



Chemistry is for the world
and for all people.

Sustainability Report 2024

CCI Group Sustainability Report

CCI HOLDINGS INC.

Sustainability Promotion Office

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

<https://cci-corporation.com/en/>

Sustainability Report 2024

CCI Group Sustainability Report

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

Our Purpose

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

Our Values

Change

Changing through challenges for a better tomorrow

Create

Creating ingenious solutions, driven by customer focus

Innovate

Innovating through collaboration

Basic Management Policy

"CHANGE" In order to maintain and improve competitiveness, we change our business model and change how we work to match the times.

Contents

- 02** Corporate Philosophy
- 03** Table of Contents and Editorial Policy
- 04** President's Message
- 08** Value Creation Story
- 09** Overview of the CCI Group
- 10** CCI's Main Products
- 11** CCI Products That Support Daily Life
- 12** Value Creation Process
- 13** Divisional Initiatives
 - 13** Automotive Chemicals Division
 - 14** Residential Construction Materials Division
 - 15** Industrial Tires Division
 - 16** R&D Department
- 17** Feature 1
 - Sowing New Seeds for Sustainable Living
- 19** Sustainability Initiatives
- 21** ESG Activity Report
 - 21** Environment
 - 23** Social
- 25** Feature 2
 - Project to Spread Our Corporate Philosophy
- 29** ESG Activity Report Highlights
 - 29** Governance
 - 31** ESG Data

■ 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.

■ Period covered by the report

April, 2023-March, 2024

■ 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.

■ Date of issue

September, 2024 (The previous report was issued in July. We plan to issue the next report in July.)

■ Responsible department and contact details

Sustainability Promotion Office, CCI HOLDINGS INC.

■ Guidelines referenced in compiling this report

Global Reporting Initiative (GRI) standards, ISO 26000

■ 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.

CCI asked employees to submit photos with the theme of "cherished green landscapes." These are the best photos chosen from the numerous submitted.



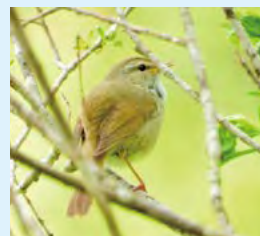
Matsumoto, Nagano Prefecture



Takashima, Shiga Prefecture



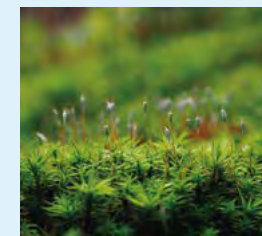
Uozu, Toyama Prefecture



Yamagata, Yamagata Prefecture



Sakahogi, Kamo District, Gifu Prefecture



Sakuho, Minamisaku District, Nagano Prefecture

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

President's Message

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

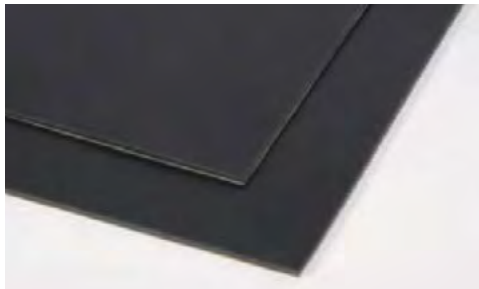
**“Chemistry is for the world and for all people.”
Contributing to the development of society
with diverse technologies and products**

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.

President's Message

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

President's Message

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



©TOYOTA GAZOO Racing 2024

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.

History of Value Creation by CCI

Since its founding in 1949 as a manufacturer of brake fluid, 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.

1949



May, 1949
Chuo Chemical Industries Corporation was established

Founding of the company as a brake fluid 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.



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.



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

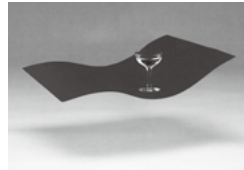


September, 1981
A local subsidiary was established in Taiwan

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.



2000-

Strengthening the global supply system

To further expand our supply system throughout the world, we established local subsidiaries in China (5 sites), 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

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

2023-

Taking one step toward a new stage

In combining our strengths, we will create synergy with JAPAN CHEMICAL INDUSTRIES Co., Ltd. and USC Limited.



August, 2023
JAPAN CHEMICAL INDUSTRIES Co., Ltd. was acquired as a group company
April, 2024
USC Limited was acquired as a group company

Sales

Sales in Japan Overseas sales

Overview of the CCI Group

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

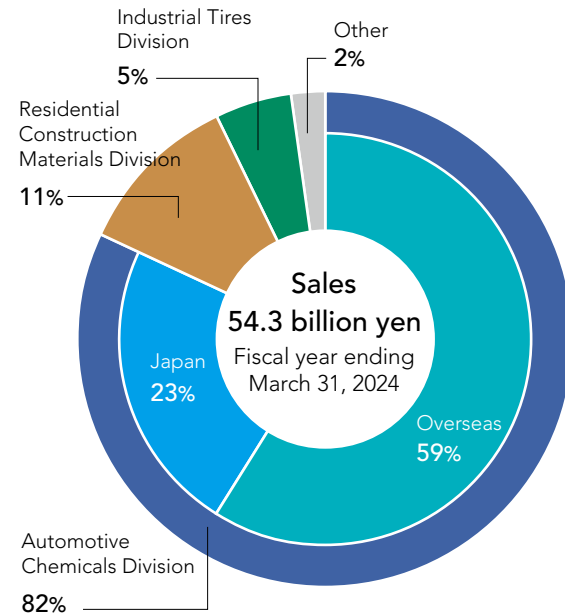
Company Profile

CCI HOLDINGS INC.

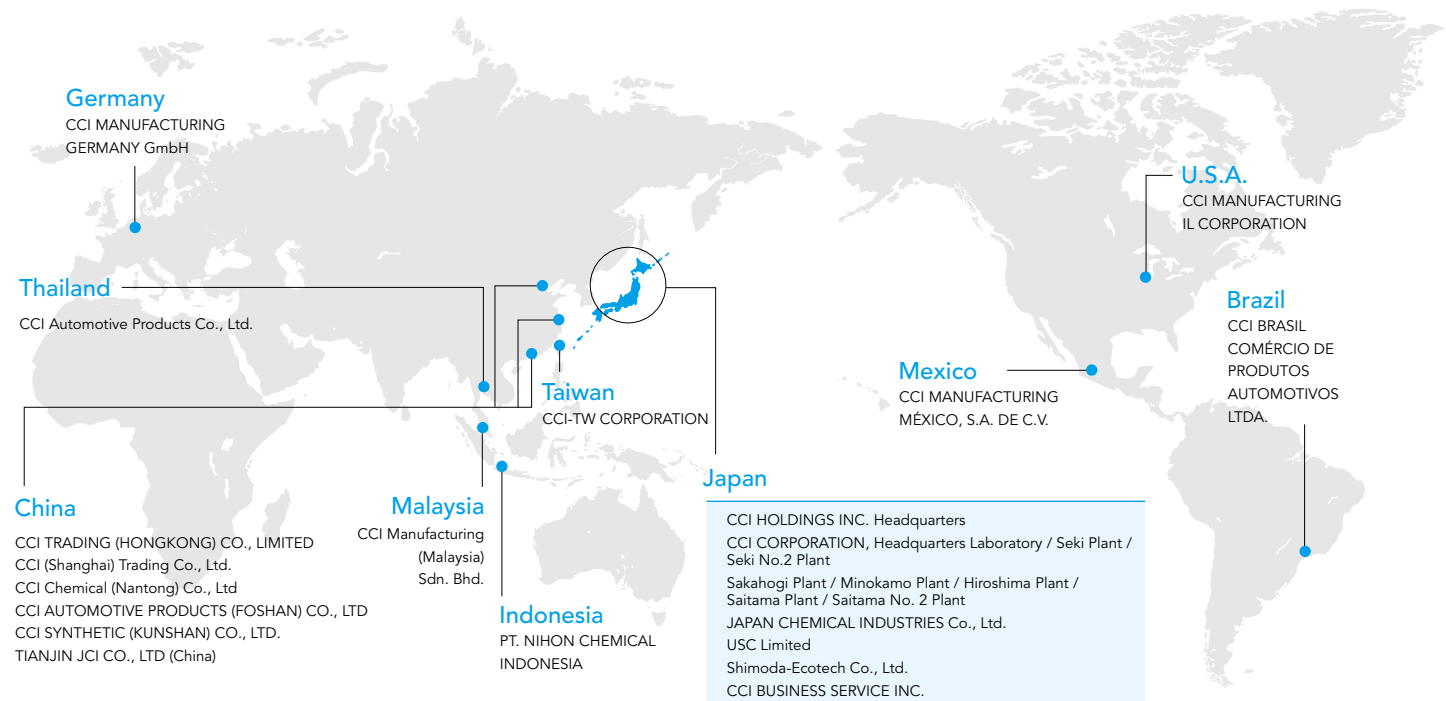
Headquarters	Nohi Building (12F), 2-20 Hashimotocho, Gifu City, Gifu Prefecture
Date of establishment	April 1, 2013
Paid-in capital	10 million yen
Business areas	Management of CCI Group companies and ancillary business, real estate leasing, and basic research

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 (14 sites in 9 countries abroad, 6 sites in Japan)



Overview of the CCI Group

CCI's Main Products

CCI delivers enhanced quality products and technologies in three distinct fields to provide customers with "safety, comfort, and peace of mind."

Automotive Chemicals business

Engine coolant

Golden Cruiser Long Life Coolant

Utilizing additives with excellent heat resistant and antioxidant properties, this product maintains long-lasting prevention of rust and corrosion. Its outstanding durability prevents problems that can arise from deterioration within the cooling system.



Automotive Chemicals business

Brake fluid

Golden Cruiser Brake Fluid

Designed to have a higher wet boiling point than the competition even when moisture is absorbed, this product maintains high saturation temperatures over extended periods, crucial for safe driving. Its outstanding anticorrosive properties protect associated metals from rust.



Automotive Chemicals business

Automotive coating agents

SMART MIST

A simple spray and waxing of this product on cars immediately after a wash will leave a sparkling finish.. The more often it is used, the greater the shine, resulting in a smooth, easy to clean body.



Residential Construction Materials business

Fat and oil-degrading microbial agents

Oil Vanish

This is an oil-degrading microbial product, highly effective in breaking down greases that flow from food manufacturing plants into wastewater treatment facilities through the use of microorganisms. It is not only eco-friendly but also reduces oil disposal costs and unburdens businesses.



Residential Construction Materials business

Soundproof drainage pipes

OTO-NAIN

The OTO-NAIN soundproof drainage pipes, which dramatically reduce drainage noise in bathrooms and kitchens, boast top market share in Japan. These can be used in a wide range of structures from single-family homes to fire-resistant structures such as apartment complexes, hotels, and nursing home facilities. Designed for easy installation, they reduce the hassle for on-site workers.



Industrial Tires business

Industrial urethane wheels

ULTRUNS

One of the main features of CCI's urethane wheels is their durability. The urethane is bonded and fixed to the metal core using uniquely developed technology, preventing separation and endowing longevity to the final product.



Overview of the CCI Group

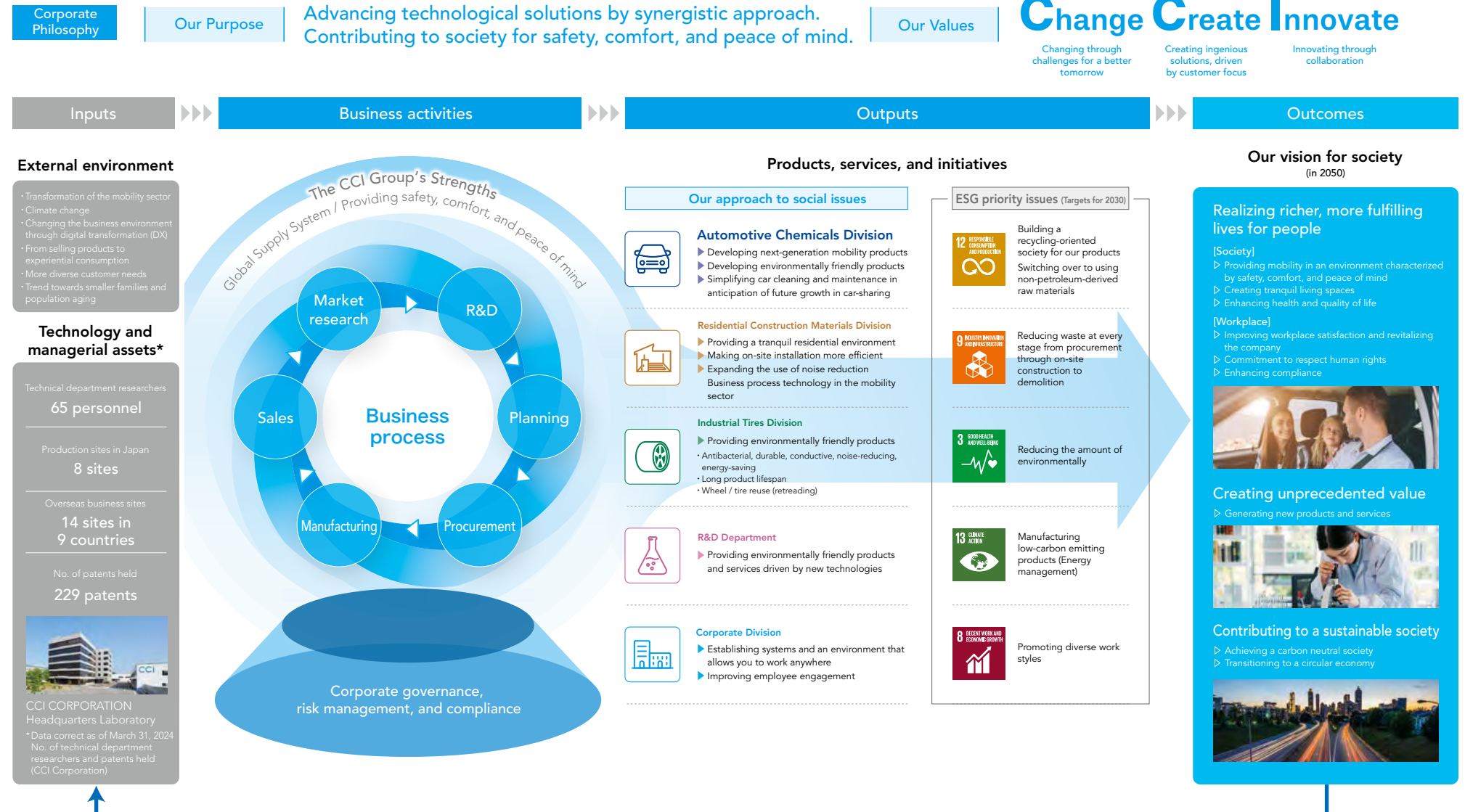
CCI Products That Support Daily Life

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 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.



Divisional Initiatives

Automotive Chemicals Division



Michihiro Hori
Director and Division
Manager, Automotive
Chemicals Division

AUTOMOTIVE CHEMICALS DIVISION

Seeking new opportunities in the accelerating shift to EVs and within changing values

Utilizing our extensive knowledge on engine coolants and brake fluids along with the support of our research facilities abroad, the Automotive Chemicals Division develops products that meet customer needs. Today, the automotive industry is said to be in the midst of a once-in-a-century transformation. As automakers steer toward electrification, there will be a need for automotive chemical technologies that differ from those in gasoline-powered vehicles. As focus shifts from "ownership" to "usership," we hope to create business opportunities through products that match these new values. Under ESG measures, demand is high for raw

materials friendly to people and to the environment, capable of curbing CO₂ emissions. We are continuing our research and product development to shift from petrochemical-derived materials to bio-based options. We will continue advancing BEV and FCV supplies, develop and recycle long-life products that contribute to a circular economy and actively promote CSR procurement.

Business Content

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.

Global production sites and logistics strategy

Pursuing customer experience optimization

As a global supplier, comprehending which regions and sites manufacture our products and how they are delivered to customers is of utmost importance. Our system allows us to respond quickly to customer needs based on the principle of Customer Focus. We consider the most optimal way to manufacture products, collaborating with subsidiaries, licensed plants and companies newly welcomed into the CCI Group, such as JAPAN

CHEMICAL INDUSTRIES Co., Ltd. Various logistics options are also considered, such as using returnable containers and adopting plastic pouches, contributing positively to the environment and cutting costs.



Environmentally friendly pouches
for car shampoo

Divisional Initiatives

Residential Construction Materials Division



RESIDENTIAL CONSTRUCTION MATERIALS DIVISION



Atsuhiko Ikuta

Executive Officer
and Senior General
Manager, Residential
Construction
Materials Division

Strengthening proprietary technologies for vibration control and soundproofing to solve new social issues together

The Residential Construction Materials Division provides soundproof drainage pipes for residences, offering a quiet, comfortable living environment while improving on-site efficiency, reducing costs and saving time. As the housing market shrinks due to the trend towards smaller families and the aging of the population, we are developing new products to strengthen our vibration control and sound absorption technologies. We are exploring possibilities in collaboration with the housing industry and material manufacturers with the aim of introducing materials that can be used in the automotive industry, such as in EVs. In the future, we will also use our

expertise in soundproof drainage pipe technology to develop new markets, both locally and abroad. Under ESG measures, we intend to continue improving factory operations and reducing waste. Furthermore, it is time to consider the use of non-plastic packaging materials and returnable containers. We will continue to establish next-generation business foundations while maintaining dialogue with various businesses. 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.

Business Content

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.

Providing new value through basic technologies for vibration control and sound absorption

■ Developing new markets by leveraging unique technologies

Vibration damping materials, which can reduce noise and quivering, have been used in various places in addition to residential buildings. In our search for new market development, we have developed vibration damping paints that can be used on any surface, helping reduce noise in railroads and factories. To identify the materials and technologies needed to counteract noise and vibration, we introduced a device that can visualize sound. This equipment allows us to measure the frequency of where the loudest sounds are emitted. The results are used to implement the most appropriate noise control measures. We will continue to provide new value in creating flexible spaces tailored to the characteristics of sound.

A system capable of visualizing noise sources on a real-time color map



Vibration damping paint that demonstrates excellent soundproofing performance and can be applied to complex shapes



Divisional Initiatives

Industrial Tires Division



Yasuhiro Sawaki
Executive Officer and
Senior General
Manager, Industrial
Tires Division

Providing products and services that meet diverse needs and reduce CO₂ emissions

The Industrial Tires Division supplies high-performance, high-quality urethane wheels used in the manufacturing of vehicles and semiconductors. Automation of various manufacturing facilities and the development of logistics systems using robots and other equipment have led to an increasingly diverse range of environments in which urethane wheels are used. We are continuing our research on the development of adhesive materials and bonding processes to meet the increasing demands for durability, abrasion resistance and electrical conductivity. We are also emphasizing direct communication with our customers to resolve issues quickly. Last year, we further

strengthened our efforts to improve quality. Going forward, we will strive to realize automated manufacturing and inspection as early as possible with the aim of boosting our competitiveness. In terms of ESG measures, we are focusing on cutting CO₂ emissions and considering the use of room temperature curing urethane, which hardens without heating. We are continuing to develop environmentally friendly products and services, providing customers the option to reuse metal components of wheels through urethane retreading. CCI will continue to provide high-quality products and services that meet the needs of the times.

Business Content

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.

ULTRUNS has earned immense trust from famous theme parks

■ Ensuring the safety of roller coasters that run at 150 km/h

Roller coasters, which can reach speeds of up to 150 kilometers per hour, place a high load on the wheels when traveling. Since human lives are at stake, even the slightest tire abnormality will prompt a replacement of the wheels. We conduct durability tests at our own facilities in response to customer requests, and provide data-based reports on their strength. This enables us to provide wheels with excellent dynamic performance and durability that meet our customers' requirements. Furthermore, we contribute to the reduction of running costs by reducing the frequency of wheel replacement. Our wheels are used in many famous theme parks due to their high reliability.



Superior dynamic performance and
durability for safe driving

Divisional Initiatives

R&D Department



Yasuaki Mori

Executive Officer,
Technology
Management,
Quality Assurance
Department, and
R&D Department
Division Manager,
Technical Division,
Automotive
Chemicals Division

Building next-generation businesses, developing environmentally friendly products and promoting research to realize decarbonization and depetrolization

The R&D Department supports the development of new businesses for the next generation and the implementation of effective strategies in each segment. Currently, to contribute to the realization of a sustainable society, we are working on new developments such as bio-based raw materials as a replacement for petrochemical-derived products. In addition to collaborative research with universities, the division continues to aid young researchers and students by selecting research topics from a wide range of fields through our Research Grant Program launched in FY 2021. As a contribution to the local community, we are

also taking on the social challenge of sustainable agriculture by working with a national research institute and local farms to develop new varieties of agricultural products from crops associated with Gifu. In response to global environmental changes, the realization of a petroleum-free and decarbonized society is a serious priority. As the R&D division of a chemical manufacturer, we will continue to contribute to the global environment, demonstrating 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."

Business Content

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.

Development of *Petasites japonicus* extract

■ Researching functional components of plants

CCI has continued its research on functional ingredients contained in plants and has evaluated the effects of approximately 250 plant extracts to date. Among them, we have found that *petasin*, a functional ingredient contained in *Petasites japonicus*, is highly effective in disease prevention. We have been researching this in collaboration with a university. We have succeeded in developing a variety that contains a large amount of *petasin*. To ensure a stable supply of the *Petasites japonicus* produced by CCI, we have also developed an efficient cultivation technique at a botanical factory.

① Functional ingredient that may prevent disease is found in *Petasites japonicus*



② Stable cultivation in botanical factories



We will contribute to the prolongation of healthy life expectancy by researching the functional components of common plants.

Feature 1

Sowing New Seeds for Sustainable Living

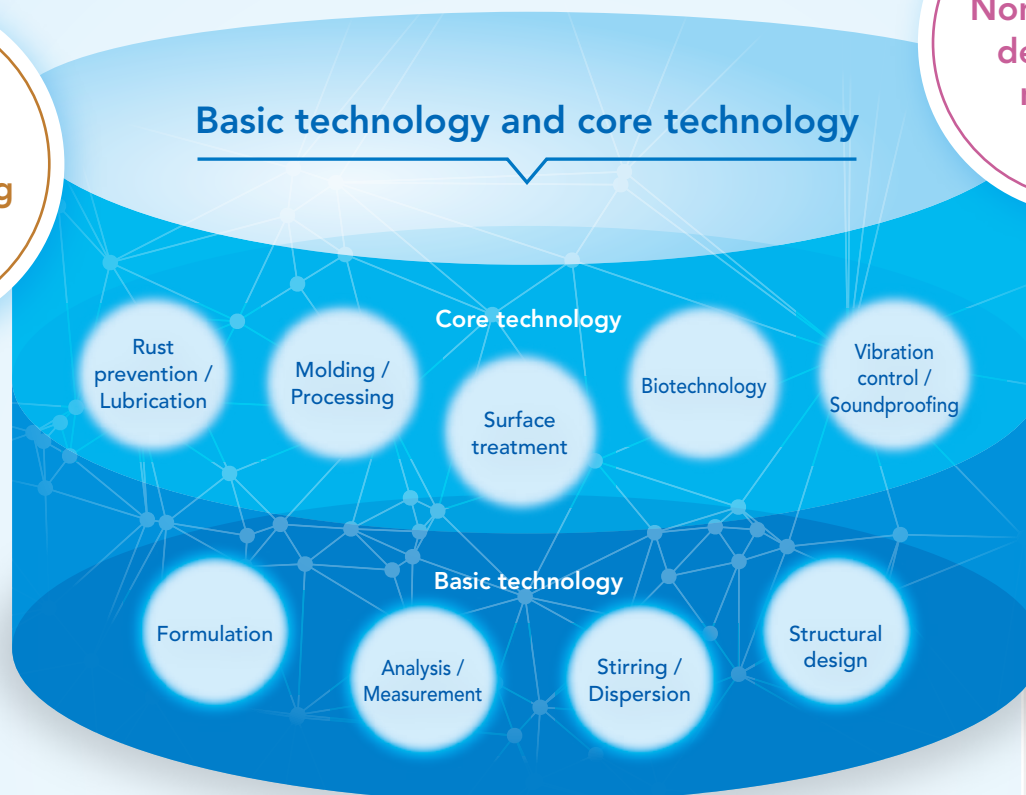
BEV and FCV
supplies

Based on the R&D policy, "Chemistry is for the world and for all people," CCI continually takes on the challenge of developing new products and technologies to achieve sustainable lives, following the three key principles of "Continuation is power," "Challenge oneself with new possibilities," and "Continue to change with zeal."

Vibration
control and
soundproofing
material

Energy-saving,
long-life
urethane tires

Basic technology and core technology



Mineral
oil-degradation
microbial
products

Non-petroleum
derived raw
materials

Petasites
japonicus
extract

CCI's R&D Grant Program

Aiming to create novel value that leads to new businesses, CCI provides grants to young researchers in establishing the technologies necessary and utilizing the science behind them. In recent years, we have provided subsidies in a wide range of fields without specifying particular research topics.

Topics adopted
in FY 2023: Total of

12 (Nagoya University and
Gifu University)

Feature 1 Sowing New Seeds for Sustainable Living

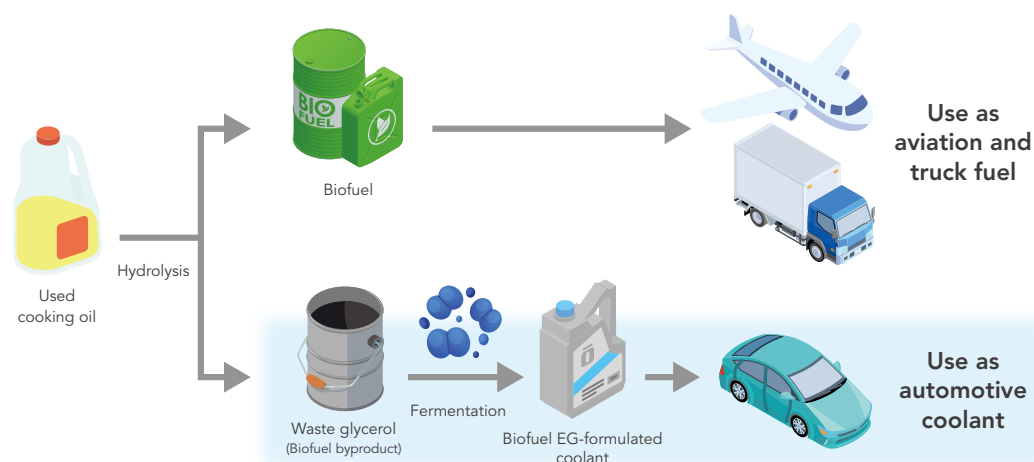
CASE

Developing the technology to produce coolant without petroleum-derived raw materials

Manufacturing without relying on petrochemicals

The key ingredient in automotive coolant, a core CCI product, is petroleum-derived ethylene glycol (EG). In view of reducing CO₂ emissions, the technology to produce EG from materials other than petroleum is in demand. Using biomanufacturing technology, CCI is developing technology to produce EG from biomass resources through microbial fermentation.

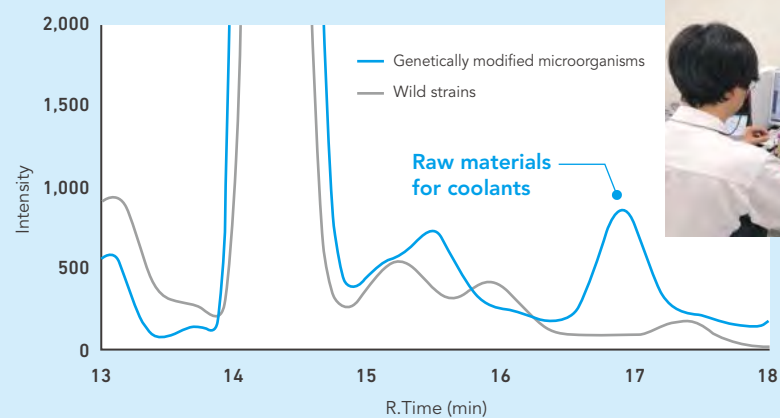
Making effective use of waste cooking oil



History of technology development

Step 01	Selecting raw materials	Selecting unused biofuel byproducts as raw materials
Step 02	Designing biosynthetic pathways	Comprehensive search of metabolic pathways for new designs
Step 03	Selecting host microorganisms	Selecting microorganisms appropriate for production
Step 04	Genetic screening	Discovering the best genes among numerous candidates
Step 05	Creating genetically modified microorganisms	Creating microorganisms embodying the selected genes
Step 06	Trial production	Successfully producing raw materials for coolants from glycerol

Analysis of trial production results



It has been confirmed that raw materials for coolants are indeed produced through genetically modified microorganisms.

Contributing to a sustainable society through the development of environment-friendly technology

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.

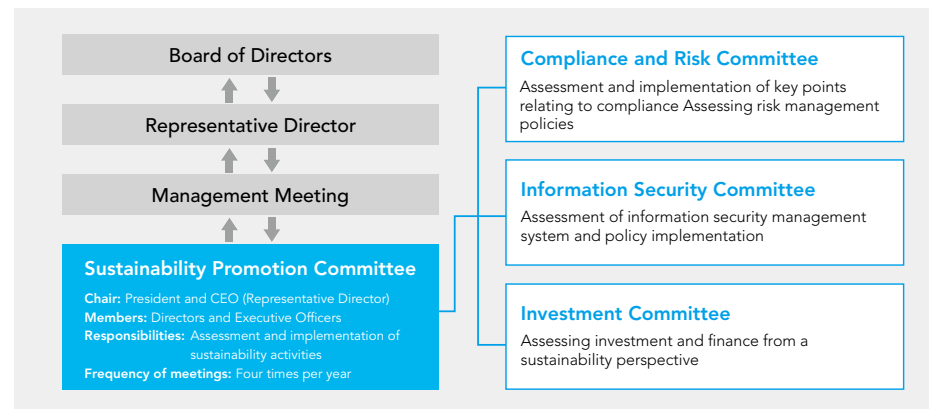
[CCI Group Sustainability Policy \(Full text\)](#)

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

- 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



Independent ratings and certification

- Awarded the Bronze Medal for sustainability management in 2023 by the international assessment platform, EcoVadis
- Certified *Gold Partner* under the Gifu SDGs Promotion Partner program in 2023

Education

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
- Governance training

Voluntary social contribution activities

By undertaking social contribution activities that employees can voluntarily take part in, CCI is working to raise employees' awareness of sustainability.

- Cleanup in the Seki industrial area and around Hazamagawa
- Supporting children's healthcare through PET plastic bottle caps
- Supporting employment through empty contact lens cases
- Supporting childhood education through used books
- Supporting those in need through daily necessities and food (matching gift)
- Supporting families in the wake of the 2024 Noto Earthquake (in collaboration with JAPAN CHEMICAL INDUSTRIES Co., Ltd. and Shimoda-Ecotech Co., Ltd.)



Basic training on sustainability (April, 2023)

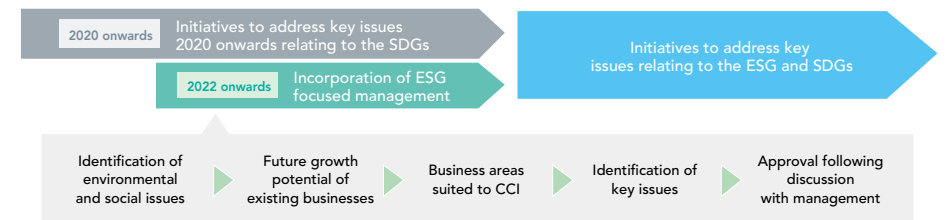


Cleanup in the Seki industrial area (December, 2023)

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



Sustainability Initiatives

ESG Activity Report

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

Field of activity	Key issues	Priority issues (concrete measures up to FY 2030)		KPI Achievement status for FY 2022	ESG
Business activities	Providing mobility in an environment characterized by safety, comfort, and peace of mind 	Developing next-generation mobility products	Developing low-maintenance products	○	E
	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
	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
		Switching over to recyclable materials (waste reduction)	Reviewing and changing materials	○	E
			Expanding reuse business	◎	E
			Recycling (reducing) and utilizing 50% of industrial wastewater (2019)	○	E
			Initiatives to reduce plastics	○	E
		Developing products made with nonpetroleum materials	Establishing mass production technology	○	E
	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	Enhancing health and quality of life	Contributing to the community through sports, etc.	Sponsoring cultural, art and sporting events	○	S
	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
	Realizing diverse work styles 	Improving employee engagement	Improving score on engagement survey Achieving diversity in the workplace Improving the work environment and reviewing current systems	— (Due to a revision of the score calculation.)	S
		Increasing productivity through enhanced visualization and digitalization: Realizing a paperless society	Increasing productivity through digitalization and promoting a paperless society	○	S
	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

Note: Figures in the above table are FY 2023 results.

TOPIC

Meeting of Sustainability Promotion Managers

Since April, 2022, CCI has undertaken promotional activities to raise company-wide awareness of sustainability management, led by 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 what activities are necessary to encourage better understanding, identification, and practice of sustainability, while also sharing their departments' activities and the results. Various training is held to help employees understand how their work contributes solutions to social problems, a goal for FY 2023.



Meeting of Sustainability Promotion Managers



Sharing each department's initiatives for a paperless society

ESG Activity Report

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.

Basic Approach

Understanding that the Company is in a position to impact society, the CCI Group continually promotes initiatives to protect the environment, ensure people's health and achieve a sustainable society in line with its Corporate Philosophy.

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.



Worksites in Japan and abroad that have obtained ISO14001

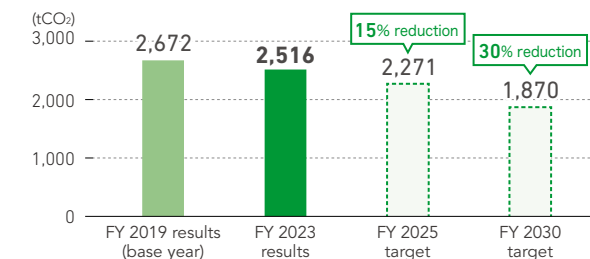
8 sites
(as of March, 2024)

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)



■Key initiatives to reduce CO₂ emissions

- Launching the LCA Calculation Study Seminar
- Adopting internal carbon pricing (ICP)
- Replacing all company vehicles with hybrid cars (by 2025)
- Reducing equipment use time by revising work processes

Contributions to the Environment

►Developing environmentally friendly products

Switching to Environmentally Friendly Packaging

The Automotive Chemicals Division reduced plastic usage by switching to paper packaging. In addition, products developed since December, 2020 have used FSC-certified paper (use of responsible wood materials). The division will continue to reduce plastic and waste material by switching to environmentally friendly packaging in order to protect the environment.



Plastic use:
36% reduction

36% reduction

(In the case of the product shown)

* The amount of plastic used was calculated from the weight of the plastic



ESG Activity Report Environment

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

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

Basic Approach

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

CCI is reviewing disposal methods for unrecyclable industrial waste. In addition to reusing part of the waste generated during routine operations as a resource, we also recycle manufacturing waste as raw material. CCI MANUFACTURING GERMANY, too, is also making progress with waste sorting and improving their recycling rate. We are also promoting initiatives to reduce paper usage in our global operations, actively working to reduce waste.



Material recycling rate (CCI)

69%
(FY 2023)



Reduction in paper usage (CCI)

35%
(compared to FY 2021)

Reducing waste

The Residential Materials Division changed the size of its PVC sheets used in soundproof drainage pipes, increasing the usable proportion of each soundproofing sheet and reducing waste.



33%
reduction
in raw material usage
(CCI, compared to FY 2022)

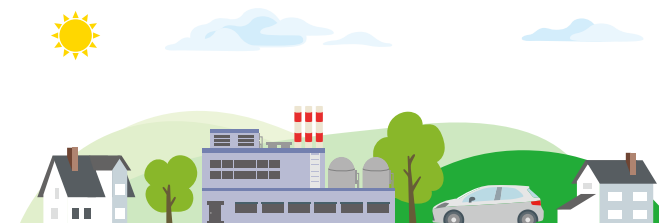
Reducing and reusing wash water

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.



Wash water reduction

12%
reduction
(compared to FY 2023)



ESG Activity Report

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

Basic Approach

Based on CCI's Corporate Philosophy, we endeavor to exceed the quality demands of our customers by engaging in responsible dialogue and providing products and services that ensure our customers' safety, comfort, and peace of mind.

Working globally to build a system that delivers safe, high-quality products

We have built a quality assurance system to maintain the safety and quality of our products, which is consistent in all our global operations. We are also introducing a globally unified core system and quality system, which will enable us to visualize production process management and implement quality control using the same methods at all our factories around the world, enabling prompt detection of defects, rapid problem-solving, and appropriate measures to prevent recurrence of failures. Our goal for the future is to minimize errors by automating visual inspections through the use of AI and other means and automatically linking them with core and other systems. We will keep working on higher quality manufacturing on a global basis.



Yasuaki Mori
Executive Officer, Technology Management, Quality Assurance Department, and R&D Department
Division Manager, Technical Division, Automotive Chemicals Division

Initiatives for a Quality Assurance System

CCI Group has acquired quality management system certification (ISO 9001) and IATF certification, and promotes continuous improvement in our daily operations. For standardization of quality control, we hold monthly quality meetings with each of our global bases. At manufacturing sites, we regularly conduct training to improve quality and productivity and promote visualization of all work procedures.

Any complaints we receive from customers are addressed promptly and appropriately with customer safety as a top priority. We will continue to enhance our system to ensure quality in the manufacturing process.

External certification of quality management system (as of March, 2024)

ISO 9001 certification 9 sites

IATF 16949 certification 4 sites

Training

CCI holds training on quality periodically for all employees. In the product division, improvement activities are undertaken with consultants to improve awareness of quality and raise productivity. We will continue to periodically hold training and raise employees' awareness of quality.

Hours of improvement in productivity in all CCI factories from training



3,000 hours of improvement
(provisional figure calculated in-house for FY 2023)

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.

ESG Activity Report Social

Contributions to Society

Basic Approach

Based on our Corporate Philosophy, the CCI Group aims to contribute to the realization of richer, more fulfilling lives and a sustainable society through the active participation of our executives and employees in social contribution activities in the priority areas of community contributions, human resource development, environmental preservation, and disaster relief.

Royal Theater, Caring Project

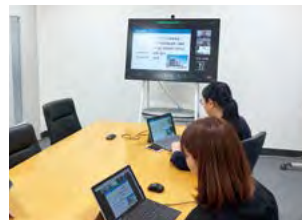
In December, 2023, we sponsored the "Caring Project" of the Royal Theater located in the Yanagase Shopping district in Gifu City. This project is to support the Royal Theatre, the one and only cinema in Japan specializing in 35mm film, which is on the verge of extinction due to obsolescence. The funds were used to help pay for the theater's maintenance, to keep it running. We also provided support at the event of "Chizuko's Younger Sister," a film directed by Yoshihiko Obayashi, which screened at the theater on December 23, and distributed our products to the attendees, who greatly enjoyed the event. We will continue our activities to protect cultural properties and contribute to local communities.



Royal Theater

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, 2023, 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.



Supporting educational activities at Seki Jimoto University (August, 2023)

TOPIC

Ski Association of Gifu, Freestyle Club

Since FY 2023, we have been sponsoring the Ski Association of Gifu, Freestyle Club to support the cultivation of local athletes and children who will lead the future. Freestyle is a competition in which athletes ski across snow fields while jumping and spinning, and is characterized by competition in terms of difficulty and skill rather than speed. At the 2024 JOC Junior Olympic Cup All-Japan Junior Ski Championships held in March, 2024, we provided T-shirts and goods with our company logo as participation prizes. We will continue to plan and organize a variety of events and hope to also revitalize local sports, and will continue to promote our activities in the future.



Signing ceremony with the Ski Association of Gifu (November, 2023)

Activities of CCI Manufacturing Germany

In May, 2023, as a contribution to the local community, the Sturzelberg Fire Brigade of Dormagen, where CCI MANUFACTURING GERMANY is located, used our building to conduct a fire drill. We will continue such activities to contribute to the local community.



Sturzelberg Fire Brigade fire drill (May, 2023,)

Activities of CCI Automotive Products (Thailand)

In June, 2023, we sponsored a safe driving campaign organized by the management company of the industrial park where our plant is located, and donated windshield chemicals and other car care supplies that make driving safe and comfortable on rainy days when visibility is poor to WHA Corporation PCL, which operates a regional industrial park. We will continue to support activities to promote safe driving through our business.



Donating car care supplies to WHA (May, 2023)

Main sponsorships (FY 2023)

▶ Supporting motorsports

- TOYOTA GAZOO Racing
- Honda Mobilityland
- Honda Racing School
- AUTOBACS RACING TEAM AGURI

▶ Supporting local sports

- Professional basketball Gifu Swoops
- Professional soccer FC Gifu
- Motocross rider, Genki Tsuchiya
- Fudo no mori trail run

- Gifu Half Marathon
- Gifu Football Associations (elementary school student team)
- SHIBATA RACING TEAM

▶ Supporting students

- Formula SAE Japan
- Gifu University Formula Racing
- iGEM for Gifu University (A global synthetic biology competition for students)

▶ Supporting local literature

- ART AWARD IN THE CUBE 2023
- Screening event for Nobuhiko Obayashi's 35mm films

Feature 2

Project to Spread Our Corporate Philosophy

Shift from "Exploring" to "Spreading our corporate philosophy"

CCI launched the Corporate Philosophy Exploration Project in June, 2022. With 25 members, the project team explored our corporate philosophy which represents the company's roots. Identifying new values that can be imparted to future generations, the team articulated in writing CCI's purpose and the plan to promote this as advocates of our mission.

For each task, the team presented the results to upper management and reviewed the managers' objectives. Several discussions were held to accurately express our intentions in writing. Through this undertaking, team members learned about CCI's history, current strengths, future duties and the direction in which we should proceed. In understanding our philosophy, we learned how to approach critical analysis as well as task planning and implementation as a company.



Process for rebuilding our corporate philosophy

1	June, 2022 Launched the Corporate Philosophy Exploration Project with a core team of 25 members, consisting of both mid-career and younger employees.
2	June–Dec. 2022 Uncovered CCI's future vision in collaboration with managers and divisions. ▶ Reviewed CCI's history, strengths and goals thus far ▶ Reviewed changes in business environment
3	Nov. 2022–Feb. 2023 Drafted the proposal for CCI's newly redefined philosophy. ▶ Incorporated key principles that indicate the company's vision ▶ Utilized easily comprehensible language
4	Mar. 2023 Following deliberations, upper management agreed to adopt the proposal submitted by the Corporate Philosophy Exploration Project team.
5	May 31, 2023 Reestablished CCI's corporate philosophy.

CCI's corporate philosophy thus far

Creating a rich environment
for the 21st century

Intellectual utilization
of technological results



Change
Taking on the challenges
of change
Create
Originality and ingenuity
Innovate
Management innovation

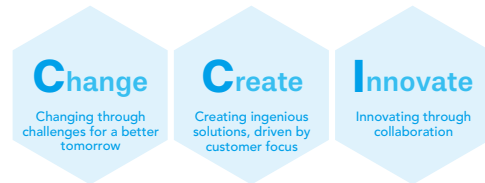


Newly reestablished corporate philosophy

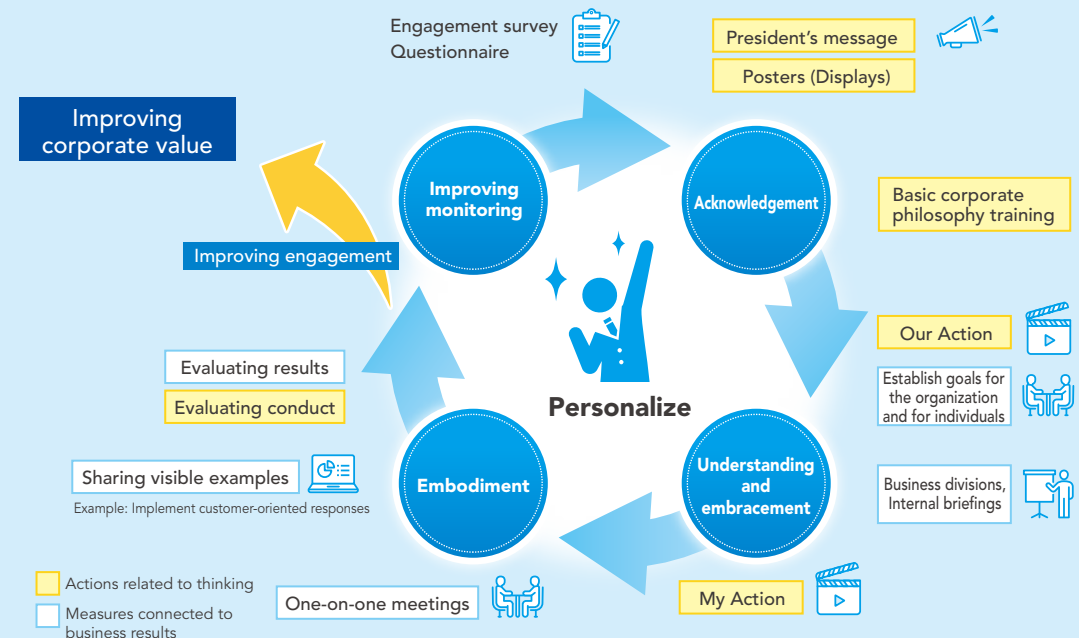
Our Purpose

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

Our Values



Initiatives to support corporate philosophy implementation



Feature 2 Project to Spread Our Corporate Philosophy

Since FY 2023, to fulfill our purpose under the newly reestablished philosophy, CCI has undertaken various initiatives for each employee to understand, identify with and adopt its principles. Through these endeavors, CCI encourages each employee to mature while growing as a company that can give back to the community.

Process for corporate philosophy implementation

1 June, 2023

Carrying on the goals of the Corporate Philosophy Exploration Project, the Corporate Philosophy Promotion Project was launched with a new team of mid-career and younger colleagues recruited internally.



2 June–August, 2023

Dividing into communication, education and evaluation teams, we planned and adopted the structure and functions of the project. An interim report was submitted to the management team.



3 September, 2023

Submitted the final project proposal to the management team. Decisions made on the steps to promote philosophy principles.



4 October, 2023– (Ongoing)

Began implementing and improving measures to spread the corporate philosophy.

Process

Acknowledge

Acknowledge CCI's corporate philosophy and statements (Be able to recite)

Understand and embrace

Understand and identify with the corporate philosophy's significance and meaning

Embody

Apply the philosophy principles to daily operations

Action plan

Communication

- Visualize corporate philosophy and organizational structure
- President's message
- Creating posters (Displays)
- Proclaim together
- Publishing Our Action (Corporate Philosophy Booklet)

Creating the corporate philosophy booklet Our Action: Striving to Achieve Our Purpose

We created an illustrated booklet to help employees understand our vision. This booklet serves as a guide when employees feel uncertain about the options available to them when making a decision.

Our Action

Striving to Achieve Our Purpose

Education

- Corporate philosophy management training (For executives and department managers)
- Basic corporate philosophy training
- Briefing for business division and departments
- Establishing My Action (Actions that each employee should focus on in their work)

Conduct Basic Corporate Philosophy Training (Frequency: Once a year for all employees)

We conducted training to deepen our understanding of CCI's corporate philosophy. Through original videos and the exchange of opinions, we reviewed the company's history, "DNA" and visible examples of our philosophy in action. More than 90% of participants agreed that the training was meaningful.



Evaluation

- Sharing visible examples
- Reviewing evaluation items

Sharing visible examples of our philosophy in action

Using CCI's social media tools, we share examples of our "Change," "Create" and "Innovate" measures in action. Our goal is to inspire employees to act in ways that embody our philosophy's principles. Employees encouraging one another further serve to enliven the company.

Sharing our corporate philosophy and visible examples—

Spreading our corporate philosophy and revitalizing CCI

This year, we have requested the ●● Division to present examples of our philosophy in action.

ESG Activity Report Social

With Our Employees

Basic Approach

Based on our Corporate Philosophy, CCI is working to develop human resources by expanding our education system. In addition, based on our code of conduct, we aim to establish a workplace where all personnel can maintain work-life balance and make the most of their capabilities.

Establishing systems that meet the needs of the times and aiming to create a workplace where diverse human resources can play an active role

In 2019, we revamped our personnel and grading system to be more detailed in evaluations. This has clarified the roles of each grade and defined fair and impartial evaluation criteria. Currently, we provide training by rank based on a new grading system, new employee training, and skill development training by outside instructors, business English conversation training, etc., which directly motivates employees to advance in their careers. In addition, we are building the foundation for a workplace environment in which everyone can work comfortably. We are also broadening the recruitment of people with disabilities and raising the retirement age from 60 to 65. We will continue to respect the values and differences of our diverse workforce and aim to create a workplace where employees can demonstrate their unique talents.



Nobuhiro Yamada
Managing Director,
General Affairs
Department, Finance
Department, and
Information Systems
Department



Human resource development

In addition to expanding its training programs, CCI has established incentives for obtaining qualifications to encourage employees to obtain qualifications related to their work, so that they have fair opportunities to develop their skills and advance their careers.

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

* LGBTQ: An acronym for sexual minorities

Creating a comfortable workplace

Diverse work styles

CCI has adopted systems to accommodate "Super Flex Time" and second jobs, and in FY 2023 introduced a rehiring system (Return to Work) for retired employees, enabling employees who have left for whatever reason to return to work. In FY 2020, we introduced remote work options. We furthered our transition to a cloud-based system in FY 2022, expanding the number of jobs that can be handled remotely. We have also introduced free-address workspaces to promote flexible and efficient work styles that are not restricted by location, and are working to create a safe and comfortable work environment for our employees.



A free-address workspace

Balancing childcare with work

CCI offers extended parental leave and shortened work hours for all employees with children, which exceeds the statutory requirements. 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

LGBTQ initiatives

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.



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

93 people
(as of March, 2024)

Improved productivity through digitalization

CCI is digitalizing and automating operations in all departments to improve productivity across the company and create a comfortable work environment for its employees.

In FY 2018, we began converting our plants into smart factories, visualizing manufacturing processes and digitalizing manufacturing instructions, quality checks, and other processes to improve productivity and quality.

In addition, we adopted robotic process automation (RPA) in FY 2019 to automate our order entry operations, achieving an automation rate of 72% in FY 2023.



Reduction of working hours through digitalization of operations, etc.

2,036 hours
(Estimated figure for CCI in FY 2023)

ESG Activity Report Social

Upholding Human Rights

Basic Approach

Based on our Corporate Philosophy, the CCI Group is committed to continuously providing society with innovative added value, while altering our business model to meet the needs of the times. We position respect for human rights as one of the most important responsibilities needed to continue our business, and have established the CCI Group Human Rights Policy to promote the concerted efforts of all officers and employees.

►Policy

The CCI Group Human Rights Policy is published on our corporate website to demonstrate our commitment to human rights.

CCI Group Human Rights Policy

►Human Rights Due Diligence

In 2022, the CCI Group began human rights due diligence* in accordance with the UN Guiding Principles on Business and Human Rights.

<Remedial Measures>

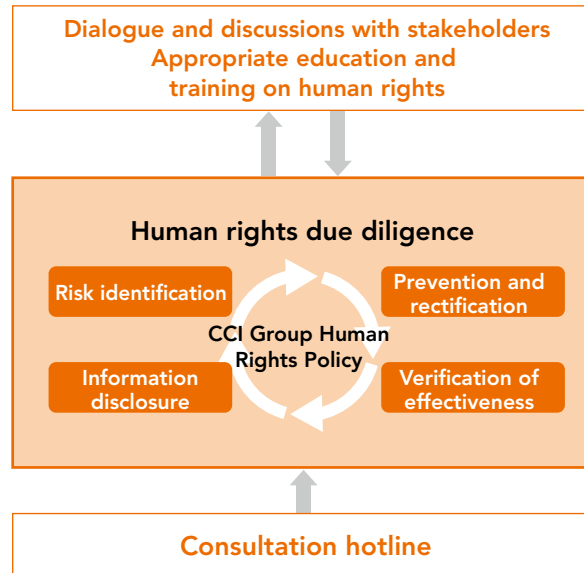
Based on the assessment conducted in FY 2022, we took corrective measures for our partner companies, including the establishment of rules to be followed in the event of a workplace incident. In addition, CCI Group companies have been engaged in the development of human rights-related rules and regulations and opportunities for employee feedback in order to reduce human rights risks by aligning standards across the entire CCI Group.

<Assessment>

In FY 2023, a total of 91 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.

■A look at all initiatives



►Training

Since 2021, CCI has provided annual training on respect for human rights for all board members and employees in Japan, and in FY 2023, e-learning and training by external instructors were conducted to provide background information on CCI's commitment to business and human rights, to foster an understanding of possible human rights risks, and to prevent harassment. Furthermore, we share the results of our human rights due diligence efforts with managers to help them understand the challenges we face and encourage them to work together to address them.

TOPIC

Providing etiquette training

CCI MANUFACTURING IL CORPORATION (USA) conducts regular training on harassment and office etiquette to ensure that all employees feel safe and secure in the workplace.

►Setting up a consultation hotline

We have established a consultation hotline available to employees of all CCI Group companies in Japan and abroad. In addition, we are working to familiarize employees with the consultation hotline through periodic training sessions and other means. All consultations and reports are subject to fact-finding investigations, and the results of these investigations are provided to those who consulted with or reported the matter to the Company, and efforts are made to correct the situation or prevent its recurrence, as necessary.

Occupational Health and Safety

Basic Approach

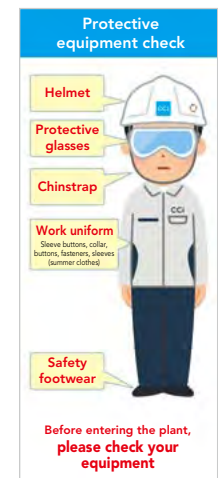
Based on our Corporate Philosophy, the CCI Group will promote initiatives that prioritize health and safety in all aspects of our operations.

►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, require the use of protective equipment, and conduct safety patrols of plants with management staff. 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.



CCI MANUFACTURING IL CORPORATION (USA)
Safety patrol inside a plant



Posters at the entrance of each plant

ESG Activity Report

Governance

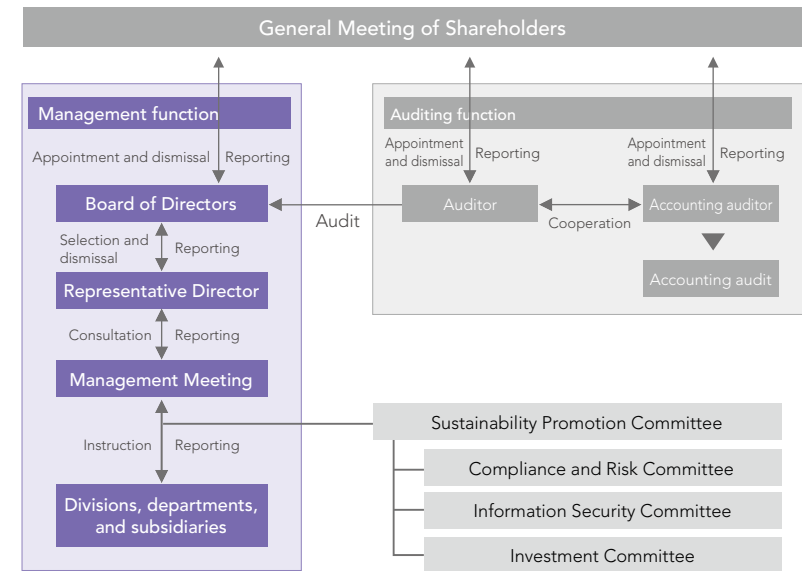


As part of corporate governance, the CCI Group places the utmost importance on ensuring compliance by enhancing management transparency, reinforcing the supervisory function and expediting the decision-making process. It is our goal to improve our corporate value by strengthening the corporate governance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

Corporate Governance

CCI has established the following corporate governance structure to ensure transparent, fair, prompt and resolute decision-making for all 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. A system is also in place wherein Audit & Supervisory Board members, including those from a third party, conduct fair and independent inspections of the duties executed by directors and business administrators.

Corporate governance system diagram



Compliance

Basic Approach

The CCI Group has created a Code of Conduct Guidebook and thoroughly implements compliance, focusing not only on adherence to laws but also on the ethical actions of all employees.

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.



Serious violations of laws or regulations

0 cases (FY 2023)

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.



Number of reports
Reports involving serious legal violations or misconduct

1 case (FY 2023)

ESG Activity Report Governance

Compliance

► Training

The CCI Group continually implements training on the code of conduct, compliance and harassment, conducted by outside instructors, to provide employees with the appropriate knowledge and awareness. We will continue to instill proper understanding of these subjects in our employees.

Risk Management

► Business Continuity Plan

In addition to creating an Emergency Response Plan (ERP), Crisis Management Plan (CMP) and Business Continuity Plan (BCP), CCI established a business continuity management (BCM) system. We strive to be prepared by conducting annual reviews and training so that everyone can continue to work in the case of an emergency.



Safety confirmation
system training
response rate

100% (March, 2024)



Comprehensive disaster prevention training (December, 2023)

Information Security

Basic Approach

CCI Group, under our corporate philosophy, acknowledges that ensuring information security in business activities is a critical management issue related to fulfilling our social responsibility. We formulated the Information Security Policy in 2023 and are working to maintain and improve information security.

► Policy

The CCI Group Information Security Policy is available on our corporate website.

[CCI Group Information Security Policy](#)

► Information security initiatives

CCI has established an information security management system. In the event of an incident, we ascertain the causes and implements preventative measures against recurrences. As we move forward with digitalization and DX, we are working to reinforce data safety by introducing security solutions (EDR), reducing the risk of cyberattacks and information leaks. We will strive to strengthen information security management not only in Japan but throughout the Group.

■ CCI's Key Initiatives

- Reinforcement of information security management system
- Information asset management
- Information security incident response
- Information security training

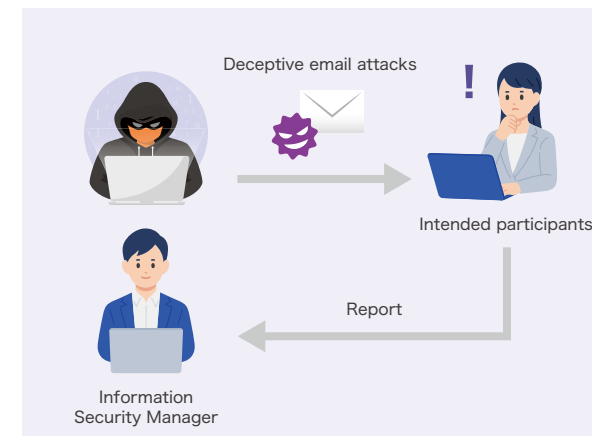
► Training

CCI provides training to all employees on information security and targeted email attacks. We work to improve basic knowledge on the subject, undertaking educational activities for employees to be aware of information security in their daily work. We designate a period between February and March each year as information security reinforcement month, coinciding with the government's Cybersecurity Awareness Month.

Seminar agenda

1. What is security?
2. Third-party crimes
3. Employee behavior
4. Natural phenomena and physical destruction
5. Summary

Information Security Training Material

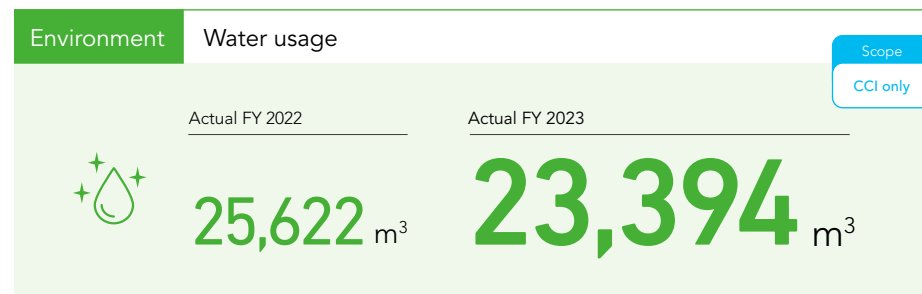
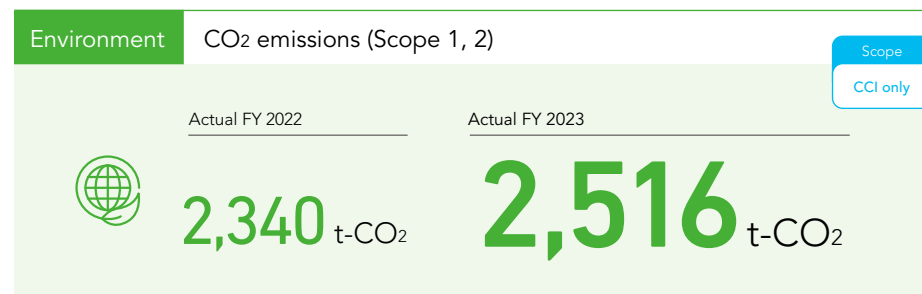


Training on targeted email attacks

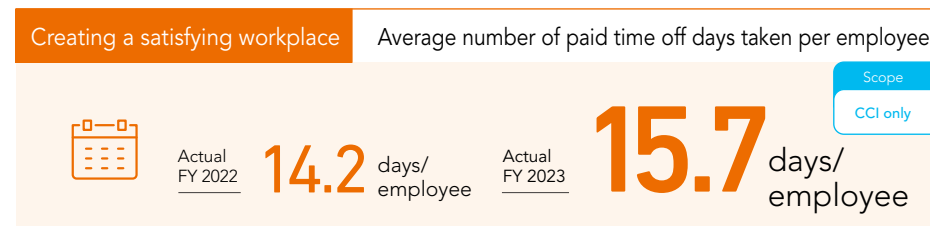
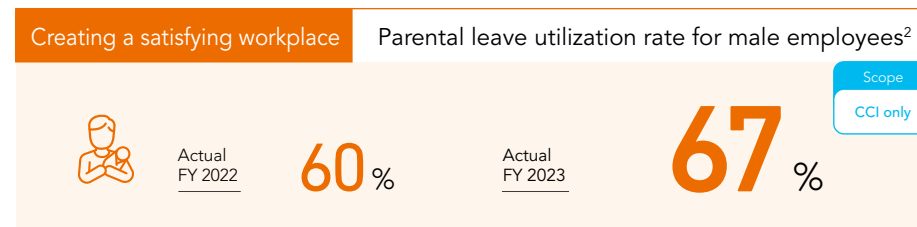
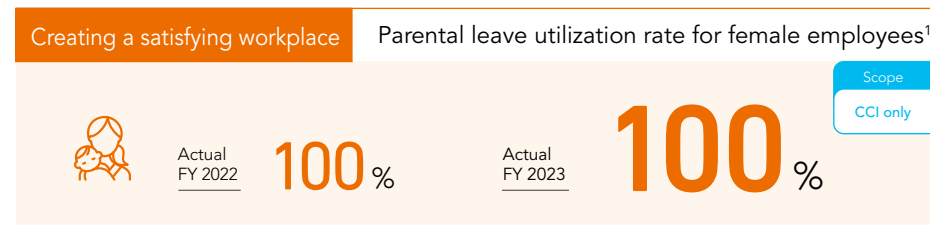
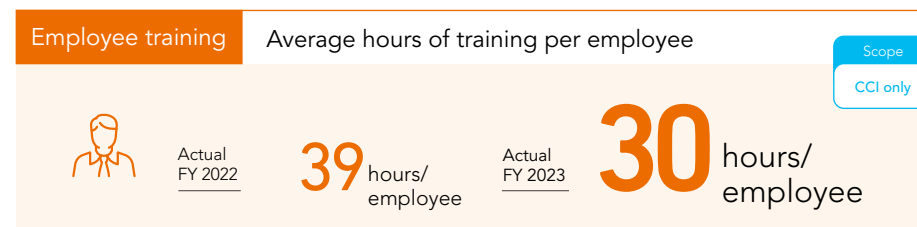
ESG Activity Report

ESG Data

Environment



Society



¹ Parental leave utilization rate for female employees = Number of female employees who started parental leave in FY 2023 / Number of female employees who gave birth in FY 2023
² Parental leave utilization rate for male employees = Number of male employees who started parental leave in FY 2023 / Number of male employees who had newborn children in FY 2023

ESG Activity Report

ESG Data

Society



3 Lost-time injury or worse

Governance



Scope | CCI only: CCI HOLDINGS INC. and CCI CORPORATION
CCI consolidated (Japan): CCI HOLDINGS INC., CCI CORPORATION and Shimoda-Ecotech Co., Ltd.