

PIONEERS
IN THE FUTURE OF FOOD AND LIFE

Message from Top Management

In Pursuit of a Sustainable Society,
Our Challenge of Leading the Way for
the Future of Food and Life Continues



President
Go Fukushima

I have confidence in our employees, and I will fulfill my role as president.

The recent shareholders' meeting marks the two-year anniversary of my appointment as president. I'm fortunate to have a thrilling and exciting time every day, and I'm grateful that I can enjoy serving as leader.

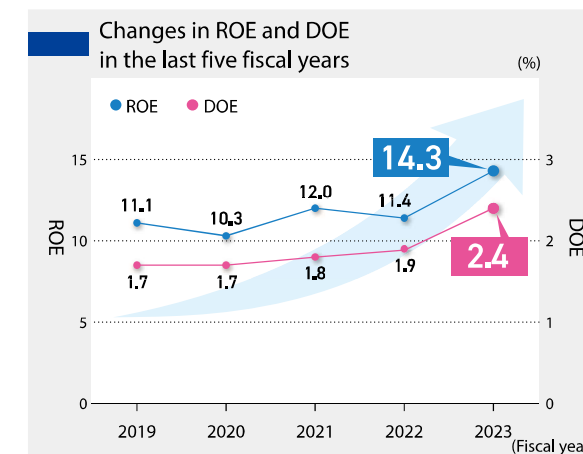
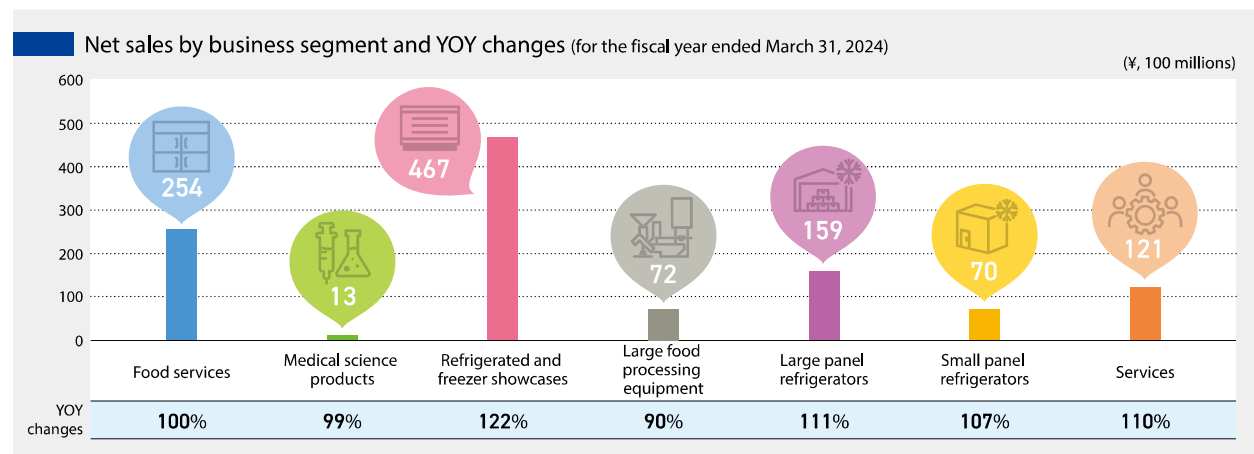
What I've learned since I took up the position of president is that there is a limit to what I can do by myself. It's become clear to me that my job is to have confidence in our employees and guide them in the right direction. Immediately after my appointment, we encountered a situation where we were unable to deliver a refrigerator to a customer because we had a problem with our distribution system. I felt so helpless at that time, and the customer was understandably very upset, but our employees worked so hard that we managed to overcome the mishap and meet the customer's expectations. This incident gave us an opportunity to decide to develop a new information system and make a major investment in a distribution center, which is being built. We are fortunate to have many staff who are well aware of their roles and willing to work together. Both management and employees diligently fulfill their respective responsibilities. To repay them for their hard work, I put my trust and confidence in them and fulfill my role as president to guide them in the right direction.

Leading the way for the future of food and life

The GALILEI Group operates in seven business segments, and each of them has its challenges and business opportunities. The food service industry, supermarkets, and food production factories are some of the industries that people depend on in everyday life. The GALILEI Group is committed to developing, maintaining, and improving essential food infrastructure. The GALILEI Group has previously focused on the "food" sector, we have expanded into the "life" sector since my appointment as president. For example, the GALILEI Group is now capable of creating manufacturing and storage spaces for pharmaceuticals, semiconductors, and EV batteries. The growth of these non-food areas is remarkable, and as their markets expand, the GALILEI Group will see more business opportunities.

Record results achieved in FY ended March 31, 2024

Our performance in the last fiscal year exceeded our original expectations.* This is because our employees shared our theme, "unparalleled value creation." We anticipated that we would create more value, so we offered a pay increase for our employees at the beginning of the last fiscal year. The theme of "unparalleled value creation" was well communicated to the employees, and they worked very hard to achieve time efficiency, which resulted in value creation and better business results. We offered them another pay increase this year because we knew they would meet our expectations, and we are poised to consistently foster this kind of virtuous cycle of value creation. Currently we are in an investment phase to achieve further growth. Not only building are we building a new factory and a new distribution center, but we also plan to make a major investment in the GALILEI Global Vision 2030 (GGV2030) (please see page 11). We are committed to making proactive investments that will ensure our sustainable growth. As we stated in our dividend policy, we will operate our business in a manner that enhances DOE as much as possible each year to allow us to provide greater returns to our shareholders.



* Our good results helped ROE to remain above 10%, and DOE continued to increase year after year.

Realizing our purpose that helps solve social issues

The first thing I did when I was appointed as president was to develop our purpose, “Leading the way for the future of food and life,” and our key strategy, “SDG and People” (please see page 9). The GALILEI Group’s strengths lie in its people, so we have replaced the “s” in SDGs with “People.”

“S” stands for “Sustainable.” We identified material issues on the instructions of our outside directors and announced our business management policy for the current fiscal year to implement sustainability management with a focus on the material issues. As part of efforts in the sustainable vision “Dramatic Future 2050,” we began mass-producing the industry’s first commercial refrigerators and ice makers that use CFC-free refrigerants. Similarly, we also worked closely with supermarket customers to build the industry’s first net zero energy buildings (ZEB) to create new social value.



“D” stands for digital. Smart diagnosis using AI has made it possible for us to highly accurately predict potential failures. Using this technology, we will start providing 10-year refrigerant leak warranties on a full scale, and we will be the first in the industry to do so.

“G” stands for global. We are pleased that we successfully paved the way for our business strategy in the GALILEI Global Vision 2030 (GGV2030). As for “people,” we offer a pay increase to our employees as I mentioned earlier. Employee happiness, which is part of our corporate philosophy, means both material and spiritual happiness, and we believe that they should be happy in both material spiritual aspects.

Our theme for the current fiscal year is “Take-it-to-a-higher-level challenge” or “Higher-level challenge” for short. I have declared that the GALILEI Group will give its employees job satisfaction. We will not only change the way we work, but we will also create a corporate culture that encourages everyone to rise to new challenges and have job satisfaction. For this reason, we have set up the Improved Job Satisfaction Center in this fiscal year to motivate all Group employees. NOBRAC, a CO₂ refrigeration system, symbolizes our efforts to solve social issues and create new social value. This is a good example of our higher-level challenge. We independently developed heat sources from scratch in response to the social need to halt global warming. The product has sold very well since its launch in June 2022. Our ability to independently develop the refrigeration cycle has improved the quality of the product, which has, in turn, eliminated almost all post-installation costs. It also offers added value such as energy efficiency. This product is a strong weapon for the Engineering Operations as well as for TAKAHASHI GALILEI’s product, Tunnel Freezer. We plan to expand overseas and make further investments in the future with a view to growing and commercializing the product. Our aim for the future is to replace all CFC refrigerators with NOBRAC and reverse global warming. NOBRAC becomes CARBON when it is read backwards. That is exactly what we are trying to do, and it is one way of achieving our purpose.

Strengthening governance as we become a holding company

We are committed to strengthening our compliance efforts. We will convert into a holding company next April, and all operating companies are expected to strengthen their compliance efforts. Some of our group companies are so small that they only have a few staff in their administrative divisions, so we should ensure that compliance efforts are made uniformly among all group companies. As the GALILEI Group has been growing rapidly, we believe the conversion into a holding company is a valuable opportunity to enhance governance. It is important to have a system in place where the holding company effectively manages and supervises its operating companies.

Our challenges continue into the future

In the current fiscal year, we will make a range of preparations for the next five and 10 years. We will not grow if we are afraid of rising to new challenges. This year, we will embrace as many challenges as possible. For example, a new factory is being built in Shiga Prefecture. It is the first new factory built in Japan in 18 years, since Okayama Factory 2 in 2006. I know those who are involved in the factory construction have to work even harder, but I’m sure they will learn a lot from this experience and achieve both personal and professional growth. When the factory is completed, we will hire new staff and produce new products, and it will dramatically energize the GALILEI Group as well. This year, we will address many key tasks, including the conversion into a holding company and the development of GGV2023, and we hope that everyone will work closely together to deliver results. I am confident that if we all work together, we should be able to reach the next level. We are determined to make this year a milestone year in which we achieve our goals and maximize social and corporate value.