

Food Service Operations



Shinsuke Jinnai

General Manager, Food Service Operations

FY2023 review

The results of the Food Service Operations declined marginally compared to the previous year. This was due to the stabilization of demand for in-store processing and takeout, which had been strong as restaurants adapted their business models during the COVID-19 pandemic that started in 2020. Additionally, there was a downturn in sales of higher-cost products, such as blast chillers and refrigerated lockers. For product development, we have redesigned upright and horizontal commercial refrigerators and freezers and compact ice makers to switch their refrigerants to a CFC-free refrigerant. We are the first manufacturer in the industry to undertake this initiative toward decarbonization.

Business Information

Food Service Operations have 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, and dough conditioning equipment designed to ensure ideal dough fermentation.



Commercial refrigerators and freezers



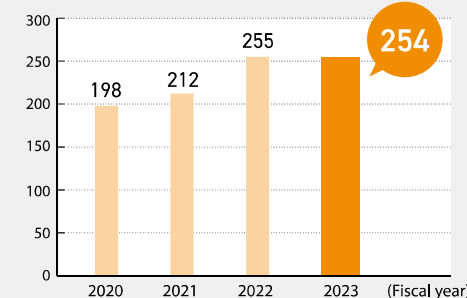
Ice cube makers



Blast chillers / Shock freezers

Sales

(¥, 100 millions)



Business Strengths and Challenges

A key strength of Food Service Operations is developing user-friendly products, such as refrigerated takeout food lockers. We started using a CFC-free refrigerant, R1234yf (GWP: 1), to develop and manufacture products with less environmental impact designed for easy on-site maintenance. We are committed to achieving a carbon-free society and ensuring safety and user-friendliness. Another strength of Food Service Operations 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.

Prospects

In April 2024, Nippon Senjoki K.K. joined the GALILEI Group, and the Refrigerator and Freezer Operations was renamed the Food Service Operations. Dishwashers and automatic noodle boilers are new additions to our kitchen product range, and we will continue to offer user-friendly solutions and services to our customers. In an effort to achieve a carbon-free society, we began mass-producing commercial refrigerators, freezers, and compact ice makers using the low-GWP refrigerant R1234yf (GWP: 1), and in April 2024, we launched 10-year refrigerant gas leak warranties for those products. We continue to develop and market environmentally-friendly, labor-saving products and further improve our freezing and defrosting technologies to meet customers' expectations.

NIPPON SENJOKI K.K.



Mikio Nakagawa
President

FY2023 review

Our income and profit increased due to recovering demand from the food service industry after the COVID-19 pandemic, the effects of price revisions that took place in 2022 and 2023, and the rebound in sales to national restaurant chains.

Business Information

Since our company was established in 1969, we have worked hard to improve the quality of our products and to develop a maintenance network to meet the demands of restaurant chains. We focus on water and energy conservation as well as the quality of cleaning operations. We supply automatic cooking equipment that improves cooking quality and offers labor-saving solutions, such as dishwashers, automatic noodle boilers, automatic gyoza pan fryers, and plate dispensers, to a wide variety of industries and businesses, from national restaurant chains to large cooking facilities and small sole trader restaurants.



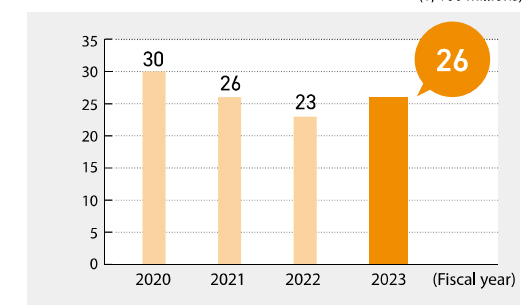
Door-type dishwashers

Automatic noodle boilers

Plate dispensers

Sales

(¥, 100 millions)



Business Strengths and Challenges

We have operated as a specialized commercial dishwasher manufacturer for over 50 years, with significant advantages in energy efficiency, water conservation, and product durability. We supply major national restaurant chains with both off-the-shelf and custom-made automatic cooking equipment to offer solutions that meet their specific needs. Our challenge is to expand our sales channel beyond the food service industry, which is our main customer base. We joined the GALILEI Group in April 2024, and we aim to leverage group synergy to expand our sales channels from the food service industry to the supermarket sector, where FUKUSHIMA GALILEI has a strong presence.

Prospects

In order to achieve group synergy by joining the GALILEI Group, we plan to expand our existing sales channel from the food service industry to supermarkets, as I mentioned earlier. We also plan to improve our cleaning equipment and other product range and increase sales. We will assist our national restaurant chain customers in their overseas expansion by effectively using the GALILEI Group's business network in Asia.

Showcase Operations



Shinji Tsujimura

General Manager, Tokyo ST Operations

FY2023 review

Sales to supermarkets and drug stores grew as there was steady demand in the retail distribution industry for energy-efficient store renovation solutions due to the impact of the recent rise in energy costs. Sales of natural refrigerant showcases, part of our Dramatic Future 2050 initiatives, significantly surpassed the previous year's levels due to strong convenience store demand.

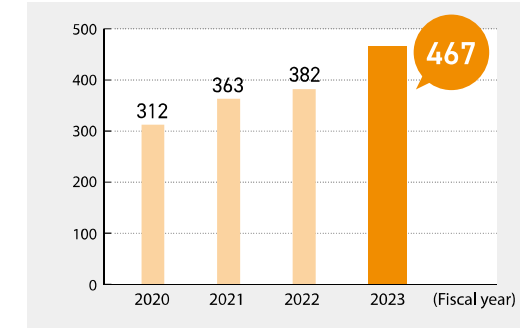
Business Information

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.



Sales

(¥, 100 millions)



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.

Prospects

The construction of a new factory for refrigerated and freezer showcases in Konan City, Shiga Prefecture is under way. The new factory aims to establish a production system to increase market share in the refrigerated and freezer showcase market by developing high-value-added, next-generation products and achieving an approximately 30% increase in production capacity. In April 2025, we will start to provide the industry's first 10-year refrigerant gas leak warranties on a full-scale, which cover the cost of repairing refrigerant gas leaks for ten years. 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

FY2023 review

Sales to hospitals and clinics fell due to the decline in sales of medical freezers, which were once in great demand during the COVID-19 pandemic, and the impact of the cost of living crisis including rising energy costs, while sales of medical cool boxes to dispensing pharmacies and drug stores increased and demand for prefabricated refrigerators for storing pharmaceuticals grew. As a result, Medical Science Operations showed slight improvement compared to the previous year.

Business Information

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.



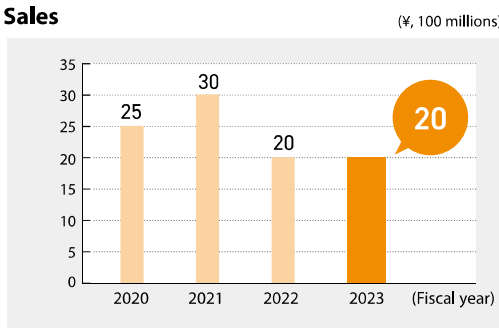
CFC-free medical cool box,
MediFridge



Ultra-low temperature freezers



Low temperature incubators



Business Strengths and Challenges

By effectively applying our temperature control technology developed in the food industry, we ensure precise temperature control required in the medical science field. We have an extensive selection of space-efficient products available, allowing us to offer solutions not only for customers in the medical science field, but also for food factory laboratories. Our goal is to explore the growing regenerative medicine market and expand into overseas markets. In the regenerative medicine market, we established a presence at Nakanoshima Cross in 2024 and collaborate with other organizations there. We also have a plan to obtain ISO13485 certification for our products and consider developing products compatible with different voltages to penetrate overseas markets by utilizing our existing overseas sales channels.

Prospects

As I mentioned, our challenge is to explore the regenerative medicine market, and we will do this by using our refrigeration and freezing technologies, principally at Nakanoshima Cross, to contribute to the industrialization of regenerative medicine (to improve work efficiency and reduce costs). We will approach domestic drug store chains planning to open new stores in collaboration with Showcase Operations to expand our sales channel. Furthermore, we aim to add value by addressing customer needs, such as offering electronic locks for medical cool boxes. Understanding user insights is essential for developing effective products.

Service Operations



Yuichi Fujita

Executive Officer and General Manager
Service and Installation Operations

FY2023 review

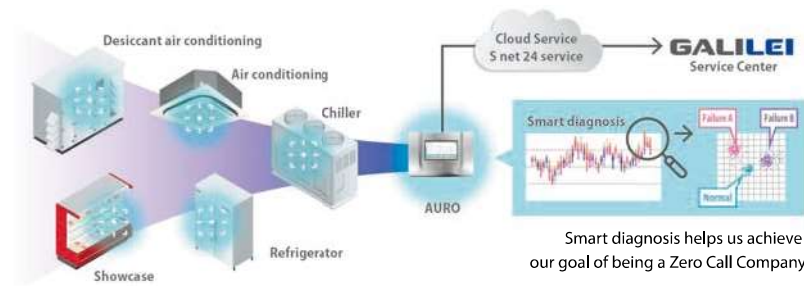
There was an increase in sales of showcase maintenance contracts with supermarkets and convenience stores, while demand from the food service industry was recovering as the COVID-19 pandemic ended and more tourists came to visit Japan. Sales from maintenance services for refrigerators and freezers also increased. Service Operations performed better than the previous year as a result.

Business Information

We support users and provide maintenance and regular inspection services for commercial refrigerators and refrigerated and freezer showcases, among others, to ensure food safety and security for consumers. We aim to leverage digital transformation to enhance our services.

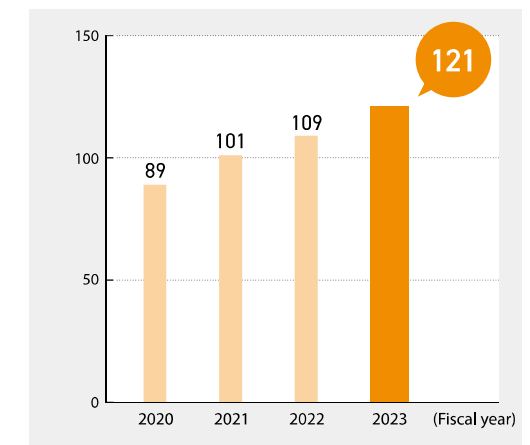


Maintenance



Sales

(¥, 100 millions)



Business Strengths and Challenges

We have gradually improved the accuracy of our AI-powered Smart Diagnosis to support our goal of being a Zero Call Company (ZCC), making our maintenance operations more effective. At the GALILEI Academy, we train and develop technical staff as a means to solve social issues, such as aging technical engineers and successor shortages in the industry. We face the task of attracting, training, and developing technical staff skilled in maintaining both kitchen equipment and refrigeration and freezing equipment. Our ability to provide a range of maintenance services that include kitchen equipment maintenance will further enhance the effectiveness of our collaboration with the Food Service Operations.

Prospects

We aim to be a ZCC and to help reduce food loss and refrigerant gas leaks caused by product failures by further increasing the accuracy of Smart Diagnosis and making the maintenance operations even more efficient. We hope to be a company that offers advanced maintenance services through the training and development of technical staff at the GALILEI Academy and the improvement of the technical capabilities of the entire supply chain. To implement 10-year refrigerant gas leak warranties starting in April 2025, we will strengthen partnerships with contractors at the GALILEI Contractor Hub to improve installation quality.

Engineering Operations



Takayasu Minamihata
Acting General Manager
Engineering Operations

FY2023 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” and the full occupancy or dilapidated state of cold storage warehouses in major cities. However, food manufacturers were particularly cautious about making capital investments due to rising energy and building materials costs, and Engineering Operations failed to reach the previous year’s performance level.

Business Information

We apply refrigeration, freezing, and other technologies across both GALILEI Group and non-GALILEI Group products, to offer total solutions to businesses, including low temperature warehouses and food production factories. It is our goal to provide the engineering services that are useful to customers and beneficial to society.



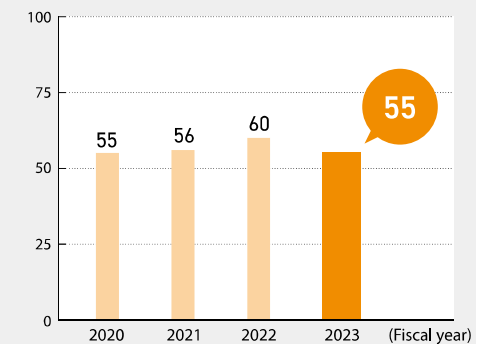
Equipment planning



NOBRAC

Sales

(¥, 100 millions)



Business Strengths and Challenges

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. The GALILEI Group provides optimal equipment solutions through total engineering services that feature the Group’s products, such as thermal insulation panels, tunnel freezers, and conveyor belts. However, the Engineering Operations has the challenge of making its design operations more efficient. By sharing design technology and using digital transformation, we aim to handle larger projects in the future, and to offer even more efficient design, installation, and maintenance services.

Prospects

Demand for construction of cold storage warehouses is on the increase in Japan, as many of these warehouses are fully occupied or in a dilapidated condition, and there is a growing need to convert ambient warehouses into low-temperature warehouses. In response, the GALILEI Group will make extra efforts to supply NOBRAC, a CO₂ refrigeration system, in addition to its total engineering services to reduce environmental impact as well as power consumption.

GALILEI PANEL CREATE CO. LTD.



Yoshinori Kojima

Managing Executive Officer
General Manager, Sales Headquarters

FY2023 review

Demand for logistics centers and cold storage warehouses remained strong because of the “2024 logistics problem,” which began in 2022, and also because cold storage warehouses in major cities reached full capacity or were in poor condition. In recent years, we had focused on non-refrigerated clean rooms in the semiconductor, pharmaceutical, and lithium-ion battery markets, and sales from this sector also grew.

Sales of compact prefabricated refrigerators for supermarkets and convenience stores also increased. As a result, we achieved significantly better results than the previous year.

Business Information

We offer optimal panel solutions for freezer and refrigeration spaces, as well as cleanrooms, with a broad range of high performance thermal insulation panels and our unique design and installation technology.



Ceiling panel with built-in LED lights



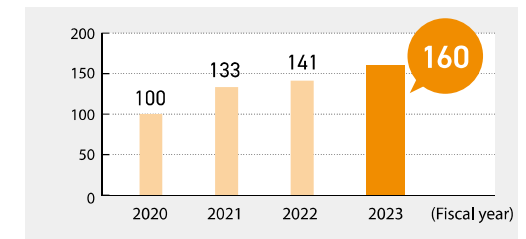
CFC-free thermal insulation panel, “econe” Series



Cleanroom

Sales

(¥, 100 millions)



Business Strengths and Challenges

GALILEI PANEL CREATE's core competencies include managing the entire process of panel design, production, and installation, as well as providing the GALILEI Group's comprehensive coordination services for refrigerator and freezer installation, thereby tapping into various sales channels. Sales of non-refrigerated clean rooms as well as freezer and refrigeration spaces have risen in recent years, and we are using our product quality and installation expertise to enter these markets. We aim to strengthen our design capabilities and train personnel to better meet the needs of both freezer / refrigeration spaces and non-refrigeration spaces.

Prospects

Sales in the non-refrigeration area have increased in recent years, and we are focusing our efforts on the regenerative medicine market in addition to the semiconductor, pharmaceutical, and lithium-ion battery markets. We plan to add thermal insulation panels with cleanroom specifications to our product range to develop and market products that better meet customers' requirements. We also aim to secure not only large-scale projects, but also medium- and small-sized projects to continue to increase sales.

TAKAHASHI GALILEI CO. LTD.



Tomokazu Naruta
President

FY2023 review

Businesses, especially food manufacturers, took a cautious approach to capital investments due to rising energy and building material costs. As a result, our performance did not reach the previous year's level.

Business Information

We are the first company in the world to develop, design, and manufacture a continuous rapid freezing, rapid cooling system, "Tunnel Freezer." We take great pride in our 65 years of success and holding the largest market share in Japan. We develop a wide variety of products, including LSHOCK, an alcohol brine batch type rapid freezer, and SPIN SHOCK, a spiral freezer for mass production.



Continuous rapid freezer, Tunnel Freezer®



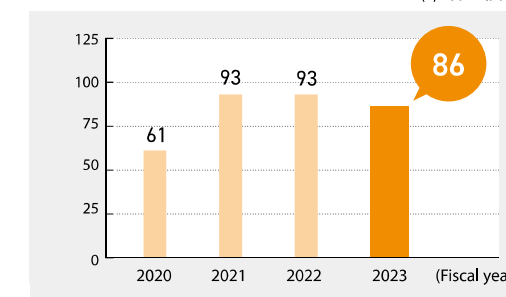
Alcohol brine batch type rapid freezer, LSHOCK®



Spiral freezer, SPIN SHOCK®

Sales

(¥, 100 millions)



Business Strengths and Challenges

We hold the largest market share in Japan as a dedicated tunnel freezer manufacturer. One of our strengths is our ability to use the MILAB Food Factory Laboratory in the GALILEI Group's headquarters and our solution-based business model known as Total Food Solution or TFS. With the slogan "the right person in the right refrigerated place," we have the competence to offer optimal refrigeration technology and equipment solutions. Our goal is to increase the sales of NOBRAC, a CO₂ refrigeration system. There has been a growing demand for natural refrigerants, and we will market NOBRAC, together with Tunnel Freezer, which is where our excellence lies, for greater environmental sustainability and energy efficiency.

Prospects

In this fiscal year, we set up the NOBRAC Development Office to acquire a better understanding of the environmental sustainability and energy efficiency of the CO₂ refrigeration system, NOBRAC, and to create more added value. To achieve this, we will identify product ranges that synergize with Tunnel Freezer and apply our Japanese-developed refrigeration technology to overseas cold chains.

SHOKEN GALILEI CO. LTD.



Shuichi Inoue
President

FY2023 review

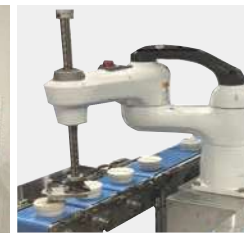
The new factory at the head office began operations in April 2023, resulting in increased productivity and efficiency. The factory is used as a test laboratory for automation and manpower saving equipment. We performed well for several years, and this year, we strengthened our relationships with our existing distributors while successfully acquiring new ones. As a result, sales from food production factories increased, and we achieved the highest sales level since we joined the GALILEI Group.

Business Information

Since SHOKEN GALILEI was established in 1968, we, as a specialist manufacturer of food production factory equipment and drive systems, have offered automation and labor-saving solutions for numerous production and logistics lines. A significant increase in the need for automation and labor-saving solutions is expected in the future, and we are committed to developing labor-saving technology for production lines and advancing new innovations.



Frozen production lines



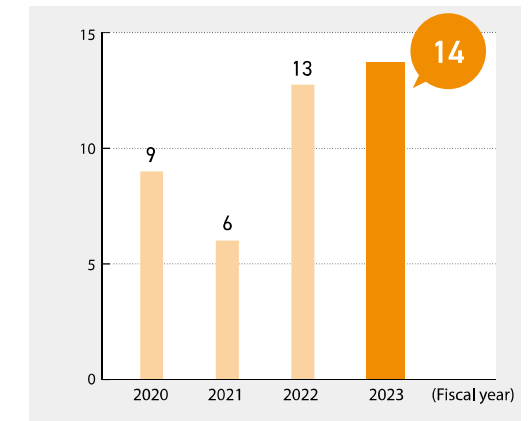
Robots



Conveyor belts

Sales

(¥, 100 millions)



Business Strengths and Challenges

We excel in conveyor equipment for production and labor-saving solutions, 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 as our second pillar of business. Meanwhile, we need to train and develop staff to improve our design capabilities, and we intend to further enhance our strengths to meet our customers' expectations.

Prospects

As a result of the continuous recruitment campaigns that we have conducted here in Shizuoka Prefecture, we are now able to secure good talent and offer enhanced staff training programs, and we have a lower staff turnover. We aim to streamline staff training and solidify our second business pillar. Our focus is on improving product quality at the new factory, increasing customer satisfaction, and achieving stronger business results.

Overseas Operations



Shinya Takayasu
General Manager, Asia Operations

FY2023 review

Our Overseas Operations were previously focused on a few countries, including Hong Kong, Taiwan, Singapore, and Malaysia. However, in FY2023 we experienced substantial sales growth in Vietnam, Indonesia, and the Philippines due to an increase in supermarket, convenience store, and kitchen projects. This enabled us to supply Japanese companies operating in Asia and local customers alike.

Business Information

We have business bases in 11 countries and regions in China and Southeast Asia. Building on trust in Japan Quality, we support Japanese companies in expanding overseas and marketing products to local customers. In 2014, we established a factory in Thailand, our production base in Asia, to manufacture commercial refrigerators and plug-in island showcases. We will continue increasing the factory's production capacity to meet customer requirements.



Commercial refrigerators and freezers

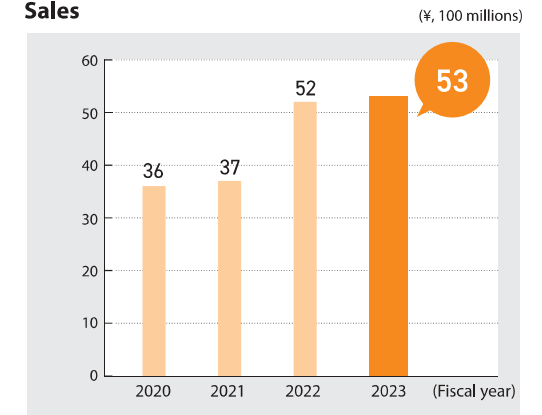


Small refrigerated showcases with sliding doors



Plug-in island showcases

Sales



Business Strengths and Challenges

Our strengths lie in our ability to offer superior freezing technology refined in Japan and trusted Japan Quality to both Japanese companies operating overseas and international customers. In FY2023, we launched blast chillers designed to international specifications, offering labor-saving solutions for stores. To expand in overseas markets, we need to offer a comprehensive range of products compatible with different voltages. We also need to obtain international certifications, such as CE and UL, for export products.

Prospects

The number of Japanese restaurant chains looking to expand to Southeast Asia and other countries has been rising every year, and the overseas market is expected to continue to grow significantly. In the current fiscal year, we are making preparations to set up showrooms in our priority countries: Vietnam, Indonesia, and Thailand, and the showrooms are scheduled to open soon. To create value, we will grasp the needs of international customers and strengthen our efforts to offer not only the GALILEI Group's products, but also intangible solutions, such as the superior freezing technology that we have developed over the years. We have recently formulated and disclosed the "GALILEI Global Vision 2030", a medium-term vision for our Overseas Operations leading up to 2030. The GALILEI Group aims to build a sustainable society and improve dietary quality by investing proactively and supporting Asia's food infrastructure across the entire production stream.