Furthermore, we also aim to achieve greater energy efficiency in our engineering and freezer operations through the use of the NOBRAC system.




Strength 3

Strength we have developed: Corporate philosophy

■ Root of our strengths

Since 1977, we have organized an annual all-employee convention to instill our employees with our corporate philosophy and vision. The Four Rules of Happiness, which is the GALILEI Group's corporate philosophy, represents the sanpo yoshi (meaning benefits for all three parties) principle and visualizes the Group's overarching purpose. We have created a moral compass called the GALILEI Philosophy to put the corporate philosophy into practice and to encourage each and every one of our employees to keep working to make it part of the way they think and behave. We are confident that the corporate philosophy helps them uphold the highest ethical standards.

■ Secret to our strengths

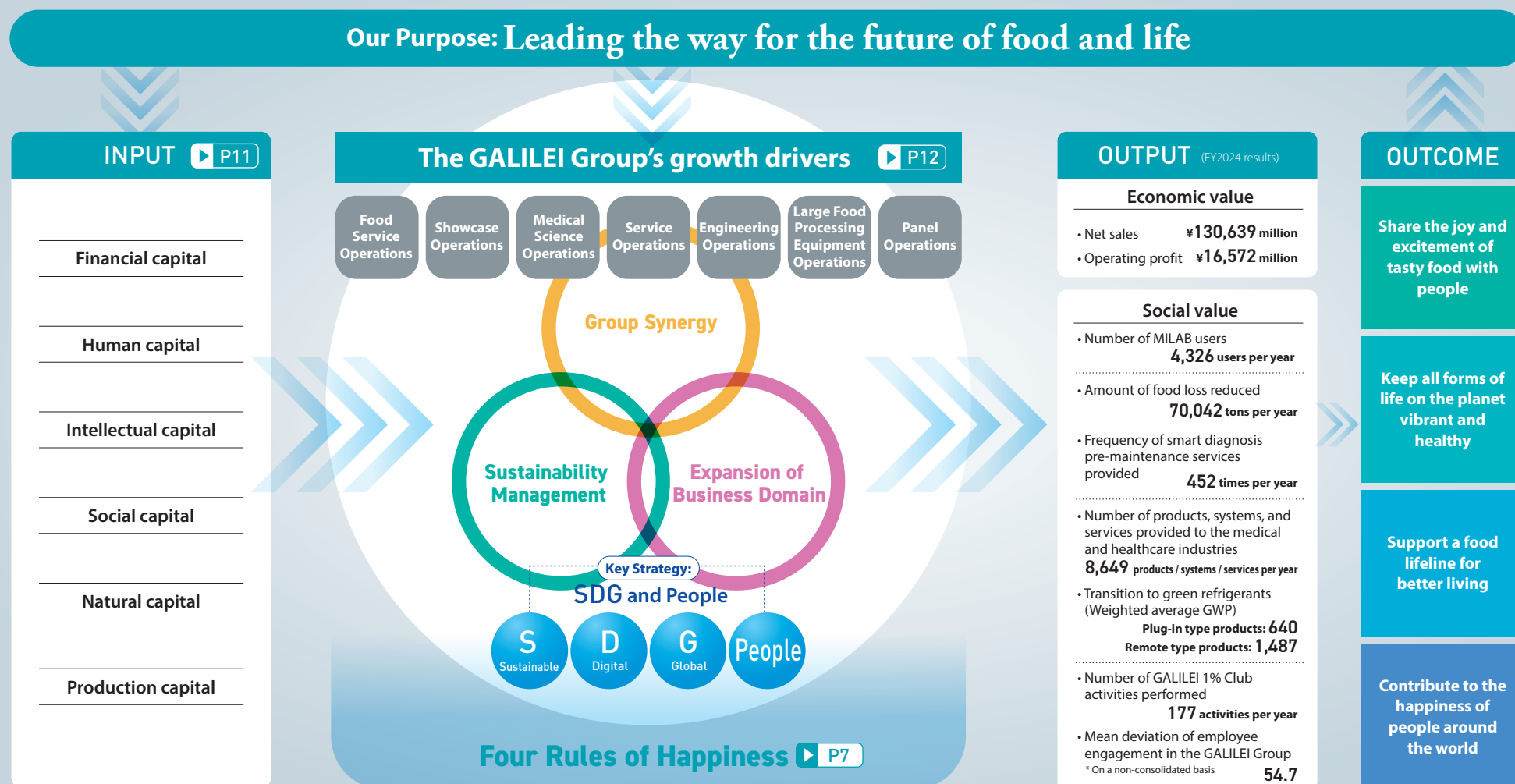
	All-employee convention
	GALILEI Philosophy
	Highest ethical standards based on the sanpo yoshi principle

■ Further enhancing our strengths

We established our new purpose, "Leading the way for the future of food and life" in 2022. The purpose encompasses ensuring food safety and security, which is essential to life, and also increasing our healthy life expectancy and protecting Earth's ecosystems. By adding the new domain of "life" to the GALILEI Group's commitment, we aim not only to spread the joy of food to people all around the world and help solve social issues, but also to create new social value in the domain of "life."

Value Creation Model

At the GALILEI Group, we seek to solve social issues through our business activities and expand business domains by leveraging our unique strengths, based on our cherished corporate philosophy, the Four Rules of Happiness, in order to achieve the purpose, "leading the way for the future of food and life." We aim to maximize both social and corporate value by addressing social challenges through our business activities.



INPUT

(Fiscal year ended March 31, 2025)

Sources of value creation acquired through the adherence to our corporate philosophy

Financial capital

Good financial health
for sustainable growth



Total assets

¥ **141,5** billion

Cash and cash equivalents

¥ **52,8** billion

Interest-bearing debts

0 billion

Equity

¥ **102,4** billion

Human capital

Corporate culture that values diversity
and fosters collaboration

Number of employees
(GALILEI Group)

2,921

Number of employees
(FUKUSHIMA GALILEI)

2,111

Number of employees
(Japan and other)

578

Number of employees
(overseas)

232

Production capital

Production system for fulfilling supply commitments

Number of
production sites:

11

Capital
investments

¥ **7.7** billion



FUKUSHIMA GALILEI Okayama Factory



FUKUSHIMA GALILEI Shiga (Minakuchi) Factory



GALILEI PANEL CREATE Hikone Factory



TAKAHASHI GALILEI Head Office Factory



SHOKEN GALILEI Head Office Factory



Nippon Senjoki Keihinjima Factory



Thai Factory

Intellectual capital

Long-developed
temperature control
technology

Research and development costs

¥ **1.3** billion

Number of registered intellectual
property rights

256 rights



Social capital

Trust and confidence earned through
a well-established network

Number of main business partners*

Over **1,000** companies

* Companies with annual business transactions of over ¥10 million

Years of experience in the
supply of commercial
refrigerators and freezers

74 years

Natural capital

Environmentally friendly
monozukuri manufacturing

Energy consumption

150,507 GJ

Water consumption

33,299 m³

Industrial waste generated

2,501.5 t

The GALILEI Group's Growth Drivers

We aim to practice sustainability management based on the key strategy, SDGs and People, and expand business domains and maximize both social and corporate value while leveraging group synergy.

Key strategy: SDGs and People

SDGs and People is a coined term that combines “sustainable,” “digital,” “global,” and “people.” These four keywords represent the GALILEI Group's priority themes.

We strive for sustainable growth through considerations for the environment and society, proactive investment in innovation and growth markets, and the development of human resources that support our efforts.



Commitment

To achieve a carbon-free society through the implementation of Dramatic Future 2050.

Specific action

Environment Action 2030



Commitment

To innovate business and operations through both offensive and defensive digital transformation.

Specific action

To be a Zero Call Company.
To upgrade the mission-critical system.



Commitment

To use our cooling technology to help develop cold food storage chains in Asia.

Specific action

GALILEI Global Vision 2030



Commitment

To support cold chains for future generations through the development of highly skilled professionals.

Specific action

GALILEI Academy

Maximize social and corporate value through sustainability management P30

The GALILEI Group has identified eight material issues to lead the way for the future of food and life and is pursuing its sustainability management initiatives. Sustainability management enables us to reflect on our business operations in terms of the environment, society, and economy and to balance addressing social issues with pursuing corporate growth through our business activities. By practicing sustainability management, we aim to maximize our social value and corporate value.

The GALILEI Group's eight material issues



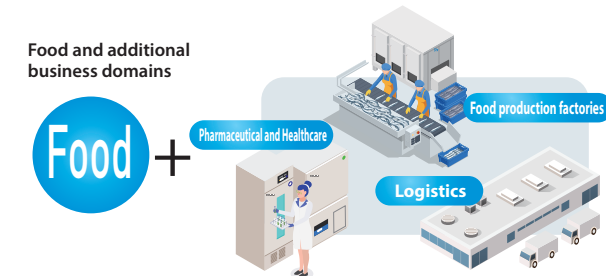
Improve profitability through group synergy P35

With 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 offer new value to society as well as one-stop solutions for customer challenges.



Scale business operations through expansion of business domain P34

In an effort to achieve the purpose, “Leading the way for the future of food and life,” the GALILEI Group has added “life” to its business domains along with “food” and is working to achieve sustainable growth. In order to promote the Group's growth, we ensure that the existing business will steadily grow through further selection and concentration, anticipate changes in the market, and make proactive investments in the growth areas of food, people, and life on Earth.



Financial Strategy

Message from Executive Officer in Charge of Finance



Balancing investment for growth and appropriate shareholder return through healthy financial management

Yoshiyuki Yanagihara

Executive Officer of Group Finance and M&A
GALILEI CO. LTD.

The GALILEI Group has successfully grown its business through effective management and in accordance with its corporate philosophy.

In April 2025, the Group adopted a holding company structure, and it is my key responsibility as the executive officer responsible for the Group's finance to balance the development of a new financial management framework and the achievement of business growth.

We plan to strengthen our revenue base while meeting a wide range of customer needs by maximizing group synergy generated through the sharing of resources, including people, technology, and products.

One of the holding company's biggest tasks is to improve the financial management capabilities of its operating companies. To this end, we will focus on training and developing financial personnel who can support the Group's business growth, by expediting financial reporting and strengthening internal control. In addition, we will also improve the IT system and enhance the information collection functions to enable us to make management decisions in a timely manner.

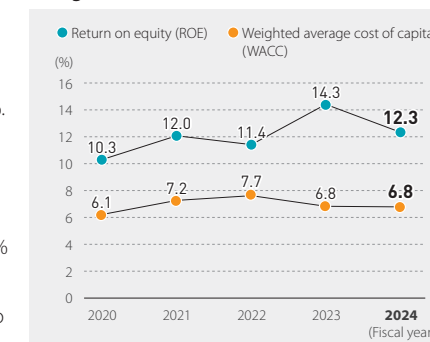
When making investment decisions, we carefully examine the balance between investment amounts and payback periods with a focus on increasing per capita value added. We are aiming for overseas expansion and entry into the domain of "life," and we will proceed with our plan while continuously monitoring our ability to generate cash flow.

We will contribute to sustainable corporate value creation by balancing investment for growth and appropriate shareholder return while ensuring healthy financial management.

In an Effort to Improve Capital Efficiency

Our weighted average cost of capital (WACC) for the fiscal year ended March 31, 2025 was estimated at 6.8%. Our return on equity (ROE) for the fiscal year ended March 31, 2024 and the fiscal year ended March 31, 2025 was 14.3% and 12.3%, respectively. It remained above 10% and exceeded WACC. To achieve ROE of 10% or above, we will aggressively make investments and grow our business so that we can offer better returns to our shareholders.

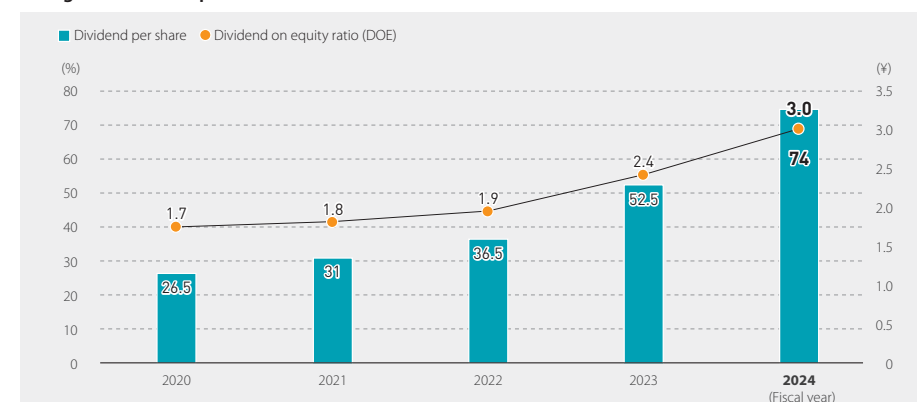
Changes in ROE and WACC



Shareholder Return Policy

We at the GALILEI Group hold sufficient shareholder equity to enable us to promptly capture growing business opportunities and determine dividends based on the dividend on equity ratio (DOE), which we have gradually increased each year. Following discussions at the board of directors about investment for growth and shareholder return for the three-year period from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027, we have set a DOE target for the three-year period at 3.0%, in order to clearly communicate to our shareholders our commitment to increase shareholder return and to make further efforts to do so. This is the first time the GALILEI Group has specifically set a quantitative target for shareholder return.

Changes in dividend per share and DOE

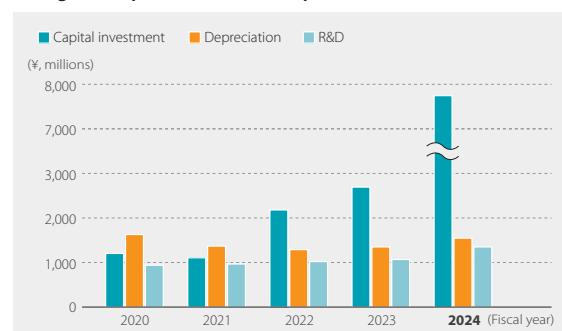


* Calculated on the assumption that the share split conducted in January 2025 had been conducted at the beginning of FY2020.

Investment for Growth

The board of directors of the GALILEI Group has had discussions on making proactive investment for future growth. To increase production capacity and enhance research and development capabilities, we plan to build a refrigerated and freezer showcase factory and a thermal insulation panel factory. In addition to this, we have various investment plans, which include expanding the sales network to increase customer interaction and engagement venues, such as the MILAB; making strategic investments in IT to improve productivity and to ensure resilience; and building the Human Resources and Technical Development Center to provide more comprehensive staff training and capacity-building programs. In order to drive further business growth by taking these initiatives, we plan to make an investment of approximately 40 billion yen over the next three-year period.

Changes in capital investment, depreciation, and R&D



■ FUKUSHIMA GALILEI to build a new factory in Shiga Prefecture

FUKUSHIMA GALILEI had a purification ceremony at the building site of a new factory in Konan City, Shiga Prefecture, in August before the construction of this development and production hub for refrigerated and freezer showcases started.

In the distribution industry, demand for store renovation solutions from supermarkets, drug stores, and convenience stores remains strong, and we expect this high level of demand to continue in the future. We have produced refrigerated and freezer showcases and other equipment at the Shiga (Minakuchi) Factory, which was built in 1995, for nearly 30 years. By building the new factory near the existing one, we plan to create a production system that develops next-generation, high-value-added products and improves productivity through collaboration between the two factories and further increases market share of refrigerated and freezer showcases. The new factory is scheduled for completion in December 2026.

Effects of the construction of the new factory

- (1) Approximately 30% increase in production capacity
- (2) Productivity and product quality improved by automation
- (3) Enhanced development capabilities

Overview

(Tentative) name: Shiga (Konan) Factory
 Location: Takamatsu-cho, Konan, Shiga Prefecture
 Site area: 42,962 m²
 Total floor area: 26,525 m²
 Structure: Steel-frame two-story building
 Investment amount: Over 10 billion yen
 Products to be manufactured: Refrigerated and freezer showcases



Artist's impression of the exterior of the new Shiga Factory

■ GALILEI PANEL CREATE to build a new factory in Shiga Prefecture

GALILEI PANEL CREATE has acquired land at the Lake Biwa Eastern Core Industrial Park in Taga, Inukami-gun, Shiga Prefecture to build a new thermal insulation panel factory. In the domestic panel market, we expect strong demand for the new construction and upgrading of large food production factories, logistics facilities, pharmaceutical facilities, regenerative medicine facilities, and secondary battery factories to continue in the future. The building and equipment of the existing Hikone Factory, which has been in operation for over 50 years, are in such poor condition that it is no longer possible to increase the factory's production capacity. For this reason, we have acquired the land to build a new smart factory that will incorporate automation and digital transformation to increase our panel supply capacity.

Overview

(Tentative) name: Shiga (Taga) Factory
 Location: Taga, Inukami-gun, Shiga Prefecture
 Site area: 52,800 m²
 Products to be manufactured: Thermal insulation panels and building fixtures



The installation of thermal insulation panels is in progress.

■ SHOKEN GALILEI to build a new factory in Shizuoka Prefecture

Labor shortages are a serious social problem in Japan as the country is faced with the declining birthrate and aging population, and the situation is said to be even worse in the future. Under these circumstances, demand for labor-saving production and logistics lines at food production factories is expected to continue rising. In 2023, SHOKEN GALILEI moved to its newly-built head office and factory and started operations in this new environment, and its second factory is being built in response to rising demand for labor-saving equipment. At Factory 2, we will provide SHOKEN LAB, a new co-creation space where we can co-create new equipment with our customers, using actual equipment, loading and unloading equipment, and conveyor belts used before and after TAKAHASHI GALILEI's tunnel freezers, as well as robotic transportation equipment for the packaging process. This will enable us, as a system integrator in food production factories, to respond to growing customer needs for labor-saving solutions.

Effects of the construction of the new factory

- (1) Improved productivity and product quality
- (2) Enhanced co-creation with customers through the development of testing facilities

Overview

(Tentative) name: Factory 2
 Location: Fujieda, Shizuoka Prefecture
 Site area: 1,615 m²
 (Estimated) investment amount: Approximately 500 million yen
 Products to be manufactured: A whole range of automation and labor-saving equipment
 Expected start date of construction: October 2025
 Expected completion date of construction: May 2026



Interior of the head office factory

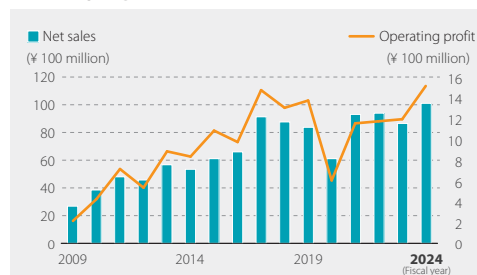
Mergers and Acquisitions (M&A)

The GALILEI Group adopted a holding company structure in April 2025. A dedicated M&A unit, headed by the executive director in charge of finance, has been established within GALILEI CO. LTD., the holding company, to review the Group's M&A and other policies. We will strategically pursue M&A deals for further business expansion.

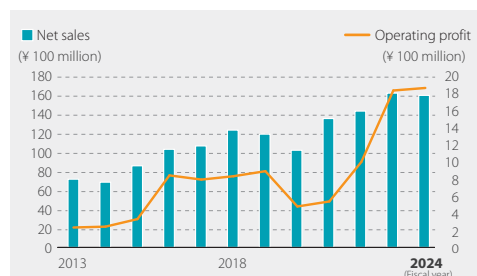
■ Past M&A deals

The GALILEI Group has acquired companies that engaged in business activities relating to its long-established cooling technology as its group companies, and the following companies have joined the Group: in 2009, Takahashi Manufacturing Co. Ltd. (currently known as TAKAHASHI GALILEI), renowned for its rapid-cooling, rapid-freezing equipment, Tunnel Freezer, and in 2013, FSP Corp. (currently known as GALILEI PANEL CREATE), a manufacturer of prefabricated refrigerator and freezer thermal insulation panels, as well as Shoken Co. Ltd. (currently known as SHOKEN GALILEI), a manufacturer of transportation lines and conveyor belts for food production factories. Since joining the Group, the three companies have steadily expanded their business. TAKAHASHI GALILEI has increased net sales by 38 times and operating profit by 7.2 times over 16 years, while GALILEI PANEL CREATE and SHOKEN GALILEI grew net sales by 2.2 times and by 1.4 times, and operating profit by 8.6 times and by 6.1 times, respectively, over 12 years. The GALILEI Group has achieved business expansion and reinforced its solution proposal capabilities in the freezing and refrigeration market, enabling us to provide products and services across the entire food supply chain.

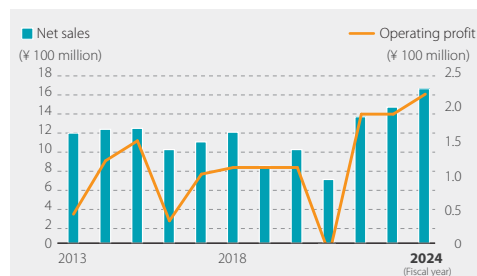
TAKAHASHI GALILEI



GALILEI PANEL CREATE



SHOKEN GALILEI



■ FY2024 Business results

In FY2024, Nippon Senjoki K.K., a manufacturer of commercial dishwashers and automatic noodle boilers, and PT Aneka Citra Refrindo, a kitchen equipment installation and maintenance company in Indonesia, joined the GALILEI Group. We are confident that, by ensuring each group company strengthens its core competencies and pursuing mergers and acquisitions that contribute to the Group's business growth, we will be a group of companies capable of delivering more valuable solutions to our customers than ever before.

Overview of Nippon Senjoki K.K.

Business information

Since Nippon Senjoki K.K. was established in 1969, the company has striven to improve product quality and built a maintenance network in order to respond to the requirements of restaurant chains. The company not only offers dishwashers that are tailored to a wide range of industries and business models, but also concentrates on improving cleaning quality, conserving water, and promoting energy efficiency.

Furthermore, the company contributes to improving cooking quality and realizing labor-saving operations through operational mechanization as well as the use of automated cooking equipment, such as automatic noodle boilers and automatic gyoza pan-fryers.

Nippon Senjoki supplies its equipment to customers in many industries with a range of business models, including national restaurant chains, large food service facilities, and small independent shops.

Business strengths

Nippon Senjoki has operated as a specialist manufacturer of commercial dishwashers for over 50 years, enjoying a competitive edge in the market in terms of energy efficiency, water conservation, and equipment durability. In addition to off-the-shelf automated cooking equipment, the company also supplies leading national restaurant chains with custom-made equipment tailored to their specific requirements.

Flagship products

Dishwashers, automatic noodle boilers, gyoza pan-fryers, plate dispensers, etc.



Door-type dishwashers

Automatic noodle boilers

Human Capital Strategy

Message from Executive Officer in charge of Human Resources



Striving to create a positive and satisfying work environment

Tatsuo Hino

Executive Officer of Group Administration
GALILEI CO. LTD.

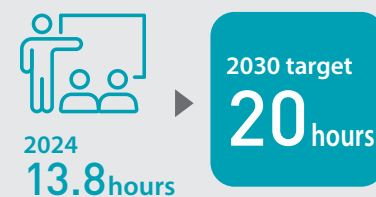
As we state in our key strategy, "SDGs and People," we perceive people as an important growth driver for the creation of new value. As the GALILEI Group grew, its workforce also increased, reaching 2,921 employees as of the end of March 2025. To secure a stable workforce and sustain growth, we are implementing various measures aimed at creating a positive and satisfying work environment. We consider the development of human resources particularly important and provide new staff training as well as level-specific and role-specific training throughout the Group. We encourage our employees to connect with their senior and junior staff within their departments as well as those from other departments to build a network of support so that they can seek help and moral support when they are in need. Shortages of refrigeration and freezing technology engineers are a serious problem in our society. To train technical personnel, we have opened a technical training school called the GALILEI Academy. It will reopen as the Human Resources and Technical Development Center in 2027, and we plan to offer a variety of training courses to both GALILEI staff and members of the public. We are also focusing our attention on women's empowerment and employee engagement. However, there is a lot more we need to do. We are also considering introducing a new human resources framework to offer a positive and satisfying work environment. GALILEI CO. LTD. became a holding company in this fiscal year, and we remain committed to training our people to achieve the purpose, "Leading the way for the future of food and life."

Human Resources Development

■ Expansion of the group-wide training program

We are expanding our company-wide training programs to develop people who will lead the way for the future of food and life. In 2022, we inaugurated the GALILEI Academy as a training facility, designed to provide professional development opportunities for our service and technical staff. This initiative enables them to quickly improve and apply skills in the workplace. Following this, in 2023, we launched the Sales Academy to enhance foundational professional training. In the engineering field, which has been growing in recent years, we offer better allowances to those who have acquired the technical qualifications needed for their work and also organize the GALILEI Juku online training program conducted by in-house instructors to increase the number of employees who hold construction-related qualifications. We offer a broad spectrum of training programs, including level-specific training, aimed at enhancing our group-wide training framework. This approach enables staff to collaborate more effectively, shape the direction of their workplace, and boost engagement significantly.

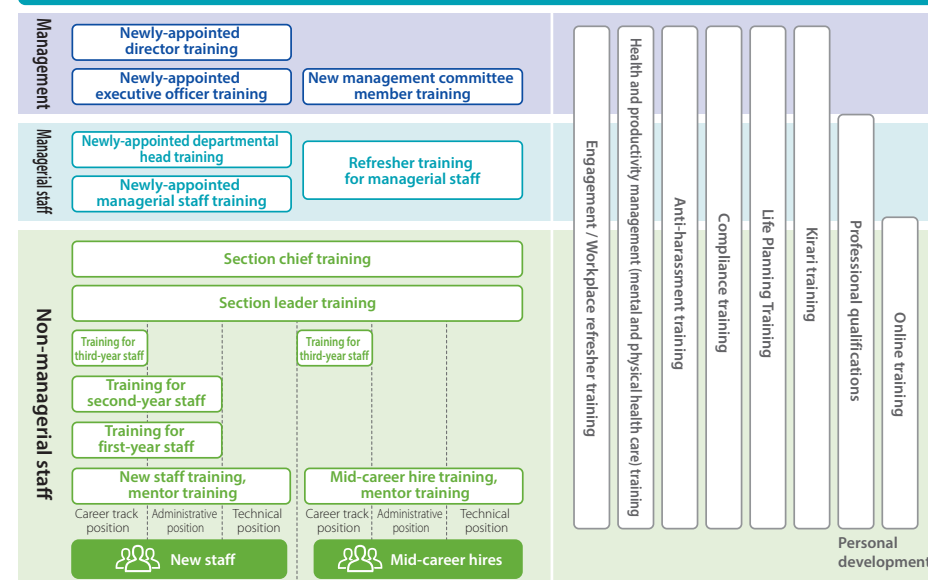
Training hours per employee



* On a non-consolidated basis

Company-wide training and level-specific training

Develop people who will "lead the way for the future of food and life"



■ GALILEI Academy

Refrigeration and freezing technology is essential for supporting food infrastructure, and our industry is faced with challenges, such as technical engineer shortages and the aging workforce. To tackle this situation, we have opened the GALILEI Academy, which is designed to provide professional development courses for our engineers and to enable them to quickly acquire and apply new skills in the workplace. At the GALILEI Academy, participants engage in a comprehensive one-and-a-half-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 to enable them to immediately make an active contribution in the workplace. We plan to open GALILEI Academies in Asian countries in the future to train personnel who will support the food infrastructure and value chains in their countries.



TOPICS

Human Resources and Technical Development Center

We are currently renovating the existing GALILEI Academy to convert it into the Human Resources and Technical Development Center. The renovation is scheduled to be completed in 2027. The Center, which fosters growth in both people and technology, leading the way for the future of food and life, will not only have the existing training facilities but also development and testing laboratories, to train and develop future generations of cold storage chain engineers. We will make the

Center available for use by non-GALILEI people to overcome engineer shortages and improve technical capabilities across the industry.



Artist's impression of the exterior of the GALILEI Human Resources and Technical Development Center

TOPICS

Human rights due diligence

The GALILEI Group identifies, prevents, and deals with any possible negative impacts on human rights in order to ensure that all our stakeholders respect human rights in their business activities, in line with our Human Rights Policy. We regularly conduct employee

and supply chain assessments and surveys based on the Human Rights Policy. In the previous fiscal year, we expanded the scope of the assessments and surveys to the GALILEI Group to ensure that we fulfill our social responsibility across our supply chain.



Human Rights Policy https://www.galilei-group.co.jp/sustainability/social/supply-chain/#human_rights

Diversity and Inclusion

■ Promotion of women's empowerment

FUKUSHIMA GALILEI has a department known as the Kirari Promotion Office, which promotes women's empowerment. The Kirari Promotion Office is specifically focused on hiring, retaining, and empowering women. The office has implemented a range of measures designed to create a positive working environment that helps women stay in the workforce and thrive in their roles. 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. We have set a target to increase female representation in management to 10% by 2030. As part of the initiatives to achieve the target, we organized the Career Design Forum for Women and the Ikubosu Seminar in May and June 2025, respectively, 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 provided an opportunity for managers to acquire skills to support staff in balancing work and family care duties, enhancing both personal and professional growth. In 2016, we launched a job transfer program enabling female employees to move from administrative roles to career track positions. As of the end of March 2025, a total of 34 female employees used the scheme to transition to career track positions, and four of them have been promoted to managerial roles. These initiatives represent important progress toward fostering a diverse and inclusive workplace. As of April 2025, our progress is evident: 39 women hold key section manager and leader roles, placing them on a track for higher managerial positions. Through these initiatives, we are creating a supportive and rewarding work environment for women.

Percentage of female managerial staff



2024
3.3%



2030 target
10.0%

* On a non-consolidated basis

■ 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 regularly make this scheme more widely known to employees on the intranet to increase its uptake, and we also internally acknowledge male employees who utilize this benefit. We are aware that it is difficult for those working at offices with a limited number of employees to take advantage of this scheme due to the lack of cover during their absence. Therefore, we will provide additional support to address this issue.

Male employee paternity leave uptake rate



2024
62.1%



2030 target
100%

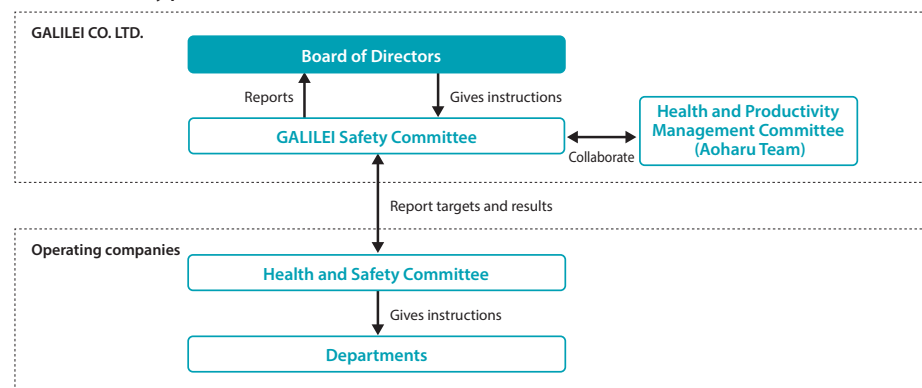
* On a non-consolidated basis

Improvement of the Work Environment

Health and safety in the workplace

In April 2023, the GALILEI Group established the GALILEI Safety Committee to prevent workplace accidents. Following the GALILEI Group's adoption of a holding company structure, the GALILEI Safety Committee has been reorganized as a group-wide committee. To ensure a work environment free from accidents, including traffic incidents and health issues, the Committee communicates the results of its accident analysis and its response to changes in laws and regulations. The Health and Safety Committees of each operating company shares information about workplace accidents and details of interviews with those who work longer hours and guidance given to them. Committee members also conduct safety patrols to prevent workplace accidents. Workplace health and safety activities are reported to the Board of Directors on a regular basis.

Health and safety promotion structure



TOPICS GALILEI Safety Convention

The GALILEI Group held its first GALILEI Safety Convention at the Shiga (Minakuchi) Factory in December 2023. GALILEI Safety Committee members meet at a factory every December to conduct safety assessments of various areas of the factory, report best practices to prevent workplace accidents, and present awards to accident-free business sites. We aim for the Convention to serve as a key platform for

sharing information on priority measures, near-miss incidents, and workplace accident prevention.



Engagement surveys

In September 2022, FUKUSHIMA GALILEI initiated an engagement survey to qualitatively monitor its work environment to ensure that every employee feels safe and satisfied. We promoted improvement initiatives at each workplace based on the survey findings and confirmed a certain level of increased engagement as a result. We will share successful improvement efforts across the Group to reform our framework and strengthen our corporate culture, creating a positive work environment and increasing employee satisfaction.



Engagement Survey Review Meeting

Mean deviation of employee engagement



2024
54.7

2030
target

65

* On a non-consolidated basis

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.

Maintaining and promoting good physical health

We analyze our health issues and organize a Health and Well-being Workshop to provide a health-conscious work environment. The theme of the workshop held in FY2024 was mental health as well as sleep and liver function, which is a higher-risk area for us compared to other companies. Additionally, in collaboration with the Japan Health Insurance Association, we organized a workshop about shoulder and lower back pain which captured employees' keen interest.



Health and Well-being Workshop

Prevention and early detection

We organize cancer screenings in addition to mandated 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.

	2024 results	2025 target
Medical check-up attendance rate	100%	100%
Follow-up examination attendance rate	58.3%	60.0%

* On a non-consolidated basis

Promotion of work-life balance

We are committed to managing and reducing excessively long working hours through the implementation of several initiatives, including the No Overtime Day, Work from Home, and Interval schemes, as well as requiring advance requests for overtime work. We ensure that all employees plan their paid annual leave at the start of each year, encouraging them to take leave as scheduled.

	2024 results	2025 target
Average overtime hours worked (including managerial staff)	20.5 hours	20.0 hours
Paid annual leave take-up rate	63.4%	70.0%

* On a non-consolidated basis

Technology Strategy

Message from Executive Officer in charge of Technology



Embracing our corporate philosophy and pursuing pioneering technological innovation to achieve our purpose

Atsushi Honma

Executive Officer of Group Technology
GALILEI CO. LTD.

We at the GALILEI Group have worked closely with our customers to solve their problems and to meet their requirements and have pursued pioneering technological innovation. We have also made tireless efforts to deliver high-quality products and services to earn customer trust and satisfaction. In recent years, the demand for food products to be cooked in a central kitchen rather than in individual stores has increased due to labor shortages. Our customers have requested us to help them provide centrally prepared products with the same quality as those cooked in-store. To replicate the taste of food cooked in-store, we needed to improve not only our low temperature distribution process, but also our freezing and defrosting technology. To serve delicious food that is safe to eat, it was also necessary to develop equipment and to review the operational process. It involved technological innovation that offers various solutions, including automation, transportation, energy efficiency, and hygiene management. These efforts did not just require product development, but also encompassed the design of large cold storage warehouses, the hygiene management of work areas (e.g., temperature and humidity control, employees, and sanitation), after-sales service, and maintenance. By refining these technologies, we have successfully dealt with the challenges faced by our customers in all aspects of food and improved the Group's ability to respond to their requirements. We have started applying our technologies beyond the food sector to include non-food areas, such as data centers and semiconductor plants. The GALILEI Group adopted a holding company structure in this fiscal year, and we will continue to aim for technological innovation that offers greater value to our customers by ensuring that each of our group companies combines its technical capabilities and expertise to generate synergy.

Realizing the Sustainable Vision, Dramatic Future 2050

The GALILEI Group has developed a sustainable vision, "Dramatic Future 2050," in anticipation of its 100th anniversary in 2051, and strives to achieve net zero greenhouse gas emissions.

We have also established the Environment Vision 2050. Specific actions to combat climate change are outlined in the Environment Action 2030.



Transition to Green Refrigerants

■ Transition to a CFC-free refrigerant, R1234yf

In an effort to transition to green refrigerants as stated in the Environment Action 2030, we have started using a CFC-free refrigerant, R1234yf, for our commercial refrigerators and freezers, ice makers, and medical science equipment. We have completed the transition for a full range of commercial refrigerators and freezers and ice makers. Commercial refrigerators and freezers manufactured in our factory in Thailand for the ASEAN market have also been made CFC-free. We will continue to work toward making all our products CFC-free.



URD-120RMC, a commercial refrigerator and freezer manufactured in the Thai factory



FIC-100CTLX, an under-counter-type chip ice maker

What is R1234yf?

R1234yf is a non-toxic refrigerant with a lower burning velocity, an Ozone Depletion Potential (ODP) of 0, and a Global Warming Potential (GWP) of 1. R1234yf is safe to handle, making it suitable for on-site repairs and inspections.

■ Transition to a natural refrigerant, R744 (CO₂)

We have proactively used natural refrigerants for refrigerated and freezer showcases, and supplied approximately 3,000 CO₂ freezers with a total capacity of 20,000 horsepower as of March 2025. In FY2024, we supplied 7 units of NOBRAC, our CO₂ refrigeration system brand developed in 2022, bringing the total cumulative sales to 17 units. Sales of this refrigeration system increased significantly as a result. We have also added a water-cooled variation to this product range and significantly expanded the scope of application of this product. We have successfully achieved both the ease of maintenance and environmental friendliness through the standardization of components and the simplification of the main structure. NOBRAC is designed to be used with a Tunnel Freezer, and by linking operational data of each device and building a unique optimal control system, including superior tracking control in response to load variations and energy-saving control, we have successfully reduced the energy consumption of the freezers by approximately 20% compared to conventional systems. In addition, we plan to provide a remote monitoring system as a standard feature, which will use a refrigerant gas leak prediction diagnosis to reduce the risk of refrigerant gas leaks, and to introduce an AI-powered failure diagnosis function. We are taking on the challenge of creating new social value by combining our technological capabilities and expertise across our business divisions, including our ability to generate hot water in a heat recovery system using waste heat and use it for washing equipment.



CO₂ refrigeration system, NOBRAC

Prevent Refrigerant Gas Leaks

■ 10-year refrigerant gas leak warranties launched on a full scale

In April 2024, we started 10-year refrigerant gas leak warranties for upright and horizontal commercial refrigerators and freezers and ice makers with a CFC-free refrigerant, R1234yf. The warranties provide a 10-year cover for cooling failures and repairs in the event of refrigerant gas leaks. All plug-in type products manufactured by FUKUSHIMA GALILEI have been covered since April 2025.

We have also started to offer a maintenance contract with a 10-year refrigerant gas leak warranty for customers who have engaged our construction and installation services, such as supermarkets, retail stores, and logistics facilities. Under this contract, we give a 10-year warranty for cooling failures caused by refrigerant gas leaks and resulting repair costs.



FEATURE Technology behind the 10-year refrigerant gas leak warranties

Refrigerant gas leaks not only cause equipment cooling failures, but they also have significant impacts on global warming. Therefore, refrigerant gas leaks that occur while the equipment is in operation are strictly regulated in the Fluorocarbon Emissions Control Act. The GALILEI Group has identified the elimination of refrigerant gas leaks as one of its challenges and has taken a variety of measures to prevent them. The measures include reducing the number of brazed joints where refrigerant gas leaks are more likely to occur, lowering the amount of refrigerants charged by making condensers compact, and reviewing refrigerant piping work standards. We have also developed and implemented Smart Diagnosis, which uses IoT and AI to remotely monitor equipment operation to detect any refrigerant gas leaks. To prevent

equipment failures, we detect signs of equipment failures and provide preventive maintenance services on site before a refrigerant gas leak occurs. The collaboration of production, development, engineering, construction, and maintenance teams and the improvement of our technical capabilities to offer both tangible and intangible solutions have made the 10-year refrigerant gas leak warranties a reality.



Smart Diagnosis

Develop and Offer Products with Superior Environmental Performance

■ Life Cycle Assessment (LCA)

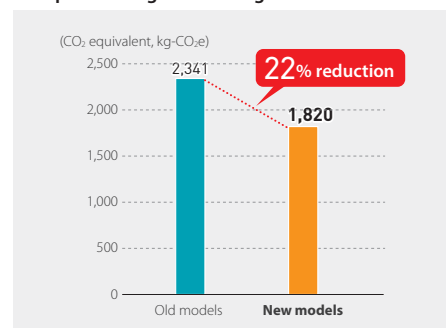
Throughout the life cycle of a product, we offer products with superior environmental performance to reduce CO₂ emissions while promoting the transition to products with less environmental impact. Our specific efforts include the LCA of our major models, which we have performed for many years.

What is Life Cycle Assessment?

Life Cycle Assessment (LCA) is a method that quantitatively assesses the environmental impacts of the entire life cycle of a product or service (from resource extraction, raw material production, product production, distribution and consumption through disposal and recycling) or of a specific stage of the life cycle.

Upright refrigerators

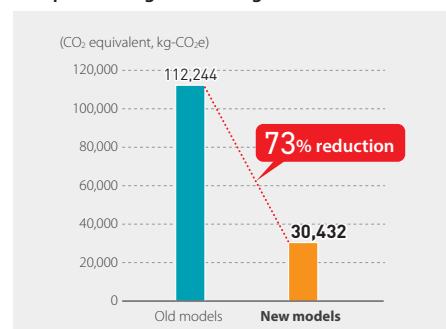
Comparison of greenhouse gas emissions



LRC-120RX cold-table refrigerator

Plug-in type showcases

Comparison of greenhouse gas emissions



MEU-63GKTA5S inverter-controlled, multi-level open-spot showcase

■ Promoting a cyclical economy

We implement initiatives to increase the proportion of materials that can be recycled and reused at the end of a product's life. When we design a product, we incorporate the concept of a cyclical economy, which means reusing and recycling limited resources, into our product design and separate metal and resin components. We will increase the reuse of materials, such as iron, copper, aluminum, and plastic, to help realize a sustainable society.



GRD-121PX commercial refrigerator



CLAIR Send-you remote type showcase

Reduce CO₂ Emissions

■ Working with customers to reduce CO₂ emissions

Remote type showcases installed in supermarkets are generally used for over 10 years, and life cycle assessments indicate that 90% of their total environmental impacts occur while they are in use. Therefore, we work with our customers to proactively reduce CO₂ emissions in our entire value chain through energy management projects and the achievement of the ZEB (Zero Energy Building) concept. The Harashin store in Agano City, for which the GALILEI Group provided construction and installation services, obtained the ZEB energy efficiency certification last year. Harashin is the third supermarket chain to obtain this certification. In addition to showcases made by FUKUSHIMA GALILEI, the Group supplied the Harashin store with the GALILEI Air-tech System as energy efficient equipment to achieve the ZEB concept. The GALILEI Air-tech System is an energy management system that integrates air conditioning, ventilation (including kitchen hoods), dehumidification (desiccant air conditioning), solar power generation, and storage batteries. By combining remote monitoring and AI, we have expanded our technological capabilities from the optimization of maintenance services to smart grid implementation. We are committed to working toward a carbon-free society.



Harashin store in Agano City

TCFD-related financial disclosures

In June 2023, the GALILEI Group declared its support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and has analyzed its risks and opportunities using the TCFD framework.

Governance

Our climate change initiatives are led by the Carbon-Free Society Achievement Subcommittee under the Sustainability Committee. The Subcommittee regularly reports its activities to the Sustainability Committee for review.

Strategy

Based on the TCFD recommendations, we identify risks and opportunities using two potential temperature increase scenarios – 1.5°C and 4°C – to analyze impacts on our business operations and actions that we should take.

We have implemented initiatives under the Environment Action 2023 and worked to reduce CO₂ emissions according to the analysis findings. We see changes caused by climate change as medium to long term growth opportunities and aim to build a highly resilient business structure and strengthen our revenue base.

* For more information on our scenario analysis, please see the table on the right.

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 identified response to climate change as a key challenge in the Environment Vision 2050, and we will strive to achieve net zero CO₂ emissions by 2050. Please see Material Issues on page 32 for our medium- to long-term targets and results.



Climate change initiatives

<https://www.galilei-group.co.jp/sustainability/environment/tcfd/>

Climate-related risks and opportunities

Projected financial impacts in 2030 and our response policy

Length of time: Short term: 2025 to 2028, Medium term: 2028 to 2030, Long term: 2030 to 2050

Financial impacts: Low: ¥1 billion or less, Medium: ¥1 billion to ¥10 billion, High: ¥10 billion or more

Type	Drivers	Temperature	Length of time	Impacts on GALILEI	Financial impacts	GALILEI's actions	
Transition risks	Policy / Legal	Requirements for existing products and services and laws and regulations	1.5°C	Medium term	Increased research and development costs and capital investments for promoting product decarbonization as a result of the strengthening of environmental laws and regulations (e.g. the Kigali Amendment)	Medium	●Engage in research and development and invest capital for the launch of new refrigerants and organize training for acquiring technical skills to achieve the Environment Action 2030.
		1.5°C	Medium term	More stringent energy efficiency regulations and increased compliance costs (for products and at business locations)	Low	●Develop and offer products with superior environmental performance, as stated in the Environment Action 2030. ●Develop an investment recovery plan for the introduction of renewable energy (e.g. solar power, storage batteries) and an internal equipment updating plan. ●Take advantage of incentive programs.	
		Increased pricing of GHG emissions	1.5°C	Medium term	Increased operating costs due to a decarbonization tax imposed on the GALILEI Group's Scope 1 and 2 emissions	Low	●Reduce CO ₂ emissions, as stated in the Environment Action 2030.
			1.5°C	Medium term	Increased raw material costs and procurement costs due to the imposition of a decarbonization tax on suppliers	Low	●Implement supply chain measures to address the situation and incorporate cost increases into pricing. ●Increase the added value of new technologies and strengthen collaboration with business partners.
	Market	Increased raw material costs	1.5°C	Short term to long term	Increased electricity costs and energy procurement costs due to changes in energy prices	Low	●Install and invest in solar power generation equipment. ●Introduce electric vehicles. ●Promote a modal shift.
	Reputation	Increased stakeholder concern or negative stakeholder feedback	1.5°C	Short term to medium term	Potential decline in the GALILEI Group's corporate value due to growing environmental awareness among investors in the event of a delay in CO ₂ emissions reduction efforts	Medium*	●Obtain certification, e.g. Science-Based Targets (SBT). ●Strengthen Environmental, Social, and Governance (ESG) communications with shareholders.
Physical risks	Acute	Increased severity of extreme weather events such as cyclones and floods	4°C	Short term to medium term	The GALILEI Group's facilities damaged and/or flooded by the increased severity of natural disasters and operational disruptions caused by damaged facilities and equipment	Medium	●Develop a Business Continuity Plan (BCP). ●Establish alternatives for high-risk locations.
		4°C	Short term to medium term	Sourcing of materials from overseas delayed by the increased severity of natural disasters and operational disruptions caused by reduced sales opportunities	Medium	●Diversify purchases, use multi-purpose parts, and increase inventory levels.	
Opportunities	Products and services	Development and/or expansion of low-emission products and services	1.5°C	Medium term	Increased demand for products and services that prevent refrigerant gas leaks as a result of the strengthening of international environmental laws and regulations (e.g. the Kigali Amendment)	High	●Transition to green refrigerants and develop and offer products with superior environmental performance, as stated in the Environment Action 2030.
		Development of new products or services through research and development and innovation	4°C	Medium term to long term	Expansion of application of thermal insulation panels to non-refrigerated spaces	Medium	●Develop panels used for non-refrigerated spaces. ●Propose the application of panels to non-refrigerated spaces.
		Climate change adaptation and development of insurance risk solutions	1.5°C	Short term to medium term	Customer trust earned through the development of an equipment failure detection system and the promotion of preventive maintenance	Low	●Prevent refrigerant gas leaks, as stated in the Environment Action 2030. ●Improve the precision of the equipment failure detection system. ●Propose a maintenance contract with a 10-year refrigerant gas leak warranty.
	Market	Access to new markets	4°C	Short term to long term	Growing demand for freezing equipment and panels due to the expansion of cold storage chains	High	●Expand group synergies upstream in the entire food production stream. ●Improve productivity and installation efficiency.
			1.5°C	Medium term	Growing demand for products that help reduce food loss, e.g. freezers, refrigerators, and tunnel freezers, due to increased awareness of food loss reduction	Medium	●Propose freezing and storage methods suitable for food ingredients and engage in product development.
			4°C	long term	Expanded sales channels due to increased demand for refrigeration and freezing equipment in high-temperature regions	Medium	●Develop products tailored to high-temperature regions. ●Strengthen overseas sales channels and establish local business locations.

* Reputational risks are qualitatively assessed based on their impacts on business operations.

Manufacturing Strategy

Message from Executive Officer in charge of Manufacturing



Focus on five key priorities for effective time management

Kenji Nagao

Executive Officer of Group Production Management and Quality Assurance
GALILEI CO. LTD.

In this fiscal year, we are focusing on five key priorities: (1) added value, (2) highest quality, (3) environmental response, (4) workplace safety, and (5) human resources development.

Priority 1. Added value: We are working to improve productivity per hour. We aim to ship 500 units within a specified time period from a new distribution center at the Okayama Factory, which opened in June 2025. Digital transformation has helped us to significantly improve operational efficiency.

Priority 2. Highest quality: We are striving to improve design and production processes and the quality of parts and components to eliminate initial failures. We had pursued the highest quality in production to eliminate refrigerant gas leaks, and we became the first in the industry to offer 10-year refrigerant gas leak warranties.

Priority 3. Environmental response: We are implementing initiatives under the Environment Action 2030 in an effort to create a carbon-free society. We successfully achieved our GWP target for plug-in type products a year earlier than planned, and we are striving to achieve the new target of 150 or below.

Priority 4. Workplace safety: We aim for zero workplace accidents and conduct on-site risk assessments to make our workplace accident-free. The GALILEI Safety Committee continues its efforts to prevent serious accidents.

Priority 5. Human resources development: We are working to create a positive workplace where everyone can fulfill their full potential and grow. We continue to make improvements through small-group activities and develop human resources through monozukuri manufacturing based on the sanpo yoshi (meaning benefits for all three parties) principle.

A New Distribution Center Opened at the Okayama Factory

On June 6, 2025, a new distribution center was opened at the Okayama Factory located at Taira, Shouou-cho, Katsuta-gun, Okayama-ken (in the site area of 17,750 m² and with the building area of 9,675 m²). The distribution center has a multi-story warehouse (with 3,520 pallet racks and 4 cranes), a two-story flat warehouse, an office building, and a truck berth (in the area of 2,799 m² with six lanes). Unmanned operations at the center are made possible by the use of RFID tags and automated inbound and outbound processes. Finished products are efficiently transported between Factory 1 and the Factory 2 every 20 minutes by the "milk run" method. Inbound and outbound processes are seamlessly carried out at the loading and unloading points of the automated storage and retrieval system and according to storage and retrieval instructions given by the lighting devices. The distribution center is capable of allowing four large vehicles per hour to exit, and it is expected to ship 500 units per day within a specified time period.



G-TRANSPORT Distribution System Introduced

We have introduced an IT solution to standardize our logistics operations, which were previously performed by specific personnel, and made a significant improvement in operational efficiency. We have automated truck scheduling for product delivery as well as freight consolidation for efficient truck loading. We have also arranged for the logistics information to be shared with delivery personnel in real time. This arrangement has enabled us to significantly reduce operation time, compared to previous paper-based operations, resulting in the reduction of delivery errors and lost productivity. By sharing product delivery tracking data on our intranet, we are able to respond to customer inquiries about product shipments more quickly and have improved the productivity of the production and sales operations.



Promotion of Modal Shift

As part of our environmental response, we promote modal shift in long-distance transportation from trucks to ships or trains to reduce CO₂ emissions and environmental impact. We also perform consolidated delivery of products from the Shiga (Minakuchi) Factory and the Okayama Factory. Efficient shipment can reduce the number of trucks used in the delivery of products. Through the combination of multiple modes of transportation, such as ships and trains that are capable of transporting large-volume shipments, we seek to reduce costs as well as build an efficient and sustainable logistics system.



Value Co-creation with Business Partners

We annually hold a GALILEI Supplier Hub to share the GALILEI Group's policies and to build stronger relationships of trust with our suppliers. 288 people from 187 companies attended this year's event in July 2025. We are working with our suppliers to create new value that contributes to one of our material issues, "achieve a sustainable supply chain." As an example of this, we are jointly developing new products that improve productivity and maintain strength while reducing material consumption. We will create new value through the development of stronger relationships with stakeholders, fulfillment of supplier obligations, and co-creation with stakeholders.



GALILEI Supplier Hub

Promotion of Group Procurement

The GALILEI Group ensures that information is shared among group companies at all times to perform optimal procurement activities. The purchasing department of the head office conducts centralized purchasing procedures to ensure group-wide optimization and actively sources materials from overseas to tackle soaring raw material costs. In addition, we focus on overseas procurement, mainly from our factory in Thailand. We have set up a task force to source globally, reduce costs, and ensure a steady supply of parts and components. The GALILEI Group will continue to carry out procurement operations in compliance with applicable laws and regulations in an effort to aim for better procurement practices together with our suppliers.



Thai factory

Promotion of Production Innovation and Small-Group Activities

In 1995, we started production innovation activities, which are improvement activities carried out by production staff and have lasted for over 30 years. We started the activities with a project to introduce the just-in-time production system and went on to develop a unique combination of the mixed-model production system and the just-in-time production system. By visualizing the current situation and identifying issues in our independent research activities, we are pursuing a system that makes it possible to produce good quality products at lower costs. Furthermore, we have also carried out small-group activities for over 20 years since 2004. In these activities, small groups of workers voluntarily get together to discuss issues, such as productivity and quality improvement, waste reduction, safety, and 5S, and implement corrective measures. They use creativity and ingenuity to solve problems and strive to make continuous improvements and build a better work environment while enhancing teamwork and awareness of work responsibilities.

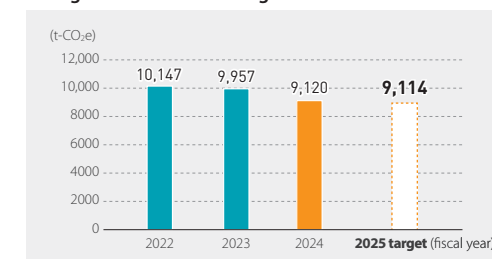


Small-group activities

The GALILEI Group's CO₂ Emissions Reduction Efforts^a

The GALILEI Group strives to reduce its CO₂ emissions by 50% (compared to 2013) by 2030. In FY2025, we aim for a 35.0% reduction through the transition to CO₂-free power sources and the installation of solar panels.

Changes in CO₂ emissions generated



* Our CO₂ emissions disclosed in last year's Integrated Report have been revised based on a third-party verification of GHG emissions.

■ CO₂-free power sources

The head office factory of TAKAHASHI GALILEI transitioned to CO₂-free power sources in January 2025. Our group companies will continue to increase the proportion of renewable energy used to power their production sites.



TAKAHASHI GALILEI's head office factory

■ Installation of solar panels

SHOKEN GALILEI installed solar panels at its head office factory, which started to generate electricity in August 2025. These solar panels are estimated to generate approximately 820,000 kWh annually, which is equal to about 24.5% of the factory's annual electricity consumption, and to reduce about 279 tons of the factory's CO₂ emissions. We also have a plan to install solar panels at our factory in Thailand, which should start generating electricity in April 2026. These solar panels are estimated to generate approximately 950,000 kWh annually, which is equal to about 61.6% of the Thai factory's annual electricity consumption, and will reduce about 323 tons of the factory's CO₂ emissions.



Solar panels at SHOKEN GALILEI

Intellectual Property Strategy

Message from General Manager in charge of Intellectual Property



Achieving excellence in core technology to maximize corporate value

Takeshi Shinmyo

General Manager of Development at Okayama FUKUSHIMA GALILEI CO. LTD.

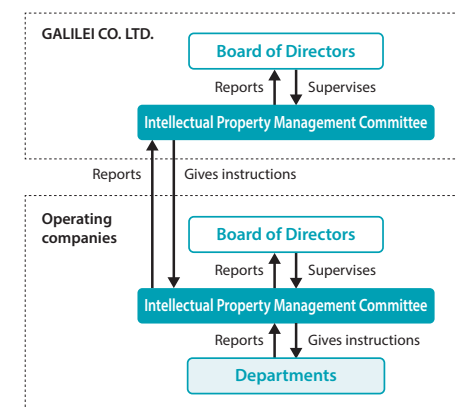
Today, we are faced with many social issues, such as climate change and labor shortages. To provide solutions to these problems from a technological point of view in the course of our business activities, we have transitioned to green refrigerants, explored labor-saving technologies, advanced refrigeration and freezing technologies, and developed other unique technologies. We at the GALILEI Group consider that a business strategy, a development strategy, and an intellectual property strategy are closely connected to each other. We consider that intellectual property is essential for ensuring the Group's business continuity and technical competitiveness, and we have developed an intellectual property strategy accordingly. We have also made changes to various policies to protect our intellectual property and to acquire intellectual property rights. The GALILEI Group transitioned to a holding company structure in this fiscal year. Following the transition, we wanted to explore new business domains and develop new technologies, using the greater group synergy achieved by the transition. At the same time, we thought it was necessary to establish a body that formulates the Group's intellectual property strategy through the analysis of group companies' technical strengths and advantages. Accordingly, we established an Intellectual Property Management Committee at GALILEI CO. LTD., the holding company, as the body responsible for overseeing the Intellectual Property Management Committees of group companies and developing and promoting the methods of using the Group's existing technologies and intellectual property and a strategy for investing in new intellectual property. We will continue to review the sources of our competitiveness from the perspective of intellectual property and develop an intellectual property strategy to ensure our technical excellence.

Promotion of Business Strategy-Based Intellectual Property Activities with Three Closely-Connected Strategies

The GALILEI Group considers that a business strategy, which is used to resolve social issues, a development strategy, which is used to develop products and technologies needed for our business, and an intellectual property strategy, which is used to ensure the competitiveness of the products and technologies, are closely connected to each other. We consider that intellectual property is essential for ensuring the Group's business continuity and technical competitiveness. The principles of our intellectual property strategy, which we have adopted to clarify the relationship between the Group's business operations and its underlying core technologies and expertise, and to ensure the competitiveness of our technologies, are to aggressively acquire patent rights and other intellectual property rights for our core technologies eligible for intellectual property protection and to strictly manage the confidentiality of our expertise and ideas so as to prevent unauthorized disclosure. Some of our past initiatives are as follows: development staff set their departmental invention proposal targets and regularly monitored progress to ensure that they were well aware of the intellectual property protection of their development results while engaging in their job duties; employee invention compensation was significantly increased to motivate development staff to create an invention or submit a proposal; and the management of confidential information was strengthened and the relevant company rules and regulations were reviewed to safeguard the Group's existing expertise and ideas.

Activities of the Intellectual Property Management Committee

An Intellectual Property Management Committee has been established at each operating company as the body responsible for promoting its intellectual property strategy, managing the number of patents and other intellectual property rights acquired, and assessing the employee invention compensation payment scheme. In this fiscal year, an Intellectual Property Management Committee was also established at GALILEI CO. LTD. as the body responsible for developing the Group's intellectual property strategy. The Committee plays an important role in overseeing the Intellectual Property Management Committees of group companies and developing and promoting the methods of using the Group's existing technologies and intellectual property that help improve its corporate value and a strategy for investing in new intellectual property. The Committee consists of the heads of the development departments of operating companies and holds meetings twice a year. The Committee develops an intellectual property strategy, oversees operating companies' activities, and regularly reports its activities to the board of directors of GALILEI CO. LTD. The Committee provides information required by the board of directors of GALILEI CO. LTD. to make better business decisions about the use of intellectual property rights and other intangible assets to improve the Group's corporate value.



Digital Transformation Strategy

Message from General Manager in charge of Digital Transformation



Creating new value through both offensive and defensive digital transformation

Junichi Kawada

General Manager of Information Strategy Group
GALILEI CO. LTD.

Our digital environment has evolved considerably in the last 10 years, and state-of-the-art technologies, such as AI, cloud computing, and IoT, have had a significant impact on all industries. Our society is faced with serious labor shortages, and we believe that for businesses to sustain growth, it is crucial that they optimize the use of digital technology and make bold efforts to transform business processes and create new value. The GALILEI Group has set effective time management as its management policy for this fiscal year, and we are working to make full use of digital technology to optimize the use of limited resources.

Innovative digital technology, including generative AI, plays a pivotal role in our digital transformation efforts. Today, AI is widely applied in many business fields, and the GALILEI Group aggressively uses AI as a partner in its value creation efforts, rather than just a tool. We are working to change the mindsets of all employees and to improve their skills at the same time so as to realize new ways of working that combine AI and human capabilities—letting AI perform certain tasks so that humans can focus on tasks that require creativity and decision-making skills, in other words, high-value-added tasks that only humans can perform. On the other hand, to promote digital transformation, it is essential to develop a robust cybersecurity framework. With the development of digitalization, cyber threats have become increasingly advanced and sophisticated year after year, requiring businesses to enhance resilience. We at the GALILEI Group seek to improve our corporate value and earn the public's trust and confidence by promoting both offensive and defensive digital transformation.

Use of Generative AI

In the previous fiscal year, we introduced the GALILEI-GPT generative AI platform on Microsoft Azure, a cloud computing service offered by Microsoft Japan Co., Ltd., and made it available to all group employees. With this platform, we provide an environment that allows the employees to safely use the cutting-edge AI for their work while ensuring information security and the ease of use. When we first introduced the platform, it was only available to a small group of employees. However, the active use of the intranet to let all employees know how the platform is used and to share some examples of successful applications has made them feel comfortable about using the AI and significantly increased the number of users of this platform. We are promoting the use of AI not only to increase operational efficiency, but also to create new value, such as transferring experienced staff's knowledge and creating new ideas. In this fiscal year, we put our policy, "let AI do its job and let humans focus on theirs" into practice, and we will start to apply AI in more business areas on a full-scale basis. As one of our generative AI initiatives, we plan to launch a new call center that uses a combination of speech recognition technology and generative AI this autumn, for better responses to customer inquiries, improved productivity of call center operators, and reduced workload. In addition, we are promoting the systematization of knowledge in the Group and improved searchability, using retrieval-augmented generation (RAG) not only for engineers, but also for sales, service, and administrative staff as a whole. We aim to create a work environment where AI is naturally applied as part of everyday work and each and every one of our employees can experience a way of working that "creates time."

Development of a Robust Cybersecurity Framework

Cybersecurity is essential for the promotion of digital transformation. Cyber attacks on entire supply chains have intensified in recent years, and our customers and suppliers expect us to implement even higher levels of security measures. The GALILEI Group has experienced a cyber incident, albeit a small one, and we have learned valuable lessons from the incident and made relentless efforts to strengthen our resilience. Cybersecurity is a never-ending process, and our tireless efforts to conduct regular vulnerability assessments, to conduct staff training, and to build a prompt system recovery framework are the basis for trust and confidence in the GALILEI Group. In FY2024, we established a unit responsible for handling cybersecurity in the information system department to perform governance and provide technical support across the Group. Following the conversion into a holding company structure in FY2025, the cybersecurity unit supports group companies in adapting security measures that are suited to their specific business characteristics and operational challenges. We have also built a Group-wide mechanism for promptly and effectively responding to cyber incidents, if any, and for reducing overall risks. We endeavor to aggressively apply AI and automation technology to cybersecurity and to advance proactive security measures against emerging threats. We will also work closely with cross-industry external partners and specialist organizations to achieve global security standards.

Overseas Strategy

Message from Executive Officer in charge of Overseas Operations



Taking steady steps toward the GGV2023

Akira Fukushima

Director and Vice Chairman of Overseas Operations
GALILEI CO. LTD.

In order to take steady steps toward the GALILEI Global Vision 2030 (GGV2030), which we established in June 2024, we have set indicators and targets for each of our growth strategies, and we are making concerted efforts to this end. We have opened an F'S DESIGN COURT showroom in priority countries: Thailand, Vietnam, and Indonesia, as a venue for customer engagement, which is one of the growth strategies. In addition to displaying our products in these showrooms, we also promote a solution-based business using refrigeration and freezing technology and in collaboration with the Food Consultant Office. In this way, we can identify local users' needs and create a value proposition that facilitates differentiation from local manufacturers and competitors. We have launched 10-year refrigerant gas leak warranties for plug-in type products in the overseas market because strengthening our maintenance services is important to us. We also plan to roll out the programs offered by the GALILEI Academy in Japan to other countries to locally train technical engineers. The construction of the second factory in Thailand has been completed and the production of plug-in type showcases has started. We aim to provide flexible customer service and improve productivity by optimizing our production bases and bolstering efforts to develop environmentally friendly products. Furthermore, we set up an Overseas Operations Promotion Office in this fiscal year to strengthen the Group's engineering capabilities. We will utilize the CAD Center in Vietnam and enhance Group's design capabilities to maximize the synergy of group companies, and we will take steady steps toward the achievement of the GGV2030.

F'S DESIGN COURT, our First Overseas Showrooms Opened

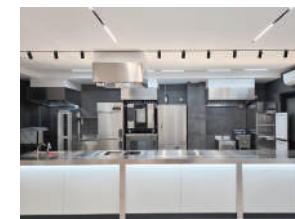
In 2025, we opened F'S DESIGN COURT, our first overseas showrooms, in Bangkok, Thailand; Ho Chi Minh City, Vietnam; and Jakarta, Indonesia, as part of the GGV2030 efforts. In F'S DESIGN COURT, customers can try the GALILEI Group's latest equipment, such as commercial refrigerators and freezers, blast chillers, defrosting equipment, and dough conditioners, for food freezing and defrosting tests. We also have a wide range of kitchen equipment on display, including steam convection ovens, automatic noodle boilers, and gyoza pan fryers, for conducting cooking tests, developing a menu, and holding cooking seminars with the use of actual equipment. We are committed to enhancing our freezing and defrosting technology and other intangible solutions and engaging with customers and meeting their requirements in order to create new food business opportunities.



Bangkok, Thailand



Ho Chi Minh City, Vietnam



Jakarta, Indonesia

Business Expansion in Indonesia

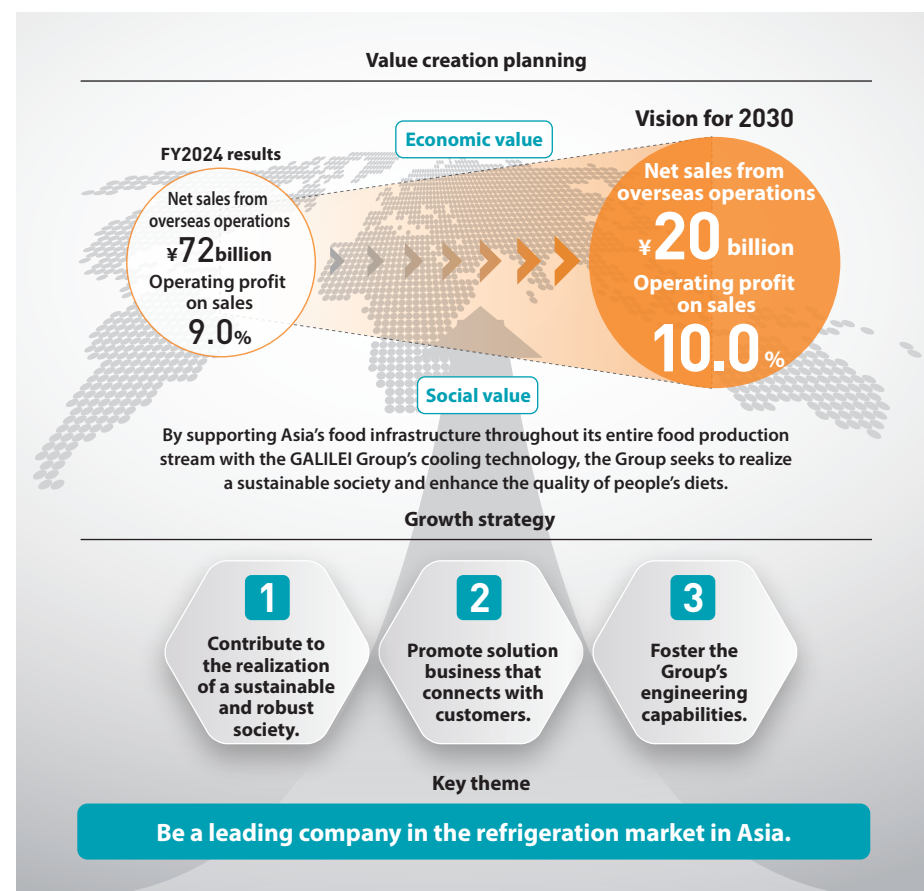
In October 2024, PT Aneka Citra Refrindo, a kitchen equipment installation and maintenance services specialist in Indonesia, joined the GALILEI Group. Established in 1999, the company has provided kitchen design, construction, and maintenance services for restaurant chains in Indonesia. The company previously sourced kitchen equipment, such as commercial refrigerators and freezers, from FUKUSHIMA GALILEI INDONESIA and supplied the equipment to its customers, along with kitchen construction services. Being a member of the GALILEI Group, PT Aneka Citra Refrindo engages directly with customers in the entire process from kitchen design and installation to maintenance, in addition to sales and marketing, and the company can now better serve its customers and meet their requirements.



PT Aneka Citra Refrindo

Medium-Term Vision for the Overseas Operations, GALILEI Global Vision 2030

The GALILEI Group established an overseas subsidiary in Hong Kong in 1997. Today, the Group has 13 business bases in 11 countries mainly in Southeast Asia to support Japanese companies in their overseas expansion and to market our products to local customers. With the aim of achieving future growth, in 2024, the Group formulated the GALILEI Global Vision 2030 (GGV2030), a medium-term vision for the Overseas Operations toward 2030. We have important tasks of responding to social needs in Asia, which include increased demand for freezing as a result of the advance of cold storage chains, the promotion of carbon neutrality, the improvement of hygiene practices, and the pursuit of food quality. We aim to optimize our temperature control technology for freezing and defrosting food and energy-saving and environmentally friendly technical capabilities.



■ Growth strategy

1 Contribute to the realization of a sustainable and robust society.

We will provide flexible customer service and improve productivity by bolstering efforts to develop environmentally friendly products and by building an overseas production system for showcases that are manufactured at and exported from the Shiga (Minakuchi) Factory. We will also strengthen our sales and marketing activities for medical and healthcare products in the markets that we have not fully penetrated.

2 Promote solution business that connects with customers.

We will build a framework for increasing direct sales to customers by using our cooling technology and proposing food consultants' intangible solutions. We will offer highly reliable services in the Asian countries by reinforcing our maintenance service network and by promoting a solution business that connects with customers.

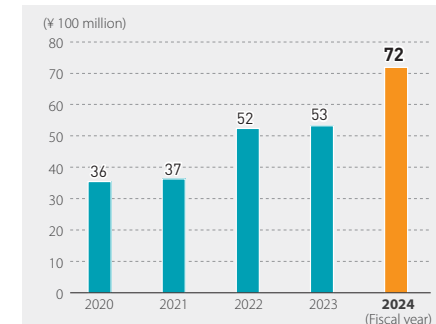
3 Foster the Group's engineering capabilities.

We will enhance our group synergy by applying the GALILEI Group's unique cold storage chain technologies, such as thermal insulation panels, Tunnel Freezer, and NOBRAC, to the overseas market and by building collaborative partnerships with food equipment manufacturers. Through these efforts, we endeavor to leverage the Group's technical capabilities to support the food infrastructure in Asia as a whole.

■ FY2024 Review

The Overseas Operations performed well in FY2024, with net sales exceeding one billion yen in Hong Kong, Vietnam, Indonesia, and Taiwan. In particular, we have increased the workforce for Vietnamese operations and appointed a manager for the technical department. This has enabled us to take on new challenges and to market showcases to supermarkets and undertake restaurant kitchen projects as well as engineering projects. PT Aneka Citra Refrindo in Indonesia has become a member of the GALILEI Group, allowing us to provide a broader range of services from kitchen design and construction to maintenance services. As a result of these initiatives, our net sales in FY2024 reached 7.2 billion yen, significantly exceeding the previous year's levels.

Changes in net sales from overseas operations



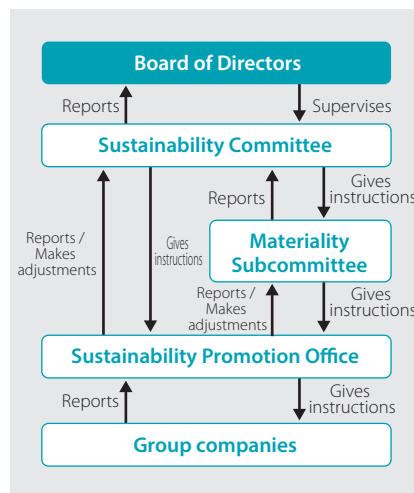
Sustainability Strategy

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

The GALILEI Group has established the Sustainability Promotion Committee to promote sustainability efforts across the Group. The Committee is a group-wide body chaired by the president of GALILEI CO. LTD. and composed of Group Strategy Committee members as well as officers appointed by the committee chairman. The Committee convenes quarterly to discuss sustainability issues in general. The Materiality Subcommittee, which is overseen by the Sustainability Promotion Committee, plays the role of reviewing specific actions that should be taken to address material issues. The Sustainability Promotion Committee regularly reports its activities and progress of its sustainability efforts to the Board of Directors.



Identification of Material Issues

We at the GALILEI Group recognize the necessity of addressing various social challenges through our business operations. In September 2023, we identified key material issues to clarify the social issues the GALILEI Group should prioritize. We evaluated the importance of material issues based on three factors: the levels of importance in terms of business management issues, impact on social issues, and stakeholder expectations. We also considered the perspectives of individuals outside the GALILEI Group, such as outside directors and experts, before we identified eight material issues and submitted them to the Board of Directors for approval. By tackling these material issues, the GALILEI Group strives to achieve two missions: building a sustainable society and increasing our medium to long-term corporate value.

Material Issues Identification Process

Step 1

Identification of potential material issues

In line with our corporate philosophy and purpose, as well as international standards such as the SDGs (Sustainable Development Goals) and the GRI (Global Reporting Initiative) Standards, we selected social issues to address through our business activities. To further this goal, we established a project team comprised of leaders from each value chain and other members, to discuss and identify approximately 80 potential material issues.

Step 2

Assessment of importance levels

We assessed the importance levels of the potential material issues from three perspectives: significance in terms of business management issues, impact on social issues, and stakeholder expectations. Through this evaluation, we reduced the potential material issues to 24, ranked by level of importance.

Step 3

Validation of material issues

We validated the potential material issues through discussions with our outside directors and experts, integrating their external perspectives. This process allowed us to re-examine the potential material issues that may have more significant impacts on both our business activities and society at large. Following this review, we refined our focus to eight issues.

Step 4

Identification of material issues and establishment of indicators and goals

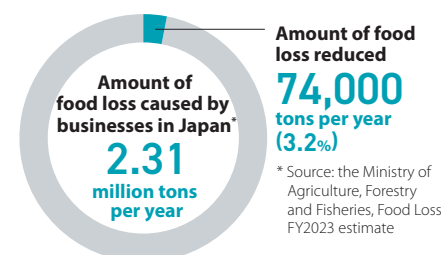
We identified eight key material issues following a resolution of the Board of Directors. We also identified specific initiatives, established indicators, and set goals for the medium to long term.

Sustainability Initiatives in the Course of Business Activities

■ Reducing food loss

The GALILEI Group develops and offers products, systems, and services that help reduce food loss with the effective utilization of its freezing and cooling technology. The amount of food loss caused by businesses in Japan in FY2023 is estimated at 2.31 million tons, and the GALILEI Group estimates that it contributed to reducing 74,000 tons of food loss.

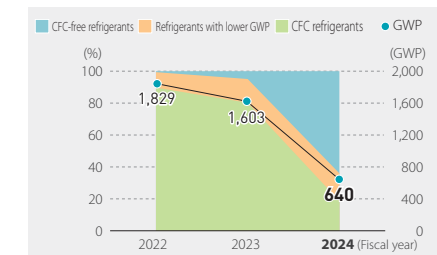
Amount of food loss reduced (FY2023)



■ Achieving a carbon-free society

The GALILEI Group is in the process of replacing refrigerants used in its products with environmentally friendly CFC-free refrigerants. In FY2024, CFC-free refrigerants were used in 64 percent of our plug-in-type products, achieving a GWP of 640. We are committed to reducing greenhouse gases and preventing global warming in the course of our business operations.

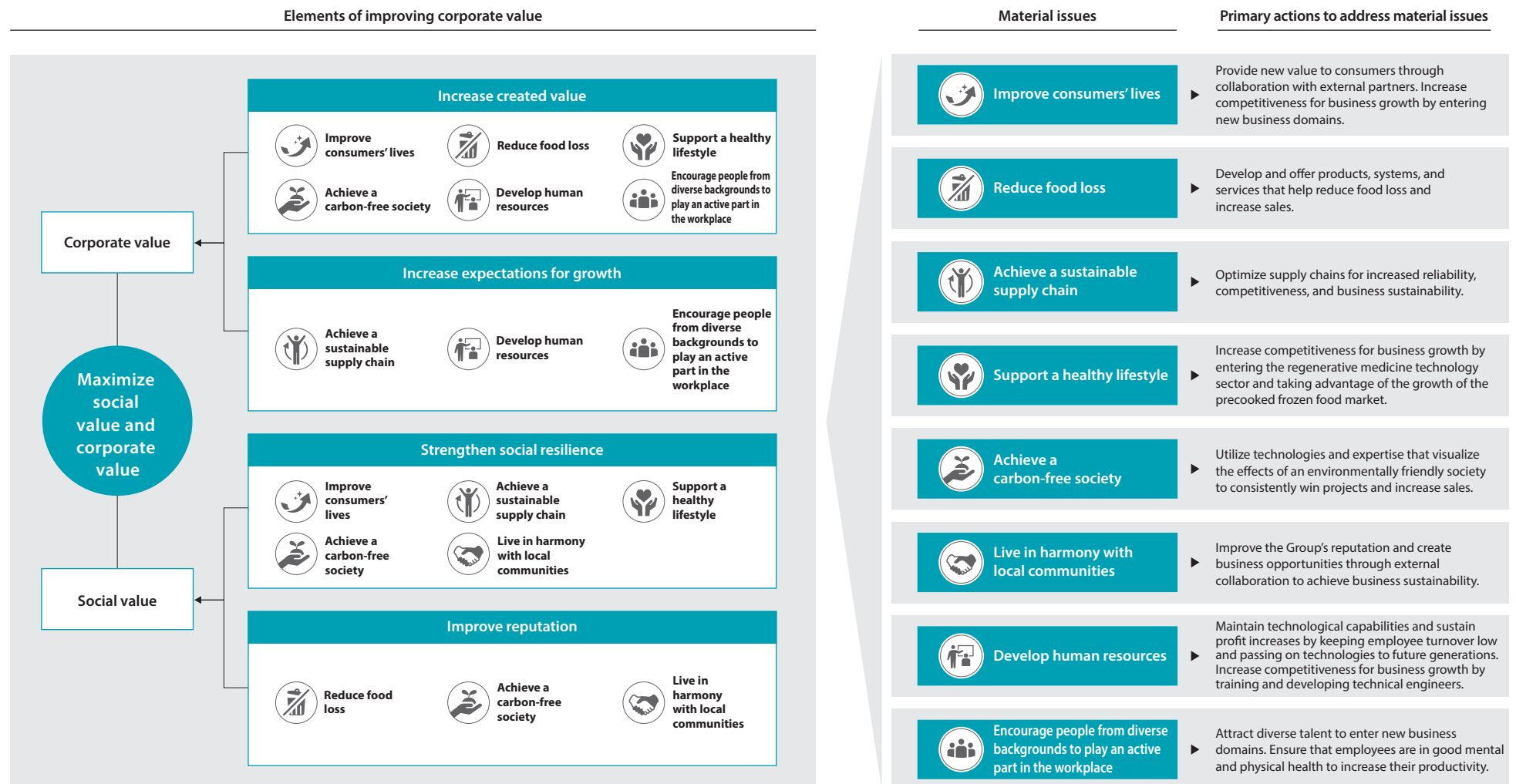
Changes in refrigerants used in plug-in-type products



Sustainability Management

The GALILEI Group has identified eight material issues to achieve the purpose, "Lead the way for the future of food and life," and is pursuing its sustainability management initiatives.




Sustainability management enables us to reflect on our business operations in terms of the environment, society, and economy and to balance addressing social issues with pursuing corporate growth through our business activities. By practicing sustainability management, we aim to maximize our social value and corporate value.








Material Issues

The Group is working hard to achieve the targets for the material issues. We have identified specific initiatives for the medium to long term and established corresponding indicators and targets.

We report the progress we have made to the Sustainability Committee to discuss what more we can do to achieve the targets.

The value we offer	Material issues	Related opportunities and risks	Specific initiatives	Indicator	Target year	Target	Results (2024)
Share the joy and excitement of tasty food with people	 Improve consumers' lives	Opportunities <ul style="list-style-type: none"> <small>Short to medium term</small> Co-creation of value through external collaboration <small>Medium to long term</small> Development of specialized fields through technological innovation <small>Short to medium term</small> Competitiveness improved in anticipation of changes <small>Medium to long term</small> Reform of the business foundation driven by digital disruption 	<ul style="list-style-type: none"> Make effective use of using MILAB to promote co-creation through industry-government-academia collaboration. 	<ul style="list-style-type: none"> Number of MILAB users (including F's DESIGN COURT showroom users) 	2025	<ul style="list-style-type: none"> 7,000 users per year^{*1} 	<ul style="list-style-type: none"> 4,326 users per year
		Risks <ul style="list-style-type: none"> <small>Short to medium term</small> Loss of opportunities and weakened competitiveness due to lack of investment <small>Short to medium term</small> Emergence of many competitors due to the inability to build robust market entry barriers 	<ul style="list-style-type: none"> Develop food startups. 	<ul style="list-style-type: none"> Number of startups given support 	2030	<ul style="list-style-type: none"> 30 companies in cumulative total, 2 listed companies 	<ul style="list-style-type: none"> 13 companies
Support a food lifeline for better living	 Reduce food loss	Opportunities <ul style="list-style-type: none"> <small>Medium to long term</small> More stringent laws and regulations and rules applicable to food loss <small>Short to medium term</small> Development of freezing and defrosting technologies <small>Short to medium term</small> Increased need for the development of cold chains in developing countries 	<ul style="list-style-type: none"> Develop food loss reduction technology. Provide products, systems, and services to help reduce food loss. Contribute to the development of cold storage chains in Asia. 	<ul style="list-style-type: none"> Amount of food loss reduced through products and services 	2030	<ul style="list-style-type: none"> 150,000 tons per year 	<ul style="list-style-type: none"> 70,042 tons per year
		Risks <ul style="list-style-type: none"> <small>Medium to long term</small> Loss of business opportunities due to delay in complying with food loss regulations 					
	 Achieve a sustainable supply chain	Opportunities <ul style="list-style-type: none"> <small>Short to medium term</small> Creation of business opportunities through resources recycling and the development of environmentally friendly products <small>Short to medium term</small> Enhanced brand trust through improved customer satisfaction <small>Short to medium term</small> New value created by optimizing supply chains 	<ul style="list-style-type: none"> Promote adherence to the Sustainable Procurement Guidelines. Promote sustainable procurement. 	<ul style="list-style-type: none"> Procurement based on Sustainable Procurement Guidelines (survey response rate) 	2025	<ul style="list-style-type: none"> 90%^{*1} 	<ul style="list-style-type: none"> 89.3%
		Risks <ul style="list-style-type: none"> <small>Short to medium term</small> Failure to procure parts or collect products due to quality issues in the supply chain <small>Short to medium term</small> Failure to procure parts or damage to corporate value due to delay in responding to social or environmental issues in the supply chain <small>Short to medium term</small> Supply chain disruptions caused by failure to respond to natural disasters, pandemics, or export restrictions in specific regions 	<ul style="list-style-type: none"> Promote the optimization of supply chains. 	<ul style="list-style-type: none"> Promotion of in-house production, strengthened operations, and digitization 	2025	<ul style="list-style-type: none"> Qualitative assessment 	
			<ul style="list-style-type: none"> Promote the Zero Call Company concept. 	<ul style="list-style-type: none"> Frequency of smart diagnosis pre-maintenance services provided 	2030	<ul style="list-style-type: none"> 3,000 times per year^{*1} 	<ul style="list-style-type: none"> 452 times per year[*]

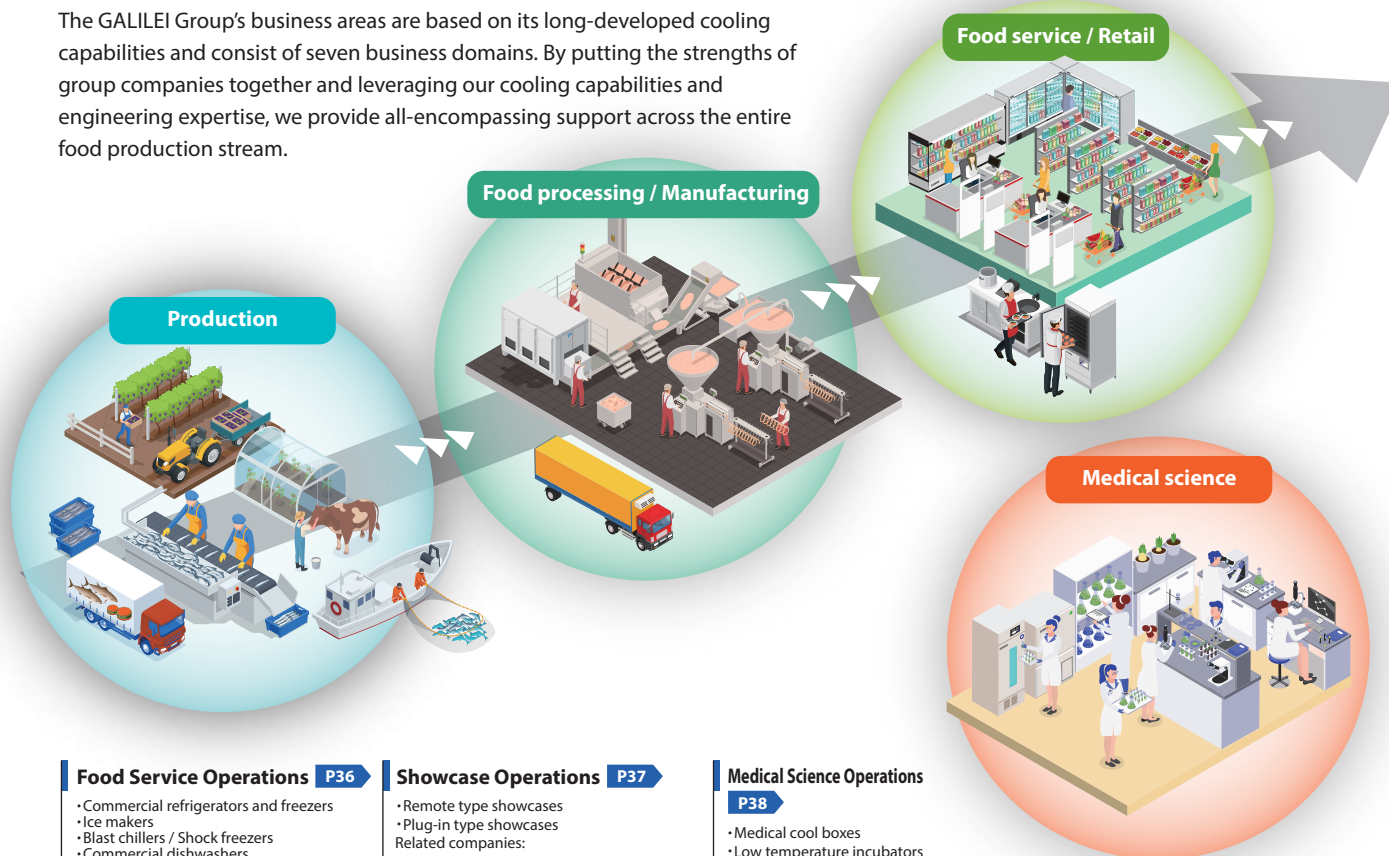
The value we offer	Material issues	Related opportunities and risks	Specific initiatives	Indicator	Target year	Target	Results (2024)
Keep all forms of life on the planet vibrant and healthy	 Support a healthy lifestyle	Opportunities <ul style="list-style-type: none"> Short to medium term: Advances in regenerative medicine Medium to long term: Eating habits reassessed as a result of serious or diverse health issues Short to medium term: Growth of the precooked frozen food market Short to medium term: Increased need for the development of cold chains for the medical and elderly care industries in developing countries 	<ul style="list-style-type: none"> Employ various approaches to the regenerative medicine and healthcare fields. 	<ul style="list-style-type: none"> Products developed for new business fields, such as the regenerative medicine and healthcare fields 	2025	<ul style="list-style-type: none"> Qualitative assessment 	<ul style="list-style-type: none"> Made medical freezers CFC-free Made blood bank refrigerators CFC-free Developed programmable freezers for cell cryopreservation Developed CFC-free defrosting equipment
		Risks <ul style="list-style-type: none"> Medium to long term: Intense competition in the medical and healthcare industries 	<ul style="list-style-type: none"> Contribute to the medical and healthcare industries 	<ul style="list-style-type: none"> Number of products, systems, and services provided to the medical and healthcare industries 	2030	<ul style="list-style-type: none"> 20,000 products / systems / services per year 	<ul style="list-style-type: none"> 8,649 products / systems / services per year
	 Achieve a carbon-free society	Opportunities <ul style="list-style-type: none"> Short to medium term: More stringent laws and regulations and rules related to environmental and decarbonization issues Short to medium term: Increased need for products with high environmental performance Medium to long term: More efforts to achieve net zero carbon emissions, Collaboration with customers Short to medium term: Greater brand trust 	<ul style="list-style-type: none"> Transition to green refrigerants. 	<ul style="list-style-type: none"> Weighted average GWP (Global Warming Potential) 	2025	<ul style="list-style-type: none"> 500 (plug-in type) 1,450 (remote type)*¹ 	<ul style="list-style-type: none"> 640 (plug-in type) 1,487 (remote type)
			<ul style="list-style-type: none"> Prevent refrigerant gas leaks. 	<ul style="list-style-type: none"> Amount of refrigerants leaks 	2035	<ul style="list-style-type: none"> 0 t-CO₂ per year 	<ul style="list-style-type: none"> 39,983 t-CO₂ per year
			<ul style="list-style-type: none"> Develop and offer products with superior environmental performance. 	<ul style="list-style-type: none"> Shift to products with less environmental impact, calculated by a LCA (Life Cycle Assessment) 	2030	<ul style="list-style-type: none"> Qualitative assessment 	<ul style="list-style-type: none"> Increased product models subject to LCA Made commercial refrigerators for the overseas markets CFC-free
		Risks <ul style="list-style-type: none"> Short to medium term: Corporate value damaged due to delay in combating climate change Short to medium term: Loss of business opportunities due to delay in complying with regulations on greenhouse gas emissions 	<ul style="list-style-type: none"> Reduce CO₂ emissions. 	<ul style="list-style-type: none"> The GALILEI Group CO₂ emissions reduction rates 	2030	<ul style="list-style-type: none"> Down 50% from 2013 	<ul style="list-style-type: none"> 34.9% (9,120 t-CO₂)*²
Contribute to the happiness of people around the world	 Live in harmony with local communities	Opportunities <ul style="list-style-type: none"> Short to medium term: Increased employee motivation, improved human resources development Medium to long term: Connectivity with ESG-oriented younger people, greater opportunities to attract talent Medium to long term: Improved corporate reputation through communication of the joy of eating and playing sports Medium to long term: Business opportunities created through external collaboration 	<ul style="list-style-type: none"> Promote social engagement through the GALILEI 1% Club. 	<ul style="list-style-type: none"> Number of the GALILEI 1% Club activities performed 	2030	<ul style="list-style-type: none"> 200 activities per year 	<ul style="list-style-type: none"> 177 activities per year
		Risks <ul style="list-style-type: none"> Short to medium term: Corporate brand seriously tarnished due to failure to be recognized as a good corporate citizen in local communities 	<ul style="list-style-type: none"> Support local communities by working with local people and authorities 	<ul style="list-style-type: none"> Working with local people and authorities 	2030	<ul style="list-style-type: none"> Qualitative assessment 	<ul style="list-style-type: none"> Provided support for combating extreme heat at sports events Hosted social studies field trips and provided other educational support Provided support for global human resources development through the Group's foundation Provided support for local authorities' regional revitalization programs
	 Develop human resources	Opportunities <ul style="list-style-type: none"> Short to medium term: Ability to maintain excellent technological capabilities due to lower employee turnover and passing on of technologies to future generations Short to medium term: Improved corporate reputation due to training workers supporting cold chains 	<ul style="list-style-type: none"> Continue to enhance human resources development and training programs. 	<ul style="list-style-type: none"> Training hours per employee 	2030	<ul style="list-style-type: none"> 20 hours per employee*³ 	<ul style="list-style-type: none"> 13.8 hours per employee*³
		Risks <ul style="list-style-type: none"> Short to medium term: Weakened competitiveness due to lack of human resources development Short to medium term: Corporate reputation decreased due to a higher employee turnover Medium to long term: Decline in competitiveness in overseas markets due to failure to attract global talent 	<ul style="list-style-type: none"> Promote and expand the GALILEI Academy. 	<ul style="list-style-type: none"> Cultivation of refrigeration engineers through operation of a technical training school 	2025	<ul style="list-style-type: none"> Qualitative assessment 	<ul style="list-style-type: none"> 61 students per year completed training at the GALILEI Academy
	 Encourage people from diverse backgrounds to play an active part in the workplace	Opportunities <ul style="list-style-type: none"> Short to medium term: Company grew as a result of improved job satisfaction Medium to long term: Creation of an environment that facilitates innovation Short to medium term: Successful recruitment of diverse talent, more promotion opportunities Short to medium term: Employee motivation and productivity increased through good mental and physical health 	<ul style="list-style-type: none"> Improve employee engagement. 	<ul style="list-style-type: none"> Group-wide mean deviation of employee engagement 	2030	<ul style="list-style-type: none"> 65*³ 	<ul style="list-style-type: none"> 54.7*³
			<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Percentage of female directors Percentage of female managerial staff Percentage of local managerial staff at overseas group companies 	2030	<ul style="list-style-type: none"> 30% 10%*³ 55% 	<ul style="list-style-type: none"> 9.1% 3.3%*³ 27.3%
		Risks <ul style="list-style-type: none"> Short to medium term: Corporate reputation decreased due to higher costs caused by intense recruitment competition and inability to attract diverse personnel 	<ul style="list-style-type: none"> Provide a positive work environment and offer diverse work styles. 	<ul style="list-style-type: none"> Average overtime hours worked Paid annual leave take-up rate 	2025	<ul style="list-style-type: none"> 15 hours*³ 70%*³ 	<ul style="list-style-type: none"> 19.2 hours*³ 63.4%*³

*1 The indicators and targets for this fiscal year have been revised. *2 The data has been verified by a third-party organization. *3 On a non-consolidated basis

Business Strategy

The GALILEI Group's Seven Areas of Business Operations

The GALILEI Group's business areas are based on its long-developed cooling capabilities and consist of seven business domains. By putting the strengths of group companies together and leveraging our cooling capabilities and engineering expertise, we provide all-encompassing support across the entire food production stream.



Food Service Operations P36

- Commercial refrigerators and freezers
- Ice makers
- Blast chillers / Shock freezers
- Commercial dishwashers
- Automatic noodle boilers

Related companies:
FUKUSHIMA GALILEI CO. LTD.
Nippon Senjoki K.K.

Showcase Operations P37

- Remote type showcases
- Plug-in type showcases

Related companies:
FUKUSHIMA GALILEI CO. LTD.

Medical Science Operations P38

- Medical cool boxes
- Low temperature incubators
- Ultra-low temperature freezers

Related companies:
FUKUSHIMA GALILEI CO. LTD.

Service Operations P39

- Equipment maintenance services
- Maintenance contracts

Related companies:
FUKUSHIMA GALILEI CO. LTD.
TAKAHASHI GALILEI CO. LTD.
SHOKEN GALILEI CO. LTD.
Nippon Senjoki K.K.

Engineering Operations P40

- Equipment planning
- NOBRAC CO₂ refrigeration system

Related companies:
FUKUSHIMA GALILEI CO. LTD.

Large Food Processing Equipment Operations P41

- Tunnel freezers
- Spiral freezers
- Production and conveyor lines

Related companies:
TAKAHASHI GALILEI CO. LTD.
SHOKEN GALILEI CO. LTD.

Panel Operations P42

- Small prefabricated refrigerators
- Food production factories and large refrigerators
- Cleanrooms

Related companies:
GALILEI PANEL CREATE CO. LTD.

The GALILEI Group

The GALILEI Group adopted a holding company structure in April 2025. The holding company is responsible for developing the Group's strategies and performing governance of the Group, while the operating companies carry out business activities independently and expeditiously. The Group leverages its strengths to address social issues through its business activities, to expand its business domains, and to offer new value to society to achieve its purpose.

■ FUKUSHIMA GALILEI CO. LTD.

FUKUSHIMA GALILEI was the first company in Japan to standardize and mass-produce commercial refrigerators and freezers. The company's growth has centered around the manufacture and marketing of commercial refrigerators and freezers and refrigerated and freezer showcases. With its cooling technology, FUKUSHIMA GALILEI supports people's everyday lives and economic activities in various fields from food infrastructure to the medical science field, food production factories, and temperature control systems.

■ GALILEI PANEL CREATE CO. LTD.

GALILEI PANEL CREATE's environmentally friendly, high-performance thermal insulation panels and design and installation capabilities enable the company to create optimal refrigerating and freezing spaces as well as clean work spaces for facilities such as food processing factories, low temperature distribution centers, and clean rooms.

■ TAKAHASHI GALILEI CO. LTD.

As pioneers, TAKAHASHI GALILEI developed, designed, and manufactured Japan's first "Tunnel Freezer," a continuous rapid freezing/cooling device. The company takes pride in its over 65 years of experience, custom-made manufacturing capabilities, and the top market share in Japan.

■ SHOKEN GALILEI CO. LTD.

As a specialized manufacturer of machinery and plants for food factories and drive apparatuses, SHOKEN GALILEI contributes to automation, introduces labor-saving devices, and reduces power consumption on many production lines and logistics lines.

■ Nippon Senjoki K.K.

Nippon Senjoki manufactures and markets dishwashers and automated cooking equipment among others. The company has outstanding technologies with excellence in energy efficiency, water conservation, and labor saving and contributes to the improvement of productivity in the food service industry.

Expansion of Business Domain

We at the GALILEI Group endeavor to achieve our purpose, “Leading the way for the future of food and life.” Our existing business domain is “food,” and for us to grow sustainably, we have added “life” as a new domain. In order to promote the GALILEI Group’s growth, we ensure the existing business will steadily grow through further selection and concentration, anticipate changes in the market, and make proactive investments in the growth areas of food, people, and life on Earth.

Pharmaceutical and healthcare market



Targeting the refrigeration and freezing and cleanroom markets in the pharmaceutical and regenerative medicine sectors

The pharmaceutical and regenerative medicine sectors are growing fields due to technological innovation and to changing social needs. In particular, personalized healthcare and regenerative medicine, which offer new treatment choices for patients, have the potential to enhance the quality of healthcare, and aggressive capital investment in these sectors is therefore expected. The GALILEI Group has built an integrated system that enables us to meet this increasing demand in order to undertake projects for creating freezer/refrigeration spaces and non-refrigeration spaces as well as to offer comprehensive equipment solutions.

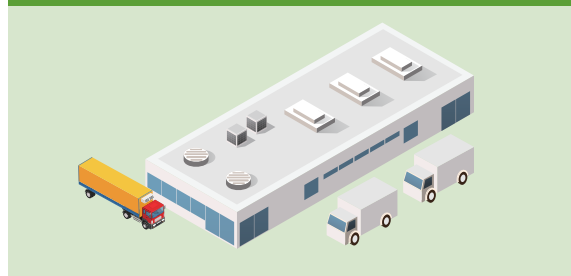
■ An example of our completed projects

Research and development facility, Regional Fish Institute, Ltd.

Regional Fish Institute, Ltd. is engaged in the improvement of the quality of aquatic products using genome editing technology. By combining its strengths and expertise, the GALILEI Group supplied low-temperature incubators, commercial sinks specially made for handling marine products, ice makers, and prefabricated refrigerators, for research purposes at the customer’s facility, and also provided installation services.



Logistics market



Aiming to explore the low temperature warehouse market

Demand for low temperature warehouses is rapidly increasing due to many social challenges, such as growing demand for refrigerated warehouses driven by steadily increased sales of frozen foods, the expansion of relay points prompted by the 2024 logistics problem, aging equipment in existing warehouses, and supply shortages caused by CFC regulations. The GALILEI Group has built an integrated system that enables us to respond to this increasing demand, and the Group is making active efforts to explore the market by leveraging its design capabilities and product competitiveness with superior energy efficiency, labor saving, and environmental performance.

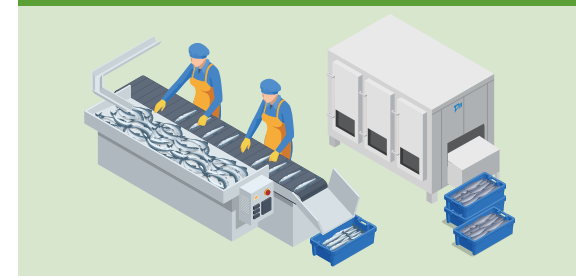
■ An example of our completed projects

AEON Fukuoka XD (cross docking), AEON Global SCM Co., Ltd.

AEON Fukuoka XD, a new logistics center of AEON Global SCM Co., Ltd. on the Island City in Fukuoka Prefecture became operational in July 2024. The construction of this logistics center is part of the company’s efforts to address both the logistics problem and the achievement of carbon neutrality. The GALILEI Group successfully completed this low temperature warehouse project for the customer.



Food production factory market



Targeting food production factories to increase the Group’s market share

Due to the steady increase in frozen food sales, aging equipment, and CFC regulations, food production factories are expected to continue making aggressive capital investment. The GALILEI Group has built an integrated system that enables us to meet their demand in order to increase the Group’s market share in the food production factory market.

■ An example of our completed projects

Head office factory, MIK CORPORATION

MIK CORPORATION, based in Kobe City, Hyogo Prefecture, provides customs clearance services and seafood processing services. By combining its strengths and expertise, the GALILEI Group supplied the latest equipment and production lines for the customer’s salmon fillet processing factory, the largest in western Japan, as well as provided installation services. The customer’s productivity was effectively doubled as a result of reduced production lead times.



Group Strategy

With 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 offer new value to society as well as one-stop solutions for customer challenges.

Group Strategy Committee

In April 2025, we established a Group Strategy Committee as the body to develop and review the Group's strategies. The Committee, chaired by the president of GALILEI CO. LTD. and composed of a selected group of young officers and employees up to their 50s, has discussions on the creation of the GALILEI Group's new social value and the improvement of its corporate value. The Committee is designed to ensure organic collaboration across the business domains and review the Group's growth strategies as well as to nurture and develop future leaders of the Group, which is one of

the purposes of our transition to the holding company structure. When we launched the GALILEI brand, we defined our vision as "pioneers in the future of food and life." The vision represents our determination to rise to the challenge of leading the way to a tasty future, an abundant future, a living future, and a happy future, and it is clearly reflected in our purpose. The Group Strategy Committee engages in a series of discussions on the Group's vision for the next 10 years and is working to create a clear narrative to achieve our purpose.



Key Initiatives to Increase Group Synergy

■ MILAB, where new food is created

In April 2024, the MILAB underwent an extensive refurbishment to ensure group synergy is fully realized. At the new MILAB, we collaborate more closely with many industry organizations, government agencies, and academic institutions, and create new technologies and ideas through co-creation with customers, universities, and research institutes. The number of MILAB visitors reached 4,326 in FY2024, the highest number ever, reflecting the group companies' efforts to promote greater use of the facility. As part of our efforts to provide support for food startups, we welcomed ARK Inc., a land-based fish farming specialist, as a new MILAB Office tenant. We are committed to advancing food technology and improving consumers' lives by effectively utilizing the MILAB.

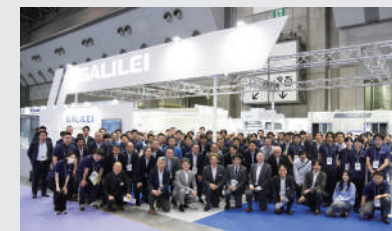


ARK Inc.
A new MILAB Office tenant



■ The GALILEI Group participated in FOOMA JAPAN 2025

Five group companies of the GALILEI Group jointly exhibited at FOOMA JAPAN, held at the Tokyo Big Site exhibition center in June 2025. The group companies worked together to build an exhibition booth that showcased energy-efficient and labor-saving equipment under the theme "The future of food production factories and logistics operations created by NOBRAC." The products on display include a NOBRAC, a SSJ Tunnel Freezer, an automated robot / conveyor line, a differential pressure cooling system, an interior ceiling panel with built-in linear lighting, and an equipment washer. We served domestically-grown scallops that were frozen in the SSJ Tunnel Freezer to our booth visitors for tasting, and they were impressed with the beautifully frozen scallops having no grill marks. This year's exhibition was a huge success, attracting more visitors than the previous year.



Food Service Operations



Shinsuke Jinnai

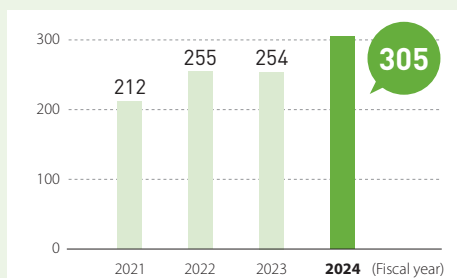
General Manager, Food Service Operations
Executive Officer of FUKUSHIMA GALILEI CO. LTD.

FY2024 Review

Sales of higher-cost products, such as blast chillers and dough conditioners, grew while sales of CFC-free upright and horizontal commercial refrigerators and freezers and compact ice makers declined marginally. Strong sales of dishwashers and automatic noodle boilers produced by Nippon Senjoki, a recent addition to the GALILEI Group, for restaurant chains, also contributed to the performance of the Food Service Operations, which significantly exceeded the previous year's levels.

Net sales

(¥ 100 million)



Business Information

Food Service Operations has been FUKUSHIMA GALILEI's core business since its establishment in 1951. We offer an extensive range of products that feature superior energy efficiency, sophisticated temperature control technology, and enhanced usability, including commercial refrigerators and freezers and ice makers, blast chillers and shock freezers for rapid freezing, dough conditioning equipment designed to ensure ideal dough fermentation, and dishwashers and automatic noodle boilers.



Commercial refrigerators and freezers



Blast chillers / Shock freezers



Automatic noodle boilers

Business Strengths and Challenges

A key strength of Food Service Operations is developing user-friendly products. We focus on the development of environmentally-friendly products, such as CFC-free equipment, and automated, labor-saving cooking equipment. Another strength of the GALILEI Group is the ability of the MILAB Food Consultant Room to propose solutions relating to intangible aspects, by leveraging the freezing and defrosting technologies we have refined. However, there is more we need to do. We need to effectively convey the added value of our products to our customers, and work closely with them to solve their problems and to meet their requirements.

Future Growth Strategy

Following the addition of Nippon Senjoki to the GALILEI Group in 2024, new products and technologies have been incorporated, significantly expanding the scope of proposals made by the Food Service Operations. We continue to strive to create new value through the reduction of our environmental impact, the development of labor-saving products, and the further improvement of our technologies, including freezing and defrosting technology. We aim to be a group of companies that is capable of offering solutions to our customers' problems and meeting their requirements, not only at commercial restaurant kitchens but also at school lunch centers and food production factory kitchens.

Showcase Operations



Manabu Oda

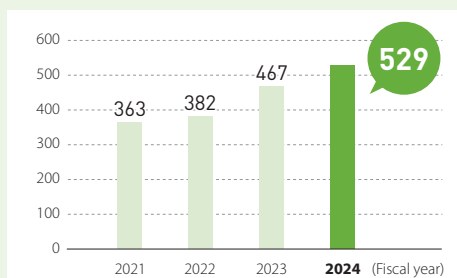
General Manager, ST Operations
Director of FUKUSHIMA GALILEI CO. LTD.

FY2024 Review

Sales to supermarkets grew considerably as there was an increase in the number of new stores opening in many regions across Japan, and driven by the impact of soaring energy costs, demand for energy-efficient store renovation solutions remained strong. As part of our Dramatic Future 2050 initiatives, sales of natural refrigerant showcases, particularly to convenience stores, significantly surpassed the previous year's levels.

Net sales

(¥ 100 million)



■ Business Information

We manufacture and market plug-in and remote refrigerated and freezer showcases. We help preserve food freshness in supermarkets, drug stores, convenience stores across Japan, and by utilizing our IT and high performance equipment, we support customers in creating attractive and comfortable store designs.



Plug-in island showcases



Remote-type showcase,
CLAIR Send-you



Plug-in reach-in showcases
with CO₂ refrigerants

■ Business Strengths and Challenges

In the Showcase Operations, our development and sales staff work together to develop products and systems with user insights in mind and offer user-friendly solutions. We manage the entire process, from design and installation to maintenance, in-house. To address rising energy costs in Japan, we market energy-efficient products that use a natural refrigerant with lower environmental impact. We also propose and supply the GALILEI Air-tech System, which provides a comfortable in-store environment and energy efficiency in the whole of the store. Our goal is to develop products with superior energy efficiency and greater environmental sustainability while addressing customer challenges, such as rising energy costs in the retail distribution industry.

Future Growth Strategy

In April 2025, we started to provide 10-year refrigerant gas leak warranties at full scale. By leveraging digital transformation, we can detect not only gas leaks, but also signs of equipment malfunctions and potential failures. It is important to clearly communicate the concept of a "Zero Call Company" to our customers and to ensure it delivers value for them. A new factory for refrigerated and freezer showcases is being built in Konan City, Shiga Prefecture, and we will establish a system at the factory that enables us to further increase market share by developing high-value-added, next-generation products and increasing production capacity. We are committed to developing environmentally superior products and offering excellent maintenance services to address social issues and meet customer needs.

Medical Science Operations



Masashi Murata

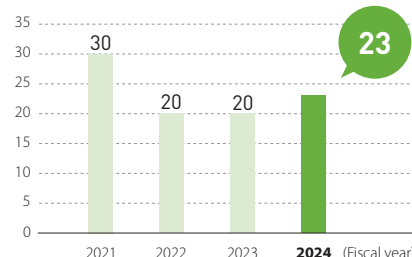
Acting General Manager, Medical Science Operations
FUKUSHIMA GALILEI CO. LTD.

FY2024 Review

Sales to hospitals and clinics fell due to the impact of the cost of living crisis, including recent increases in energy costs. However, demand from dispensing pharmacies and drug stores for replacement medical cool boxes remained strong, and demand for prefabricated pharmaceutical refrigerators for pharmaceutical wholesalers grew. As a result, Medical Science Operations performed better than in the previous year.

Net sales

(¥ 100 million)



■ Business Information

The Medical Science Operations offers medical products and equipment used on the front line of the medical science field, both in Japan and abroad, to maintain people's health and protect their lives. We apply temperature control technology from our commercial refrigerators to support medical and R&D fields, and supply low temperature incubators, medical cool boxes, medical freezers, ultra-low temperature freezers, and blood bank refrigerators.



CFC-free medical cool box,
MediFridge



CFC-free medical freezers



GALILEI International Center for Future medicine
Technology (GIFT) at Nakanoshima Qross

■ Business Strengths and Challenges

A key strength of the Medical Science Operations is its ability to deliver products capable of precise temperature control required in the medical science field to its distributors across the country, by effectively applying our temperature control technology developed in the food industry. We have allocated development specialists at domestic factories to develop products that meet customer needs. Our goal is to explore the pharmaceutical and regenerative medicine markets, which the GALILEI Group has identified as its target markets. To this end, we will leverage our nationwide sales network to engage with users. Our focus will be on developing products specifically for pharmaceutical and regenerative medicine applications, using user insights to guide the process.

Future Growth Strategy

We will support healthcare professionals working on the front line of the pharmaceutical and regenerative medicine sector, by increasing sales of our value-added medical products, particularly in the pharmaceutical and regenerative medicine markets, which are the GALILEI Group's target markets. We plan to further train our medical product development staff and to engage more closely with customers with the aim of developing and offering products that incorporate their needs.

Service Operations

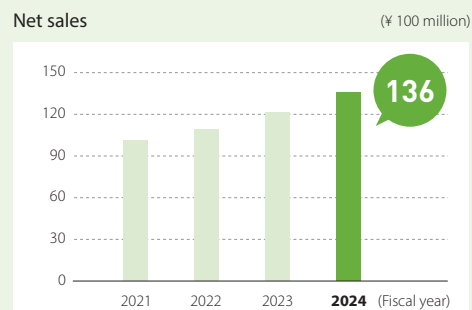


Yuichi Fujita

General Manager, Service Operations
Executive Officer of FUKUSHIMA GALILEI CO. LTD.

FY2024 Review

There was a steady increase in sales of showcase maintenance contracts with supermarkets and convenience stores. In addition, sales of maintenance services for commercial refrigerators and freezers and large cold storage warehouses in the Engineering Operations also increased. The performance of the Service Operations surpassed the previous year's levels as a result.



■ Business Information

We provide support for users of the GALILEI Group's products. By providing maintenance and various inspection services for commercial refrigerators and freezers and refrigerated and freezer showcases, among others, we continue to ensure food safety and security for consumers. We leverage digital transformation to enhance our preventive maintenance services and other services.



Maintenance and repair services

**10-year
refrigerant
gas leak
warranties**

10-year refrigerant gas leak warranties



Smart Diagnosis

■ Business Strengths and Challenges

We are proud of the high repair rate achieved by our engineers in Service Operations. Providing in-house repair services not only strengthens our technical capabilities, but also connects GALILEI engineers with customers more closely, enabling us to communicate customer feedback to our product development and marketing staff. Our AI-powered Smart Diagnosis is effective in detecting potential failures. Meanwhile, we face the task of expanding maintenance services, which currently cover refrigeration and freezing equipment, to include a full range of kitchen equipment, such as heating equipment. We will continue to attract good talent and train engineers and further enhance the effectiveness of our collaboration with other departments.

Future Growth Strategy

By further increasing the accuracy of Smart Diagnosis, we remain committed to becoming a Zero Call Company and helping reduce food loss and refrigerant gas leaks caused by product failures. We plan to actively offer maintenance and repair services for large facilities, such as large cold storage warehouses and food production factories, to support their safe and reliable operations. We hope to be a company that offers advanced maintenance services through the training and development of both internal and external technical staff at the GALILEI Academy and the improvement of the technical capabilities of the entire supply chain.

Engineering Operations



Takayasu Minamihata

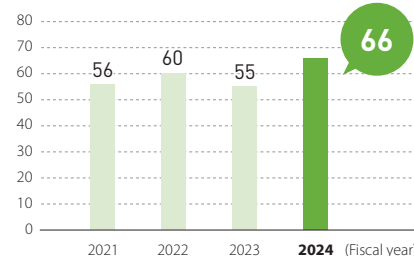
General Manager, Engineering Operations
FUKUSHIMA GALILEI CO. LTD.

FY2024 Review

In the low temperature logistics industry, demand for the construction of logistics centers and cold storage warehouses continued due to the “2024 logistics problem” (labor shortages and supply chain delays caused by regulatory changes) and the full occupancy or dilapidated state of cold storage warehouses in major cities. In addition, capital investments mainly by food manufacturers and supermarket process centers showed signs of recovery. As a result, the Engineering Operations performed better than the previous year.

Net sales

(¥ 100 million)



Business Information

We apply refrigeration, freezing, and other technologies across both GALILEI Group and non-GALILEI Group products, offering businesses a comprehensive range of solutions, including low temperature warehouses and food production factories. Our goal is to provide engineering services that are useful to customers and beneficial to society.



Logistics center



Processing center



NOBRAC CO₂
refrigeration system

Business Strengths and Challenges

The Engineering Operations manages the entire process from design and installation to maintenance in order to address staff shortages facing food production factories and logistics companies and the need to renovate dilapidated facilities. In addition to offering equipment solutions that feature the GALILEI Group's full range of products, such as thermal insulation panels, tunnel freezers, and conveyor belts, we deliver optimal comprehensive engineering services that meet the needs of food production factories and logistics facilities, by engaging in the entire process from the planning and initial layout proposal stages. However, the Engineering Operations has the challenge of expanding sales channels. We aim to expand our markets from the existing retail and distribution sectors to unexplored domestic markets, such as pharmaceutical logistics, leading food production factories, and cold storage warehouses.

Future Growth Strategy

We will increase sales of NOBRAC, a CO₂ refrigeration system with superior energy efficiency and greater environmental sustainability, to low temperature distribution centers, among other customers. We also strive to offer even more useful engineering services by leveraging our core strengths in cooling technology and by expanding the scope of services from food production factory layout proposals, which we now focus on, to air-conditioning equipment as well as water supply, drainage, and sanitation equipment.

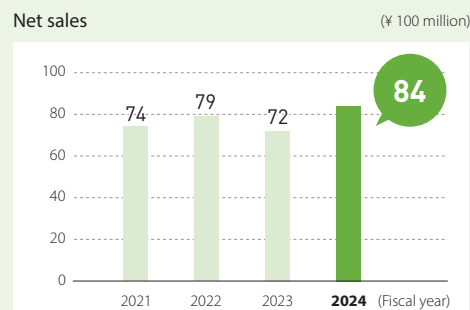
Large Food Processing Equipment Operations



Tomokazu Naruta
President
TAKAHASHI GALILEI CO. LTD.

FY2024 Review

Capital investments, especially by food manufacturers, remained steady, resulting in increased sales of TAKAHASHI GALILEI's tunnel freezers. The new factory at the head office of SHOKEN GALILEI improved its productivity and efficiency, and it also served as a test laboratory for automation and labor-saving equipment, boosting sales of conveyor lines and other equipment for food production factories. The performance of the Large Food Processing Equipment Operations surpassed the previous year's levels as a result.



■ Business Information

TAKAHASHI GALILEI is the first company in Japan to develop, design, and manufacture a continuous rapid freezing, rapid cooling system, "Tunnel Freezer." The company takes great pride in its 66 years of success and holding the largest market share in Japan. SHOKEN GALILEI has contributed to automation, introduced labor-saving devices, and reduced power consumption on many production lines and logistics lines, as a specialized manufacturer of machinery, plants, and drive systems for food factories.



Food production factory



Continuous rapid freezer, Tunnel Freezer



Packaging and shipping line system

■ Business Strengths and Challenges

In recent years, TAKAHASHI GALILEI has focused on offering tangible solutions in addition to manufacturing and marketing tunnel freezers. We have a team of cooling and freezing technology professionals, known as Total Food Solution or the TFS team, who help to deliver safe and delicious food, with the slogan "the right person in the right refrigerated place." This solution-based business model is one of our strengths. SHOKEN GALILEI excels in conveyor equipment and labor-saving solutions, which are the areas where we can achieve significant group synergy. In recent years, we have stepped up efforts to become a robot system integrator (Sier) in the packaging process in the logistics sector.

Future Growth Strategy

Not only as a manufacturer of tunnel freezers, but also as the developer of the CO₂ refrigeration system, NOBRAC, we are working to acquire a better understanding of environmental sustainability and energy efficiency to create more added value and to increase the GALILEI Group's market share. We will apply our cooling technology that we have developed in Japan to overseas cold storage chains. We anticipate that demand for automated and labor-saving equipment will continue to rise, and we are therefore ready to improve our design capabilities and production capacity to better serve our customers. There are many highly specialized manufacturers in the large food processing equipment market, and we are eager to explore collaboration with these specialist companies to broaden the range of our offering and to expand our business.

Panel Operations



Yoshinori Kojima

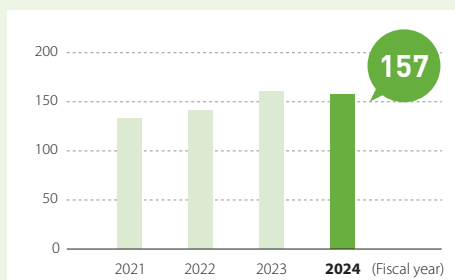
President
GALILEI PANEL CREATE CO. LTD.

FY2024 Review

Demand for logistics centers and cold storage warehouses remained strong because of the “2024 logistics problem” and also because cold storage warehouses in major cities reached full capacity or were in poor condition. Sales of compact prefabricated refrigerators for supermarkets and convenience stores also increased. However, our business results marginally declined from the previous year's levels due to extended construction periods and delays caused by worker shortages in the construction industry as well as lower sales of non-refrigerated cleanrooms in the semiconductor, pharmaceutical, and lithium-ion battery markets, which we had focused on in recent years.

Net sales

(¥ 100 million)



■ Business Information

With a broad range of high performance thermal insulation panels and our unique design and installation technology, we offer optimal panel solutions for food processing factories, logistics centers, as well as the back-of-the-house areas of supermarkets and convenience stores, where freezer and refrigeration spaces and clean spaces are required.



Ceiling panel with built-in LED lights



Panel doors



PURE CIS cleanroom interior panel system for medical and pharmaceutical applications

■ Business Strengths and Challenges

The Panel Operations' 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. We have strengthened our design capabilities, and we are now capable of better meeting the needs of both freezer/refrigeration spaces and non-refrigeration spaces. In January 2025, we launched the PURE CIS cleanroom interior panel system for medical and pharmaceutical applications. Our thermal insulation panels with superior cleanliness, air-tightness, and chemical resistance have made it possible to provide a cleaner environment essential for the medical and pharmaceutical industries.

Future Growth Strategy

In addition to our traditional market of freezer/refrigeration spaces, we will focus on non-refrigeration spaces, such as cleanrooms (for the semiconductor, pharmaceutical, and regenerative medicine sectors). For this purpose, we will further strengthen our design capabilities as well as construction and installation expertise, which are key to panel technology. We expect demand in the logistics market to rise in the future. In response to the future demand, we not only seek to improve our design capabilities and construction and installation expertise, as mentioned above, but we also plan to build a next-generation panel factory with the aim of significantly improving productivity and product quality. By combining the strengths of our sales, design, construction, and production teams together, we strive to be a trusted partner for our customers and further boost sales as a result.

Corporate Governance

Conversation between Chairman and Outside Directors Governance Structure and Initiatives to Increase Corporate Value



Kinuko Hayashi

Outside Director
Audit and Supervisory Committee Member



Yutaka Fukushima

Chairman



Hiroshi Takeuchi

Outside Director
Audit and Supervisory Committee Member

Following the GALILEI Group's adoption of a holding company structure in April 2025, the chairman of the board, who also chairs the meetings of the board of directors, and two outside directors had a conversation about the changes in the GALILEI Group's governance, governance-related challenges, and efforts to increase the Group's corporate value.

1 Changes in the GALILEI Group's governance and its growth

Takeuchi: Our business results remained relatively stable until around 2010, but they've gradually improved since then. If you look back on the history of corporate governance in Japan, you notice that there were many legal reforms made and regulatory requirements imposed from around 2010. To respond to these changes, the GALILEI Group took various measures, which include appointing outside directors, establishing the Nomination Advisory Committee and the Remuneration Advisory Committee, and converting into a company with an audit and supervisory committee. In my view, managing a business requires both offensive and defensive (oversight) strategies. Our business performance has improved as our governance has been strengthened. It seems to me that we have made good progress.

Hayashi: Governance was first institutionalized after corporate misconduct became known to the public, and because of that people tend to think that the purpose of governance is to prevent misconduct or improper behavior. However, it's important to recognize that governance plays a more significant role than that. Governance is a framework or a set of practices that ensures business leaders effectively manage their business operations. The same principle applies to products as well. Just because a defect is removed from a product, it doesn't mean that the product will be more attractive. It's

possible that a framework designed to prevent bad things from happening may also prevent good things from happening. A classic example of this is when people stop embracing challenges because they're reluctant to take risks. If we look at all these points, I think the GALILEI Group has developed a good governance framework and steadily grown its business by taking on numerous challenges.

Fukushima: GALILEI CO. Ltd. became a holding company in April this year, and I think our governance has changed significantly. GALILEI now has a new board of directors, and it's totally different from the previous one. The board of directors of FUKUSHIMA GALILEI implemented governance, which was centered around FUKUSHIMA GALILEI, but now we have a framework that allows us to uniformly govern all group companies. We've further separated oversight and execution, and the holding company plays a pivotal role in governance. Having said that, this new framework hasn't been fully communicated, and to move in the right direction, we still have many things to consider, such as the structure and functions of committees.

Takeuchi: All group companies in the GALILEI Group were capable of managing their operations independently. When they brought their respective strengths together, they created group synergy and formed a stronger organization. I'm optimistic that shifting to a holding company structure and strengthening it will enable us to achieve even more significant growth.

2 Challenges the GALILEI Group faces as it grows

Hayashi: I think as the Group expands, it's more difficult to instill our corporate philosophy in the employees. The GALILEI Group has many guiding principles, such as the corporate philosophy, the employee code of conduct, the purpose, and

the GALILEI Philosophy, but the degree of how much these principles are understood by the employees may vary. It seems to me that many new employees simply think the corporate philosophy means the Four Rules of Happiness and the purpose means "Leading the way for the future of food and life." The corporate philosophy is a guiding principle that the employees can rely on when they make a decision, and the purpose represents our vision we aim for in order to create shared value among the employees. It's impossible to make a rule for controlling the actions of all employees. In my opinion, the corporate philosophy is thought to be fully instilled in the employees if they refer back to it for guidance before they make a decision or take action or when they don't know what to do.

Fukushima: I spent over a decade developing our corporate philosophy, based on which the president formulated our purpose. Many of our employees joined the GALILEI Group as mid-career hires, and I agree that we should make them fully aware of our corporate philosophy and purpose. After we adopted a holding company structure, we set up a committee within the Group called the Group Strategy Committee. We hope to communicate the purpose more widely to the employees and to foster a movement among them or change their mindsets so that they will perceive the purpose as something that matters to them.



From my 40 years of experience in managing the Group, I feel that a corporate or workplace culture is of paramount importance. To create a good corporate culture, a corporate philosophy is essential, and based on the corporate philosophy, we should define and achieve our purpose.

Takeuchi: I recognize that the GALILEI Group has steadily improved its business performance, but I also feel that we need to do more with regard to non-financial aspects, such as compliance. Regrettably, FUKUSHIMA GALILEI received administrative guidance from the Japan Fair Trade Commission in the previous fiscal year and caused inconvenience and concern to our business partners and other stakeholders. We've taken corrective measures to deal with this incident, but I suspect there may be some latent risks that may become known later. The question is how we can determine whether such risks exist. To do that, we need clear communication from top management, and we need to raise the awareness of relevant departments as well as properly monitor the situation.

Role of the board of directors

Fukushima: It's important to create a narrative to sustain our growth, and I think this is an important role of the board of

directors. I want the GALILEI Group to be resilient to societal changes. I don't want the Group to succumb to them. I also think that the board of directors should function more effectively. I hope to see the board members more actively engage in discussions on medium- to long-term subjects.

Hayashi: The role of the board of directors is to set the company's general direction. I think the board should discuss, based on market analysis, financial analysis, and corporate value assessment, which business area the company should focus on and how to allocate its resources, such as people, assets, capital, and information, in order to achieve its vision and to take it in the desired direction.

Takeuchi: The GALILEI Group started assessing the effectiveness of the board of directors in 2020. If we look at the data for the last six years, we notice that the effectiveness of the board of directors improved considerably when we were converted from a company with an audit and supervisory board into a company with an audit and supervisory committee, but the effectiveness declined slightly in the last two years. It may have something to do with the recent incident of misconduct, or it may be that the board of directors itself has matured. I think this reflects the board members' increased awareness of their duty to do more as they engage in repeated discussions about the GALILEI Group's growth and capital costs.



4 In an effort to increase our corporate value

Hayashi: Developing governance is about building a framework where top management and employees put their heads together and work closely with confidence to make new products and services. I'd like to offer my service, as an outside director, to monitor the process of building this framework, and to provide advice, support, and sometimes constructive criticism, to ensure the GALILEI Group meets the expectations of consumers, employees, business partners, society, and shareholders. I'm also ready to use my expertise as a certified public accountant to analyze the Group's strengths and weaknesses and to identify opportunities to create corporate value. I'll provide support in the development of a good management framework so that the GALILEI Group improves its competitiveness and more shareholders assess the company from a long-term perspective.

Takeuchi: They say that an outside director plays both a monitoring role and an advisory role, but personally I think an advisory role is more important. I do monitoring as part of my

advisory role. To increase corporate value, non-financial assets and PBR or other indicators should be improved, and, in my opinion, human resources development is key to achieving this. I'll continue to perform monitoring effectively as I've done before, and I hope to give valuable advice as well.

Fukushima: What I'm keenly aware now is that as a company grows in size, its social responsibility becomes much greater. I think the company's supply responsibility is particularly important. Sourcing materials, selling products, carrying out construction and installation work properly, and providing after-sales service: these are routine business processes we tend to take for granted, but we should carefully double-check every stage of these processes. Two years ago, we identified material issues in order to consider how we could contribute to our society in the course of our business operations. By continuing our efforts, we are committed to fulfilling our social responsibility and improving our corporate value.

Corporate Governance

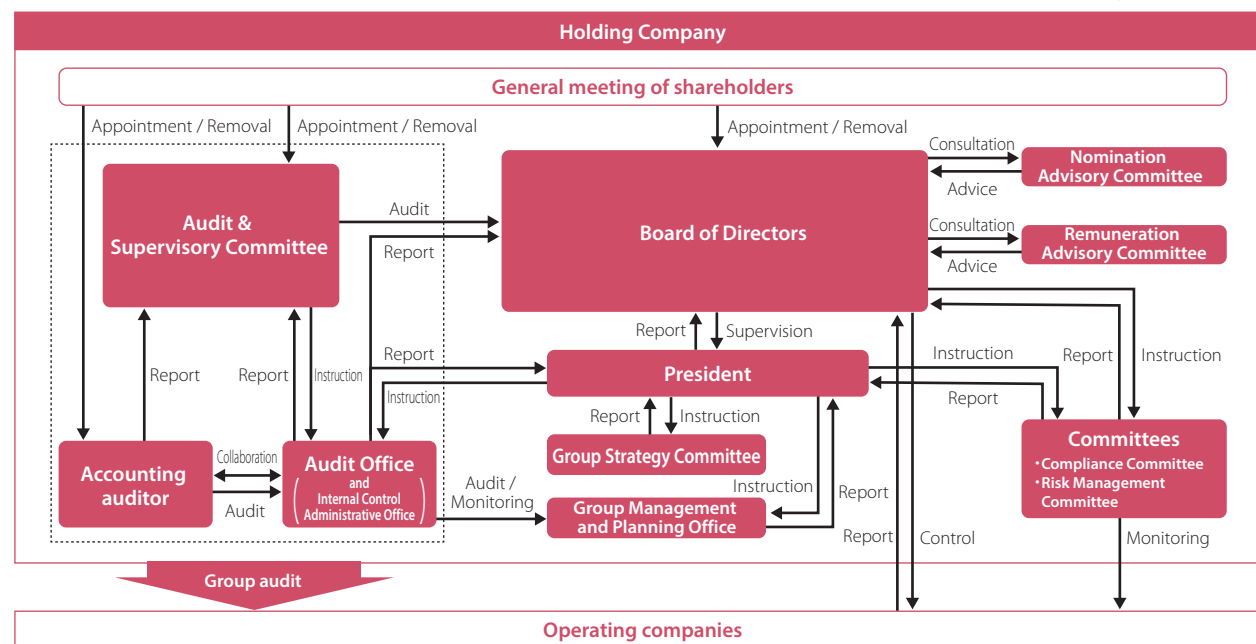
Fundamental policy

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.

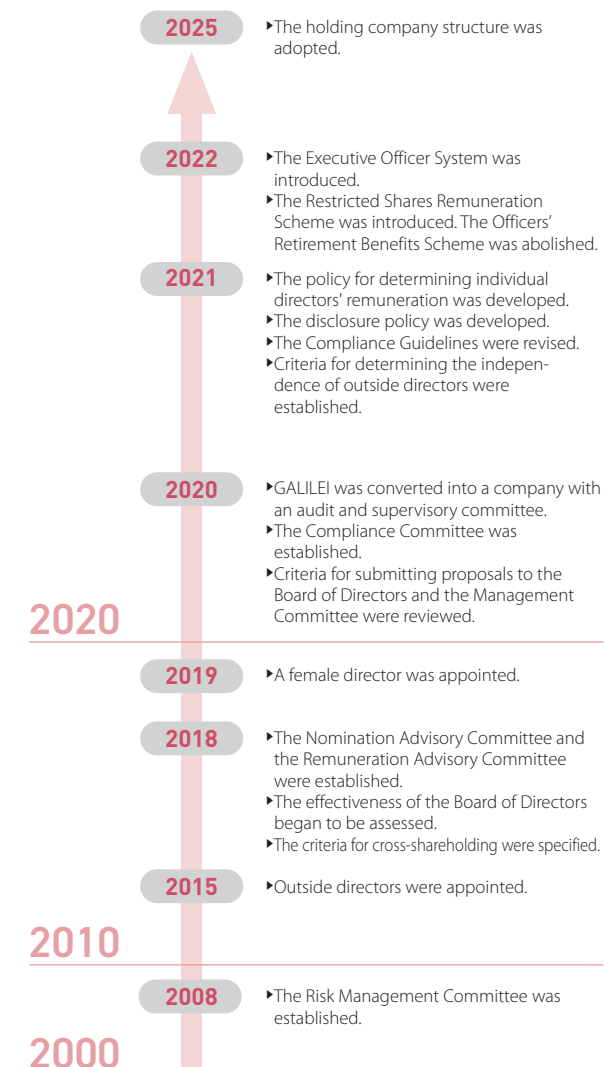
Corporate governance system

We have transitioned to a company with an Audit and Supervisory Committee. This change aims to enable faster, more flexible decision-making processes and strengthen oversight. It also enhances discussions on business management strategies. We have established the Nomination Advisory Committee and the Remuneration Advisory Committee, primarily composed of independent outside directors, to review officer nomination and remuneration. This is to ensure objectivity and transparency in the nomination and remuneration decision-making process.





(As of November 2025)











Progress in Strengthening Corporate Governance



Composition of Board of Directors and Committees and Their Roles

Structure	Role	Percentage of directors / No. of meetings held
Board of Directors  Inside directors: 4 Outside directors: 4	<p>The Board of Directors has oversight of the decision-making process for important matters and the execution of directors' job duties across the Group. The Board of Directors meets once a month and holds a special board meeting as needed.</p> <p>Main discussion topics</p> <ul style="list-style-type: none"> • Matters relating to business management plans, budgets, financial reporting, etc. • Matters relating to organization and human resources • Important matters relating to the Group's business execution • Matters relating to internal control and risk management • Matters relating to the sustainability policy 	<p>Percentage of outside directors 50%</p> <p>Percentage of female directors 12.5%</p> <p>Chairman of meetings of the Board of Directors Chairman of the Board of Directors</p> <p>Number of board meetings held in FY2024 13</p>
Audit and Supervisory Committee  Inside director: 1 Outside directors: 4	<p>The Audit and Supervisory Committee audits the execution of job duties by the president and other directors. It also oversees the development and implementation of the internal control system.</p> <p>Main discussion topics</p> <ul style="list-style-type: none"> • Audit policies and audit reports • Directors' decision-making process, including the legality, appropriateness, adequacy, and rationality of their decisions • Development and implementation of the compliance and risk management frameworks 	<p>Percentage of outside directors 80%</p> <p>Percentage of female directors 20%</p> <p>Committee chairman Audit and supervisory committee member</p> <p>No. of committee meetings held in FY2024 15</p>
Nomination Advisory Committee  Inside director: 0 Outside directors: 3	<p>The Nomination Advisory Committee serves as the advisory body to the Board of Directors to ensure objectivity and transparency in the process of appointing or removing directors and executive officers. The Committee screens candidates based on their competency and aptitude, and the Board selects them based on the Committee's recommendations.</p> <p>Main discussion topics</p> <ul style="list-style-type: none"> • Recommendations for director candidates • Details of the skills matrix • Recommendations for executive officer candidates 	<p>Percentage of outside directors 100%</p> <p>Committee chairman Outside director</p> <p>No. of committee meetings held in FY2024 4</p>
Remuneration Advisory Committee  Inside director: 1 Outside directors: 2	<p>The Remuneration Advisory Committee serves as the advisory body to the Board of Directors to ensure the objectivity and transparency in the process of determining directors' remuneration.</p> <p>Main discussion topics</p> <ul style="list-style-type: none"> • Design of the Officer Remuneration Scheme • Total remuneration of directors (excluding audit and supervisory committee members) 	<p>Percentage of outside directors 67%</p> <p>Committee chairman Outside director</p> <p>No. of committee meetings held in FY2024 1</p>

Officers and Skills Matrix

									
Name		Yutaka Fukushima	Go Fukushima	Akira Fukushima	Takeshi Horinouchi	Kinuko Hayashi	Hiroshi Takeuchi	Takao Fujikawa	Keiichi Yodoshi
Title		Chairman	President	Director and Vice President	Director and Full-Time Audit and Supervisory Committee Member	Director and Full-Time Audit and Supervisory Committee Member	Director and Audit and Supervisory Committee Member	Director and Audit and Supervisory Committee Member	Director and Audit and Supervisory Committee Member
Attendance at board meetings (FY2024)		11 times / 13 times	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 (FY2024)		—	—	—	15 times / 15 times	—	15 times / 15 times	15 times / 15 times	15 times / 15 times
Nomination Advisory Committee	Position in the Committee	—	—	—	—	—	Committee member	Committee chairman	Committee member
	Attendance (FY2024)	—	—	—	—	—	4 times / 4 times	4 times / 4 times	4 times / 4 times
Remuneration Advisory Committee	Position in the Committee	Committee member	—	—	—	—	Committee member	—	Committee member
	Attendance (FY2024)	One time / One time	—	—	—	—	One time / One time	—	One time / One time
Number of shares held (as of the end of March 2025)		1,969,000 shares	199,000 shares	1,354,000 shares	20,000 shares	—	110,000 shares	0 share	4,000 shares
Expertise, experience, and knowledge directors are expected to possess	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 ^{*1}	●	●	●	●				●
	Embracing the GALILEI Philosophy ^{*2}	●	●	●	●	●	●	●	●

^{*1} For 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."

^{*2} 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.

Executive Officers

Name	Kenji Nagao	Atsushi Honma	Tatsuo Hino	Manabu Oda	Tomokazu Naruta	Yoshinori Kojima	Yoshiyuki Yanagihara	Shinsuke Jinnai
Title	Executive Officer of Group Production Management and Quality Assurance Executive Managing Director FUKUSHIMA GALILEI CO. LTD.	Executive Officer of Group Technology Director FUKUSHIMA GALILEI CO. LTD.	Executive Officer of Group Administration Director FUKUSHIMA GALILEI CO. LTD.	Executive Officer of ST Operations Director FUKUSHIMA GALILEI CO. LTD.	Executive Officer President TAKAHASHI GALILEI CO. LTD.	Executive Officer President GALILEI PANEL CREATE CO. LTD.	Executive Officer of Group Finance and M&A Executive Officer FUKUSHIMA GALILEI CO. LTD.	Executive Officer of Food Service Operations Executive Officer FUKUSHIMA GALILEI CO. LTD.

Remuneration of Directors and Other Officers

We have adopted the "Policy for Determining Remuneration and Other Payments for Individuals" by a resolution of the meeting of the Board of Directors held on April 1, 2025. Remuneration of our directors is linked to shareholder returns to ensure that it fully serves as an incentive to sustainably increase the company's value. It is our policy to use appropriate criteria for determining each director's remuneration, which take into account their roles and responsibilities.

Types of remuneration	Brief description	Maximum limit of remuneration
Basic remuneration	Basic remuneration is comprehensively reviewed and determined according to each director's job position, roles and responsibilities, and length of holding office. The company's performance and the employee wage levels are also taken into consideration. Basic remuneration is paid as a fixed amount on a monthly basis.	Not more than ¥200 million (which includes a maximum of ¥30 million per year for outside directors)
Performance-linked remuneration	Performance-linked remuneration is paid to executive directors as a bonus at a designated time each year. The amount is calculated based on specific criteria that take each director's job position, roles, and responsibilities, among other factors, into consideration, and consolidated operating profit for each business year is used as a performance indicator.	Not more than ¥200 million
Non-monetary remuneration	Non-monetary remuneration is given as restricted shares in order to provide an incentive to sustainably increase the company's value and shareholder returns. The Board of Directors sets the timing for non-monetary remuneration payments.	Not more than ¥150 million (which includes a maximum of ¥12 million per year for outside directors)

Total remuneration (FY2024 actuals)

Directors and other officers	Total remuneration (¥, millions)	Total remuneration by type (¥, millions)			Number of eligible directors / officers
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration	
Directors (excluding Audit and Supervisory Committee members and outside directors)	410	107	195	107	7
Audit and Supervisory Committee members (excluding outside directors)	15	13	—	2	1
Outside directors	34	31	—	3	4
Total	459	152	195	112	12

Assessment of the Effectiveness of the Board of Directors

We assess the effectiveness of the Board of Directors to improve its performance and decision-making capabilities. We conduct the assessment annually at a designated time and report the assessment results to the Board of Directors for analysis, discussion, and review.

FY2024 assessment and results

Summary of assessment results	Assesseees: All 11 directors (including audit and supervisory committee members) holding office as of the end of FY2024 Assessment method: Anonymous survey with 24 questions
Key questions	The Board of Directors' composition, discussion, operation, and support system
Assessment results	The assessment found the Board of Directors to be largely effective. We believe the Board of Directors remains effective overall. We will address the findings of this assessment and make improvements accordingly.

Issues identified and actions taken

Issues identified	Actions taken
Medium- to long-term capital policy	We made a cash allocation plan for the next three years and reviewed the dividend policy in May 2025.
Internal control and risk management	We increased the frequency of reports made from the Audit Office, the Compliance Committee, and the Risk Management Committee to the Board of Directors in this fiscal year to strengthen the holding company's internal control and risk management.
Meeting efficiency	Following the transition to a holding company structure, we reviewed the rules and discussions of the Board of Directors.
Business successor planning	The Board of Directors will continue to discuss this issue as it has not yet held sufficient discussions about it.

Compliance

The GALILEI Group is committed to maintaining compliance efforts to ensure that all officers and employees continue to adhere to applicable laws and regulations, as well as the Group's various rules and regulations, and act responsibly in accordance with social norms and business ethics.

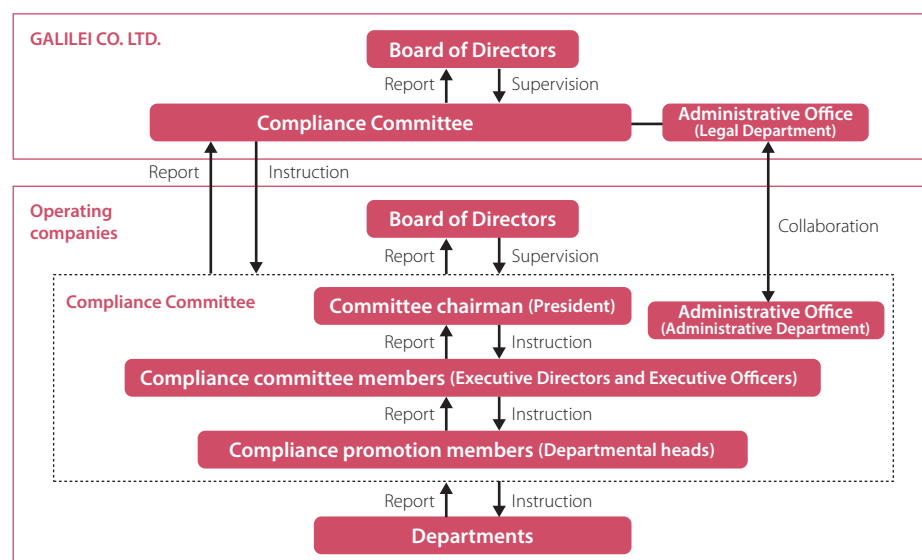
Compliance Promotion Framework

We have established a Compliance Committee both at GALILEI CO. LTD. and at its operating companies to advance our compliance efforts.

The Compliance Committee at GALILEI CO. LTD., chaired by the president, formulates the Group's compliance policy and action plans, based on which the Compliance Committee at each operating company develops and implements its own action plan. This structure ensures that compliance efforts are promoted effectively across the GALILEI Group.

Quarterly reports on the operating companies' compliance activities are organized by the Compliance Committee Administrative Office of GALILEI CO. LTD. and presented to the Board of Directors.

Compliance promotion framework



Enhanced compliance initiatives

To ensure adherence to laws and regulations, business ethics, and our company rules during the course of business operations, we have established a set of Compliance Guidelines. These guidelines serve as a code of conduct, outlining the fundamental principles and standards that must be followed by all employees. To reinforce the importance of these guidelines, we regularly conduct compliance training for all employees of the GALILEI Group.

This training is designed to ensure that every member of our team is thoroughly informed about, and familiar with, the Compliance Guidelines. We ensure that, in addition to new staff training and level-specific training for managerial staff, compliance training is included in role-specific training conducted by the GALILEI Academy and the Sales Academy. We also provide regular training for our suppliers and vendors. Training about specific topics that we organize from time to time, such as the Subcontract Act, helps our employees to improve their knowledge of laws and regulations, and 14 topic-specific training sessions were held in FY2024.

In addition, we regularly publish Compliance Newsletters on our intranet, which explain internal rules that are relevant to everyday work and things that everyone should be aware of. This is part of our efforts to raise compliance awareness among employees. The Legal Department identifies the laws and regulations that we should be particularly aware of when we carry out business operations. If any of those laws and regulations are amended, the Legal Department will promptly notify the operating companies and instruct them to take necessary actions.

Internal whistleblowing system

We have implemented an internal whistleblowing system to swiftly detect and address instances of fraud or corruption. This system includes both an external point of contact, provided by a law firm, and an internal contact point within our Internal Audit Department. Employees are able to raise their concerns anonymously. When a concern is raised or reported, the Internal Audit Department and other relevant departments initiate a prompt investigation to resolve the issue as quickly as possible. During the investigation, we take all necessary measures to protect the whistleblower's privacy and to ensure that the whistleblower is not unfairly treated, and we prohibit retaliation. To further promote compliance efforts and build even stronger relationships with business partners, we have also set up a Harassment Hotline handled by the Human Resources Department as well as a Compliance Hotline for our business partners to report concerns.

Risk Management

The GALILEI Group effectively minimizes and manages risks associated with its business operations in accordance with its Risk Management Rule.

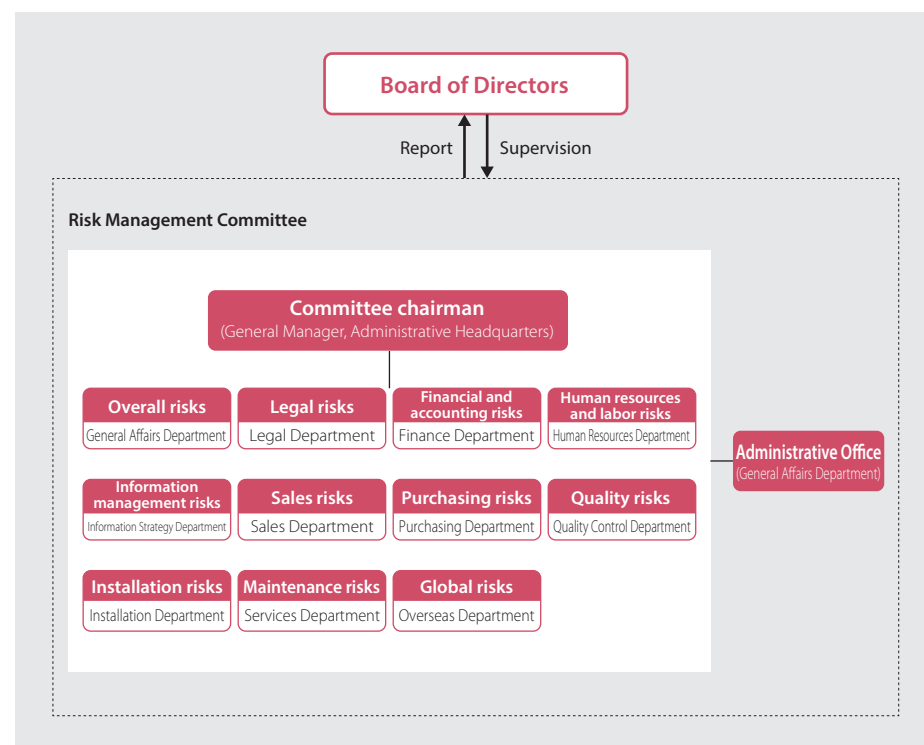
Risk Management Promotion Framework

We have formed the Risk Management Committee to analyze, assess, and manage various risks that could negatively impact our business execution or resources.

Following the transition to the holding company structure, the Risk Management Committee has become a group-wide committee to maintain the Group's risk management efforts.

We report on risk management to the Board of Directors on a quarterly basis.

Risk management promotion framework



Risk Assessment

The Risk Management Committee identifies potential risks, prioritizes them, and develops mitigation strategies for those with the highest priority and impact.

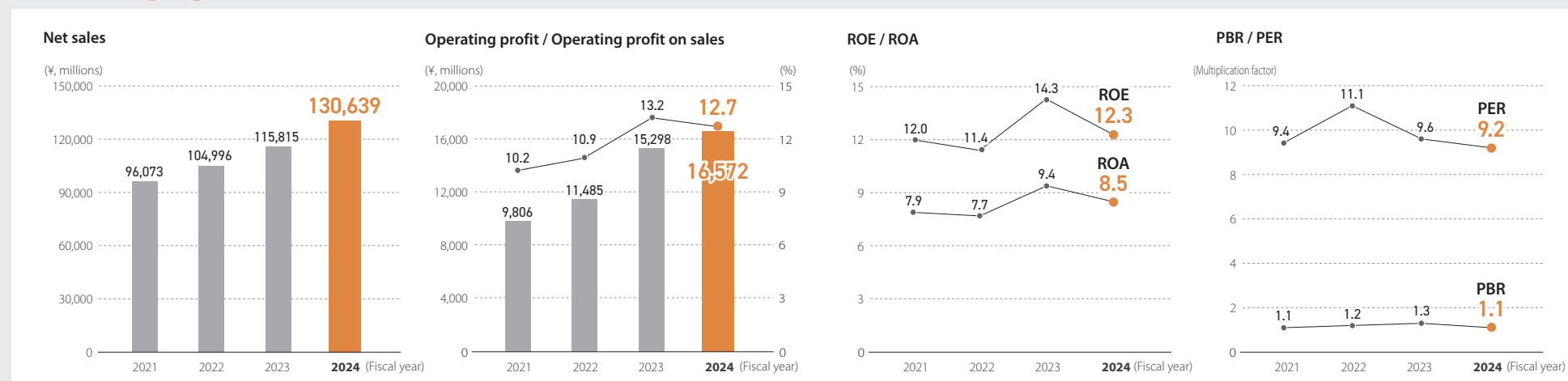
Major risks

Risk category	Challenge	Action
Risks associated with procurement	<ul style="list-style-type: none"> Soaring raw material prices Supply disruptions due to natural disasters or business partners' operational problems 	<ul style="list-style-type: none"> Consider central procurement of parts and materials. Increase in-house production of parts and materials. Purchase parts and materials from multiple sources.
Risks associated with the management of the Group	<ul style="list-style-type: none"> Inadequate control of the group companies 	<ul style="list-style-type: none"> Set up a Group Management and Planning Office to consolidate information among group companies. Implement a common management system at each group company.
Risks associated with human resources	<ul style="list-style-type: none"> Shortages of contractors and supervisors for installations Employee turnover 	<ul style="list-style-type: none"> Ensure that the GALILEI Juku provides support for employees to obtain installation management qualifications. Ensure that the GALILEI Academy provides support for younger employees to improve their technical skills and play an active part in their workplace as soon as possible. Carry out regular employee engagement surveys.
Risks associated with information security	<ul style="list-style-type: none"> Information security breaches caused by cyber attacks, unauthorized access, or internal fraud 	<ul style="list-style-type: none"> Improve vulnerability management and data protection. Provide training for both management and employees and raise their awareness.
Risks associated with natural disasters	<ul style="list-style-type: none"> Business disruptions 	<ul style="list-style-type: none"> Perform hazard surveys when opening or relocating offices or factories. Conduct regular training.

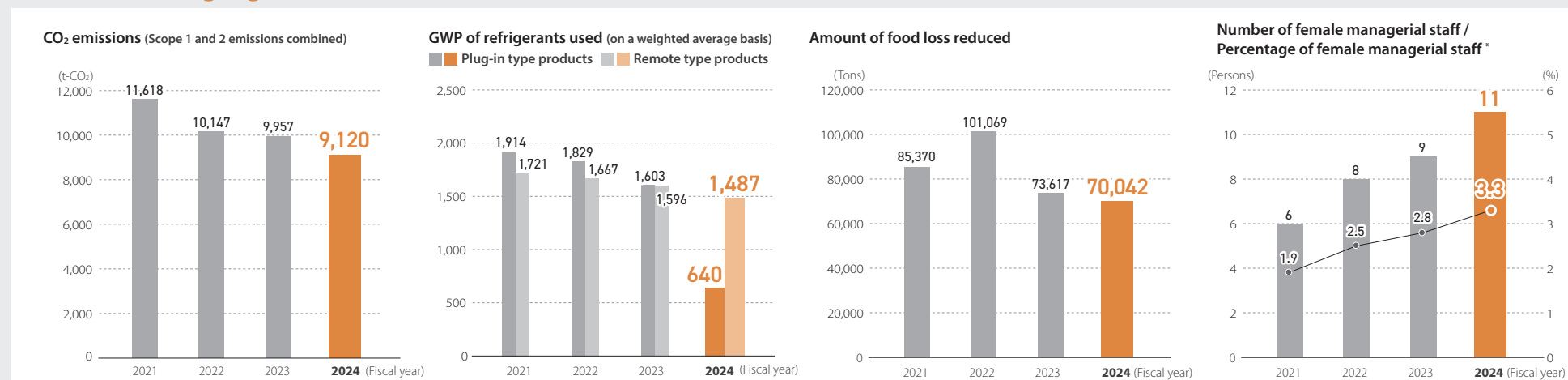
Basic Information

Financial and Non-Financial Highlights

Financial Highlights



Non-Financial Highlights



* On a non-consolidated basis

Financial Data for the Last 11 Fiscal Years (FY2014 to FY2024)

		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Profit and loss	Net sales (¥, millions)	64,623	73,693	80,297	86,223	86,529	86,801	82,451	96,073	104,996	115,815	130,639
	Cost of sales (¥, millions)	47,982	54,920	59,565	64,630	63,765	63,985	60,761	72,121	77,862	83,418	94,541
	Gross profit (¥, millions)	16,641	18,772	20,731	21,593	22,763	22,816	21,690	23,952	27,133	32,397	36,098
	Selling, general and administrative expenses (¥, millions)	10,053	11,190	12,335	12,939	13,358	13,728	13,636	14,146	15,647	17,098	19,526
	Operating profit (¥, millions)	6,587	7,582	8,395	8,654	9,405	9,087	8,054	9,806	11,485	15,298	16,572
	EBITDA ^{*1} (¥, millions)	7,226	8,399	9,236	9,553	10,344	10,356	9,682	11,173	12,774	16,647	18,119
	Net income attributable to owners of the parent (¥, millions)	4,330	4,980	6,013	5,683	6,615	6,226	6,299	8,172	8,654	12,306	12,008
	Capital investment (¥, millions)	1,889	2,075	1,357	1,420	3,726	4,993	1,203	1,106	2,180	2,693	7,745
	Depreciation (¥, millions)	639	817	841	899	939	1,269	1,628	1,367	1,289	1,349	1,546
	R&D (¥, millions)	—	—	—	786	811	817	938	966	1,020	1,067	1,349
Segment information	Sales and marketing of food services (sales and marketing of refrigerators and freezers) ^{*2} (¥, millions)	—	21,904	22,836	24,447	23,298	24,240	19,866	21,280	25,523	25,427	30,592
	Sales and marketing of medical science products (¥, millions)	—	—	—	—	—	—	2,027	2,382	1,325	1,309	1,293
	Sales and marketing of refrigerated and freezer showcases (¥, millions)	—	27,686	28,903	30,237	29,902	30,729	31,254	36,328	38,218	46,706	52,915
	Sales and marketing of large food processing equipment (¥, millions)	—	6,144	6,259	8,561	8,049	7,261	4,802	7,420	7,987	7,207	8,499
	Sales and marketing of large panel refrigerators (¥, millions)	—	6,958	10,169	9,797	11,531	10,646	9,939	12,311	14,378	15,971	15,813
	Sales and marketing of small panel refrigerators (¥, millions)	—	4,888	5,540	5,690	5,659	5,523	5,583	6,177	6,633	7,092	7,829
	Sales and marketing of services (¥, millions)	—	6,111	6,587	7,488	8,088	8,399	8,978	10,172	10,929	12,100	13,696
Cash flows	Cash flows from operating activities (¥, millions)	4,518	7,241	6,419	8,320	6,564	5,140	11,176	6,573	5,512	12,584	10,375
	Cash flows from investments (¥, millions)	- 936	- 3,663	- 720	- 668	- 3,229	- 6,445	- 1,654	- 1,504	- 2,258	- 2,877	- 9,523
	Free cash flows ^{*3} (¥, millions)	3,582	3,578	5,699	7,652	3,335	- 1,305	9,522	5,069	3,254	9,706	851
	Cash flows from financing activities (¥, millions)	- 847	- 3,015	- 1,087	- 1,006	- 1,298	- 1,017	- 1,090	- 1,063	- 1,242	- 2,295	- 2,122
Financial position	Total assets (¥, millions)	62,537	67,335	74,218	84,876	86,622	88,318	96,911	103,700	112,997	130,532	141,562
	Net assets (¥, millions)	35,236	36,042	42,160	48,901	53,887	58,111	64,700	71,910	79,907	92,826	103,206
	Shareholders' equity (¥, millions)	31,953	33,565	38,977	43,957	49,771	55,035	60,373	67,619	75,127	85,728	95,768
	Number of employees (Employees)	1,501	1,558	1,690	1,834	2,033	2,127	2,043	2,218	2,292	2,419	2,829
Per share data	Net income per share ^{*4, *5} (¥)	101.25	119.55	150.06	141.82	165.09	155.38	157.20	203.94	215.80	307.76	299.79
	Net assets per share ^{*4, *5} (¥)	815.26	899.29	1,051.81	1,219.47	1,343.32	1,448.78	1,613.52	1,793.10	1,989.57	2,315.68	2,558.19
	Cash dividend per share ^{*5} (¥)	12.5	15	17.5	20	24	24	26.5	31	36.5	52.5	74
Stock information	Share price (closing price at the end of the year) ^{*5} (¥)	892	1,306.5	1,940	2,302.5	1,777.5	1,700	2,180	1,922.5	2,387.5	2,950	2,755
	Price-to-book ratio (PBR) (Multiplication factor)	1.1	1.5	1.8	1.9	1.3	1.2	1.4	1.1	1.2	1.3	1.1
	Price-to-earnings ratio (PER) (Multiplication factor)	8.8	10.9	12.9	16.2	10.8	10.9	13.9	9.4	11.1	9.6	9.2
Financial indicators	Gross margin (%)	25.8	25.5	25.8	25.0	26.3	26.3	26.3	24.9	25.8	28.0	27.6
	Operating profit on sales (%)	10.2	10.3	10.5	10.0	10.9	10.5	9.8	10.2	10.9	13.2	12.7
	Equity ratio (%)	55.8	53.5	56.8	57.6	62.1	65.7	66.7	69.3	70.7	71.0	72.4
	Return on equity (ROE) (%)	13.5	14.0	15.4	12.5	12.9	11.1	10.3	12.0	11.4	14.3	12.3
	Return on assets (ROA) (%)	6.9	7.4	8.1	6.7	7.6	7.0	6.5	7.9	7.7	9.4	8.5
	Total asset turnover (Multiplication factor)	1.0	1.1	1.1	1.0	1.0	1.0	0.9	0.9	1.3	0.9	0.9
	Dividend on equity ratio (DOE) (%)	1.7	1.7	1.8	1.8	1.9	1.7	1.7	1.8	1.9	2.4	3.0
	Dividend payout ratio (%)	12.3	12.5	11.7	14.1	14.5	15.4	16.9	15.2	16.9	17.1	24.7
	Total dividends paid (¥, millions)	534	601	701	801	961	961	1,061	1,242	1,464	2,101	2,964

*1: EBITDA = Operating profit + Depreciation and amortization *2: Medical science products were separated from refrigerators and freezers in 2022. The Refrigerator and Freezer Operations was renamed the Food Service Operations in 2024.

*3: Free cash flows = Cash flows from operating activities + Cash flows from investing activities *4: Per share data is calculated by dividing market capitalization by the number of issued shares, excluding treasury shares.

*5: We conducted a two-for-one share split of common stock effective January 1, 2025 and made the calculation on the assumption that we had conducted the share split at the beginning of FY2014.

Corporate Data

■ Company Profile

Company Name	GALILEI CO. LTD.
Founded	December 8, 1951
Capital	2.76 billion yen
Employees	2,921 employees on a consolidated basis
Head Office Location	2-6-18 Takejima, Nishi-Yodogawa-ku, Osaka, 555-0011, Japan
Listed stock exchange	Prime Market, Tokyo Stock Exchange (stock code: 6420)

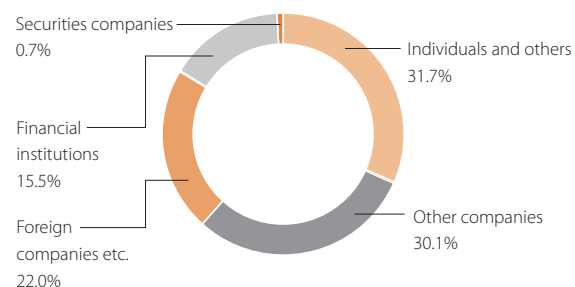
■ Stock information

(As of the end of March 2025)

Total number of authorized shares	127,370,000 shares
Total number of issued shares	44,132,320 shares (including 4,068,300 treasury shares)
Number of shareholders	4,457 persons

■ Distribution of shares by shareholder

(As of the end of March 2025)



■ Group Companies

Company name	Main business activities
FUKUSHIMA GALILEI CO. LTD.	Manufacture, sales, marketing, and installation of refrigeration and freezing equipment
GALILEI PANEL CREATE CO. LTD.	Manufacture, sales, and marketing of prefabricated panels
TAKAHASHI GALILEI CO. LTD.	Manufacture, sales, and marketing of food equipment
SHOKEN GALILEI CO. LTD.	Manufacture, sales, and marketing of food equipment
Nippon Senjoki K.K.	Manufacture, sales, and marketing of kitchen equipment
FUKUSHIMA TRADING CO. LTD.	Trading and energy management services
GALILEI (THAILAND) CO., LTD.	Manufacture of refrigeration and freezing equipment
FUKUSHIMA GALILEI (SHANGHAI) CO., LTD.	Sales, marketing, and installation of refrigeration and freezing equipment
FUKUSHIMA GALILEI (H.K.) CO., LTD.	Sales, marketing, and installation of refrigeration and freezing equipment
FUKUSHIMA GALILEI TAIWAN CO., LTD.	Sales, marketing, and installation of refrigeration and freezing equipment
FUKUSHIMA GALILEI SINGAPORE PTE. LTD.	Sales, marketing, and installation of refrigeration and freezing equipment
FUKUSHIMA GALILEI (THAILAND) CO., LTD.	Sales, marketing, and installation of refrigeration and freezing equipment
FUKUSHIMA GALILEI VIETNAM CO., LTD.	Sales, marketing, and installation of refrigeration and freezing equipment
FUKUSHIMA GALILEI MALAYSIA SDN. BHD.	Sales, marketing, and installation of refrigeration and freezing equipment
FUKUSHIMA GALILEI CAMBODIA CO., LTD.	Sales, marketing, and installation of refrigeration and freezing equipment
PT. FUKUSHIMA GALILEI INDONESIA	Sales, marketing, and installation of refrigeration and freezing equipment
FUKUSHIMA GALILEI MYANMAR CO. LTD.	Refrigeration and freezing equipment sales support
FUKUSHIMA GALILEI PHILIPPINE CORPORATION	Sales, marketing, and installation of refrigeration and freezing equipment
PT Aneka Citra Refriendo	Kitchen design, installation, and maintenance services

■ Major shareholders (top 10 shareholders)

Name of shareholder	Number of shares held (in thousands)	Shareholding (%)
Fukushima Kiki Hanbai Co. Ltd.	8,471	21.15
The Master Trust Bank of Japan, Ltd. (trust account)	3,741	9.34
Yutaka Fukushima	1,969	4.92
GALILEI Employee Stock Ownership Association	1,826	4.56
Akira Fukushima	1,354	3.38
JP Morgan Chase Bank 385632	1,101	2.75
Yugen Gaisha TCSP	1,101	2.74
Custody Bank of Japan, Ltd. (trust account)	982	2.45
Ceplux – The Independent UCITS Platform 2	806	2.01
Nippon Life Insurance Company	685	1.71



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