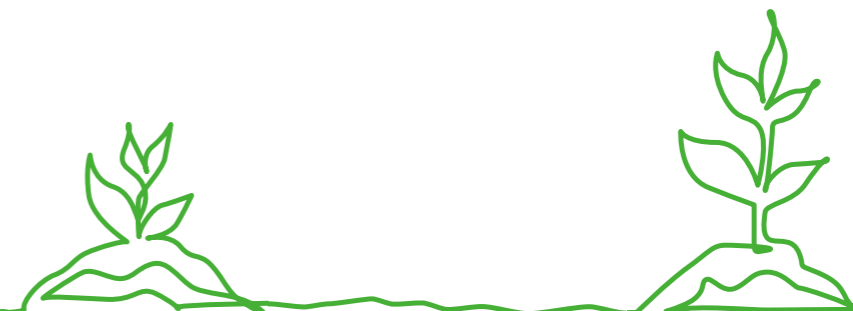




Chemistry is for the world and for all people.



Sustainability Report 2023

CCI Group Sustainability Report

CCI HOLDINGS INC.
Sustainability Group, President's Office
Nohi Building (12F), 2-20 Hashimotocho, Gifu City, Gifu Prefecture
<https://cci-corporation.com/en/>

Sustainability Report 2023

Chemistry is for the world and for all people.

We aim to help realize a Mobility Society that is characterized by safety, comfort, and peace of mind.

We seek to provide a tranquil residential environment in which people can live comfortably.

We strive to support people's health and enrich their lives.

Our goal is to achieve an environmentally friendly manufacturing process.

We at CCI Group are utilizing the capabilities that we have cultivated over the years to contribute toward the realization of an enriched society and a sustainable global environment.

Corporate Philosophy

Advancing technological solutions by synergistic approach.
Contributing to society for safety, comfort, and peace of mind.

Change Create Innovate

Changing through challenges for a better tomorrow Creating ingenious solutions, driven by customer focus Innovating through collaboration

Basic Management Policy

“CHANGE” - In order to maintain and improve competitiveness while keeping pace with the times, we transform our business model and the way we work.

■ **Period covered by the report**

April, 2022-March, 2023

■ **Scope of report**

CCI HOLDINGS INC., CCI CORPORATION and CCI Group companies (both in Japan and abroad)

* In this report, the name “CCI” is used as a reference to both CCI HOLDINGS INC., and CCI CORPORATION. The name “CCI Group” is used as a collective term for CCI's domestic and overseas subsidiaries.

■ **Guidelines referenced in compiling this report**

Global Reporting Initiative (GRI) standards, ISO 26000

■ **Date of issue**

July, 2023 (The report will be issued annually in July)

■ **Responsible department and contact details**

Sustainability Group, President's Office, CCI HOLDINGS INC.

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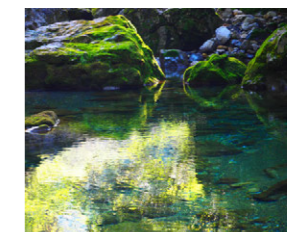
■ **Disclaimer**

Besides presenting facts about the past and present situation of CCI and of other applicable companies included in the report scope, this report also includes forecasts about the future based on CCI's plans, management policy and business strategy at the time of issue. These forecasts are assumptions or judgements based on the data available at the time of writing. The actual results may differ due to changing circumstances and future business activities. Your understanding is appreciated.

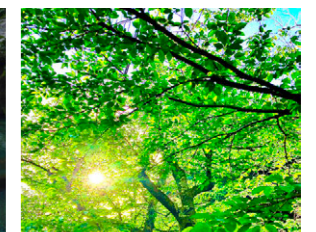
■ **Editorial Policy**

In order to inform all of our stakeholders about CCI Group's approach to sustainability and its related initiatives, we are issuing this report online. In addition to outlining our approach to realizing the environmental (E), social (S) and governance (G) goals through our business activities, the report also includes our plans to enhance corporate value. CCI will continue to promote sustainable management and maintain open communication regarding our progress. We welcome your comments and suggestions.

CCI held an in-house photography competition in which employees were invited to submit entries on the theme of “An abundant green Earth for the future.” The two works shown on the right were selected from among the entries received.



Enbara River, Yamagata City, Gifu Prefecture



Kinosaki Onsen hot spring resort, Toyooka City, Hyogo Prefecture



Tetsuya Okabe

President and CEO

President's Message

We aim to be a company that is appreciated by customers, local communities and the public as well as our employees, by continually reexamining our purpose and providing new corporate value to the next generation.

Building on our strengths of high-level quality management, providing safety and peace of mind, and a unique approach to manufacturing

I would like to start by describing some special aspects of CCI's business and the environment in which we operate. Over the years, in our work with leading automotive manufacturers, we have grown as a company by embracing high-level quality management, providing safety and peace of mind and developing a unique approach to manufacturing. We have also achieved excellence in our work with residential construction companies through our commitment to providing a comfortable living environment. By establishing solid sales channels with these companies, we have the additional opportunity to provide car care supplies through these channels when supplying coolant and brake fluid to automotive manufacturers, maximizing efficiency. In addition to the high-level quality management of our products, we also excel in our ability to keep costs down and implement improvements. In making effective use of these strengths, we have instilled a customer-focused approach in all our operations, ensuring that our customers see the value we provide, while adopting a products-first stance to develop our business.

Our current business environment is in the midst of a once-in-a-century transformation of the automotive sector. With the arrival of the CASE* era, we are now required to take steps in a new direction. From an early stage, we have worked to respond to the widespread adoption of electric vehicles (EV). Even as

*CASE: Connected, Automated/Autonomous, Shared, and Electric

engines continue transitioning from gasoline-powered vehicles to EV, CCI's coolant will continue to be in demand. Despite changes in certain characteristics, we will continue to supply coolant to automotive manufacturers. In addition, we are striving to expand our business opportunities; exploring those with other industry sectors involved with EVs as well as introducing to local Japanese facilities the technology cultivated through our work with European and North American manufacturers leading the way in EV development. Currently, due to the worldwide impact of environmental issues, there are calls to obtain two of our most important raw materials from bio-based sources rather than those that are fossil fuel-derived. We see this as an opportunity for us. CCI is working to utilize this opportunity as speedily as possible, exploring the potential of bio-based raw materials and recycling at an early stage. Swift action is important, as this will create a competitive edge. It is vital to keep in mind what can give us an advantage, striving to see how value may be added through quality and cost-competitiveness. By implementing initiatives that enable us to take the lead, we can enhance corporate value and foster the growth of our employees. It is my sincere hope that we can develop a corporate culture that will impart this approach to the next generation.

Clarifying our goals, and implementing sustainable management with an emphasis on speed

To realize our vision for society (in 2050), we are vigorously promoting ESG-focused management. In FY 2022, the Sustainability Promotion Committee, comprised of the Investment, Compliance and Risk and Information Security Committees, made significant strides in implementing initiatives based on KPIs* related to the environment and human rights. KPIs are established for each business division and department and also for individual employees. By clarifying objectives, we have set a framework that enables each individual to perform self-assessments. Recognizing the need for speed in this initiative too, I believe that a thorough-going effort to swiftly complete tasks will lead to enhanced corporate value; this is a reasoning that must be communicated to all involved, both within and outside the company. Sustainability is another source of corporate value. I feel that the young employees of CCI are strongly aware of this, and that the concept has been made known throughout the company.

On the environmental side, we are implementing initiatives based on our CO₂ reduction project, taking steps to address each pertinent issue. In addition to reducing waste and exploring alternative raw materials, we are also working to improve our yield rate. We have established a framework to become carbon neutral by reducing CO₂ emissions in our technology, R&D and manufacturing processes. We are also making steady progress transitioning to the circular economy through such steps as recovering and recycling PET shrink wrap film. Furthermore, we are working to develop environmentally friendly, sustainable products such as those used in battery electric (BEV) and fuel cell (FCV) vehicles, as well as energy-saving, long-life urethane coating materials.

In our contributions to the local community and to the public, we sponsor the professional soccer team FC Gifu, as well as local 11-and-under soccer teams. We currently provide research funding to Nagoya and Gifu Universities. We also

promote motorsports through our support of TOYOTA GAZOO Racing.

In promoting digital transformation (DX), we have started overhauling our core ERP system with the aim of standardizing production process management throughout the CCI Group. By adopting unified standards in our operations throughout the world, we aim to realize product manufacturing defined by the same high quality anywhere, at any time. In addition to this, we are also rolling out robotic process automation (RPA) at our business sites abroad; this is a technique that has achieved impressive results in Japan. Our plan is to actively create an environment in which employees can focus on high-value work.

Finally, in strengthening governance, we strive to promote awareness by perform compliance training for all employees on a monthly basis and take steps to prevent any misconduct. With regard to risk management, we are currently proceeding with the step-by-step implementation of information security strategies based on guidelines compiled by industry associations. In response to the increased frequency of cyber-attacks in recent years, we are working to strengthen information security throughout the CCI Group.

Through our project for exploring our corporate philosophy, we are reviewing our corporate philosophy and helping to grow the next generation of recruits

In FY 2022, CCI launched the project for exploring our corporate philosophy to officially review our corporate philosophy and formulate a new code of conduct. This project is intended to explore the meaning of corporate value and to define our company's purpose. In this era of socioeconomic change and varying forms of business, we strive to identify the unchanging significance of our company's presence. Rather than using a top-down approach, this initiative involves appointing employees, ranging in age from the late twenties to early forties, to play a central role in reconstructing our corporate philosophy which comprises the company's roots. Their task will be to identify and to record everything that constitutes new value within the company and to become advocates of our mission over the next 30 to 50 years. Through this project, we aim to explore social, corporate and organizational topics and problems while growing as a company in which each individual can take action towards a solution through shared values, supporting the future of CCI together.

Personally, I was very interested in hearing the views of next-generation employees. CCI had previously tended towards a "top-down" approach that seemed to prevent individual employees from expressing their own views. I wanted these young people to understand that they would be the ones leading the company's development in the future. It was my hope that they would take advantage of this opportunity to voice their thoughts and to learn from our company's past, thus going on to impart their knowledge to a whole new generation in five to ten years' time as true advocates of our mission. The focus is to think carefully about what must be accomplished, what one desires to achieve, and what the objectives are, and then to work towards those goals. Since launching this project, I have felt strongly that the team members are demonstrating personal growth. They have begun to think critically about strategic matters and have come to understand business from a managerial perspective. Another important point lies



in whether or not one's plans can be implemented. This too must be communicated to the next generation. We are planning to launch a new project to explore this.

Working together with the new generation to realize sustainable development for the company

From my perspective, it does not bother me if the points established in this project for exploring our corporate philosophy change in the future. No matter how hard you strive, you will never get things 100% right. Deciding on a philosophy was never the real objective. When the goals are made clear, we can focus on the most important aim of supporting the company's sustainable development. By continuing this initiative, I believe that we can grow as a company: one in which employees and their family members can feel pride and which is appreciated by the local community and by the public. It is my hope that we can demonstrate our resolve to our stakeholders through action and earn their confidence and trust.

Tetsuya Okabe

President and CEO

*KPI: Key Performance Indicators

Overview of the CCI Group

We are developing our business globally through customer-focused research and development activities.

Company Profile

CCI HOLDINGS INC.

Headquarters Nohi Building (12F), 2-20 Hashimotocho, Gifu City, Gifu Prefecture

Date of establishment April 1, 2013

Paid-in capital 10 million yen

Business areas Management of CCI Group companies and ancillary business, real estate leasing, and basic research

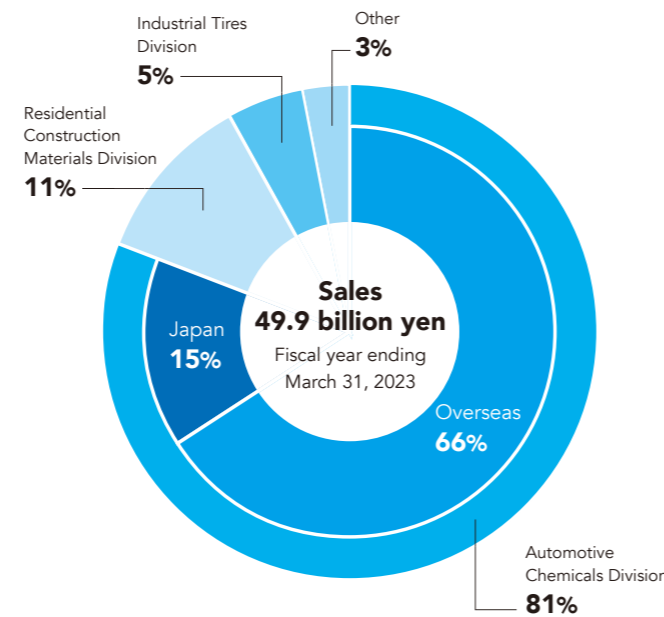
CCI CORPORATION

Headquarters 12 Shinhasama, Seki City, Gifu Prefecture 501-3923

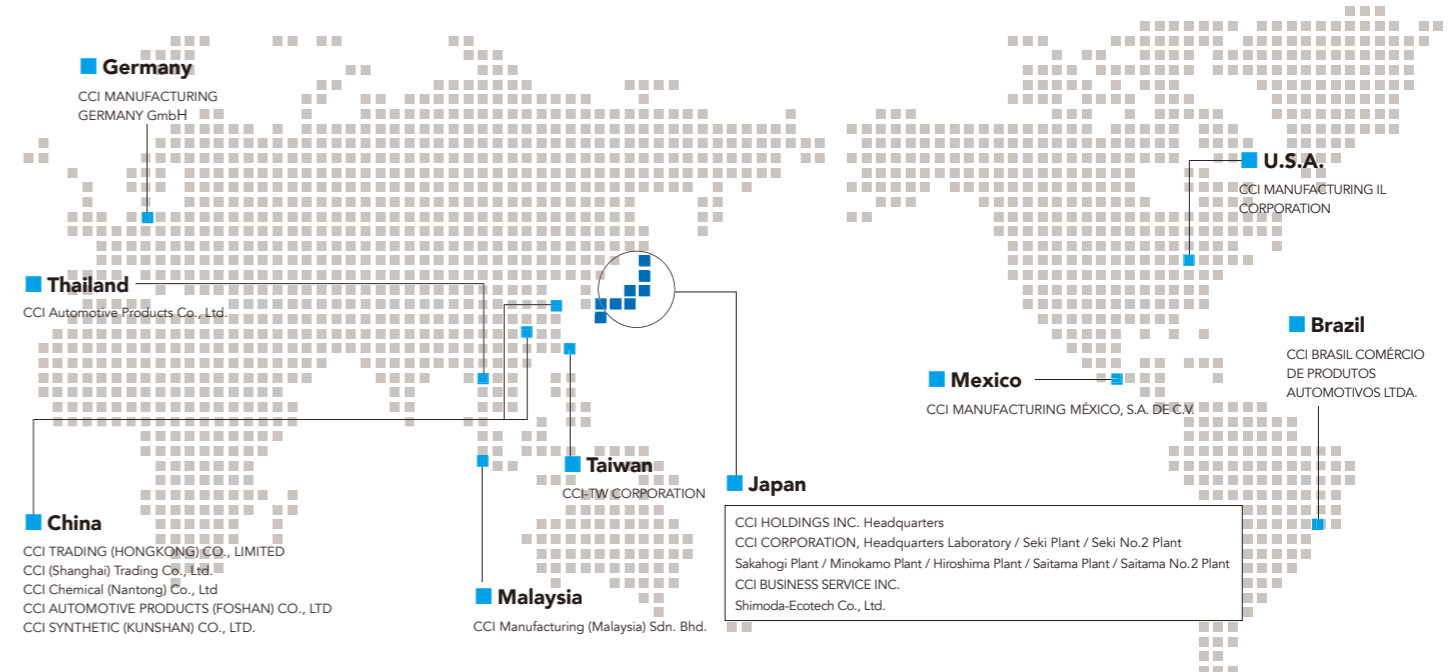
Date of establishment May 31, 1949

Paid-in capital 1.26 billion yen

Business areas Development, manufacturing and sales of automotive chemicals, car care supplies, resin and rubber products, soundproofing and vibration control materials



Global Network (12 sites in 8 countries overseas, 4 companies with 8 locations in Japan)



Business Content

Automotive Chemicals Division



As an OEM supplier for leading automotive manufacturers, we mainly supply engine coolant and brake fluid, providing customers with safety and peace of mind. We have established a manufacturing and supply system that enables our products to be used by automotive manufacturers all over the world. We also produce car care supplies, offering products through dealerships and specialty stores that help professionals and everyday drivers alike to optimally manage their vehicle.

Main products and research themes

- Engine coolant
- Brake fluid
- Windshield washer fluid
- Antifreeze for hot water floor heating systems
- Automotive coating agents
- Glass coating agents



Residential Construction Materials Division



We provide materials that can absorb sound and vibration, as well as soundproof drainage pipes that combine PVC pipes with insulating material. These products are available for use in everything from detached homes to apartment buildings. In addition to improving people's living environment, we are also proactively introducing products that reduce the time and effort needed for construction. We also provide microbial agents that can break down fats and oils.

Main products and research themes

- Soundproof drainage pipes
- Fire protection pipes
- Vibration damping sheet and paints
- Fat and oil-degrading microbial agents



Industrial Tires Division



In the thermoset urethanes segment, we mainly focus on tires created by adhering injected urethane to the wheel. The adhesive properties of urethane, vital in assuring vehicle safety, provide an unrivaled advantage and urethane is widely used in material handling and recreational equipment. We are expanding our urethane wheel product line to include environmentally friendly (antibacterial and conductive) applications. We attend carefully to customers' requirements starting at the design stage and arrange smaller lot production as necessary.

Main products and research themes

- Industrial urethane wheels
- Solid tires



R&D Department



The R&D Department provides support for the implementation of divisional and departmental product strategies and conducts research on the diverse functions of living organisms and how these can be utilized in daily life. To date, our achievements include developing supplements that enhance the quality of life and health as well as researching techniques to purify contaminated water and soil to safeguard the global environment. Because there are no restrictions on the research topics we address, we can take on challenges in a wide range of fields. We also conduct joint research with universities to continually pursue new possibilities.

Main products and research themes

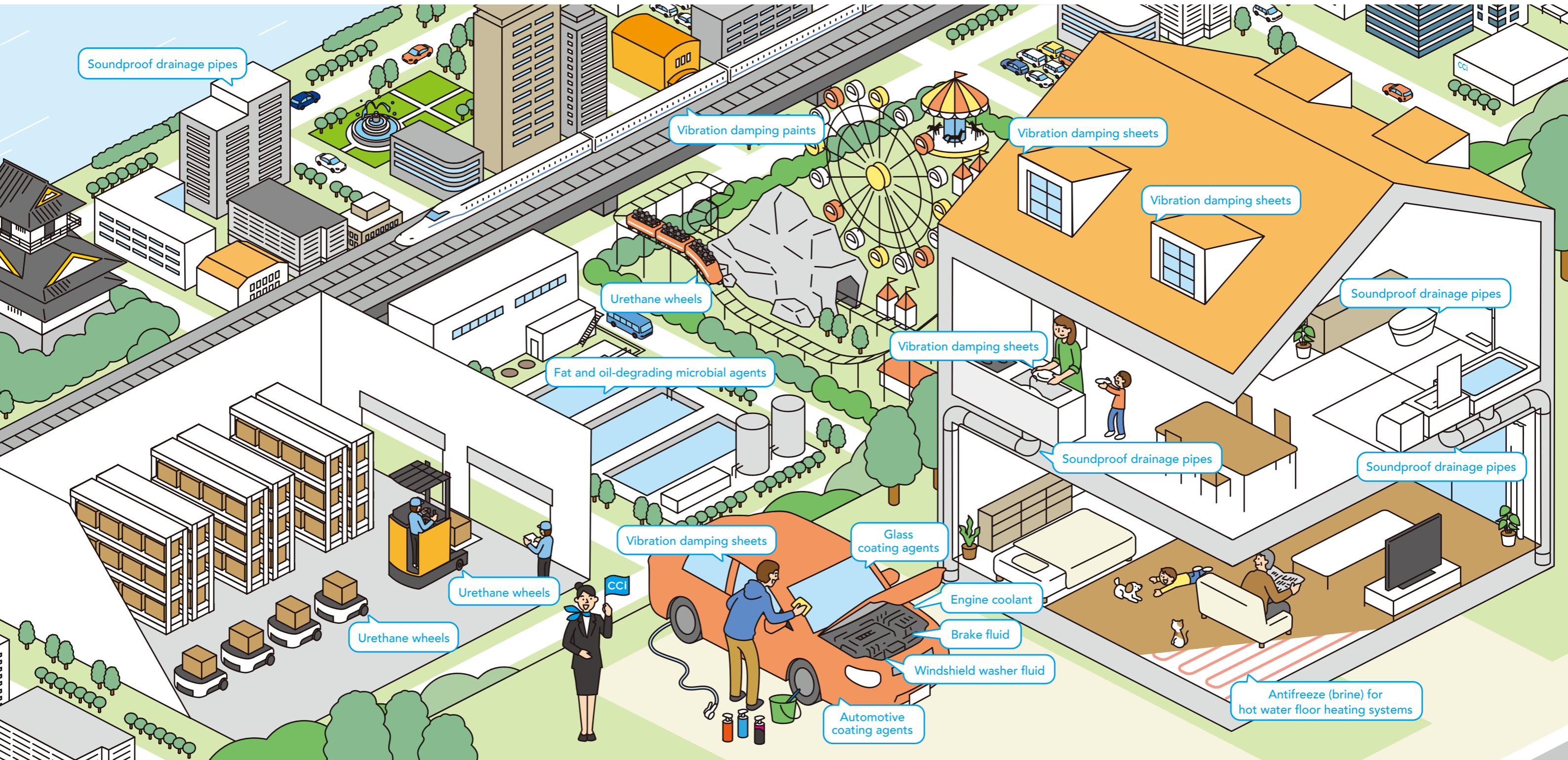
- Fat and oil-degrading microorganisms
- Plant extracts
- Functional materials



Overview of the CCI Group

CCI Products That Support Daily Life

CCI products are used in many different areas of people's daily lives. Here, we present examples of how these products are used in familiar aspects of our living environment.



Value Creation Story

History of Value Creation by CCI

Since its founding in 1949 as a manufacturer of brake oil, CCI has expanded into a wide range of business fields and has successfully transformed itself in various ways. We will continue to provide safety, comfort, and peace of mind, as we embark on the next stage in our journey.

Sales in Japan Overseas sales

Automotive chemicals
1949

Industrial tires
1970

Car care supplies
1977

Expanding into overseas markets
1980

Residential construction materials
1992

NEXT STAGE

1949



May, 1949
Chuo Chemical Industries Corporation was established

Founding of the company as a brake oil manufacturer

Inspired by a desire to put an end to tragic road accidents, we began development of brake oil products, demonstrating a spirit of resolute determination.



1970

Expanding into the rubber business (now the industrial tire business)

In cultivating businesses that will support further growth, we developed a new segment of industrial urethane rubber wheels.



1980-1990

Expanding into overseas markets

Determined to take advantage of the access to world-class technology and the foresight into the future, we established a local subsidiary in the U.S. to further develop our market. Subsequently, local subsidiaries (or branch offices) were established in Taiwan, the UK and Thailand.



December, 1980
A local subsidiary was established in the US

September, 1981
A local subsidiary was established in Taiwan

2000-

Strengthening the global supply system

To further expand our supply system throughout the world, we established local subsidiaries in China (5 locations), Mexico, Brazil and Germany as well as a joint venture company in Malaysia.



May, 2005
A local subsidiary was established in Foshan, Guangdong Province, China

July, 2017
A local subsidiary was established in Germany

1977

Expanding into the car care supplies business

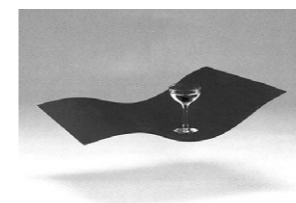
In an era of widespread car ownership, we have expanded into the car care supplies business (now part of our Automotive Chemicals Division) for everyday drivers by utilizing our carefully-developed chemical blending technology.



1992

Expanding into the vibration damping business (now the residential construction materials business)

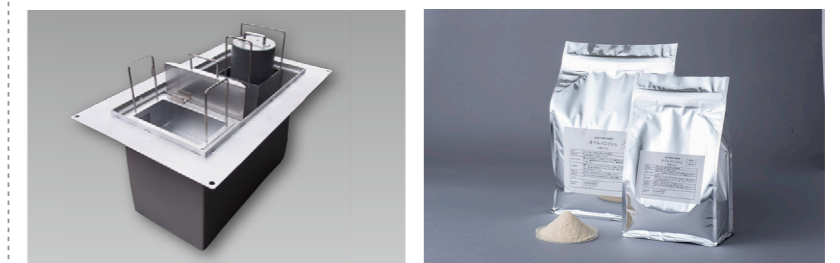
Using the vibration damping, sound absorption and soundproof insulation technology developed in our automotive chemicals business, we have expanded into the business of creating safe and comfortable homes.



2007-

Developing environmentally friendly products

Using the technology that we have cultivated over the years, we develop and market environmentally friendly products.



2007
Having acquired Shimoda-Ecotech Co., Ltd. as a subsidiary, we began the design, manufacturing and marketing of grease traps (fat and oil blockers)

2018
We developed and began marketing Oil Vanish, a fat and oil-degrading microbial agent

Value Creation Story

Value Creation Process

Through the effective use of our technological achievements, we will continue to create new value in our products that will enable people to lead richer, more fulfilling lives.



External environment

- Transformation of the mobility sector
- Climate change
- Changing the business environment through digital transformation (DX)
- From selling products to experiential consumption
- More diverse customer needs
- Trend towards smaller families and population aging


Technology and managerial assets*

Technical department researchers
78 personnel

Production sites in Japan
8 sites

Overseas business sites
12 sites in 8 countries

No. of patents held
212 patents



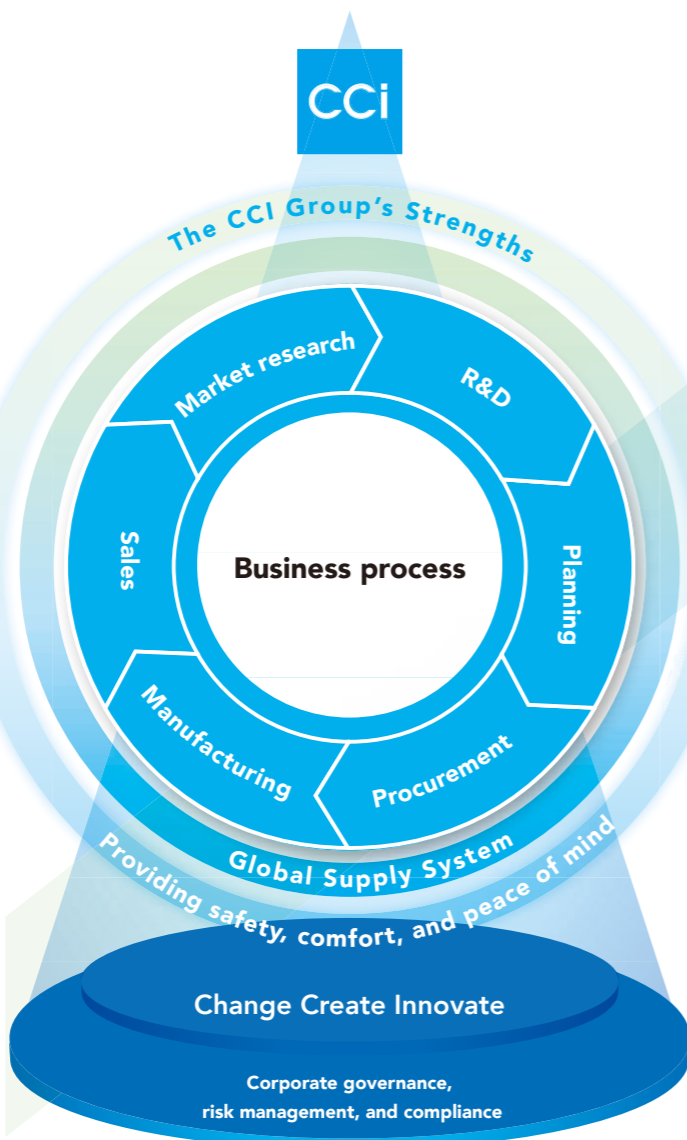
CCI CORPORATION Headquarters Laboratory

* Data correct as of March 31, 2023
No. of technical department researchers and patents held (CCI Corporation)

Advancing technological solutions by synergistic approach.
Contributing to society for safety, comfort, and peace of mind.

Change Create Innovate

Changing through challenges for a better tomorrow Creating ingenious solutions, driven by customer focus Innovating through collaboration



Our approach to social issues

- Automotive Chemicals Division**
 - Developing next-generation mobility products
 - Developing environmentally friendly products
 - Simplifying car cleaning and maintenance in anticipation of future growth in car-sharing
- Residential Construction Materials Division**
 - Providing a tranquil residential environment
 - Making on-site installation more efficient
 - Expanding the use of noise reduction technology in the mobility sector
- Industrial Tires Division**
 - Providing environmentally friendly products
 - Antibacterial, durable, conductive, noise-reducing, energy-saving
 - Long product lifespan
 - Wheel / tire reuse (retreading)
- R&D Department**
 - Providing environmentally friendly products and services driven by new technologies
- Corporate Division**
 - Establishing systems and an environment that allows you to work anywhere
 - Improving employee engagement

ESG priority issues (Targets for 2030)

- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**
 - Building a recycling-oriented society for our products
 - Switching over to using non-petroleum-derived raw materials
- 9 INDUSTRY INNOVATION AND INFRASTRUCTURE**
 - Reducing waste at every stage from procurement through on-site construction to demolition
- 3 GOOD HEALTH AND WELL-BEING**
 - Reducing the amount of environmentally-impactful substances used
- 13 CLIMATE ACTION**
 - Manufacturing low-carbon emitting products (Energy management)
- 8 DECENT WORK AND ECONOMIC GROWTH**
 - Promoting diverse work styles

Our vision for society (in 2050)


Realizing richer, more fulfilling lives for people

[Society]

- Providing mobility in an environment characterized by safety, comfort, and peace of mind
- Creating tranquil living spaces
- Enhancing health and quality of life

[Workplace]

- Realizing diverse work styles



Creating unprecedented value

- Generating new products and services



Contributing to a sustainable society

- Achieving a carbon neutral society
- Transitioning to a circular economy



Value Creation Story

Divisional Initiatives

Here, we introduce some of the initiatives adopted by individual divisions and departments to realize sustainable management.

Automotive Chemicals Division



Managing Director and Division Manager,
Automotive Chemicals Division

Hisayoshi Osawa

Contributing solutions to environmental problems through innovative product development

The Automotive Chemicals Division develops products that meet customers' needs, utilizing the extensive engine coolant and brake fluid know-how accumulated over the years as well as a strong R&D system, including the research facilities maintained abroad. Each product adheres to high quality standards, thanks to a rigorous quality management system that makes effective use of IT. Today, with growing environmental awareness and the need to realize carbon neutrality (CN), there is strong demand for products that utilize new energy sources and technologies. With the transition to EVs proceeding rapidly, the division is committed to contributing solutions to the world's environmental problems through innovative products. ESG measures implemented by the division include the development of BEV and FCV supplies and long-life products that can contribute to a circular economy along with recycling initiatives. The division is also actively promoting CSR-based procurement. In addressing the key issue of reducing CO₂ emissions, the team is thoroughly reviewing manufacturing processes and products from the ground up, preparing to contribute environmentally friendly products to the public.

Industrial Tires Division



Focusing on ESG measures, and providing products and services that meet contemporary needs

The Industrial Tires Division boasts outstanding technology in bonding urethane to metal cores, an important factor in producing high-quality urethane tires. With urethane tires being used in an increasingly wide range of environments, the requirements for tire durability have become more stringent. To enhance durability, CCI has undertaken industry-leading R&D work on urethane bonding. The divisional strategy formulated by the Industrial Tires Division for FY 2022 emphasizes the promotion of ESG measures. In addition to initiatives on reducing environmentally harmful substances, the division is also making steady progress on cutting CO₂ emissions through improvements in equipment and processes, increasing productivity. The team is also focused on reducing waste such as paper, packaging and raw materials, as well as reducing the rate of nonconforming products. In developing environmentally friendly products and services, we also provide customers the option to reuse the metal components of tires through urethane retreading. CCI aims to be a trusted enterprise by providing high-quality products and services that meet the needs of the times.



Executive Officer and Senior General Manager,
Industrial Tires Division

Hironobu Murase

Residential Construction Materials Division



Executive Officer and Senior General Manager,
Residential Construction Materials Division

Hirokazu Sako

Delivering environmentally friendly products and services that provide safety and peace of mind while contributing to a rich home environment

The Residential Construction Materials Division provides soundproof drainage pipes for residential buildings, offering a quiet, comfortable living environment while improving on-site efficiency and developing products that reduce costs and save time. Although housing demand in Japan is expected to decrease due to the trend towards smaller families and the aging of the population, we aim to achieve sustained growth by maintaining high quality standards, providing value-added products and offering design and processing services. As regards ESG measures, in addition to enhancing efficiency at our plants and reducing waste, we are also collaborating with manufacturers to collect and recycle PET shrink film waste generated during production to maximize resource circulation. We are steadily making progress on the key issue of reducing CO₂ emissions by enhancing productivity and reorganizing production lines, realizing energy savings. We will continue to establish next-generation business foundations while remaining attentive to customers' needs. Despite the marketing environment's unpredictability, we will strive to deliver environmentally friendly, high-quality products and services that provide safety and peace of mind.

R&D Department



Building next-generation businesses, developing environmentally friendly products, and promoting research on decarbonization

The R&D Department supports the development of new businesses for the next generation and the implementation of effective strategies in each segment. In addition, R&D is undertaking the development of environmentally friendly products and research on decarbonization as well as the building of bio-based products as a replacement for petrochemical-derived products by 2030. The department also conducts collaborative research with universities, launching a Research Grant Program in FY 2021 with the goal of aiding young researchers and students. Selecting research topics from a wide range of fields and providing support for study, we assisted in seven projects at Nagoya University and Gifu University during FY 2022. We have established KPIs directed towards ESG measures as a means for improvement, managing and reviewing them annually. As R&D expands its investment in research and builds unprecedented products, we will continue to demonstrate our commitment to facing new challenges as well as our passion in fulfilling the philosophy of "Chemistry is for the world and for all people."



Director, Technology Management and
R&D Department

Michihiro Hori

Sustainability Initiatives

We aim to realize a sustainable society and to enhance our corporate value through fair and faithful business activities and in so doing fulfill our social responsibility.

CCI Group Sustainability Policy

CCI Group Sustainability Policy (Excerpt)

We at CCI Group, based on our corporate philosophy, will strive to engage responsibly with every stakeholder, promote fair and faithful business activities, and fulfill our social responsibility to achieve a sustainable society and increase our corporate value.

 [CCI Group Sustainability Policy \(Full text\)](#)

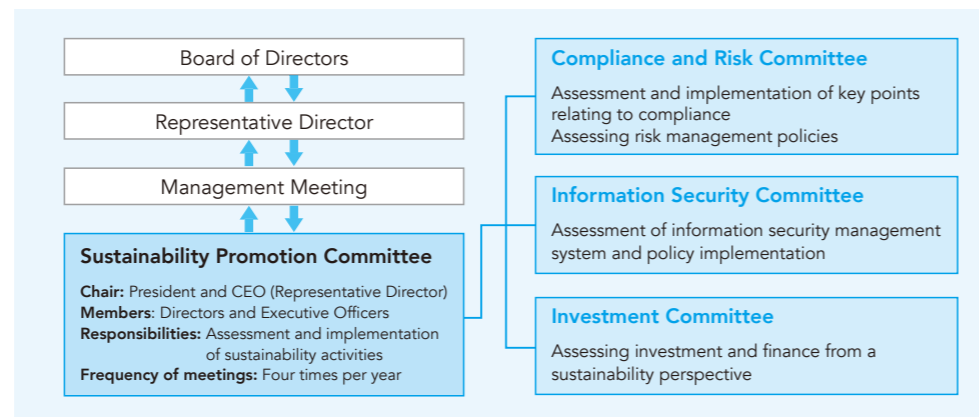
Sustainability Promotion System

To promote sustainability activities, CCI Group established the Sustainability Promotion Committee in April 2022, headed by CCI's President and CEO. Under this, we also established three subcommittees – the Investment Committee, the Compliance and Risk Committee, and the Information Security Committee. Through regular meetings, these committees undertake a wide range of activities to promote our corporate goals.

Committee meetings

Initiatives to promote sustainability

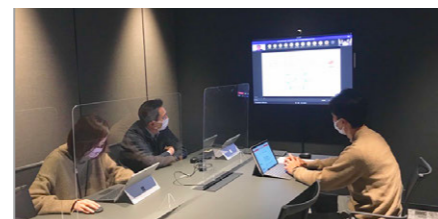
- Formulate CCI Group's action plan for sustainability
- Monitor ESG and SDG activities
- Share and hold dialogue with stakeholders
- Communicate internally
- Report to Board of Directors



Training

In order to implement sustainability management, CCI is keeping abreast of worldwide trends and progress of company initiatives while also working to raise awareness.

- Basic training on sustainability
- ESG training
- Governance training



Governance training in progress (December, 2022)

Participation in community cleanups

CCI is actively involved in community cleanups in an effort to collaborate with local communities.

- Cleanup within the Seki industrial area
- Cleanup around Hazamagawa

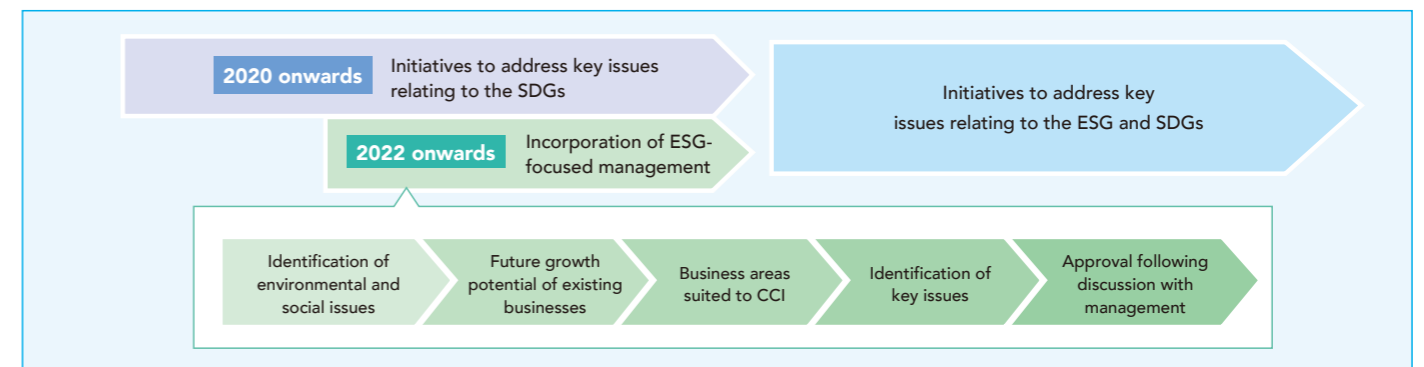


Cleanup in the Seki industrial area (June, 2022)










CCI Group's Materiality

CCI identifies the *materiality* (priority issues) of its sustainability activities by accurately understanding and analyzing changes in the environment, society and economy as well as current events. In order to link these issues with business activities, we establish KPIs for each division in an effort to continuously provide safety, comfort and peace of mind to people around the world.

Identifying ESG Priority Issues









ESG Priority Issues

Field of activity	Key issues	Priority issues (concrete measures)	ESG	SDGs
Business activities	• Providing mobility in an environment characterized by safety, comfort, and peace of mind • Creating tranquil living spaces	Developing next-generation mobility products	E	
		Providing environmentally friendly products and services driven by new technologies	E	
	• Transitioning to a circular economy	Establishing business models for the recovery and recycling of used products	E	
		Switching over to recyclable materials	E	
		Waste reduction	E	
Company-wide activities	• Enhancing health and quality of life	Managing specified chemicals and environmentally-impactful substances: Reducing or eliminating their use	S	
		Contributing to the community through sports	S	—
	• Achieving a carbon neutral society	Reducing Scope 1 + 2 CO ₂ emissions by at least 30% compared to FY 2019	E	
		Assessing and monitoring Scope 3 emissions	E	—
	• Realizing diverse work styles	Improving employee engagement	S	
Increasing productivity through enhanced visualization and digitalization: Realizing a paperless society		S		
• Initiatives relating to human rights	Implementing human rights due diligence	S	—	
	Human rights initiatives in the supply chain	S	—	

Sustainability Initiatives

ESG Priority Issues and Results

Achievement rate symbols ○: 100% or higher achievement ○: 80 to 100% achievement △: Less than 80% achievement

Field of activity	Key issues	Priority issues (concrete measures up to 2030)	KPI Achievement status for FY 2022	ESG		
Business activities	<ul style="list-style-type: none"> Providing mobility in an environment characterized by safety, comfort, and peace of mind 	Developing next-generation mobility products	Adopting environmentally friendly products for vehicles, aircraft, ships, housing and solar panels, etc.	△	E	
	<ul style="list-style-type: none"> Creating tranquil living spaces 	Providing environmentally friendly products and services driven by new technologies	Improving living spaces with vibration damping and sound absorbing materials	△	E	
			Improving other surroundings with vibration damping and sound absorbing materials	◎	E	
			Expanding sales of Oil Vanish, a fat and oil-degrading microbial agent	△	E	
	<ul style="list-style-type: none"> Transitioning to a circular economy 	Establishing business models for the recovery and recycling of used products	Recovering 10% of waste LC and BF amounts (in Japan) (10,000 kL) and utilizing after recycling	△	E	
			Reviewing and changing materials	○	E	
		Switching over to recyclable materials (waste reduction)	Expanding reuse business	◎	E	
			Recycling and utilizing 50% of waste liquid amount at plants (vs. FY 2013)	△	E	
			Initiatives to reduce plastics	○	E	
	Developing products made with nonpetroleum materials	Establishing mass production technology	○	E		
<ul style="list-style-type: none"> Enhancing health and quality of life 	Managing specified chemicals and environmentally-impactful substances: Reducing or eliminating their use	Eliminating the use of specified chemicals and environmentally-impactful substances by reviewing processes	◎	E		
		Eliminating the use of hazardous substances by establishing an appropriate management system	○	S		
Company-wide activities	<ul style="list-style-type: none"> Enhancing health and quality of life 	Contributing to the community through sports, etc.	Sponsoring cultural, art and sporting events	○	S	
	<ul style="list-style-type: none"> Achieving a carbon neutral society 	Reducing Scope 1 + 2 CO ₂ emissions by at least 30% by FY 2030 compared to FY 2019	Implementing the CO ₂ reduction project	◎	E	
		Assessing and monitoring Scope 3 emissions	Assessing Scope 3 emissions globally	○	E	
	<ul style="list-style-type: none"> Realizing diverse work styles 	Improving employee engagement	Improving score on engagement survey	Achieving diversity in the workplace	○	S
			Improving the work environment and reviewing current systems	○	S	
	<ul style="list-style-type: none"> Increasing productivity through enhanced visualization and digitalization: Realizing a paperless society 	Increasing productivity through digitalization and promoting a paperless society	Increasing productivity through digitalization and promoting a paperless society	○	S	
Realizing a paperless society			○	S		
<ul style="list-style-type: none"> Initiatives relating to human rights 	Establishing a due diligence process for human rights	Implementing human rights due diligence processes based on CSR procurement guidelines	○	S		
	Human rights initiatives in the supply chain	Promoting human rights initiatives in the supply chain	○	S		

TOPICS ①

Project for Exploring Our Corporate Philosophy

CCI launched the project for exploring our corporate philosophy in June, 2022. With 25 members, the project team explored our corporate philosophy which represents the roots of the company. Identifying what would be considered *new value* that can be imparted to future generations, the team articulated in writing the company's purpose and the plan by which to communicate this as advocates of our mission. In performing each of these tasks, the team presented their intentions to upper management and received feedback before moving forward. Numerous discussions were held on how best to word our philosophy, taking into account each member's views. Through this undertaking, team members learned about the company's history, current strengths, pertinent topics for consideration as well as the direction in which we should proceed. In understanding our philosophy, we learned how to approach critical analysis and task design as a company. We will continue to implement measures that further communicate our corporate philosophy.

Reformulated Corporate Philosophy
Advancing technological solutions by synergistic approach.
Contributing to society for safety, comfort, and peace of mind.

Change	Create	Innovate
Changing through challenges for a better tomorrow	Creating ingenious solutions, driven by customer focus	Innovating through collaboration



Project for exploring our corporate philosophy (January, 2023)

TOPICS ②

Meeting of Sustainability Promotion Managers

Since April, 2022, CCI has undertaken promotional activities to raise company-wide awareness of sustainability management, led by the Sustainability Promotion Managers. These include representatives from each department, numbering around 20 members, who hold meetings once a month. During these meetings, managers share their thoughts on activities that would encourage their department members to better understand, embrace and practice sustainability, while also sharing current progress and results from previous activities. They also participate in various training programs to further comprehend sustainability. Voluntary social contribution activities have also been organized by the team with each member calling out to their department and encouraging action. We will continue to promote activities that further our understanding of sustainability management.



Meeting of Sustainability Promotion Managers (March, 2023)

Voluntary social contribution activities

- Collection of PET bottle caps
- Collection of used clothing
- Collection of empty disposable contact lens cases
- 2023 Turkey-Syria earthquake relief (matching gift)

ESG Activity Report

ESG Activity Report Highlights



Environment Switching to Environmentally Friendly Packaging

With environmental protection as a focus, CCI has made strides in controlling the use of plastics and reducing waste by exchanging bottles and providing refill and replacement packaging products.

In December, 2022, we switched our car shampoo containers from bottles to pouches.

Additionally, products developed after December, 2020 utilize containers certified by FSC for responsible use of wood materials. We will continue our transition to more environmentally friendly packaging.

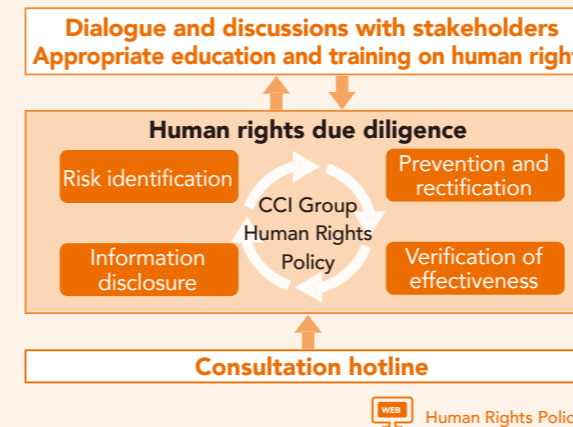


Social Initiatives to Uphold Human Rights

CCI Group, recognizing respect for human rights as one of the most important themes underpinning sustainability management, established the CCI Group Human Rights Policy in 2021. Under this policy, we conducted human rights training for all board members and employees in Japan.

In addition, we are conducting human rights due diligence* based on the procedures outlined in the UN Guiding Principles on Business and Human rights. In FY 2022, a total of 89 CCI Group companies and partner companies in Japan and abroad were asked to complete a self-assessment questionnaire. The information provided allowed us to complete a risk assessment and analysis. We will address the issues identified in this process.

* Human rights due diligence: An ongoing process of identifying, preventing and mitigating negative impacts on human rights and determining the best course of action.



Governance Strengthening Information Security

CCI Group is working to mitigate risks of cyberattacks and information leakage in promoting digitalization and digital transformation (DX) of business operations. In 2023, we formulated the CCI Group Information Security Policy, implementing security countermeasures and continuous corrective actions to strengthen our security system. In Japan, we provided information security training and exercises to all employees in an effort to improve their basic knowledge on the subject. We will take steps to strengthen the management of information security, not only in Japan but throughout the CCI Group.

CCI's Key Initiatives

- Renewal of core system (ERP)
- Introduction of security solutions (EDR)
- Maintenance of information security management system
- Information security training
- Targeted email attack response exercise

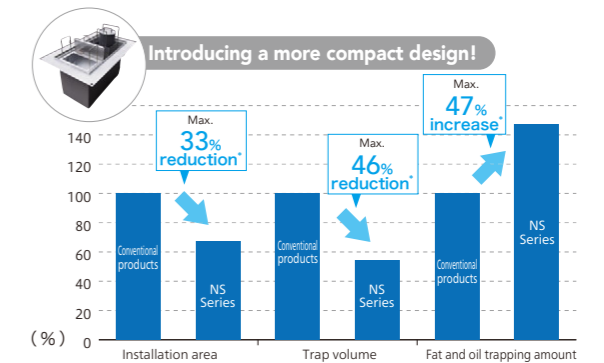
Information Security Policy



Environmental Contributions of Shimoda-Ecotech Products

Compact Grease Trap significantly improves efficiency

Shimoda-Ecotech designs, manufactures and markets Grease Traps (fat and oil separators) that are required by law to be installed in commercial kitchens. The new and improved Grease Trap (NS Series), launched in October, 2022, features a compact design with size reductions of up to 33% in installation area and 46% in trap volume compared to conventional products, reducing the materials used to make this series. Compared to conventional products of a similar size, the NS series more effectively traps fats and oils by up to 47%.



* When comparing the capacity of a similarly-sized grease trap functioning at 100% (with CCI's conventional products)

Environmental Contributions of CCI Automotive Products (Thailand)

Recycling PET bottles to reduce CO₂ emissions

CCI Automotive Products of Thailand has been collecting and donating PET bottles from employees since May, 2022 through a partnership with WHA Group, an operator of industrial estates, and PTT Global Chemical Public Company Limited, a petrochemical manufacturer. Donated PET bottles are recycled into polyester fibers to make handbags and other items. CCI Automotive Products will continue this activity to help lower CO₂ by reducing waste and to achieve a circular economy.



Receiving WHA's report on donation results (January, 2023)



Environment

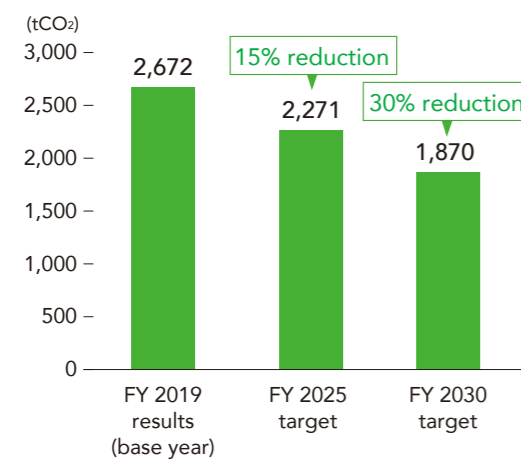
CCI Group actively engages in conservation through greenhouse gas reduction, environmentally friendly products, and technology unique to CCI as we strive towards the goal of carbon neutrality by 2050.

Climate Change Initiatives

Greenhouse gas reduction

In our efforts to reduce greenhouse gas emissions, CCI promotes energy conservation and the use of renewable energy. Reducing CO₂ emissions as outlined in Scope 1 and 2 by 30% before FY 2030, compared to FY 2019, is our medium-term target. We have established a project to promote activities and created an action plan to reduce emissions during production. Under both, we are now working to lower our CO₂ emissions. Additionally, in FY 2022, CCI Group companies calculated their individual CO₂ emissions. CCI Manufacturing Illinois in the United States is working with a consultant to implement reduction activities. CCI Group as a whole will make efforts toward this end.

■ CCI's CO₂ emissions (Scope 1 and 2)



Environmental Management

Environmental management system

CCI Group has adopted an environmental management system based on ISO 14001 and focuses on the planning, execution, and review of environmental initiatives as we make continuous improvements. Production sites that are not yet ISO 14001-accredited will strive towards certification.



Chemical Management System

Building our chemical management system

CCI complies with all relevant laws including the Act on the Regulation of Manufacture and Evaluation of Chemical Substances, the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement, the Industrial Safety and Health Act as well as the Poisonous and Deleterious Substances Control Act. To prevent harmful effects on people and the environment caused by chemicals, each of our departments is working together to build our chemical management system.

Striving Towards a Circular Economy

CCI will strive to achieve a circular economy as we follow our code of conduct in our operations. We endeavor to reduce waste and to promote the use of recycled resources. We will also focus on the recycling and effective utilization of our own products.

Waste control

<Reducing the amount of raw materials used by reviewing work processes>

The Industrial Tires Division reduced its use of raw materials by reviewing its work processes. We will continue with our efforts to reduce waste.



<Reducing and reusing wash water>

The Automotive Chemicals Division is working to reduce and reuse water used to wash its tanks at plants. In setting a reduction target for water usage at CCI, we will contribute to a sustainable society through ongoing efforts to secure water resources.



<Reducing waste within the CCI Group>

CCI Group's two plants in China are also working to reduce their use of wash water. In addition, we are making efforts to reduce fluid waste by establishing specific sampling amounts for inspections as well as transitioning to the use of tanker trucks to deliver raw materials and disposing fewer drums. We will continue building an environmentally friendly manufacturing system.

Contributions to the Environment

CCI is working to develop environmentally friendly products by utilizing technologies cultivated over the years.

Developing environmentally friendly products

<Developing vibration damping materials>

The *Dipolgy*[®] series of vibration damping materials cuts bothersome noises by absorbing sound, vibrations and impacts using our proprietary technologies that disperse sound through the combination of specialty additives and polymer materials. In addition to vibration damping materials, we also offer vibration damping paints that can be used on any shaped surface to deliver a quiet and comfortable space tailored to the characteristics of sound.

* *Dipolgy* comes from the combination of the words, *dipole* (magnetized poles) and *energy*.



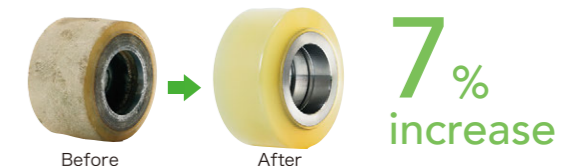
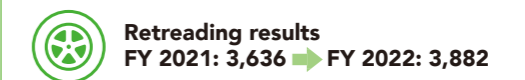
Dipolgy sound absorption foam

Product reuse

TOPIC

Retreading Long Life Urethane Tires, *ULTRUNS*

Our long life urethane tire, *ULTRUNS*, can undergo retreading. Retreading is a technology that reuses the wheel portion of the tires and replaces the urethane layer to restore function. Retreading reduces manufacturing and disposal costs while also helping the environment. We will seek to further reduce waste and resource usage by developing products with excellent wear resistance as well as more durable and longer lasting products.



<Expanding sales of fat and oil-degrading microbial agents>

Oil Vanish, a fat and oil-degrading microbial agent, significantly reduces grease waste through its powerful ability to break down fats and oils contained in the drainage of food factories and other facilities. It also substantially reduces n-Hex (normal hexane extract content) found in drainage, reducing foul odors caused by decaying fats and oils and preserving the environment. Since launching sales in 2018, *Oil Vanish* has proven effective through use in food factories. We will contribute to waste reduction by further promoting sales of this product.



Oil Vanish



Social

Following our code of conduct, we at CCI Group prioritize safety above all else as we strive to improve customer satisfaction. We actively work with local communities and do our utmost to give back through services that fulfill our corporate social responsibilities.

Quality

Initiatives for quality assurance

To ensure safety and product quality, CCI Group has acquired quality management system certification (ISO 9001) and promotes continuous improvement in our daily operations. Any complaints we receive from customers are addressed promptly and appropriately with safety as a top priority. In order to standardize quality control, we are in the process of adopting a globally shared IT platform. This will allow us to visualize production process management, quickly detect and correct defects and take appropriate preventive measures. We will continue to focus on manufacturing products of the highest quality throughout CCI Group.

External certification of quality management system (as of March, 2023)

ISO 9001 certification	7 sites
IATF 16949 certification	4 sites

Quality standard training

CCI regularly provides quality standard training for all employees. We also organize training led by a consultant to increase awareness and productivity of manufacturing departments. We will continue training employees to elevate their understanding of quality.



Attendance at quality standard training

100%

(FY 2022)

With Our Customers

Initiatives to improve customer satisfaction

In an effort to improve customer satisfaction, CCI carefully considers all forms of feedback on our products and services. These include comments noted on surveys and communications from patrons at our customer service centers. These valuable opinions provide us the keys to plan our next steps. CCI has also developed a telephone response manual and conducts communication skills training for service center staff. We will strive to further improve our level of service in responding to customer inquiries.

With Our Business Partners

Initiatives for CSR-based supply procurement

CCI works with business partners (suppliers) to mold conventional procurement activities that focus on quality, performance, cost and delivery as well as corporate social responsibility (CSR) elements regarding environment, labor and human rights. To reduce potential risks to business operations, CCI has established procurement guidelines based on CSR principles. With supplier consent, these guidelines are implemented across the supply chain. To ensure compliance with CSR guidelines and other regulations such as conflict minerals reporting, we implement self-assessment questionnaires (SAQ) and maintain open communication with our business partners.

Initiatives for occupational health and safety

All of CCI's business sites have obtained ISO 45001 accreditation for their occupational health and safety management systems, establishing safety and disaster prevention standards to mitigate and manage workplace incidents. To reduce risks that could lead to serious injury, we have developed appropriate work procedures and require the use of protective equipment. We will strive to continue reducing the risk of incidents by formulating safety standards for CCI Group and providing continuous training to enhance safety awareness.



Safety patrol inside a plant (March, 2023)



Occupational incidents and occurrences*
*Lost-time injury or worse

0 cases

(FY 2022)

TOPIC

Initiatives at CCI Manufacturing Germany: Introduction of emergency alarm system for employees working alone

In November, 2022, we introduced an automated medical alert device that allows employees working alone to call for help in the event of a fall due to an accident or illness. Emergency services will be alerted through the push of a button or any motion detected by the device. Our goal is to create a safer workplace in which those working alone may be given swift medical attention in an emergency.



Emergency alarm system

With Our Employees

Human resource development

Based on CCI's Corporate Philosophy, we are working on human resource development through high-quality training programs. These courses include everything from new hire orientation to position-specific and skill enhancement trainings led by guest lecturers as well as business English classes. We have also established an incentive system for employees to acquire additional certifications relevant to their work.

List of training courses

Corporate titles	Position-specific training	Subject-specific training	Departmental training	Personal development
Management	New department manager training New group manager training	Sustainability Human rights Code of conduct Compliance		
Mid-career employees	New leader training Promotional training	Health and safety Environment and quality Information security Evacuation training	Implementation in each department	Outside seminars In-house study sessions
New employees	Third-year training New hire training	Harassment LGBTQ* Mental health 5S Safe driving First-aid training		Business English courses e-learning Incentives for obtaining qualifications
Prospective candidates	Prospective candidate training (prior to joining the company)			

* LGBTQ: An acronym for sexual minorities

Creating a comfortable workplace

CCI is committed to establishing an employee-friendly work environment to help all personnel maintain work-life balance and make the most of their capabilities. In FY 2020, CCI was recognized by Gifu Prefecture as an Excellent Business Promoting Work-Life Balance. In FY 2021, we were recognized by the city of Seki as a Women-Friendly Workplace. CCI Holdings obtained Kurumin (parenting support) certification in FY 2022.



<Adopting diverse work styles and remote work>

CCI has adopted systems to accommodate "Super Flex Time" and second jobs, helping employees to maintain suitable work schedules and improve work-life balance. In FY 2020, we introduced remote work options. We transitioned to a cloud-based system in FY 2022, expanding the number of jobs that can be handled remotely.

<Balancing childcare with work>

CCI offers extended parental leave and shortened work hours for all employees with children. In FY 2022, the eligibility period for these programs were adjusted to allow until the end of the fiscal year in which the child reaches the age of three. This system also enables male employees to participate in childcare.



Diversity and inclusion

CCI leads initiatives that encourage a diverse workforce in which individuals embrace and value each other's skills and experiences. These efforts also include extending the mandatory retirement age from 60 to 65, allowing for further fulfillment of one's abilities.

<Initiatives for the LGBTQ community>

CCI organizes training for all employees, led by guest instructors, to accurately understand the LGBTQ community. In FY 2022, employees were encouraged to show their support by donning rainbow badges and becoming visible LGBTQ allies. In recognition of these activities, CCI was granted bronze certification by the PRIDE Index (an evaluation of a company's LGBTQ initiatives) in November, 2022.



Allied (a person who understands and supports the LGBTQ community)



65 people
(as of March, 2023)

Improving productivity

CCI is working to enhance productivity companywide by promoting business process standardization and digitalization through system integration for each department and centralized databases. In FY 2019, we adopted robotic process automation (RPA) and began automating our order receipt and placement systems. We have promoted the shift to smart factories since FY 2018, aiming to visualize manufacturing processes, improve quality as well as to digitalize and automate equipment.



Reducing work hours with digitalization

1,072 hours reduced
(Estimated figure for CCI in FY 2022)

Contributions to Society

Launch of research grant program

CCI aims to work together with young researchers to uncover developments that may open new business opportunities. CCI provides research grants for progress in the fields of science and technology. In recent years, we have opted to fund a wide range of fields rather than limit possible research topics.



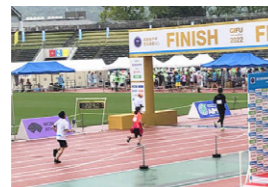
7 cases (FY 2022)

Community contributions

CCI supports and cheers on the community, local athletes and student activities through sports promotion initiatives.

<Gifu Half Marathon>

This half marathon has seen the participation of several employees each time. We value communication with everyone in attendance. This is our way of contributing to the community through sports.



Gifu Half Marathon 2022 (held on April 24, 2022)

<CCI Cup>

We have sponsored soccer teams for elementary school students through the four Gifu Football Associations since FY 2020. We organized the 18th Gifu Prefecture 8V8 U-11 and U-12 Soccer Tournament in October, 2022 as well as the third Gifu U-9 Soccer Tournament in January, 2023.



3rd Gifu U-9 Soccer Tournament (held on January 15, 2023)

We will continue to support healthy mental and physical development of children in the local community.

<Seki Jimoto University>

Every year since FY 2021, we have been supporting educational activities for local high school students through a local NPO in Seki, Gifu Prefecture. In August, 2022, we hosted an online discussion on CCI's initiatives for the SDGs. We stand committed to continually support education for the future leaders of the community.

<Activities of subsidiaries abroad>

Since 2017, CCI Manufacturing Illinois in the United States has participated in Team Honda Week(s) of Service*. In 2022, we called on employees to donate non-perishable items to their local food banks (providing free supplies to those in need).

*A program in which volunteers from the North American branches of Honda as well as from dealerships and suppliers participate in activities in their local communities.

■ Main sponsorships (FY 2022)

- **Supporting motorsports**
 - Honda Mobilityland
 - Honda Racing School
- **Supporting local sports**
 - Professional basketball Gifu Swoops
 - Professional soccer FC Gifu
 - Motocross rider, Genki Tsuchiya
 - Fudo no mori trail run
 - JEGT Grand Prix - Chubu District
- **Supporting students**
 - Formula SAE Japan
 - Gifu University Formula Racing
 - iGEM for Gifu University (A global synthetic biology competition for students)



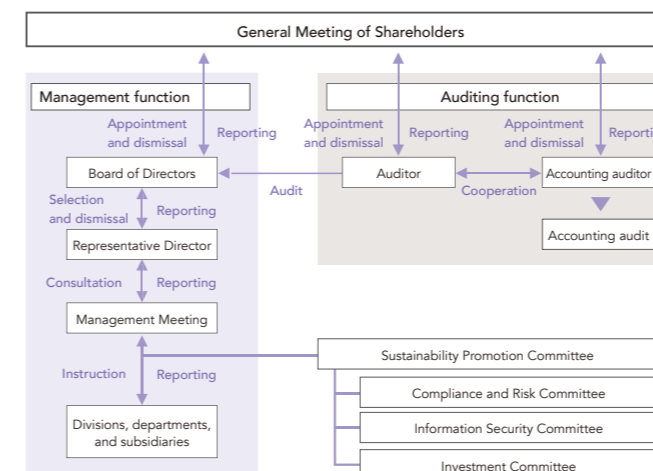
Governance

As part of corporate governance, the CCI Group places the utmost importance on ensuring compliance by enhancing management transparency, reinforcing the supervisory function and expediting the decision-making process. It is our goal to improve our corporate value by strengthening the corporate governance system.

Corporate Governance

CCI has established a corporate governance structure as follows to ensure transparent, fair, prompt, and decisive decision-making with consideration for all of its stakeholders, including employees, shareholders, customers, business partners, and local communities. The Board of Directors, which serves as the highest level of management decision-making, provides oversight on matters stipulated by law and other important issues. At the same time, a system is in place wherein Audit & Supervisory Board members, including outside auditors, may inspect the duties executed by directors and business administrators from a fair and independent position.

■ Corporate governance system diagram



©TOYOTA GAZOO Racing World Rally Team 2023

TOPIC

**Providing products to the motorsport industry
TOYOTA GAZOO Racing**

CCI formed a partnership with the TOYOTA GAZOO Racing World Rally Team in 2017. We supply brake fluid and engine coolants to Toyota Yaris World Rally Championship (WRC). In November, 2022, at Rally Japan held in Aichi and Gifu Prefectures, CCI provided support as a local business to cheer on the team. CCI will continue sponsoring WRC, Suzuka Circuit and AUTOBACS RACING TEAM AGURI (ARTA) with the aim of promoting motorsports.

Compliance

Legal and regulatory compliance

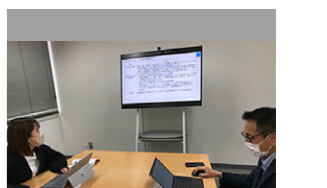
CCI holds monthly meetings involving our legal counsel and relevant departments to ensure that our compliance with new or revised laws and regulations is seamless and correct. In this manner, we have a management system in place to share information on new and revised laws and regulations, along with our response and progress. Through these measures, we will continue to strengthen our management system.

Whistleblowing (Internal reporting)

The CCI Group has introduced a whistleblowing system to prevent, quickly detect and rectify misconduct as well as to promote compliance management. We have established internal and external contact points to receive consultations and reports from employees. The Compliance Secretariat handles these reports as appropriate.

Compliance training and education

The CCI Group provides ongoing training on its code of conduct and harassment in order to instill correct knowledge and foster awareness. CCI has provided monthly training to all employees using the compliance book since FY 2022. We will continue to promote awareness and knowledge among employees.



Compliance training in progress (March, 2023)

Risk Management

Business Continuity Plan

CCI has established a business continuity management (BCM) structure with an Emergency Response Plan (ERP), Crisis Management Plan (CMP) and Business Continuity Plan (BCP) in place. Reviews and trainings are held regularly each year to ensure all personnel are prepared to take action in case of a contingency.



Comprehensive disaster prevention training (December, 2022)