



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. Swiftness of 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.

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*KPI: Key Performance Indicators