

Environmental Strategy

Information disclosure based on TCFD framework



In February 2022, the Hoshizaki Group expressed its support for the TCFD recommendations and has been proceeding with information disclosure based on the TCFD framework. In 2024, we also responded to CDP. Toward achieving net zero CO₂ emissions (Scope 1 and 2) from business activities by 2050, we established a Group* reduction target in 2024: “Reduce CO₂ emissions (Scope 1 and 2) by 30% by 2030 compared with 2023 levels” as an interim target. We will continue to promote initiatives across the entire Group under this target.

*Figure does not include overseas sales companies or associated companies accounted for by the equity method

Governance

The Group has established the Sustainability Committee as an organization for promoting initiatives for materiality including responses to climate change, with the Representative Director, President & CEO as Chair. The climate change working group (WG) is conducting activities under this committee to promote measures against climate change. Progress in the results of activities by the WG is reviewed regularly by the Sustainability Committee

For more details, see p.73

Strategy: Scenario analysis for climate change

We conduct scenario analysis for 2030 and 2050 based on two potential future temperature rise scenarios: 1.5°C and 4°C. We evaluate the financial impact on a three-point scale for each risk and opportunity based on its impact on periodical profit and its probability.

*See the following page for details on the scenario analysis.

Scenarios for reference
 World Bank “State and Trends of Carbon Pricing 2021” IEA
 World Energy Outlook (WEO) 2021
 IPCC AR5, RCP2.6 (Under 2°C Scenario), RCP8.5 (4°C Scenario)

Risk management

The Sustainability Committee conducts planning, formulation and management related to climate change, promoting the Company-wide measures for climate change. Specifically, the Sustainability Committee evaluates and identifies impacts (risks and opportunities) of climate change on the Company and then proposes and conducts countermeasures.

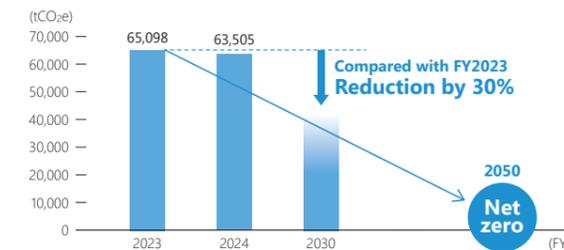
Metrics and targets

Toward reducing CO₂ emissions from business activities (Scope 1 and 2) to net zero in 2050, the Hoshizaki Group will promote thorough energy-saving activities and proactive utilization of renewable energy. The Hoshizaki Group has set as an interim goal for 2030 (including overseas), a target aiming for 30% reduction compared with 2023.

Hoshizaki Group: Interim (2030) Target to Reduce CO₂ Emission (Scope 1 and 2)

Reduction by 30% CO₂ emission in 2030 compared with the result in 2023

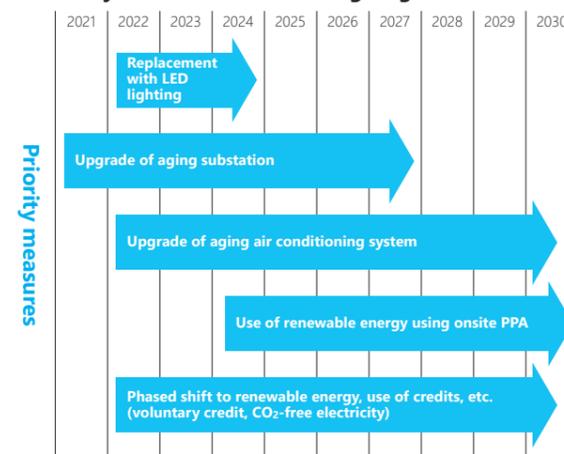
Changes in CO₂ emissions (Scope 1 and 2)* and target for 2030 (tCO₂e)



*As Ozti became a consolidated subsidiary in 2024, its 2023 actual results were retroactively calculated and added, and the 2023 figure was revised accordingly.

For CO₂ emissions Scope 3, we plan to disclose actual results in Japan and overseas in 2026 and to disclose target values from 2027 onward. We are also considering obtaining SBT certification for our targets.

Priority measures for achieving target



In 2024, we completed the installation of solar panels at the Head Office Plant and Shimane Plant, with expected annual power generation of 1.54 million kWh, which is anticipated to reduce CO₂ emissions by 754 tCO₂e per year. Overseas as well, renewable energy power generation facilities have been introduced at Western in India, Ozti in Türkiye, and Brema in Italy, and we plan to further expand such efforts going forward.

Financial impact of climate change risks and opportunities, and countermeasures

Category	Item	Relevant scenario		Period of occurrence	Financial impact		Countermeasures	FY2024 Results	
		1.5°C	4°C		Amount	Probability			
Transition risks	Policy and legal	○	○	Short term	Small	Middle	<ul style="list-style-type: none"> Planned investment in R&D and product design Installation of energy-saving facilities Utilization of support programs such as national and municipal subsidies 	<ul style="list-style-type: none"> Installation of solar power generation facilities in the Head Office Plant and Shimane Plant Completion of replacement with LED lighting in Head Office 	
									Cost increase owing to the introduction of carbon taxes
	Markets	Rise in raw materials procurement costs	○	○	Short and medium term	Large	Middle	Value analysis (VA)*, cost-saving activities (reduction of number of parts, change in design, review of materials and parts), decentralization of suppliers, strategic pricing revision	<ul style="list-style-type: none"> Preparation of questionnaire for suppliers Secure appropriate parts inventory, optimize global supply chain
		Increase in procurement costs of renewable energy and alternative fuels	○	○	Short term	Small	Middle	Activities to reduce electric power consumption of factories, planned investment in off-grid power facilities such as solar panels, raising the ratio of external electric power from renewable energy sources	<ul style="list-style-type: none"> Installation of solar power generation facilities in the Toyoake Head Office Plant and Shimane Plant
Physical risks	Acute	○	○	Short and medium term	Medium	Low	<ul style="list-style-type: none"> Decentralization of suppliers and development of new suppliers Procurement from suppliers in close proximity to manufacturing sites, optimization of parts inventory for procurement risks 	<ul style="list-style-type: none"> Non-restaurant market sales: approximately 95.3 billion yen (in Japan) Undergo cost saving and price revision. 	
									Rise in raw materials procurement costs owing to disruption of supply chain
	AAA	Chronic shrinking of the restaurant market owing to fierce heat and the spread of infectious diseases	○	○	Medium term	Medium	Middle	Expansion of customer channels (non-restaurant markets, focusing especially on retail sector, processing and sales sector, basic industries, hospitals, nursing facilities)	
Opportunities	Products and services	○	○	Short, medium, and long term	Large	High	<ul style="list-style-type: none"> Expansion of lineup for products using natural refrigerants Reduction of electric power consumption of products and water consumption of products that use water, such as ice makers and dishwashers Increase in qualified inflammable gas handlers, arrangement of repair tools and equipment, service development 	<ul style="list-style-type: none"> In Japan, all standard models of commercial refrigerators and ice makers (14 models) have been shifted to natural refrigerants Introduction of Hoshizaki Connect Wi-Fi (see p. 30), a service to manage operational and temperature data on a cloud server (SaaS) 	
									Increase in demand for products and services that help with energy saving and reducing GHG for customers
	Markets	Increase in demand for refrigerators and freezers owing to temperature rise	○	○	Medium to long term	Large	Middle	<ul style="list-style-type: none"> Improved lineup and services of sanitary products Expansion of automation, robotics, development of remotely operated products and services, labor-saving products 	<ul style="list-style-type: none"> Introduction of Hoshizaki Connect Wi-Fi, a service to manage operational and temperature data on a cloud server (SaaS) Collaboration with Connected Robotics

*BCP (business continuity plan) refers to how to continue business in emergency situations