








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	 <p>Improve consumers' lives</p>	<p>Opportunities</p> <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 year¹ 	<ul style="list-style-type: none"> 4,326 users per year
		<p>Risks</p> <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	 <p>Reduce food loss</p>	<p>Opportunities</p> <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
		<p>Risks</p> <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 	<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%
	<p>Opportunities</p> <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 the optimization of supply chains. 	<ul style="list-style-type: none"> Promotion of in-house production, strengthened operations, and digitization 	2030	<ul style="list-style-type: none"> 100% 		
	<p>Risks</p> <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 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 year¹ 	<ul style="list-style-type: none"> Sheet metal and copper pipes processed in-house. Main parts purchased from multiple sources. Proper inventory levels maintained. Distribution center digitized. 452 times per year¹ 	

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Keep all forms of life on the planet vibrant and healthy	 <p>Support a healthy lifestyle</p>	<p>Opportunities</p> <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 <p>Risks</p> <ul style="list-style-type: none"> Medium to long term: Intense competition in the medical and healthcare industries 	<ul style="list-style-type: none"> Employ various approaches to the regenerative medicine and healthcare fields. Contribute to the medical and healthcare industries 	<ul style="list-style-type: none"> Products developed for new business fields, such as the regenerative medicine and healthcare fields Number of products, systems, and services provided to the medical and healthcare industries 	2025	<ul style="list-style-type: none"> Qualitative assessment 20,000 products / systems / services per year 	<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 8,649 products / systems / services per year
	 <p>Achieve a carbon-free society</p>	<p>Opportunities</p> <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 <p>Risks</p> <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"> Transition to green refrigerants. Prevent refrigerant gas leaks. Develop and offer products with superior environmental performance. Reduce CO₂ emissions. 	<ul style="list-style-type: none"> Weighted average GWP (Global Warming Potential) Amount of refrigerants leaks Shift to products with less environmental impact, calculated by a LCA (Life Cycle Assessment) The GALILEI Group CO₂ emissions reduction rates Reduction in CO₂ emissions across the entire value chain 	2025, 2029, 2035, 2030, 2030, 2030	<ul style="list-style-type: none"> 500 (plug-in type) 1,450 (remote type)^{*1} 150 (plug-in type) 750 (remote type) 0 t-CO₂ per year Qualitative assessment Down 50% from 2013 Down 100% from 2013 Qualitative assessment 	<ul style="list-style-type: none"> 640 (plug-in type) 1,487 (remote type) 39,983 t-CO₂ per year Increased product models subject to LCA Made commercial refrigerators for the overseas markets CFC-free 34.9% (9,120 t-CO₂)^{*2} Air-tech System installed at 31 stores, Energy Management System installed at 504 stores (12.0% energy efficiency)
Contribute to the happiness of people around the world	 <p>Live in harmony with local communities</p>	<p>Opportunities</p> <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 <p>Risks</p> <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"> Promote social engagement through the GALILEI 1% Club. Support local communities by working with local people and authorities 	<ul style="list-style-type: none"> Number of the GALILEI 1% Club activities performed Total number of volunteers participating Working with local people and authorities 	2030, 2030, 2030	<ul style="list-style-type: none"> 200 activities per year 1,000 people per year Qualitative assessment 	<ul style="list-style-type: none"> 177 activities per year 828 people per year 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
	 <p>Develop human resources</p>	<p>Opportunities</p> <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 <p>Risks</p> <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"> Continue to enhance human resources development and training programs. Promote and expand the GALILEI Academy. 	<ul style="list-style-type: none"> Training hours per employee Cultivation of refrigeration engineers through operation of a technical training school 	2030, 2025	<ul style="list-style-type: none"> 20 hours per employee^{*3} Qualitative assessment 	<ul style="list-style-type: none"> 13.8 hours per employee^{*3} 61 students per year completed training at the GALILEI Academy
	 <p>Encourage people from diverse backgrounds to play an active part in the workplace</p>	<p>Opportunities</p> <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 <p>Risks</p> <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"> Improve employee engagement. 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. Provide a positive work environment and offer diverse work styles. 	<ul style="list-style-type: none"> Group-wide mean deviation of employee engagement Percentage of female directors Percentage of female managerial staff Percentage of local managerial staff at overseas group companies Average overtime hours worked Paid annual leave take-up rate 	2030, 2030, 2025	<ul style="list-style-type: none"> 65^{*3} 30% 10%^{*3} 55% 15 hours^{*3} 70%^{*3} 	<ul style="list-style-type: none"> 54.7^{*3} 9.1% 3.3%^{*3} 27.3% 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