

Strategic Direction of Next Medium-Term Management Targets

Hoshizaki Group Strategy Briefing

Growth concept with focus on regional strategies and capital efficiency

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Translation Note :

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Context and Objectives of Today's Medium-Term Management Strategy Briefing

① Context and Objectives of Today's Briefing

- The Five-Year Management Vision launched in 2022 reaches its final year in the current fiscal year
- We plan to announce a new Three-Year Medium-Term Management Plan, which will commence in 2027
- The objective of today's briefing is to provide a summary of our Five-Year Management Vision to date and to share our strategic direction for the future

② Main Topics

- Our approach to improving profitability and capital efficiency as key management challenges
- Quantitative outlook to be realized under the new three-year medium-term management plan starting in 2027
- Regional business strategies and key management themes that will serve as the core pillars for achieving this outlook



First, let me explain the positioning of today's medium-term management targets. The HOSHIZAKI Group is currently working on a five-year management vision that started in 2022, and this year is the final year of the vision.

For the next plan, we have decided to disclose a three-year medium-term management plan instead of a five-year plan. In that sense, we will announce our new three-year medium-term management strategy, including the overall management strategy, in 2027. However, since there is still some time before that, I would like to summarize the current status of the five-year management vision and share the direction of the medium-term management plan to be disclosed next at this briefing.

What I would like to share with you today is our approach to improving profitability and capital efficiency, which we recognize as our current challenges. Also, we would like to talk about the quantitative targets we currently hope to achieve in our new three-year medium-term management plan starting in 2027 and business strategies by area to achieve these quantitative targets, as well as our management themes that we consider important.

Executive Summary

Enhancing Profitability and Capital Efficiency Through Regional Strategies — Aspiring to be the World's No. 1 Brand, Connecting the Five Continents —

■ Outlook for Five-Year Management Vision

	2026 plan	2026 forecast	Overall summary
Sales	450 billion yen	520 billion yen	Achieved
Adjusted operating profit ratio	14.0%	13.1%	Improvement made, but below target
ROE	12.0%	10.1%	Impacted by hyperinflationary accounting and M&A

■ 2029 Financial Targets (group-wide)

	Indicators	2025 result	2029 target
Profitability and efficiency	ROIC	12.3%	14%
	ROE	10.1%	14%
	Adjusted operating profit ratio	12.6%	15%
Scale and growth potential	Net sales	485.9 billion yen	650.0 billion yen
Financial foundation	Cash at end of period	177.1 billion yen	150.0 billion yen or less

■ Strategic Direction by Region

	Japan	Americas	Europe	Asia
Business strategy	Grow in mature markets driven by sales and service foundations and strengthening of stable profit base	Balancing growth and profitability driven by inter-group collaboration	Combination of a defensive profit base and growth engines	Sustainable growth in growth markets with a focus on certainty
2029 target	Sales CAGR (2025~2029) +4~5% Adjusted operating profit ratio 15%	+13% 13%	+3% 13%	+8% 15% or more

First, I would like to explain our outlook for the five-year management vision and the financial targets we currently hope to achieve in the next three years, starting in 2029 and 2027.

The five-year management vision for 2026 called for sales of JPY450 billion, adjusted operating margin of 14%, and ROE of 12%.

The forecast for this year, 2026, which we are currently announcing as our earnings forecast, is JPY520 billion for sales, and we will be able to achieve this. Also, the adjusted operating profit amount is within our achievable target.

Unfortunately, however, we plan to fall short of the adjusted operating profit margin, despite our efforts to improve it since the COVID-19 pandemic. Also, ROE is expected to be 10.1% due to the super-inflationary accounting now being applied to Ozti in Turkey, as well as the impact of M&A. Therefore, the management vision is not expected to be achieved.

Meanwhile, as for our financial goals for 2029, we intend to work on improving profitability and capital efficiency as our primary objectives. First, we would like to build a solid strategy by area and by business for ROIC of 14% in 2029 against the actual result of 12.3% in 2025, ROE of 14% compared to 10.1%, and adjusted operating margin of 15% compared to 12.6%.

We aim to maintain sales of JPY650 billion, and cash and deposits were JPY177.1 billion at the end of FY2025, but we aim to maintain the figure well below JPY150 billion.

I would like to talk about our strategic direction by area. For our domestic business, we are focusing on strengthening the collaboration between our sales and service foundations, where we hold a competitive advantage. The domestic market is maturing amid an aging society with a declining birthrate, and we aim to achieve steady growth while building a more stable revenue base.

We are targeting growing 4% to 5% in sales and 15% in adjusted operating margin.

As for the Americas, it is a market with very high growth potential. Through acquisitions, we have a very strong product portfolio, and we aim to achieve both growth and profitability based on collaboration among group companies, with a target of 13% sales growth and 13% adjusted operating margin by 2029.

However, this 13% includes a new company, Fogel, a refrigerator company in Guatemala, which will be consolidated starting in 2027 as a new company, so that portion is factored in as growth.

In Europe, growth is very slow right now, but we will ensure growth by combining a defensive revenue base with growth engines, aiming for firm growth and a solid improvement in operating margin.

Asia is our fastest growing market. Therefore, we aim to achieve sustainable growth with an emphasis on certainty. The plan is to achieve sales growth of 8% and an operating margin of at least 15%.

Following a review of our management performance to date and an assessment of key challenges, I will present our management policies and financial strategies for the next midterm plan. This will be followed by area-specific strategy presentations from the directors in charge, after which I will conclude with a summary.

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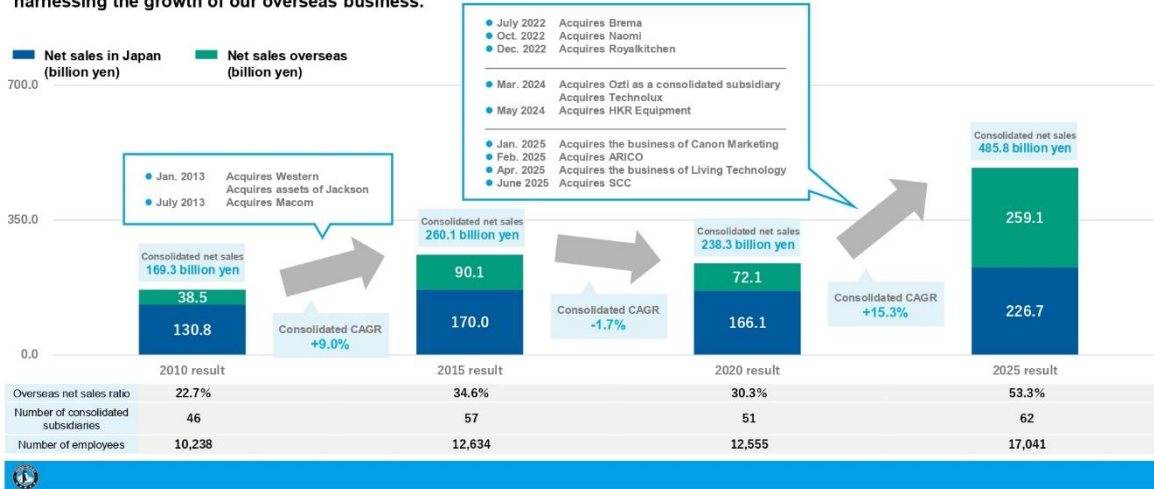


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Growth Trend: From Past to Present

We have been pursuing strategic M&As and business expansion building on our business foundation in the Japanese market. Apart from a temporary dip in 2020 due to the impact of COVID-19 pandemic, we have been steadily expanding the scale of sales by harnessing the growth of our overseas business.



First, I would like to review our management to date and explain our assessment of key challenges we face. This is a growth trend from the past to the present. This section provides an overview of our sales, operating profit, and other company business activities in five-year increments beginning in 2010.

It grew very much from 2010 to 2015, but during the term in 2019, 2020, 2021, and 2022, those years were affected by the COVID-19 pandemic, so sales shrank for a while and profits shrank a little as a company, but during that time, we have been developing a solid business foundation and preparing for growth after the pandemic.

During the period of 2022 to 2025, we conducted many acquisitions, as shown. While PMI-ing those companies, we worked to grow that business and to improve capital efficiency and profitability.

Sales growth during this period was very strong at 15.3%, while at the same time, the ratio of overseas sales to total sales exceeded 50% for the first time in 2024. In 2025, overseas sales accounted for 53.3% of total sales, and the percentage of overseas sales has exceeded 50%.

Changes in Operating Profit Ratio, Capital Efficiency, and Share Price and Associated Challenges

While the scale of sales is expanding, in recent years, both operating profit ratio and capital efficiency have not recovered to past levels and the share price has been also stagnant.



	2010 result	2015 result	2020 result	2025 result
PER	12.21	32.24	59.94	19.35
PBR	0.98	3.15	2.88	1.88
EPS	123.31 yen	234.47 yen	158.00 yen	269.66 yen
BPS	1,528.96 yen	2,400.96 yen	3,288.35 yen	2,772.73 yen

* The share price prior to 2020 was adjusted to reflect the stock split.
 * Adjusted operating profit ratio is calculated by subtracting the amortization of investment differences related to business combination (goodwill and intangible assets) and the impact of hyperinflation accounting from operating profit.

We recognize that our biggest challenge is that although we have steadily grown the scale of our business and established a solid foundation to protect it, we are aware of major challenges in profit margin and capital efficiency.

Operating margin is highlighted in green for adjusted and blue for unadjusted. ROE is shown here. While profit margins have been improving steadily over 2010 to 2015, profit margins and capital efficiency have stagnated significantly during the COVID-19 pandemic.

As the pandemic has subsided, we made efforts to improve the situation, but the results have yet to be fully realized.

As a result, we are acutely aware that our company has been receiving a very low valuation from the capital markets. Therefore, for the next three years, including this year, we would like to focus on the operating margin and capital efficiency in our management efforts.

Progress Made Under Five-Year Management Vision and Summary (Financial)

In the fiscal year ending December 31, 2026, which is the final fiscal year of the five-year management vision, net sales are likely to perform roughly in line with the projection. On the other hand, adjusted operating profit ratio and ROE are expected to fall short of the initial targets due to active investment in M&As and changes in the external environment.

Outlook of Five-year Management Vision

	2026 plan	2026 forecast	Overall summary	Regional performance evaluation			
				Japan	Americas	Europe	Asia
Net sales	450.0 billion yen Of which, new M&As: 50.0 billion yen	520.0 billion yen Of which, new M&As: 65.0 billion yen	○ Achieved	○	X	○	○
Adjusted operating profit ratio	14.0%	13.1%	X Improvement made, but below target	X	X	X	India: ○ Others: X
ROE	12.0%	10.1%	X Impacted by hyperinflationary accounting and M&A	While we expect improvements to continue across the group, we are unlikely to meet the targets due to more-than-expected rises in component prices and labor costs as well as structural issues of some regions			
				In addition to the shortfall in adjusted operating profit, we expect to fall short of our targets due to the following factors: <ul style="list-style-type: none"> Downward pressure on operating profit margin due to the impact of hyperinflationary accounting and amortization of goodwill, etc. Downward pressure on net profit margin due to an increase in the effective tax rate following higher goodwill amortization, etc. 			

*New M&As: Brema, Ozti, Royalkitchen, TLX HKR PH, ARICO, SCC

Evaluation assumption: Both the 2026 Five-Year Vision and 2026 forecasts are evaluated using the same exchange rate.

Achievements and issues of Five-year Management Vision

Achievements	The business scale of the group as a whole has been steadily expanding as we captured the recovery in the domestic demand and carried out strategic M&As	Issues	Profit growth and progress in capital efficiency improvement have been slow to materialize and there remain issues of the discrepancies in growth and profitability among regions and creation of group synergies
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I will explain the progress and summary of the five-year management vision. Regarding sales, we have achieved the figures set out in this five-year management vision, even after properly accounting for foreign exchange rates.

Also, operating profit, even taking into account the exchange rate, is currently above the plan, and we are determined to achieve it.

Unfortunately, we did not achieve our management vision targets for adjusted operating margin and ROE. The following is a summary of the factors involved.

As for sales, although sales in the Americas fell short of the plan, sales in the other areas achieved the plan. On the other hand, regarding adjusted operating margin, Asia, particularly India, made a positive contribution. However, Japan, the Americas, and Europe were unable to lift the consolidated operating margin.

Basically, this means that we were unable to achieve it due to higher-than-expected material and labor costs or other structural challenges in some areas.

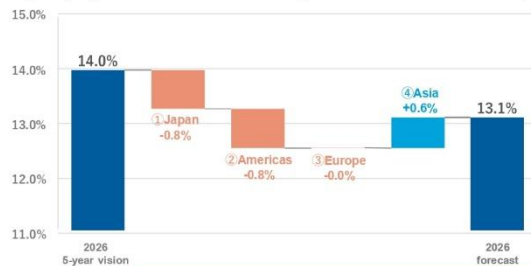
In terms of ROE, adjusted operating profit did not reach the target, but there were also some major factors, such as super-inflationary accounting and goodwill amortization, that pushed down the operating margin, which we did not anticipate when we created this five-year management vision. It also means that the effective tax rate increased due to an increase in amortization of goodwill, which pushed down the net income margin.

In terms of the achievements and challenges of the five-year management vision, the results were solid growth. We have also been able to execute mergers and acquisitions in line with our requisitions, although some companies have been slow to grow due to various factors. Also, PMI is progressing very well.

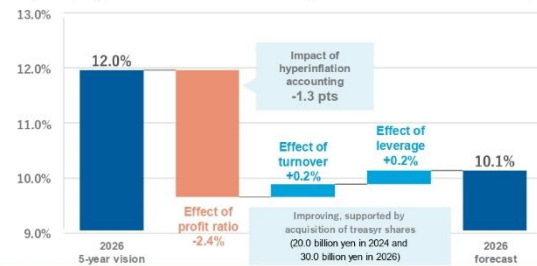
Analysis of Changes in Adjusted Operating Profit Ratio and ROE (Compared with the Five-Year Management Vision)

Adjusted operating profit ratio and ROE are expected to fall short of the initial plan due to the impact of a rise in costs, including those of components and labor, exceeding our estimates at the time of formulation of the Five-Year Management Vision.

■ Changes in adjusted operating profit ratio
(2026 projection in the Five-Year Management Vision vs. 2026 forecast)



■ Changes in ROE
(2026 projection in the Five-Year Management Vision vs. 2026 forecast)



Breakdown of adjusted operating profit ratio by region

① Japan	Gross profit margin: significantly worse than initially planned due to rising component costs, etc. / SG&A ratio: in line with initial plan
② Americas	Gross profit margin: exceeded initial plan, supported by price increases, etc. / SG&A ratio: significantly worse due to increased personnel, IT-related, and promotional expenses
③ Europe	Gross profit margin: slightly exceeded initial plan / SG&A ratio: slightly worse than initially planned
④ Asia	Gross profit margin: significantly exceeded initial plan, driven by higher sales volume in Western (India), etc. / SG&A ratio: slightly worse than initially planned due to increased investments and personnel expenses

On the other hand, we recognize that although the scale of our business has increased, its profit growth and capital efficiency have not kept pace, especially in some of the larger regions.

This is the change in adjusted operating margin and ROE that we recognize as a major challenge. In 2026, we are analyzing the difference between the plan we created, with the goals of the five-year management vision, and this 2026 forecast. As for the adjusted operating profit margin, Japan, the Americas, and Europe did not achieve it, while Asia boosted it.

This underachievement was largely attributable to the gross profit margin issue in Japan. The higher-than-expected increase in the cost of parts and materials was significantly worse than planned, while the SG&A ratio was under control as originally planned.

On the other hand, in the Americas, the gross profit margin exceeded the plan while steadily raising prices, et cetera. However, there was a problem with the SG&A ratio, especially in labor costs and IT, because it took a lot of time to launch an ERP system and we invested more than efficient in promotions.

As for Europe, the gross profit margin was higher than planned, but the SG&A expense ratio pushed down the profit margin.

For Asia, gross profit margins were higher. The SG&A-to-sales ratio worsened somewhat, but this was well within the scope of absorption since sales had been growing.







Therefore, we believe that it will be important in the next midterm plan to basically reduce costs and control the SG&A ratio in Japan, the Americas, and Europe.

Regarding ROE, we have made steady progress in turnover and leverage. However, as explained on the left, the decline in adjusted operating margin, or profit margin, has been weighing on ROE.

Therefore, we still have room for improvement in turnover and leverage, and by concentrating on these profit margins, we hope to achieve our goals in the next midterm management plan.

Progress Made Under Five-Year Management Vision and Summary (Non-Financial)

We have established six materialities (key issues) to drive growth in both economic value and social/environmental value. We have set specific targets for each area and have been making steady progress according to our plans.

Material Issues	Relevance to the Vision	Target/Year	FY2025 results
 Response to climate change	In response to the global climate changes, contribute to resolution of environmental issues through the provision of comfortable food environment (business).	Reduce CO ₂ emissions (Scope 1 and 2) 30% by 2030 (compared with 2023)	Scope 1 and 2 CO ₂ emissions: -2.4% (compared with 2023)* *FY2024 results. FY2025 results are currently being calculated.
 Sustainable supply chain management	With a supply chain considering the environment and human rights, minimize waste emissions and promote healthy and safe working conditions.	<ol style="list-style-type: none"> Develop a questionnaire (in 2023) and achieve a 95% or more response rate among major suppliers (in 2026) (Hoshizaki) Achieve 95% or more attendance rate of major suppliers at annual plant policy briefing (in 2026) (Hoshizaki) 	<ol style="list-style-type: none"> Response rate among major suppliers: 100% Attendance ratio of major suppliers to an annual plant policy briefing at 95.3% *Suppliers who could not attend were individually briefed at a later date.
 Creation of new customer value	Manufacture products flexibly responding to changes and create a service business, quickly catching up with changes in the environment surrounding customers.	<ol style="list-style-type: none"> Non-restaurant market sales: 100.0 billion yen (in 2026) (in Japan) Sales of products using natural refrigerants (in Japan): 35.0 billion yen (in 2026) 	<ol style="list-style-type: none"> Non-restaurant market sales (in Japan): 100.3 billion yen Sales of products using natural refrigerants (in Japan): 29.4 billion yen
 New proposals for the creation of a safe and secure food environment	In response to changes in the diversifying food environment, provide safe and secure products and services to help people lead a good life.	Service sales: 52.2 billion yen (in 2026) (in Japan)	Service sales (in Japan): 53.0 billion yen
 Improving employee engagement	Evolve toward a vital workplace culture where all employees share diverse values, respect each other, and work with pride.	<ol style="list-style-type: none"> Women in positions at or above section manager level: 50 employees, and women in positions at or above assistant manager level: 300 employees (in 2025) (in Japan) Improve scores in employee satisfaction surveys (in Japan) Increase proportion of overseas sites taking part in employee engagement survey (global) 	<ol style="list-style-type: none"> Women in positions at or above section manager level: 57, women in positions at or above assistant manager level: 308 Employee satisfaction survey scores (in Japan): +0.04 points year on year Carried out employee engagement surveys at six companies in the Americas (up one year on year) and four in Europe (up two year on year)
 Enhancement of management foundation	Implement socially reliable management, by enhancing corporate governance and thoroughly complying with laws and regulations.	<ol style="list-style-type: none"> No substantial compliance violations (global) Provision of compliance education for all employees (global) 	<ol style="list-style-type: none"> Compliance and Risk Management Committee meetings held Compliance training held for all group companies in Japan and overseas

Regarding the five-year management vision, non-financial goals are on track so far. We have six materialities. We have set annual targets for each of these areas, response to climate change, sustainable supply chain management, creation of new customer value, new proposals for creation of a safe and secure food environment, improving employee engagement, and enhancement of management foundation.

I would like to reassure you that all of our achievements up to 2025 have been progressing as planned.

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Long-term Vision

Purpose

We aim to be an
**“Evolving
Company”**
contributing to
society and customers

We, Hoshizaki Group, aim to be an “Evolving Company” contributing to society as well as customers, meeting the changing needs and demands for diversified “Eating.”
To achieve the above, we develop original products incorporating original technology.
And we present innovative proposals for a more comfortable and efficient eating environment and offer responsive, high quality services.



Management policy and financial strategy for the next midterm plan will be explained.

First of all, we would like to reaffirm our purpose. Our goal is to be an evolving company contributing to society and customers. We believe that very severe structural reforms are necessary to realize the next medium-term management plan. However, we do not see them as structural reforms, but rather as an evolution that we aim to tackle firmly.

As one of our purposes, we will continue to meet the changing needs and demands for diversified eating and contribute to society, as well as customers. To achieve the purpose, we develop original products incorporating original technology and we present innovative proposals for a more comfortable and efficient eating environment, and offer responsive, high-quality services. We are committed to pursuing this purpose over the next three years.

Strategic Roadmap for Enhancing Corporate Value in the Next Medium-Term Management Plan

- Strategic roadmap for future corporate value enhancement

During the period of the next medium-term management plan (2027–2029), we aim to enhance corporate value by improving capital efficiency and profit margins through structural reform for profit growth.



In this next medium-term management plan, as I mentioned earlier, we would like to improve our corporate value by making structural reforms and evolutions to improve capital efficiency and profitability.

In Japan, we are currently building various foundations to further strengthen the collaboration of our sales services, where we have a strong competitive advantage over our competitors.

In addition, there is still plenty of room to expand sales to priority customers and improve productivity efficiency. With a large number of sales and service personnel in the field, there is significant room to improve productivity, as well as to enhance efficiency in our manufacturing and development departments. We would like to make a firm commitment to improving profit margins there.

In addition to the restaurant industry, we are also developing customers in non-restaurant industry, and we are finally laying the groundwork for that development, so we would like to work on that, with a firm focus on productivity.

Regarding overseas, we would like to give top priority to PMI for existing acquired companies. Especially in the Americas, where we have made major M&A transactions, we believe that this PMI is important. We would like to grow this existing business while conducting firm PMI.

In particular, delivering solid and expected profit growth in the Americas and Europe will be a key priority. We have established a very strong sales channel and network overseas that our competitors do not have. We would like to utilize this sales channel to achieve growth by firmly adding value that is competitive with Chinese manufacturers and local manufacturers.

As a common practice, we practice management with an awareness of return on invested capital, especially turnover of invested capital. Regarding M&A, we will continue to pursue quality deals. However, our top priority will be to evaluate the impact on return on invested capital and invested capital turnover, and we will firmly make investment in this approach. We will apply the same discipline to capital expenditures.

Financial Targets of Next Medium-Term Management Plan (2027–2029)

In our next Medium-Term Management Plan, we will set clear targets for improving profitability and capital efficiency to achieve sustainable growth in corporate value.

2029 financial targets (group-wide)

	Indicators	2025 result	2029 target
Profitability and efficiency	ROIC*1	12.3%	14%
	ROE	10.1%	14%
	Adjusted operating profit ratio*2	12.6%	15%
Scale and growth potential	Net sales (excl. new M&As)	485.9 billion yen	650.0 billion yen

Expecting 6 to 7% in cost of capital as of the end of 2029

*1 Segment ROIC = Adjusted operating profit (after tax) / [(Tangible assets + goodwill + right-of-use assets + intangible assets) + Inventory + Trade receivables – Trade payables]
 *2 Adjusted operating profit ratio is calculated by subtracting the amortization of investment differences related to business combination (goodwill and intangible assets) and the impact of hyperinflation accounting from operating profit.



As I explained earlier, our next medium-term management plan calls for ROIC of 14%, ROE of 14%, adjusted operating margin of 15%, and net sales of JPY650 billion, excluding new M&As in the future. In other words, we would like to make solid PMI for the companies we acquired in the past and to firmly grow those existing companies we acquired as our top priority.

Transformation to capital efficiency-focused management (1/2)

We aim to improve our corporate value by promoting improvement in capital efficiency utilizing ROIC and balance sheet-based management. We will set forth ROIC targets for each region and company and implement PDCA cycle-based management to improve capital efficiency including operating profit ratio as well as invested capital turnover.

ROIC for each region and consolidated ROIC (current level and target)



*ROIC = Adjusted operating profit (after tax) / [(Tangible assets + goodwill + right-of-use assets + intangible assets) + Inventory + Trade receivables - Trade payables]

Current Status of ROIC by Region

- ROIC of Japan is at a high level given the high operating profit ratio as well as the efficiency of inventory and working capital.
- Overseas, Asia maintains a high ROIC, driven by high profit ratios in India.
- In the Americas and Europe, ROIC is being suppressed as invested capital turnover has declined due to increases in goodwill, tangible assets, and working capital resulting from growth investments and sales expansion.

Details of ROIC improvement are provided on the following page.



First of all, in terms of capital efficiency management, we will continue to manage ROIC by area well. In addition, ROIC for each individual company is also visualized under this area, and we would like to work on concrete and quantitative activity plans for each individual company to improve this area until 2029.

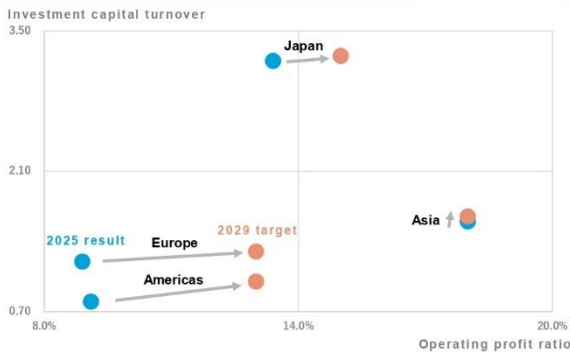
In Japan, we will maintain a high operating profit margin and improve ROIC through enhanced inventory and capital efficiency. Overseas, while we are currently benefiting from high profit margins in India, we have also built a new refrigerator factory in Vietnam. By improving capital efficiency across various aspects, we aim to steadily strengthen ROIC overseas as well.

In the Americas and Europe, the turnover ratio of invested capital is declining due to an increase in goodwill, fixed assets, and working capital, resulting from investments for growth and sales expansion. We are firmly aware of the challenges in this part, so we are committed to pursue and solve these issues during the next medium-term management period.

Transformation to capital efficiency-focused management (2/2)

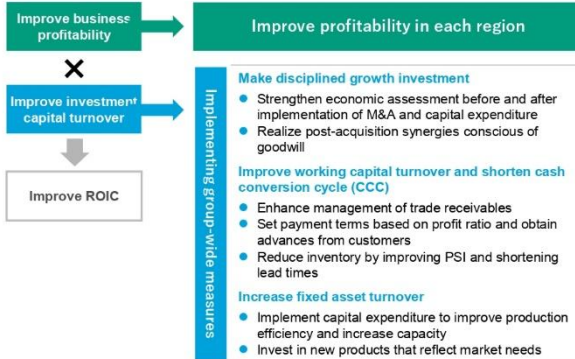
We aim to improve our corporate value by promoting improvement in capital efficiency utilizing ROIC and balance sheet-based management. We will set forth ROIC targets for each region and company and implement PDCA cycle-based management to improve capital efficiency including operating profit ratio as well as invested capital turnover.

ROIC analysis by region (invested capital turnover vs. operating profit ratio)



*ROIC = Adjusted operating profit (after tax) / [(Tangible assets + goodwill + right-of-use assets + intangible assets) + Inventory + Trade receivables - Trade payables]

Initiatives for improving ROIC



In order to increase this ROIC, this vertical axis shows the turnover ratio of invested capital, and the horizontal axis shows the operating margin, which is where we focus our efforts by area.

We believe that there is still room for improvement in the capital turnover ratio. In particular, we aim to improve profit margins in the Americas and Europe. As mentioned earlier, we were unable to achieve our management vision in the Americas due to an increase in the SG&A-to-sales ratio. We are currently running a major project focused primarily on the Americas and Europe to improve SG&A ratio management, and we are committed to driving improvement in this area.

In terms of company-wide commonality, we will ensure disciplined investment in growth, not just expansion in scale, but disciplined investment in growth.

In M&A and capital investment, we do not simply look for sales growth, but rather invest in areas that are economically viable.

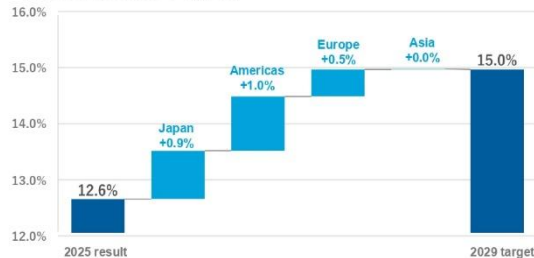
In addition, we will acquire companies with an awareness of goodwill, and we are now routinely managing the working capital turnover ratio using the cash conversion cycle as an indicator, and we would like to focus on this more than ever.

In terms of fixed asset turnover, we would like to make capital investments by improving production efficiency and firmly increasing capacity, and we would like to introduce new products that meet market needs.

Key Points for Improving Medium-Term Efficiency (Adjusted Operating Profit Ratio and ROE)

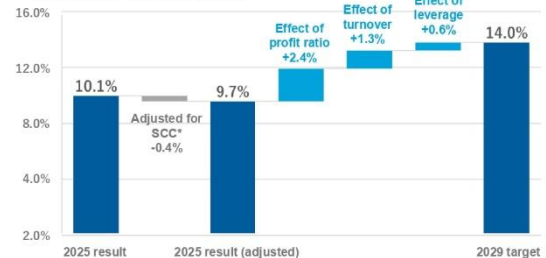
In our next Medium-Term Management Plan, we will steadily improve profit ratios through the execution of area strategies and increase efficiency with a focus on ROIC, through a two-pronged approach of strengthening profitability and improving capital efficiency.

Changes in adjusted operating profit ratio (2025 results vs. 2029 targets)



- Make group-wide improvement in stages by implementing measures to improve profitability addressing regional characteristics
- In Japan, improve gross profit ratio and SG&A expense ratio in a balanced manner
- In the Americas and Europe, improve SG&A expense ratio with priority
- In Asia, continue to grow business while maintaining the high profit level

Changes in ROE (2025 results vs. 2029 targets)



- Aim to raise ROE through improvement of profit ratio, asset turnover, and financial leverage
- The largest driving factor is increase in profit ratio through improvement of profitability
- Aim to improve capital turnover by shoring up efforts to improve ROIC in each region
- For financial leverage, ensure proper management of equity through sound financial operation

*Adjustment has been made on the assumption that the corporate integration of SCC is completed on the starting date of the consolidated fiscal year.



As for operating margin and ROE, as it is written there, Japan and the Americas have improved by about 1%, Europe by 0.5%. For Asia, this is still conservative and there is still room for improvement, but for now, we will maintain it to not fall into negative.

Regarding ROE, we aim to improve it to 14% by making solid improvements in profitability, turnover, and leverage, both from a quantitative perspective and through individual company activities.

Key Points for Expanding Medium-Term Growth (Net Sales and Adjusted Operating Profit)

Under the next medium-term management targets, we will steadily implement the regional strategies to achieve both sales growth and profitability improvement.

Changes in net sales* (2025 results vs. 2029 targets)



- We will expand net sales through organic growth mainly in Japan, the Americas, and Asia as well as through new consolidation (Fogel to become a consolidated subsidiary in 2027)
- In the Americas, cross-selling among group companies including SCC and Fogel are expected to contribute

*New M&As during the concerned period are not accounted for in the above plan.

Changes in adjusted operating profit* (2025 results vs. 2029 targets)



- In addition to sales growth, we aim to improve profitability by lowering SG&A expense ratio while improving gross profit ratio through implementation of regional strategies, in order to increase profits

*New M&As during the concerned period are not accounted for in the above plan.



As for net sales and adjusted operating profit, as I have indicated, the figures for Japan are between 4% and 5%, and for the Americas, excluding Fogel, they are 6%, so I believe that these figures are well within our capability.

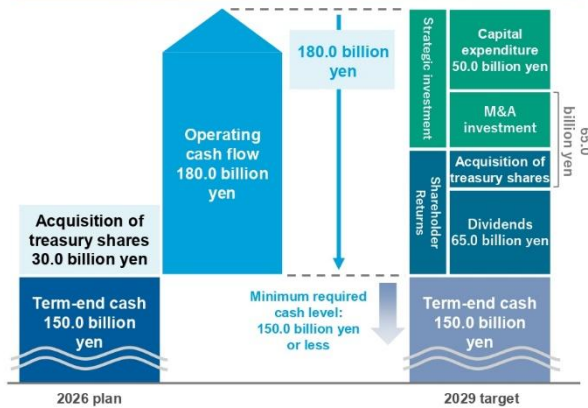
Europe is 8%, and Asia is 8%. Regarding Asia, we are still looking for room to increase our plan for Western, and we would like to raise this 8% target as much as possible.

As for operating profit, 8% in Japan, 26% in the Americas, but excluding Fogel, it is 16%. In Europe, it is 16%, and in Asia, 5%. As you can see, we aim to steadily improve the profit margin in all areas, and we believe that we will be able to achieve profit growth of more than 8% in sales in Asia, so I would like to make a firm effort to achieve this.

Capital Strategy

We will pursue a capital strategy that balances capital efficiency and financial soundness by prioritizing the allocation of management resources to growth strategies, while effectively utilizing cash for initiatives including shareholder returns.

Cash allocation



Financial policy

While making necessary investment and stable dividend payment, and within the scope of financial discipline, we will continuously manage and control equity to reach the optimum level in line with the ROE target of 14% and ROIC target of 14%.

Strategic investment		
Capital expenditure	Growth investment and foundation strengthening based on area strategies Capacity expansion, R&D, maintenance and replacement, human capital, IT infrastructure, ESG investment	
M&A	High-quality projects with expected investment returns, based on synergies and profitability	
Shareholder returns		
Dividends	Payout ratio of 40% or more	
Acquisition of treasury shares	Consider flexible and agile share buybacks, while comprehensively taking into account growth and strategic investments as well as the achievement of an optimal cash position.	
Financial discipline		
Financial discipline	Item	Definition
	Financial reserve in case of emergency	Funds for retaining human resources during emergencies ➢ Funds to maintain the workforce and ensure business continuity for a certain period, even in the event of a certain level of decline in consolidated net sales.
	Working capital	Working capital necessary for business activities ➢ Calculated as fund that is worth two months of consolidated net sales

Capital strategy, in our 2026 plan, we are projecting end-of-period cash of JPY150 billion, with operating cash flow of JPY180 billion. Looking ahead to 2029, and taking this into account, we are committed to keeping end-of-period cash firmly below JPY150 billion.

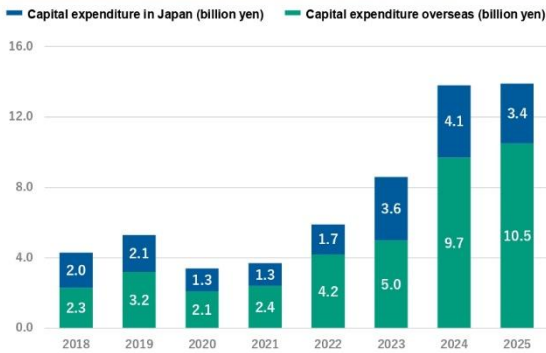
We plan to invest JPY50 billion in capital expenditures, JPY65 billion including M&A and share buybacks, and JPY65 billion in dividends.

Regarding capital investment, we will focus on growth investment and strengthening our business foundation by area. For M&A, we will pursue deals where profitability is expected based on synergies and earnings potential. On dividends, we will maintain a payout ratio of 40% or above. In terms of financial discipline, we will avoid holding more safety funds or working capital than necessary, which may result in cash holdings of JPY150 billion or less. We are committed to managing this with strict discipline.

Capital Expenditure Strategy

We have been steadily excuting capital expenditure, which supports the group's growth. Going forward, we will continue to make capital expenditure that contributes to both future growth and capital efficiency with a focus on market growth potential, competitiveness, and higher probability of return on investment.

Trend in capital expenditure (2018~2025)



Capital expenditure plan in the next medium-term management targets (2027~2029)

Category	Investment	Major Items	
		Growth	Profitability improvement
Japan	15.0 billion yen	<ul style="list-style-type: none"> Investment for developing new products Strengthening alliance with other companies Investment in new service technologies ESG-related investment 	<ul style="list-style-type: none"> Introduction and upgrade of ERP system Introduction and upgrade of new facilities (productivity improvement)
Overseas	35.0 billion yen	<ul style="list-style-type: none"> Investment for developing new products Investment to scale up production and capacity ESG-related investment 	<ul style="list-style-type: none"> Introduction and upgrade of ERP system Introduction and upgrade of new facilities (productivity improvement)



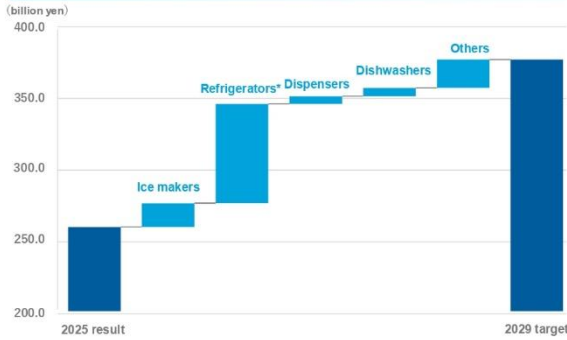
With regard to capital investment, there has been a very large increase in foreign capital investment in the past. In 2025, the investment amount for overseas was JPY10.5 billion and for domestic was JPY3.4 billion. For the future, we expect capital investment of JPY50 billion, with JPY15 billion in Japan and JPY35 billion overseas.

In all cases, we will make capital investments with a high degree of precision, targeting either growth or improved profitability, while maintaining strict control over investment returns.

Capital Expenditure Strategy to Support Global Growth

To realize business expansion and growth by capturing the potential and unique characteristics of each overseas market and vigorously driving our regional strategies, we will continue to invest in product development leveraging our group's technological expertise and in capital expenditures to increase production capacity, thereby expanding the production and sales of our core products.

Growth Breakdown of Overseas Sales by Product



*Refrigerators includes glass door refrigerators and deep freezers. Figures include results from SCC and Fogel.

Key Capital Expenditures Driving Sales Growth by Product

Product	Key Capital Expenditures
Ice makers	<ul style="list-style-type: none"> Development of high-performance products (Americas / Europe) Expanding production capacity, including new plant construction and facility extensions (Europe) Introduction of high-efficiency equipment, including maintenance and replacement (Americas / Europe)
Refrigerators	<ul style="list-style-type: none"> Development of high-performance products (Americas / Europe / Asia) Development of low-to-mid price range products (Americas / Asia) Expanding production capacity, including new plant construction and facility extensions (Asia) Introduction of high-efficiency equipment, including maintenance and replacement (Americas / Europe / Asia) Risk mitigation investments (Europe / Asia)
Dispensers	<ul style="list-style-type: none"> Development of high-performance products (Americas) Expanding production capacity, including new plant construction and facility extensions (Americas)
Dishwashers	<ul style="list-style-type: none"> Expanding production capacity, including new plant construction and facility extensions (Americas) Introduction of high-efficiency equipment, including maintenance and replacement (Americas / Europe)
Non-product	Key Capital Expenditures
IT	<ul style="list-style-type: none"> IT investments, such as ERP
Other than IT	<ul style="list-style-type: none"> ESG investments (solar panels, employee welfare facilities, etc.) Sales promotion investments (showrooms, etc.)

Furthermore, growth investment, particularly overseas, is of critical importance to us. As we have indicated, with regard to products, refrigerators are a very large growth driver.

Approximately 70% of this refrigeration segment's growth will be driven by the contribution of Structural Concepts, acquired in 2025, and Fogel, a Guatemalan company to be consolidated from 2027. We are committed to ensuring that both companies achieve solid growth.

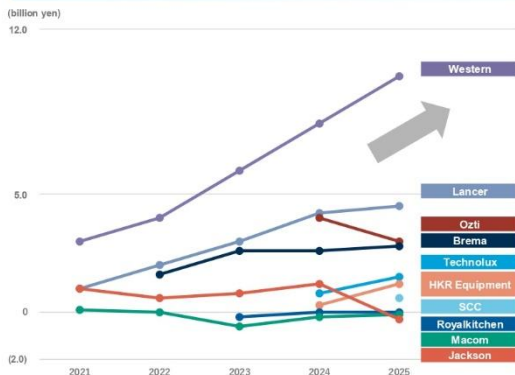
Other than that, ice machines will be an important driver of our growth, and centered around Ozti in Turkey, we are committed to driving strong growth in dispensers, dishwashers, and overall kitchen equipment.

In terms of capital investment for that growth, we have determined specific and quantitative investment projects for each product, and we would like to execute capital investment, so that each of those products can grow firmly.

M&A Strategy

The M&As we have carried out so far have contributed to profit growth in general. Western in India, in particular, has shown high profit growth in recent years. While some companies face growth challenges, we will focus on PMI and business expansion, while continuing to execute M&A with a strong emphasis on financial discipline.

Trend in operating profit growth at M&A targets



M&A strategy for the next medium-term management targets (2027-2029)

- Financial discipline (before investment)**
 - Position M&A as one of the measures in the growth strategy and focus on excellent targets with promising returns while taking into account the prospects for synergies and post-integration profitability.
 - Five rules in identifying M&A targets
 - Profitable company (operating profit ratio of 10% or above)
 - Company with outstanding managers
 - Company with which we can expect synergies
 - Companies of a certain size or larger (net sales of a few billion yen or more)
 - Company that is ambitious (not satisfied with the current situation)
 - Concrete candidates
 - Manufacturer having strong brand with high added value and scale
 - Sales channels that strengthen the group's sales network and creates synergies
- Financial discipline (after investment)**
 - Continuously monitor the progress with a focus on ROIC, and if the anticipated return on investment or profitability are not achieved, flexibly review the strategy and resource allocation.

For M&A, the left-hand graph shows the growth trend of operating profit from past M&As. As you can see, Western is very profitable right now. Also, Lancer had a period of stagnation, but it is now on a steady growth trajectory.

As for Brema, growth has appeared to be a bit stagnant, and in fact, there was some management confusion. The management structure has settled down well, and we plan to get back on a solid growth track starting this year.

On the other hand, as for Ozti, it has a very strong competitive advantage, but with inflation accounting and also very large inflation in Turkey, it is a bit stagnant right now.

Jackson also had a very good foundation. However, it has fallen a bit because it struggled with the launch of the ERP in 2025 and could not supply well, despite the actual demand.

The two Philippine companies certainly have very strong sales channels and can certainly rise in the future.

Royalkitchen, while China's economy remains sluggish, we are actually shifting our customer base from large properties, such as major hotels, toward higher-growth markets, including supermarkets, convenience stores, and restaurants. We expect this strategic shift to yield positive results.

Macom has stabilized its operations and is now very well-established. However, it is affected by the Brazilian economy. We would like to ensure its growth in the future.

In the next midterm management plan, we will pursue M&A with strict financial discipline, ensuring that our growth strategy is clearly defined prior to any investment. We will concentrate on quality deals, where we can be confident in both the synergies and post-integration profitability, and where solid investment returns are expected.

To this end, we have five principles that we are firmly committed to upholding. In terms of financial discipline, we will continuously monitor our companies based on ROIC. If a company is unable to achieve the expected return on investment and profitability, we will take decisive action to turn it around, and if necessary, we will not hesitate to exit.

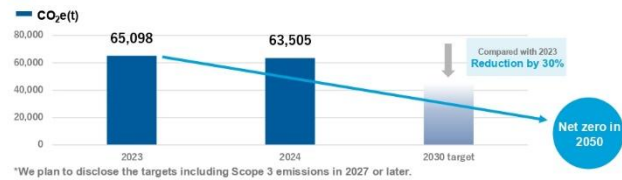
Direction of Non-Financial Targets

We are implementing non-financial initiatives to address the six material issues from the medium- to long-term perspective.

Material issues	Relevance to the Vision
Response to climate change 	In response to the global climate changes, contribute to resolution of environmental issues through the provision of comfortable food environment (business).
Sustainable supply chain management 	With a supply chain considering the environment and human rights, minimize waste emissions and promote healthy and safe working conditions.
Creation of new customer value 	Manufacture products flexibly responding to changes and create a service business, quickly catching up with changes in the environment surrounding customers.
New proposals for the creation of a safe and secure food environment 	In response to changes in the diversifying food environment, provide safe and secure products and services to help people lead a good life.
Improving employee engagement 	Evolve toward a vital workplace culture where all employees share diverse values, respect each other, and work with pride.
Enhancement of management foundation 	Implement socially reliable management, by enhancing corporate governance and thoroughly complying with laws and regulations.

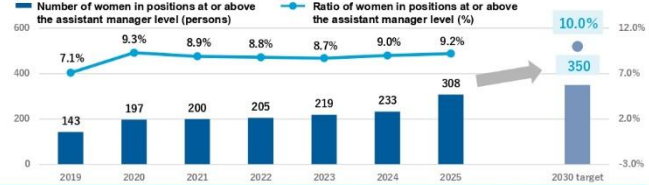
Response to climate change

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



Improving employee engagement

Number and percentage of women in positions at or above the assistant manager level (Hoshizaki and sales companies in Japan)



As for the non-financial targets, as I wrote there, we are firmly committed to 2050 for climate change, which is focused on scope 1 and scope 2, and we are aiming for virtually net-zero.

Regarding employee engagement, we are firmly committed to promoting the advancement of women, and we would like to increase the number of women in management positions.

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Approach to Business Strategies for Japan and Overseas

We will maximize growth, profitability, and capital efficiency by implementing strategies tailored to the characteristics of each region.

	Japan	Americas	Europe	Asia
	Growth in mature markets driven by sales and service networks, and strengthening our stable earnings base	Pursuit of growth and profitability centered on collaboration among group companies	Combination of a defensive revenue base (ice makers) and growth engine (commercial refrigerators)	Emphasis on assured sustainable growth in the growth market
Opportunities	<ul style="list-style-type: none"> Expanding into high-value-added segments in non-foodservice markets Continuous expansion driven by replacement and maintenance services 	<ul style="list-style-type: none"> Grow commercial refrigerators, Structural Concepts Corporation (SCC), and Fogel Expand convenience store and retail markets 	<ul style="list-style-type: none"> Expand market share for commercial refrigerators Expand into neighboring regions with Türkiye (Ozti) as the base 	<ul style="list-style-type: none"> High growth potential driven by India Local production and local sales model in Southeast Asia
Market characteristics	<ul style="list-style-type: none"> Labor shortages, population decline Centered on replacement and maintenance demand 	<ul style="list-style-type: none"> The largest-scale market with stable growth High unit prices 	<ul style="list-style-type: none"> Mature market (Western Europe) Increasingly stringent environmental regulations and growing quality requirement 	<ul style="list-style-type: none"> High growth rate but wide regional disparities Importance placed on identifying the rise in demand
Competitive environment	<ul style="list-style-type: none"> High market share and a nationwide sales and service network Competition based on service quality and reliability 	<ul style="list-style-type: none"> Strong brands and product lineup Group synergies as the source of our competitiveness 	<ul style="list-style-type: none"> Technology- and price range-based competition Efficient market actions through division of roles 	<ul style="list-style-type: none"> Price competition with local manufacturers Competition centered on differentiation and added values
Environment				

Based on these ideas, we will explain how we will implement strategies tailored to the characteristics of regional segments.

Regarding our business strategy for both domestic and overseas operations, starting with Japan, as outlined above, we have finally established the foundation to proactively pursue the non-restaurant market, and we are committed to capturing this opportunity. From a competitive standpoint, we will leverage our sales and service network to deliver strong, committed service.

For the Americas, the client base has expanded with the addition of Structural Concepts. Since we have established a customer base in convenience stores and distribution, the five companies in the Americas are firmly committed to working in the US.

In Europe, we have finally established a foundation for selling refrigerators, and we now have a lineup of products. We are producing in Turkey, but in the future, Brema in Italy and HOSHIZAKI's ice machines, which has a factory in the UK, are very complementary to each other, and we are now entering a period of growth. With our refrigeration product lineup in Turkey now in place, we will pursue this firmly.

As for Asia, Chinese manufacturers are now entering the market, but we will first focus on Western in India. Western in India is now responding very flexibly to changes in the environment, so we will grow there firmly. At the same time, China has finally bottomed out, so we must make sure that China grows as well. In Southeast Asia and East Asia, we would like to compete with Chinese manufacturers by firmly adding value.

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Strategic Direction of the Japan Business toward 2029

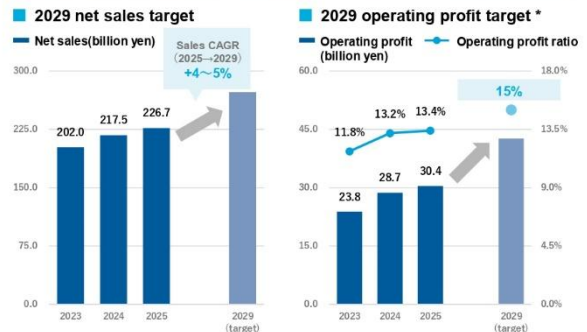
In our domestic business, we aim to achieve sustainable growth and improved profitability by leveraging our strengths in direct sales and services to enhance our ability to solve customer challenges in both the restaurant and non-restaurant markets.

Basic policy for Japan

		Priority Level
Growth strategy	<ul style="list-style-type: none"> Strengthen solution-oriented proposals to address customer challenges in restaurant and non-restaurant markets and leverage our direct sales and service networks 	
Improve profitability	<ul style="list-style-type: none"> Enhance business operations driven by sales and service Structurally reform of administrative and indirect departments (fixed cost reduction) 	High
Increase capital efficiency	<ul style="list-style-type: none"> Maintain optimal inventory levels through integrated manufacturing and sales operations Generate advances received by expanding full-service leases and maintenance contracts 	

Priority Level: Focus on key strategic themes to achieve growth toward 2029

2029 performance targets for domestic business



*Calculated by deducting amortization of investment differences arising from business combinations (goodwill, intangible assets, etc.).

From here, I will report on the direction of our domestic business for 2029.

First, we have three major basic policies for our domestic business. One is a growth strategy, the second one is to improve profitability, and the third one is to improve the turnover of invested capital, which is also a component of ROIC.

Our growth strategy centers on leveraging our strengths in direct sales, service capabilities, and community-based operations. By engaging directly with customers to hear their challenges in both the restaurant and non-restaurant markets, we will better understand their challenges and strengthen our ability to deliver solutions.

In addition, in order to improve profitability, we would like to enhance our business by taking advantage of our strength in sales services or what we call, sales and service coordination. In terms of profitability, we would also like to reduce fixed costs while promoting structural reforms, especially in administrative and indirect departments.

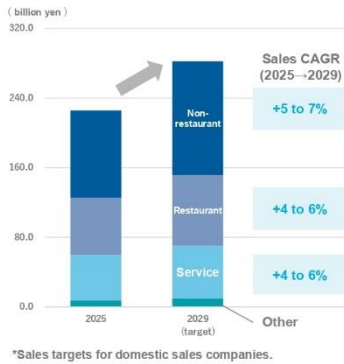
In order to improve the turnover ratio of invested capital, we will strive to improve the turnover ratio by firmly maintaining and managing optimal inventories through integrated production and sales, and by receiving advance payments for maintenance leases and maintenance contracts.

For 2029, we would like to aim for an average annual growth rate of 4% to 5% in CAGR. In addition, we would like to move forward in the direction of achieving 15% operating profit by 2029.

Growth Strategy for Japan

In Japan, we will enhance contacts with customers through direct sales and service and implement a growth strategy tailored to the market characteristics. We will maximize growth opportunities by securing a stable base in the restaurant market and proposing high added value in the non-restaurant markets.

2029 Net Sales Targets by Segment



Growth strategies by market

Japan and overseas	Solve customer issues and enhance proposals leveraging the strengths in direct sales and service <ul style="list-style-type: none"> Maximize business negotiations and opportunities through cooperation between sales and service Strengthen ability to respond by leveraging locally focused foundation of about 430 business locations around the country Evolve the sales expansion model by enhancing the service lineup Reinforce marketing functions and product strength by bringing together manufacturing and sales operations
Restaurant market (ensure stable revenue base)	<ul style="list-style-type: none"> Capture upgrade and replacement demand without fail by leveraging service Promote proposal-based sales approach tailored to customer characteristics of individual stores, regional stores, major chain stores, etc.
Non-restaurant markets (upgrade growth drivers)	<ul style="list-style-type: none"> Acquire high added-value projects originating from challenges faced by customers (labor saving, business efficiency improvement) in respective segments Expand areas we cover through collaboration, etc. <p>Key customer segments: Hospitals and nursing facilities, processing and sales, distribution and sales, key industries, accommodation</p>

Here is the growth strategy for the domestic business. For this one, we are in the process of building a strategy for each major market.

The first is the restaurant market, where we have a longstanding relationship with restaurants and where we have a very large share of the market. In the restaurant market, where many of our products are used, we would like to ensure that we capture renewal and replacement demand by using our services as a starting point.

Within the restaurant market, we will tailor our proposals to the unique characteristics of each customer segment, from individual restaurants where we hold a strong competitive advantage, to large local-chain restaurants with strong financial backing, planning capabilities, and growth potential.

In this market, we see the non-restaurant market in particular as a growth driver, and we are currently narrowing down our focus to five priority segments within the non-restaurant market.

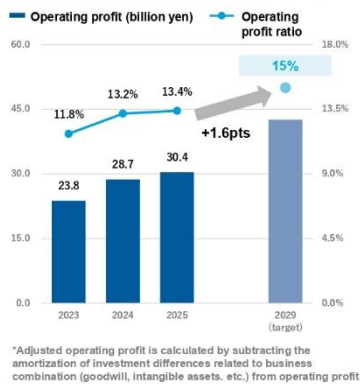
Our priority segments include hospitals and senior care facilities in response to an aging society, home cooking and meal delivery/takeout services, processing and distribution for overseas exports, agriculture and fisheries as key industries, where our community-based and local strengths can be leveraged, and accommodation facilities driven by inbound tourism. Within each of these segments, we aim to identify customer challenges and expand our business by delivering high value-added services.

We believe that there is still room for growth in the non-restaurant market, but our market share is not as large as that of the restaurant market, so we would like to expand our service area through collaboration with various companies that have expertise in this non-restaurant industry.

Profitability Improvement Strategy for Japan

To improve profitability, we will enhance business operations driven by sales and service and reform administrative structures to ensure that high-value-added growth leads to increased profits.

2029 adjusted operating profit target



Key measures for improving profitability

Improve gross profit margin (earn income through value)

Improve gross profit margin +1.3pts

Control SG&A expenses (Improve efficiency)

Improve the SG&A ratio -0.3pts

Enhancing business operations driven by sales and service

- Agile pricing in response to rising raw material cost trends
- Rapid lateral deployment of successful sales and service practices
- Enhance profitability by expanding the service lineup
- Strengthen centralized purchasing power leveraging economies of scale
- Strengthening human resource development to accelerate the readiness of sales and service personnel
- Efficient and effective sales activities leveraging Sales Force Automation (SFA)
- Reducing product processing costs through production site optimization and consolidation

Structural reform of administrative and indirect departments (reducing fixed costs)

- Optimize indirect costs by standardizing and visualizing operations
- Reform fixed cost structure by shifting to centralized and shared use of administrative departments



The two major areas for improving profitability are to earn a solid gross profit and to strictly control SG&A expenses.

In terms of gross margin, the situation in the Middle East is very unstable right now. Should raw material prices be going toward a rising trend, we will respond with flexible and timely pricing adjustments.

Every day, we are directly resolving the challenges our customers face, generating many success stories. We will continue to scale these cases rapidly and consistently across the country. We will also enhance our service menu to strengthen our earning power. As a company well-positioned to benefit from economies of scale, we will further strengthen centralized purchasing.

We are also focusing on new talent and recruitment, with a strong focus on developing young sales and service personnel to become effective contributors as quickly as possible. To drive more efficient revenue generation, we will build effective sales activities through the use of SFA.

In the area of production and sales collaboration, we are currently discussing how we can optimize and consolidate production sites in Aichi and Shimane. We would like to improve gross profit margins while simultaneously reducing product processing costs.

As for the control of SG&A expenses, we have 15 companies, and we would like to promote structural reforms, especially in the areas of administration and indirect departments.

We will begin by standardizing and visualizing our operations, then move toward consolidation and sharing of operations while reforming our fixed cost structure, then we are firmly targeting an operating profit margin of 15% by 2029.

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Strategic Direction of the Americas Business toward 2029

Under a market environment characterized by stable growth, we will balance growth and profitability by expanding our refrigerator business through group collaboration, starting from our core ice maker operations. By leveraging group synergies and optimizing our cost structure, we will build a business that is resilient to changes in the external environment.

Basic policy for the Americas

		Priority Level
Growth strategy	<ul style="list-style-type: none"> Establish a stable business foundation centered on ice makers, and build growth drivers led by the commercial refrigerator Expand customer value and maximize business value through a multi-brand strategy Strengthen sales channel infrastructure to address a diverse range of customers and business sectors 	High
Improve profitability	<ul style="list-style-type: none"> Optimize cost structures through collaboration Improve gross profit margin by optimizing products, customers, and cost structure Reinforce profit structure by controlling SG&A expenses 	High
Increase Capital efficiency	<ul style="list-style-type: none"> Optimize investment allocation and investment judgment taking into account growth areas Strengthen the management of accounts receivable Reduce inventory by improving production, sales, and inventories (PSI) management and shortening lead times Invest in new product launches that capture market needs Realize post-acquisition synergies with a focus on goodwill 	

Priority Level: Focus on key strategic themes to achieve growth toward 2029

2029 performance targets for the Americas business



*Calculated by deducting amortization of investment differences arising from business combinations (goodwill, intangible assets, etc.).

From here, I would like to explain about our overseas business.

First, the Americas region, in the Americas, we will strive to achieve both growth and profitability improvement by expanding ongoing businesses through group cooperation, starting with the core ice machine business.

The key word is synergy. We hope to establish a business that is less susceptible to changes in the environment by demonstrating synergies through group collaboration and evolving our cost structure.

Growth strategies and profitability improvement will be explained in more detail later.

The target value on the right is an average annual growth rate of 13% for sales, including Fogel, which will be consolidated in the future. In addition, we have set an adjusted operating profit margin target of 13% or more.

The growth strategy is shown in the graph on the left with growth targets by individual company, which you can take a look at later in this report.

Growth Strategy for the Americas

We will achieve sustainable and continuous sales growth by leveraging our core ice maker business as a foundation to expand our refrigerator operations and broaden our business scope. By harnessing the strengths of our group companies throughout the region to drive synergies, we aim to achieve a balance between growth and profitability.

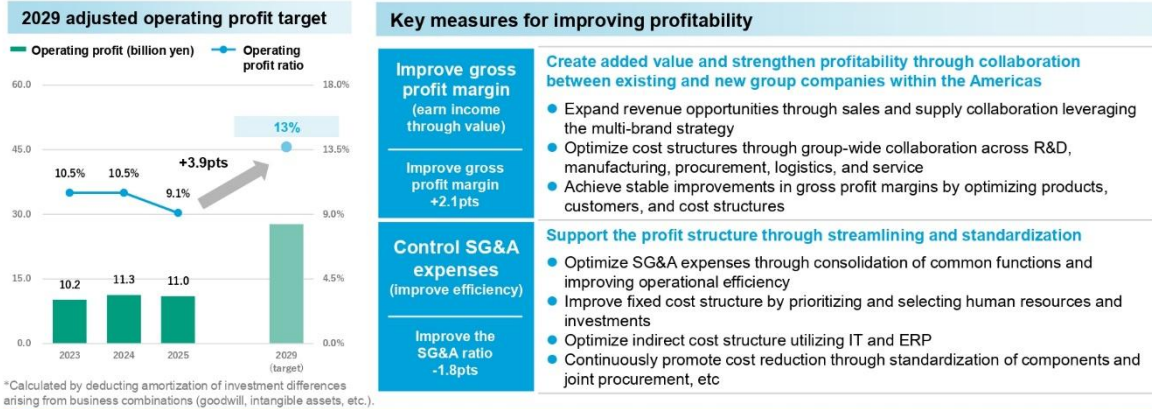


We have three core growth strategies. We expect stable growth centered on the ice machine business and then accelerated growth from commercial refrigerators, especially in the mid-priced range.

In addition to this, the key point for the Americas is the expansion of our business domains through group collaboration among group companies. In particular, we will strengthen our collaboration with SCC, Structural Concepts, and the Americas group companies, including Fogel.

Profitability Improvement Strategy for the Americas

We aim to achieve sustainable improvements in profitability through a two-pronged approach: creating added value and increasing gross margins through group-wide business collaboration, while strengthening our profit base by controlling SG&A expenses with a focus on individual company productivity.



The next step is to improve profitability. We aim to create added value and increase gross margins through group-wide business collaboration, while strengthening our profit base by controlling SG&A expenses, with a focus on individual company productivity.

We are thoroughly controlling SG&A expenses, especially in the Americas. In addition, from the perspective of improving gross profit margins, we aim to generate both revenue synergies and cost reduction synergies by enhancing added value and strengthening profitability through the integration of new companies, as described under existing and new group companies in the Americas region.

Regarding revenue growth, we will promote what we call our multi-brand strategy. On cost reduction, we aim to strengthen our cost reduction structure across the Group, spanning development, manufacturing, procurement, and logistics services.

SCC Business Overview and Market Positioning

SCC holds the leading market share in the food service sector—the primary battlefield for Hoshizaki’s Americas business—focused on small and medium-sized showcases. Its core strengths include advanced temperature control, energy efficiency, and flexible customization tailored to customer needs.

Business profile and strengths

- Engaged in development, manufacturing, and sales of small- and medium-sized open air refrigerators for food and beverages primarily in the mid- to high-price range
- Business model that combines sales through distributors with direct sales to food service industry (restaurants, cafés, and convenience stores) and supermarkets
- High value-added products underpinned by patented temperature control technology and high energy-savings
- Flexibility in responding to the customization needs of customers
- Short production lead time with manufacturing in the US using mostly local products

Main Product Lineup



Name	Structural Concepts Corporation
Location	Norton Shores, Michigan, the United States of America
Established	1972
Business activities	Manufacture and sales of small- and medium-sized glass door refrigerators
Main customers	Restaurants, cafés, supermarkets, etc.
Factories	Two locations (both in Michigan)



Next, I would like to explain the SCC, which is the core of synergy in the US.

SCC is a company that has the largest market share in the foodservice-related market, which is the main battleground for HOSHIZAKI's business in the Americas, focusing on small and medium-sized showcases, as some are shown in the photo. Our strengths include temperature control technology, energy-saving performance, flexible customization to meet customer needs and short delivery times, making us the company with the top share of the showcase market.

Value Creation Through SCC's M&A Strategy

SCC was welcomed into the Hoshizaki Group with the strategic objective of further enhancing the completeness and growth potential of the group's overall product portfolio through the creation of new synergies.

Strategic value realized through M&A of SCC

M&A that maximizes group synergies

Strengthen and expand product portfolio in the Americas

- In addition to ice makers, refrigerators, dispensers, and dish washers, acquisition of the glass door refrigerator field expands the product lineup

Bolster competitive advantage in the main battleground of food service sales route

- Utilize the strong sales base of SCC, which has the top share in the glass door refrigerator market, in Hoshizaki's main battleground of food service

Increase sales expansion opportunities through collaboration among group companies

- Offer group products through the SCC's sales network for supermarkets
- Offer SCC products to existing customers of group companies

Create technological synergies

- Make use of SCC's patented high-performance, highly efficient, energy-saving technology for group products

Major Group Companies and Product Lineup in the Americas

Hoshizaki America	<ul style="list-style-type: none"> ● Ice makers ● Commercial refrigerators 	
Lancer	<ul style="list-style-type: none"> ● Beverage Dispensers 	
Jackson	<ul style="list-style-type: none"> ● Dish washers 	
SCC	<ul style="list-style-type: none"> ● Small and medium-sized showcases 	



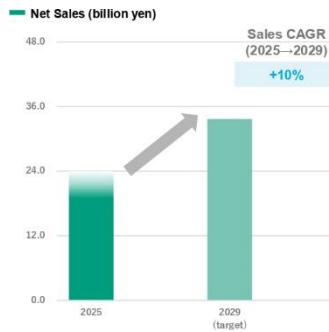
The value we aim to create through the M&A with SCC is to further enhance the completeness and growth potential of the Group's overall product portfolio, as shown on the right, through the creation of new synergies. This is why we welcomed SCC into the HOSHIZAKI Group.

To the left are the key points on how to maximize group synergies through SCC. First, as I mentioned earlier, we are expanding our product portfolio in the Americas. We are looking forward to further strengthening our competitiveness in the foodservice sales channel, which is our main battleground, and to expanding opportunities for increased sales through group collaboration, with SCC playing a central role in this effort.

SCC Business Growth and Growth Strategy

SCC will achieve sustainable growth by driving organic expansion centered on its leading market share in glass door refrigerator, while simultaneously scaling its business through collaboration with our group companies across the Americas.

Direction of Sales Growth



*Calculated on a full-year basis for 2025

Future Growth Strategy

Growth strategy

Organic growth

- Boost the sales of high-performance small- and medium-sized open air refrigerators to meet the requirements for displaying cooked food with high profit margins at convenience stores and supermarkets
- Improve customer unit cost by making proposals combining multiple products of SCC
- Expand the sales of products to non-restaurant markets including schools, hospitals, and company facilities
- Expand into next-generation equipment with smart functionality (vending machines, etc.) to reduce food loss and streamline inventory management

Synergy growth (collaboration among group companies in the Americas)

- Sales expansion leveraging the improvement in brand power gained by joining the Hoshizaki Group
- Create sales opportunities through cross-selling of other group brands in the Americas
- Enhance customer response capability by offering one-stop solutions that combine multiple product groups



Next is SCC's business growth and growth strategy. As a numerical target, we are aiming for average annual double-digit growth. We have divided the growth into two categories, organic growth and growth through synergies.

In terms of organic growth, there is actually a growing need among convenience stores and supermarkets to display prepared foods, which represent high-margin products for these retailers. In contrast, SCC has a high-performance small and medium-sized open showcase, and we would like to use this opportunity.

To cite a few examples, we are beginning to develop next-generation equipment with smart functions, an evolution of vending machines, to meet the needs of customers who want to reduce food loss and improve the efficiency of inventory management.

Adding to the organic growth, from a synergy perspective, we will leverage the combined strength of our US group to strengthen our brand power through participation in the HOSHIZAKI Group, cross-sell other brands within the Americas group through what we call our multi-brand strategy, and deliver one-stop solutions that combine products from other group companies with our own. These are the areas where we aim to drive growth.

SCC Profitability Improvement and Profit Growth

While pursuing business expansion, SCC will also strive to improve profitability by enhancing and optimizing its product mix, as well as through operational improvements and group synergies, to ensure steady profit growth.

Direction of Profit Margin Improvement



Key Initiatives for Improving Profitability

Improve profitability

Organic improvement

- Improve profit ratio in by strengthening high-performance, high value-added product mix
- Improve productivity by reviewing product designs and manufacturing processes
- Strengthen cost competitiveness through strategic procurement

Synergy improvement (collaboration among group companies in the Americas)

- Reduce cost through joint procurement of components among the group companies in the Americas and utilization of optimum production sites
- Further improve productivity and reduce processing costs by sharing expertise within the group
- Streamline SG&A expenses by optimizing the supply chain and logistics

* 2025 figures for SCC are calculated on a full-year basis. Adjusted operating profit is calculated by subtracting the amortization of investment differences related to business combination (goodwill, intangible assets, etc.) from operating profit.



Regarding profit, we have set our targets on a pre-adjustment profit basis. In addition to organic improvement, a significant area of expectation is the improvement of SCC's profitability through synergies.

We aim to further improve productivity and as a natural consequence, reduce processing costs through joint procurement of parts and materials within the US group, reduction of SCC costs by utilizing optimized production, and horizontal deployment of manufacturing know-how within the Group.

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Strategic Direction of the Europe Business toward 2029

We will expand our market share by positioning commercial refrigerators as a growth pillar, while leveraging the market share and profit foundation established with ice makers. Concurrently, by positioning Ozti in Türkiye as a core operating company and utilizing it for business development in Europe and neighboring regions, we will achieve both business expansion and profitability improvements.

Basic policy for Europe

	Priority Level
Growth strategy <ul style="list-style-type: none"> Expand market share in refrigerators while maintaining ice makers as our core business Expand sales by acquiring large and major customers and cultivating deeper relationship Grow in Europe and neighboring regions leveraging the geographical advantage of Ozti 	High
Improve profitability <ul style="list-style-type: none"> Generate cost-reduction synergies through collaboration among group companies Improve product mix, price-tier composition, and cost structures by expanding sales of high-value-added ice maker models Strengthen management foundation through introduction of ERP and structural reforms 	
Increase Capital efficiency <ul style="list-style-type: none"> Optimize investment allocation and investment judgment taking into account growth areas Strengthen the management of accounts receivable Optimize inventory levels by improving business operations Invest in equipment to improve production efficiency and increase capacity Invest in new product launches that capture market needs 	

Priority Level: Focus on key strategic themes to achieve growth toward 2029

2029 performance targets for European business



*Adjusted operating profit is calculated by subtracting the amortization of investment differences related to business combination (goodwill, intangible assets, etc.) and the impact of hyperinflation accounting from operating profit.

Next is about Europe. In Europe, we will leverage our established market share and revenue base from ice machines, while focusing on the next growth product, commercial refrigerators, as the axis of future growth.

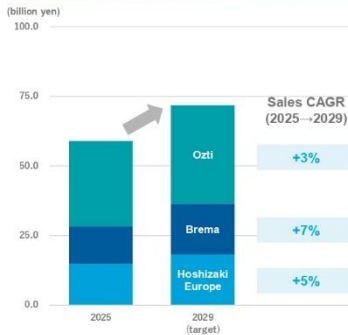
In addition, we would like to position Ozti in Turkey as our core company and expand not only in Europe, but also in neighboring regions, to achieve both business expansion and improved profitability.

As for target figures, we are aiming for an average annual growth rate of 3% and an adjusted operating profit margin of 13% or more, as was also mentioned by Kobayashi.

Growth Strategy for Europe

In the mature European market, we will leverage the established market share and profit bases of Hoshizaki Europe and Brema's ice machine businesses to drive market share expansion, with refrigerators as our primary growth engine. Ozti will achieve sustainable growth by expanding sales within Türkiye, as well as across Europe and its neighboring regions.

2029 net sales targets for each group company



*Sales targets for each company include intercompany transactions

Growth strategy by individual company

Hoshizaki Europe	<p>Strategic expansion in refrigerators, leveraging the customer base built on high-end ice makers</p> <ul style="list-style-type: none"> Drive refrigerator sales by leveraging our established high-end ice maker position and customer relationships to acquire and deepen ties with large and major customers
Brema	<p>Maintain a strong presence in the mid-range ice maker segment to serve as "a foundational business supporting stable growth"</p> <ul style="list-style-type: none"> Strengthen the group's presence in the European market by expanding sales of mid-range ice makers Achieve sustainable growth by ensuring stable expansion and increasing exports to external regions, including multi-brand support
Ozti (Türkiye)	<p>Drive European growth by leveraging a dual-expansion engine: Türkiye's domestic demand and export growth</p> <ul style="list-style-type: none"> Domestic growth driven by a high market share in the market of Türkiye Expand export sales to extra-regional markets, including the Middle East, Central Asia, and Africa Drive European business growth by expanding sales of commercial refrigerators and dishwashers



Regarding our growth strategy in Europe, we would like to explain it company by company, as outlined there.

First, HOSHIZAKI Europe has a customer base built up in the high price range among ice makers, and we will leverage this base to grow our refrigerator business.

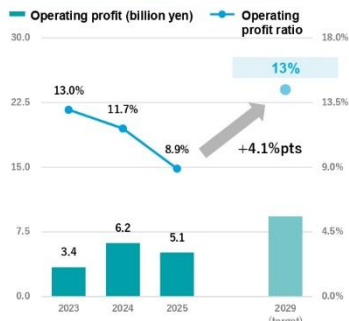
In addition, Brema, in a sense, complements HOSHIZAKI Europe, as mentioned earlier, and with its strong presence in the mid-price range of ice machines, it will support stable growth.

We also believe that we can position Ozti in Turkey as a growth engine, using its position as an export base, in addition to domestic demand in Turkey, which is driving the growth of our European operations.

Profitability Improvement Strategy for Europe

In the mature European market, we will structurally drive operating profit margin expansion by balancing two key pillars: creating added value through group collaboration to improve gross margins, and controlling SG&A expenses through standardization and efficiency.

2029 adjusted operating profit target



*Adjusted operating profit is calculated by subtracting the amortization of investment differences related to business combination (goodwill, intangible assets, etc.) and the impact of hyperinflation accounting from operating profit.

Key measures for improving profitability

Improve gross profit margin (earn income through value)

Improve gross profit margin +3.0 pts

Control SG&A expenses (streamlining and productivity)

Improve the SG&A ratio -1.1pts

Create added value through collaboration among group companies and product strategy

- Optimize production, supply, and sales across the region through cooperation between companies in Europe and Ozti
- Expand business into the Middle East, Central Asia and Africa and create economies of scale through business collaboration including Ozti
- Improve gross profit margin in a stable manner by optimizing product mix, pricing strategy, and cost structure
- Switch to a highly profitable product structure centered on refrigerators (mid-to-high price range)
- Maintain and expand ratio of highly profitable model of ice makers

Support the profit structure through standardization and streamlining

- Continuously improve operational efficiency through introduction of ERP common throughout Europe
- Review SG&A expense structure through optimization of indirect departments and operations
- Stabilize SG&A expense ratio through selection of investment and human resource allocation
- Optimize fixed cost structure utilizing shared group platform (ERP, procurement, and service)



The next topic is to improve profitability. The European market is a mature market, and we will promote the improvement of the operating profit margin by creating added value through group-wide cooperation, which will improve the gross profit margin, and by controlling SG&A expenses.

Business Profile of Ozti and Its Strategic Role in Europe and Neighboring Regions

Ozti holds a high market share and strong brand recognition in the growing market of Türkiye, offering significant potential for future expansion. We position Ozti as a core business entity that supports the group's growth and profitability improvements across Europe and its neighboring regions.

Business profile and strengths

- General kitchen appliance manufacturer with a high market share in Türkiye
- Offers a wide-ranged product lineup led by cooking and heating appliances
- Has a sales and service network covering Türkiye and neighboring regions
- Given the growth market of Türkiye as well as the geographical advantage connecting Europe, Middle East, and Asia, it has built a stable supply structure for the neighboring regions
- In addition to the distributor channel, it has strengths in the kitchen project business for hotels and shopping centers both in the domestic and export markets

Name	Oztiyakiler Madeni Eşya Sanayi ve Ticaret Anonim Şirketi
Location	Türkiye
Established	1958
Business activities	Manufacture and sales of commercial kitchen appliances
Main markets	Türkiye, Europe, Middle East, and neighboring regions
Factories	Three locations (Istanbul, Çorlu, Antalya)

Strategic role of Ozti

A strategic hub, based out of a growth market, which supports the group's revenue base and supply capability

Solid business base in the growth market

- Well-established sales and service network and strong market presence in Türkiye
- Continuously capture demand in the market, which has medium- to long-term growth potential

Supply and production hub for Europe and neighboring regions

- Export business based out of Türkiye targeting neighboring regions
- Respond to demand for commercial kitchen appliances in the expanding restaurant industry

Bolster revenue base by leveraging cost competitiveness

- Support profitability with the competitiveness in cost of sales and procurement
- Optimize costs through collaboration with other bases in the group

Business operation that enables both growth and profitability improvement

- Expand sales in the high growth market
- Generate profits with the efficient production and supply structures



I would like to use about two slides here to provide additional explanation about Ozti.

Ozti is positioned as a core business entity in Europe. Turkey is a large market, ranked among the top 20 economies globally by GDP, with high growth potential going forward. With its strong presence in this market, Ozti will support our business expansion not only domestically, but also through its geographical advantage into neighboring regions, as well as improvements in profitability.

The points are listed on the right, solid business base in the growth market, supply and production hub for Europe and neighboring regions, bolster revenue base by leveraging cost competitiveness and business operation that enables both growth and profitability improvement. We will proceed with business management with these approaches.

Strategy for Growth and Profitability Improvement at Ozti

Ozti will achieve sustainable growth by leveraging its strong brand recognition, built on a broad lineup of mid-to-high-end products in the domestic market of Türkiye. At the same time, we will expand sales and capture profits across Europe, the Middle East, and neighboring regions, while improving profitability through cost optimization and a strengthened corporate structure.

Direction of net sales growth and profit margin improvement*



*Adjusted operating profit is calculated by subtracting the amortization of investment differences related to business combination (goodwill, intangible assets, etc.) and the impact of hyperinflation accounting from operating profit.

Direction of strategy for realizing growth and profitability improvement at Ozti

Growth strategy

- Reinforce the sales foundation in the domestic market, which continues to grow despite inflation
- Capture the expanding market with the mid- to-high price range, broad product lineup
- Expand orders for large-scale commercial kitchen projects in hotels and restaurants
- Promote growth in exports by expanding into Europe, Middle East, and neighboring regions
- Create growth opportunities by increasing supply to companies within the Hoshizaki Group

Improve profitability

- Optimize cost of sales and supply costs by leveraging manufacturing competitiveness of local bases
- Improve cost efficiency through review of product design and procurement
- Strengthen business structure by optimizing fixed costs through review of SG&A expense structure
- Improve efficiency of procurement and production processes by working together with group companies in Europe



This section is summarized as profitability improvement and growth at Ozti. Target adjusted profit margin at Ozti is 15%.

Before that, in terms of growth strategy, Ozti has a very broad product lineup, especially in the mid-to-high price range in Turkey. That market will grow in the future.

In addition to the standard distributor route, one of Ozti's key strengths is its strong track record in large-scale projects, such as hotels and restaurants, and we intend to drive growth by expanding orders in this area.

In terms of improving profitability, we will, of course, optimize cost and supply costs by leveraging the manufacturing capabilities of our Turkish base and further improve cost efficiency by reviewing product design and procurement, including support from Japan. Also, reviewing the SG&A structure is the most important at Ozti. We will aim to optimize it, including fixed costs.

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Strategic Direction of the Asia Business toward 2029

As a core segment with high market potential driven by macroeconomic and demographic trends, this region will lead the group's mid-to-long-term growth. We will focus on Western in India as our primary driver, aim for stable growth through a "local production for local consumption" model in Southeast Asia, and pursue profitability-oriented growth through structural reforms in China and East Asia.

Basic policy for Asia

		Priority Level
Growth strategy	<ul style="list-style-type: none"> Expand the business in the high-growth market with Western at the center Establish a local production for local consumption model in Southeast Asia Selective growth focused on high-price range products and key customers in China and East Asia 	High
Improve profitability	<ul style="list-style-type: none"> Improve gross profit margin by increasing the ratio of premium and energy-saving products Strengthen cost competitiveness by enhancing local production and procurement Strengthen group-wide cost competitiveness by leveraging Western's procurement scale 	
Increase Capital efficiency	<ul style="list-style-type: none"> Prioritize investments in high-growth regions and businesses to ensure strategic resource allocation Implement rigorous management focused on inventory levels and supply chain stability 	

Priority Level: Focus on key strategic themes to achieve growth toward 2029

2029 performance targets for Asian business*1



*1 The targets are set based on the achievable growth by closely monitoring the demand trends in each region
 *2 Calculated by deducting amortization of investment differences arising from business combinations (goodwill, intangible assets, etc.).

Next is the Asian market. The Asian market is, after all, a growth segment, and is positioned as the so-called core segment that will drive the growth of the entire group over the medium to long term.

In particular, we aim to achieve stable growth, centered around Western in India, and in Southeast Asia, through local production for a local consumption model centered around Vietnam. In China and East Asia, we will continue to pursue profitability-focused growth through structural reform.

Specifically, our targets are average sales growth of 8% and a minimum profitability of 15%, with further improvement to be built on top of that.

Growth Strategy for Asia

We position India, with its high growth and profitability, as our largest growth engine in Asia, leading the group's mid-to-long-term expansion. In Southeast Asia, China, and East Asia, we will drive stable growth by tailoring our business operations to the specific characteristics of each market.

2029 net sales targets for each group company



Growth strategy by region

India	<p>Achieve growth in both quantity and quality as the biggest growth engine in Asia</p> <ul style="list-style-type: none"> ● In addition to expanding the volume of Vesi Coolers, deep freezers, etc., enhance profitability by expanding sales of premium and energy-saving products ● Develop small- and medium-sized restaurant and retail market, primarily in regional towns, and establish base for continuous growth leveraging the nation-wide sales and service network
Southeast Asia	<p>Stable growth with local production for local consumption model based on production within the region</p> <ul style="list-style-type: none"> ● Strengthen price competitiveness and supply capability with production and sales within the region by positioning refrigerator production in Vietnam (ARICO) as the core base ● Enhance presence in Southeast Asia by acquiring large and major customers with multiple outlets and cultivating deeper relationship while expanding sales of mid-price range products
China East Asia	<p>Aim for recovery through structural reforms with focus on high-price range products and key customers</p> <ul style="list-style-type: none"> ● Secure stable, profitability-focused growth by concentrating on key accounts, such as large-scale and Japanese customers, and shifting toward high-end, high-value-added products

This is our growth strategy in the Asian market. We would like to explain by region. First, for India, India is our largest growth engine in Asia, capable of achieving both volume and quality growth. We are steering toward growth while also expanding our new product range.

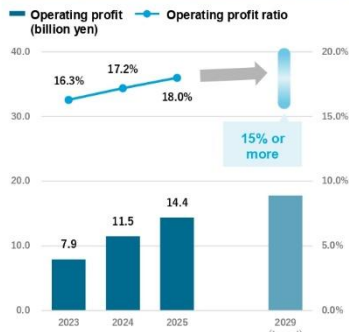
In Southeast Asia, we are preparing for future growth based on local production for a local consumption model, with in-region manufacturing as our foundation.

In China and East Asia, as I mentioned earlier, we will aim to recover by implementing structural reforms focusing on high-priced products and priority customers.

Profitability Improvement Strategy for Asia

While centering our strategy on robust sales expansion and profit generation at Western in India, we will ensure steady growth in operating profit by enhancing our product mix, expanding local production and procurement, and optimizing operational efficiency tailored to the characteristics of each region.

2029 operating profit target



* Calculated by deducting amortization of investment differences arising from business combinations (goodwill, intangible assets, etc.).

Key measures for improving profitability

Improve gross profit margin (earn income through value)

Strengthen profitability through upgrade of product mix, local production and procurement, and utilization of group's business base

India

- Improve unit price and gross profit margin by increasing the ratio of premium and energy-saving products

Southeast Asia

- Reduce cost and strengthen price competitiveness through local production of refrigerators by ARICO (Vietnam)

China and East Asia

- Switch to profitability-oriented sales structure by focusing on high-price range products and key customers

Utilize group's business foundation

- Strengthen cost competitiveness by leveraging Western's large-scale procurement as a strategic starting point for collective bargaining power
- Strengthen cost competitiveness through sharing of production and procurement knowhow and standardization of components

Control SG&A expenses (efficiency and productivity)

Improve profit structure through localization and improvement of operational efficiency

- Improve local organizational productivity and streamline operations through optimized staffing and indirect cost management
- Strengthen service quality and human resource foundations across Southeast Asia by establishing service and training functions based in Vietnam



Finally, regarding profitability improvement, as mentioned earlier, we will place strong sales growth and earnings from Western in India at the core of our strategy in the Asian region. Building on this, we will seek stable growth in operating profit by advancing our product mix and streamlining operations through the expansion of local production and procurement.

As with growth, I would like to briefly discuss profitability by region. In India, we will expand premium products and energy-saving products, which will lead to higher unit prices and gross profit margins, as I mentioned earlier, in terms of both quality and quantity.

In Southeast Asia, we will build price competitiveness against Chinese companies, with ARICO's refrigerator production in Vietnam at the core.

As for China and East Asia, as we mentioned briefly, we are shifting to a profit structure that emphasizes profitability by focusing on higher-priced products and priority customers.

In addition to this, we would like to strengthen our cost competitiveness and improve productivity by leveraging the Group's infrastructure, with Western as our base. Of course, we will continue to thoroughly control SG&A expenses in Asia as well.

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Improving Corporate Value

In the next medium-term management targets (2027–2029), we aim to sustainably improve corporate value by steadily converting the outcome of the growth investments made till now into profits and promoting structural reforms throughout the business portfolio to ensure both profit growth and capital efficiency.

Medium-term strategy policy

Increase corporate value along with improvements in capital efficiency and profit margin by implementing structural reforms aimed at profit growth

2029 financial targets (group-wide)

	Indicators	2025 result	2029 target
Profitability and efficiency	ROIC*1	12.3%	14%
	ROE	10.1%	14%
	Adjusted operating profit ratio*2	12.6%	15%
Scale and growth potential	Net sales (excl. new M&As)	485.9 billion yen	650.0 billion yen

Cash allocation (cumulative for three years)

Operating cashflow, etc.	180.0 billion yen	Aim to increase operating cash flow through profit growth and improved asset turnover rate
Capital expenditure	50.0 billion yen	Growth investment based on business portfolio and investments to strengthen the foundation that supports sustainable growth
Strategic investment (M&A and acquisition of treasury shares)	65.0 billion yen	Carry out new M&As and flexible acquisition of treasury shares
Dividend	65.0 billion yen	Aim for stable dividend with a target payout ratio of 40% or more
Term-end cash and deposits (2029)	150.0 billion yen or less	Maintain appropriate working capital and financial reserve

*1 Segment ROIC = Adjusted operating profit (after tax) / [(Tangible assets + goodwill + right-of-use assets + intangible assets) + Inventory + Trade receivables – Trade payables]

*2 Adjusted operating profit ratio is calculated by subtracting the amortization of investment differences related to business combination (goodwill and intangible assets) and the impact of hyperinflation accounting from operating profit.



We would like to make a firm commitment to improving our corporate value. In the next midterm plan, to be disclosed in the next year, 2027, and 2029, we will steadily translate the results of our past growth investments into earnings. To this end, we will commit to structural reform across our entire business portfolio and through these efforts, achieve both profit growth and capital efficiency, thereby enhancing corporate value.

Once again, I would like to explain the figures that we have set as our current midterm goals. In 2029, we would like to achieve ROIC of 14%, ROE of 14%, adjusted operating profit margin of 15%, and JPY650 billion in sales, excluding new M&A that we are now working on.

Regarding cash allocation, by 2029, we will generate JPY180 billion in operating cash flow. We plan to allocate a minimum of JPY50 billion to capital investment, JPY65 billion to more precise strategic investments or share buybacks, and JPY65 billion to dividends. We are committed to keeping end-of-period cash and deposits at or below JPY150 billion for 2029. We will direct that portion firmly toward capital and strategic investments.

Dialogue with Market for Improvement of Corporate Value

Our growth strategies and capital efficiency improvement will turn into corporate value only when they are implemented, understood, and appropriately recognized by the market.

Rather than disseminating strategies and numbers just from our side, we will create a virtuous cycle of **improving our corporate value** by deepening understanding through continuous dialogue with the market and leveraging their views in our management.



Last, but not least, we would like to work on these growth strategies and capital efficiency improvements, and we would like to execute them well, so that we will be well recognized by the capital markets.

We have never held such a briefing on our Medium-Term Management Targets in the past, and this is the first time we have had the opportunity to do so.

We will continue to increase our overseas growth, and I believe that there will be areas that are very difficult to see and understand from your side, so I would like to actively provide opportunities to communicate with you about our medium-term strategy and current situation.

Finally, I would like to ask for your continued support as the entire management is firmly determined to work on improving corporate value.

Thank you very much for joining us today.

Disclaimer

The performance forecast, plans, and future projections presented in this document are based on information available to the Company and assumptions regarding uncertainties that might affect future performance as of the date of publication of the document. The actual performance may differ significantly due to various factors.

This presentation is an English translation of the material initially written in Japanese, which should be considered to be the primary version.

