

President's Message

Use a synergistic approach with stakeholders to realize an enriched society and a sustainable global environment

Supporting the safety, comfort, and peace of mind of our automotive-focused society with world-class automotive chemical products

We have manufactured a wide array of products since our founding in 1949; from automotive chemicals such as engine coolants and brake fluids that ensure the running and stopping functions, which are basic functions, of vehicles, to industrial urethane wheels, soundproofing and vibration control materials and bio-based products (fat and oil-degrading microbial agents). With our focus on research and development, we strive to create products that provide safety,



Tetsuya Okabe

President and CEO

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comfort, and peace of mind to our customers around the world.

Our first product at the time of our founding was brake fluid for automobiles. In the immediate postwar period, bus accidents caused by low-quality brake fluid were becoming a major public issue throughout Japan.

With a desire to put an end to tragic road accidents, we began developing brake fluids, demonstrating a spirit of resolute determination. Five years after our founding, we succeeded in launching our high-performance brake fluid, *Golden Cruiser*. Not only was this product adopted by Japanese automakers and bus companies, it was also certified by a prestigious U.S. test facility, providing us with the key to the international market.

Along with brake fluid, we focused on developing



The CCI Report, a compilation of then-current research data, including on experiments that simulated driving

engine coolant. Our products proved the ability to withstand the coldest temperatures in Japan and were recognized by automotive manufacturers for their exceptional quality.

These automotive chemical products eventually made their way overseas. This was prompted by a proposal from a leading Japanese automobile manufacturer to enter the U.S. market in the 1970s. In 1980, we responded to the call by establishing a local subsidiary in the U.S., which was our first overseas expansion. Since then, we have expanded into Europe, Southeast Asia, China and South America, building a group supply system; one of our strengths. As in Japan, CCI has become a leading company in the car chemical industry abroad.

In August, 2023, we acquired JAPAN CHEMICAL INDUSTRIES Co., Ltd. (JCI). Like CCI, JCI has expertise in high-quality engine coolant manufacturing technology, and has been developing products for electric vehicles (EV) since an early stage. In April, 2024, we further acquired USC Limited, a company with a strong domestic sales network for automotive chemicals and oils. We hope to bring you good updates on the synergy that we create in collaboration with our new group companies.



Industrial urethane wheels

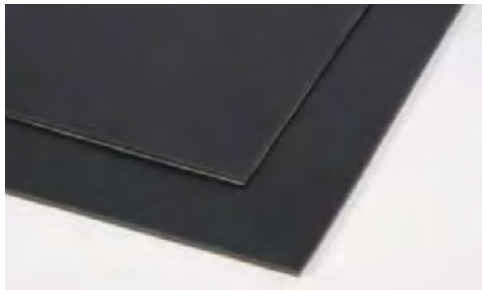
**“Chemistry is for the world and for all people.”
Contributing to the development of society
with diverse technologies and products**

If we compare our history to that of a young tree, the automotive chemicals business is the trunk rooting us in the world. The urethane wheels, soundproofing and vibration control materials, and bio-based products are the spreading branches. We have provided fruit for communities in a variety of fields.

In our industrial tire division, which began in 1970, we manufacture urethane tires for cranes and forklifts. These boast the top market share in the OEM market. Demonstrating excellent durability and heat resistance, they also exhibit low rolling resistance; a key feature. We are further developing energy- and power-saving products, keeping an eye on the SDGs.

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Begun in 1992, our residential construction materials division has focused on noise and vibration control. Though mainly used as building material or in railroads, we are confident this technology will go on to be used in next-generation vehicles where there is demand for quieter interiors.



Vibration damping materials

Aiming for true customer focus

While we have developed as a research and development-oriented manufacturer, our driving force is undoubtedly our desire to be of even greater service than we already are to the customers who use our products.

In order to further deepen communication with our customers, we have recently undergone a major restructuring of our organization. From our sales force to our development team, we are working to ensure that our product development is based on a

firm grasp of our customers' needs. In other words, under the slogan "Customer Focus," we have strengthened our organizational structure to respond to customer requests in a timely manner, especially in our automotive chemicals business, which accounts for a high percentage of our sales abroad. Through these efforts, we will make a concerted effort to improve satisfaction and build strong relationships with our customers.

We will continue to embrace challenges boldly with a customer-focused attitude, undaunted by the fear of failure. Although there have been a number of R&D projects that have not yielded sales results in the past, it is important for us to persist in trial and error while taking on new challenges. *Continuation is power.* We believe this is what it boils down to.

As for quality control systems, on the other hand, especially in the automotive industry, there is no room for the slightest chance of error. Even a human error or system malfunction that occurs only once every 10,000 times could lead to a major tragedy. Therefore, it is essential to hedge risks, anticipate possible risks in advance and take all possible countermeasures. Preparing a system that can respond to various risks in advance is a must. We will make every effort to establish and operate such a governance system.



As our world and the people who work in it change, we must change with them

If we are to continue our corporate activities for the next 100 or 200 years, it is necessary to tackle ever-changing social issues with diligence and urgency.

To this end, in April, 2022, we established the Sustainability Promotion Committee, of which I am the head.

On the environmental front, we are working to achieve steady results in reducing the environmental impact of our manufacturing processes by setting Key Performance Indicators (KPIs) and monitoring the progress of their achievement at fixed points.

We are also focusing on the development of

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technologies that can contribute to reducing our impact on the environment. We are working on a research project that is expected to lead to revolutionary conservation activities. An example is the use of microorganisms that eat mineral oil; these can help clean oceans in the event of an oil spill and even improve soil conditions.

With respect to our social responsibility, we have positioned respect for human rights as an important issue. Under our human rights policy, we are promoting human rights training and human rights due diligence as well as initiatives within our company and throughout the supply chain.

Reestablishing our corporate philosophy as we approach 100 years as a company

In terms of corporate sustainability, we launched our corporate philosophy exploration project in FY 2022. In order to become a 100-year old company, we went back to the basics, discussing with our management and employees about our purpose while reconstructing our corporate philosophy so it is easily comprehensible, and upholding the ideas from our existing philosophy. The most important task is to continue transmitting our philosophy to succeeding generations. Through the project to spread our corporate philosophy, newly launched in FY 2023, we will continue to help

employees grow, creating an organization and culture where they can serve as messengers of our philosophy. We will also implement the PDCA cycle to make progressive improvements. In spreading awareness of our philosophy to all employees, we have created a tool called *My Action*; which is a list of actions that each employee should focus on in their work, published it within the company and use it to stimulate communication and personalize tasks. With these and other activities, we aim to realize the corporate philosophy of *Purpose* through the actions of each employee to serve our customers and society.

CCI's wish to give back to the communities that helped us grow

Finally, I would like to talk about our contribution to local communities. While it is important for a global company to have a global perspective, we also want to support the revitalization of Gifu; a region that has helped us grow since our days as a humble factory that sprouted in a postwar town to become the company we are today. With this in mind, we contribute to the local community as much as we can.

In the field of sports, in addition to assisting the professional soccer team, FC Gifu and professional basketball team, Gifu Swoops, we also promote motorsports through our support for TOYOTA GAZOO Racing.



CCI Cup



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We have also sponsored the CCI Cup Gifu U-9 every year since 2020 to support the activities of children as bearers of the future. This event is held with the hope of supporting the healthy mental and physical development of children. Each time, the venue is filled with the cheerful smiles of children.

Meanwhile, in the area of academic research, as a company focused on R&D, we aim to create new value with young researchers that can help open doors to new businesses. We provide research grants to create the technology necessary to achieve this, further utilizing the underlying science.

The CCI Group will continue to strive in R&D and business activities under the keywords of "Continuation is power," "Challenge oneself with new possibilities," and "Continue to change with zeal." We aim to realize a more prosperous society and a sustainable global environment through co-creation with our stakeholders.