



# Sustainability Report 2025

CCI Group Sustainability Report

Chemistry is for the world  
and for all people.

CCI HOLDINGS INC.  
Sustainability & Compliance Promotion Office  
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Gifu Prefecture  
<https://cci-corporation.com/en/>

# Sustainability Report 2025

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



## 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.

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Tsunan, Nakauonuma District, Niigata Prefecture



Kami, Mikata District, Hyogo Prefecture



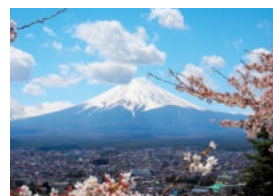
Guam



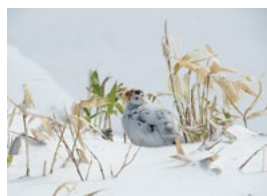
Lumba Sumba Pass, Nepal



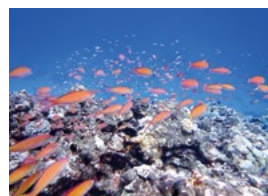
Tsunan, Nakauonuma District, Niigata Prefecture



Fujiyoshida, Yamanashi Prefecture



Tateyama, Nakaniikawa District, Toyama Prefecture



Guam

CCI asked Group employees to submit photos with the theme of "landscapes for the future." These are the best photos chosen from the numerous submissions.

### ▶ 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 2024–March 2025

### ▶ 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

July 2025 (the report will be issued annually in July)

### ▶ Responsible department and contact details

Sustainability & Compliance 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 scope of the report, 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.





# The entire group will come together and continue working to realize an enriched society through our business activities

Turning this once-in-a-century period of profound transformation into an opportunity for growth

## Tetsuya Okabe

President and CEO

With the market going from internal combustion engine (ICE) vehicles to next-generation vehicles, such as battery electric (BEVs), hybrid electric (HEVs), and fuel cell (FCVs) vehicles, the automotive industry is said to be facing a once-in-a-century transformation. This is a major turning point for CCI, which specializes in brake fluid and engine coolant, both of which are essential for safe driving. One hears concerns that coolant will become obsolete when engine vehicles are replaced by electric vehicles (EVs). However, we do not believe that coolant will become obsolete in the future, as thermal management is not only necessary for engines, but also for preventing motors and batteries from overheating or overcooling. Furthermore, next-generation data centers are an area where we are focusing on future applications for

coolant. Liquids with high thermal conductivity are expected to be used to cool the servers in data centers, which are significantly increasing with the rise of AI and the expansion of cloud services and streaming services—and we believe this presents a great business opportunity. The use of coolant also reduces the energy consumption required for cooling, as well as the associated CO<sub>2</sub> emissions.

With the electrification of automobiles, people's perceptions of driving noise, which had not previously been a concern, are also changing. We believe that the vibration control technologies we have cultivated in the field of residential and construction materials can also be applied to vibration control in automobiles. Moreover, in the industrial tire segment, there is a growing need for tires with low friction resistance that can be operated with less power in semiconductor manufacturing facilities and other locations. We will continue proactively engaging in the development of value-added products that incorporate these changes and the evolving needs of our era.

After welcoming JAPAN CHEMICAL INDUSTRIES Co., Ltd. (JCI) in 2023, we welcomed USC Limited to our Group in 2024. USC Limited is a manufacturer of petroleum and chemical products, and also functions as an import trading company, with more than 30 sales offices across Japan. With USC Limited joining CCI Group, we can expect to see a dramatic leap forward in our proposal, development, and sales capabilities. Going forward, we hope to learn from each other's strengths in business and manufacturing, enhance synergies through the utilization of sales networks, and

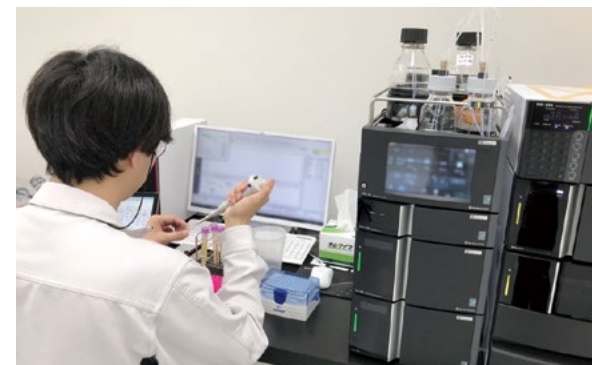
engage in the co-creation of business initiatives. By taking our Group strength to an even higher level, we aim to continue contributing to the competitiveness of our business partners.

### Continuing to lay the groundwork for achieving sustainable growth

CCI promotes sustainability management while aiming to improve social and economic value in our business. As one element of this, we are proceeding with the conversion of our automotive chemical manufacturing plants into smart factories, and plan to gradually expand this initiative to other business areas, such as industrial tires.

In converting to smart factories, we are aiming to make effective use of management resources by revamping our core enterprise resource planning (ERP) system. In addition to improving productivity and reducing workloads, we plan to unify our quality standards globally. Although there are differences in laws, regulations, and other factors depending on the country or region, we will promote the establishment of global quality standards through measures such as visualizing production conditions and eliminating the reliance on specific individuals for work.

After much consideration, we have decided to withdraw from the consumer car care supplies business. Now is the time to strengthen our B2B business in anticipation of changing values regarding cars and future market growth in the sharing economy.



Research and development targeting environmentally friendly products

Going forward, we will strengthen our product technology cultivated in the car care supplies business as professional-oriented products for automobile dealers and specialty stores. We will also engage in marketing activities to leverage our technological capabilities and utilize the sales capabilities of companies that have joined our Group. We strongly believe this approach will maximize CCI's resources and proactively invest in new growth areas.

Since our founding, we have charted a course as a research and development-oriented manufacturer. We pride ourselves on investing abundant management resources in R&D in particular. Since before environmental measures became a mainstream topic, we have been developing environmentally friendly, bio-based products that do not rely on petroleum. Currently, we are accelerating research into microorganisms that break down mineral oil. If this technology is commercialized, it will enable the

decontamination of areas that were previously difficult to clean, such as oil spills at sea and soil improvement. This technology can also be used to break down cutting oil, so our expectation is that it could reduce the environmental impact of various metalworking industries. We will continue to focus on developing—and eventually commercializing—technologies that are very safe for both people and the planet.

### Thoroughly complying with standards and restructuring the management system

In recent years, the automotive industry has seen issues with quality and fraud. As a company deeply rooted in the automotive industry, we have reaffirmed our responsibility to supply products that have an impact on human life, while remaining aware of the risk that



Promoting smart factories to enable the visualization and streamlining of production processes; achieving stable supply at a high level of quality

problems could potentially arise within our company as well. Therefore, in FY 2024, in line with the promotion of smart factory initiatives, we reexamined our internal work processes. This allowed us to confirm not only the existence of work procedures for each process, but also the details of inspection items incorporated into those processes, in accordance with product specifications and customer quality requirements. We are carefully re-examining work processes from the perspective of governance and quality control, and creating a system that allows all employees to understand and take accountability for the uniquely important role they play in our operations. We are also inspecting these processes to confirm that employees can work safely and avoid accidents by identifying potential hazards in each step and reviewing procedures and rules for safety measures. Although we believe that we have established a robust system for checking laws and regulations over the past year, the task of reviewing work processes and quality control is not something that can be done once and then forgotten. As technology advances and social conditions change, new issues and risks may arise. Therefore, we will continue to conduct regular inspections and make improvements as necessary.

### Transforming awareness and effecting behavioral change—crafting a vision for the future

In 2025, we will further deepen our initiatives from last fiscal year and reiterate the importance of safety at each and every production site. It is our mission to maintain the superior quality that our customers demand, and working efficiently to improve productivity is essential for the growth of CCI. We are committed to achieving these goals with the safety of our most valuable resource—our employees—in mind. In FY 2025, we will go back to the basics, preventing accidents and implementing our newly revised work procedures across each factory's operations. We aim to thoroughly pursue a safety-first approach, including





A discussion among employees of each of the Group's companies

management systems, by raising the awareness of each and every employee.

We are also promoting shared objectives as an important measure. This is an initiative to ensure that, in the course of their work, each and every employee recognizes and internalizes the importance of sharing a fundamental purpose for the organization and working together toward common goals. As mentioned above, over the past two years we welcomed JAPAN CHEMICAL INDUSTRIES Co., Ltd. and USC Limited into the Group. With companies from different backgrounds and cultures coming together, we need to share our vision and direction as to what kind of future we want to build and what kind of ideal we want to pursue.

We also want the younger generations, who will lead the Group in the future, to think about what our company should be like in 10 or 20 years. The ongoing Group Vision Formulation Project was launched with this in mind. We are currently in the process of creating guidelines for how we want to grow as a Group going forward. We are aiming to complete the formulation of the Group's vision during FY 2025, and we hope to work together in a unified way with those who have newly joined the Group.

## Contributing to local communities is an essential policy for CCI

As a Group comprised of 6 companies in Japan and 14 companies in 9 countries overseas, we have become a worldwide business with a 15% share of the global brake fluid market and a 25% share of the global engine coolant market. We believe that we have been able to achieve this growth thanks to the support of local communities in Gifu, where we have been based for the 75 years since our founding. Taking this to heart, CCI considers contributing to local communities to be an essential company policy, and we are engaged in a variety of activities in that regard.

One such activity is our ongoing sponsorship of the Freestyle Club of the Ski Association of Gifu, which contributes to the development of both athletes and the sport itself. We are also focusing on supporting the development of the next generation of children, and once again sponsored the CCI Cup Gifu U-9 soccer tournament. Also in 2024, we made donations through the corporate version of the hometown tax system to promote regional revitalization and sustainable



CCI Cup Gifu U-9 soccer tournament

development in Shirakawa Village. Shirakawa-go (located in Ono-gun, Gifu Prefecture) has been recognized as a UNESCO World Cultural Heritage Site since 1995 due to its rare and unique Gassho-style homes. Going forward, we will continue our community contribution activities and strive to create a sustainable future together with the communities where we live and work.

## Remaining a people-centered company no matter how the world evolves

With the advancement of AI and the evolution of autonomous driving technology in the automotive world, new technologies are bringing about major changes in our society. At the same time, dramatic technological advances are providing an opportunity to reexamine the role and significance of human beings in manufacturing processes and beyond.

Even in an era such as this, we continue to value manufacturing and factory environments that are centered around our people. No matter how technology evolves, people should always be at the core. CCI Group will continue to respect the individuality of each employee and foster a corporate culture that values connections with customers and society. We also want to create an environment where we can maximize our potential by collaborating with companies that have newly joined our Group. We aim to realize an enriched society and will continue to develop products that are environmentally friendly, while respecting and cooperating with people who have diverse values and experiences.



# 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 utilized our carefully-developed chemical blending technology to expand into the business of car care supplies for everyday drivers (we withdrew from the consumer car care supplies business at the end of January 2025).



## 1980–1990

### Expanding into overseas markets

Determined to take advantage of access to world-class technology and 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 U.S.

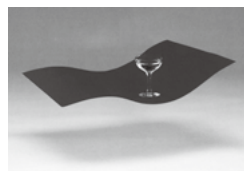


September 1981  
A local subsidiary was established in Taiwan

## 1992

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

Building upon the vibration damping, sound absorption, and soundproof insulation technology developed in our automotive chemicals business, we 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.



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



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

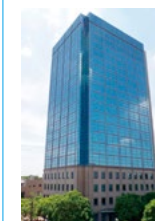
## 2023–

### 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

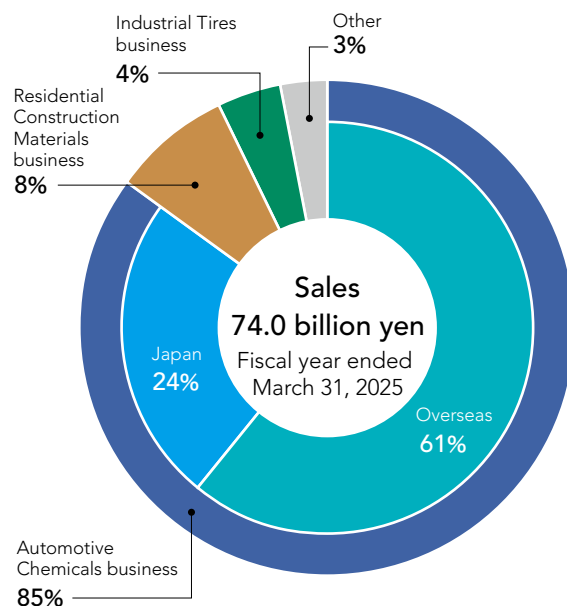
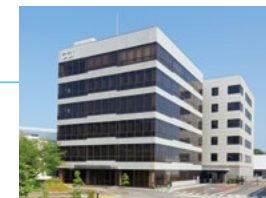
### CCI HOLDINGS INC.

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

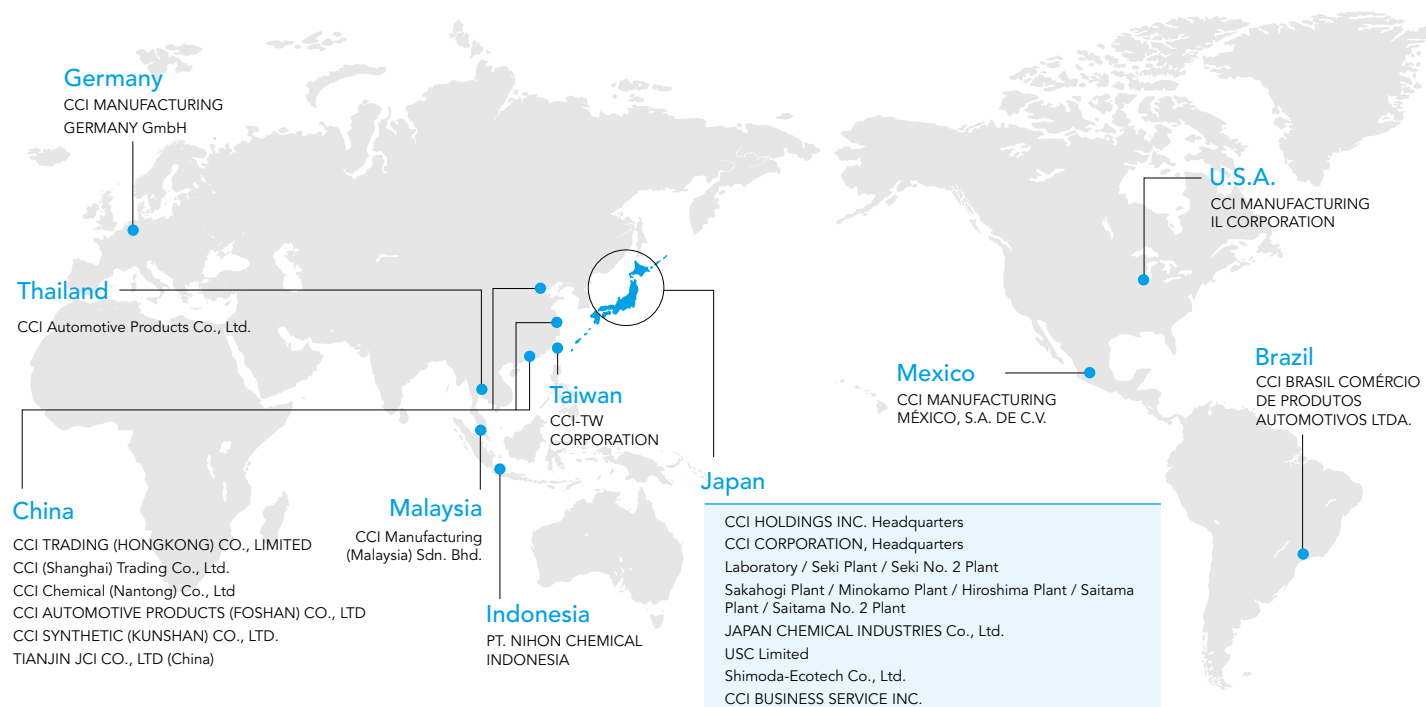


### CCI CORPORATION

Headquarters	12 Shinhasama, Seki City, Gifu Prefecture
Date of establishment	May 31, 1949
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)



## CCI's Business Areas and 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

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 professional products to dealerships and specialty stores to help them optimally manage their vehicles.

Engine coolant

#### Golden Cruiser Long Life Coolant

We handle products compatible with all engine types, including internal combustion engines, BEVs, and FCVs. Utilizing additives with excellent heat resistant and antioxidant properties, our product maintains long-lasting prevention of rust and corrosion. Its outstanding durability prevents problems that can arise from deterioration within the cooling system.



Brake fluid

#### Golden Cruiser Brake Fluid

Formulated to have a higher wet boiling point than the competition even when moisture is absorbed, our product maintains high saturation temperatures over extended periods, which is crucial for safe driving. Its outstanding anticorrosive properties protect associated metals from rust. We offer a wide range of products, from those with low environmental impact to low-viscosity Class 6 products, as well as racing brake fluids.



Tire wax

#### Golden Cruiser Tire Wax

Our high-adherence silicone coating adds shine and protects tires from oxidative deterioration. It is a safe and reliable water-based (pH neutral) formulation that does not adversely affect other car components. The product can be dispensed from the box it is packaged in, making it environmentally friendly.



### Residential Construction Materials Business

We provide materials that can absorb sound and vibration, such 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. Last but not least, we also provide microbial agents that can break down fats and oils as part of this business segment.

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 buildings 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

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 carefully attend to customer requirements starting at the design stage and arrange smaller lot production as necessary.

Industrial urethane wheels

#### ULTRUNS

One of the main features of CCI's urethane wheels is their superior durability. The urethane is bonded to the metal core using uniquely developed technology that prevents separation and endows longevity to the final product.



## Overview of CCI Group Companies in Japan

### JAPAN CHEMICAL INDUSTRIES Co., Ltd.



Headquarters	813 Kikkawa, Shimizu-ku, Shizuoka City, Shizuoka Prefecture
Date of establishment	April 3, 1962
Capital	100 million yen
Business areas	<p>Manufacture and sales of automotive chemicals</p> <p>Manufacture and sales of cleaning agents for buildings and structures</p> <p>Cleaning of rebuilt automotive parts</p>

As a company that develops, manufactures, and sells chemical products mainly for automobiles, JAPAN CHEMICAL INDUSTRIES (JCI) has been working with customers for many years to create a wide range of products. With a focus on developing products that are not only high quality but also people- and environmentally-friendly, JCI continues to provide next-generation chemical products that are necessary for the future.

#### Main products



#### Fuel additive

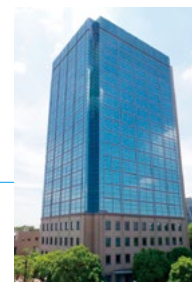
Adding this product into the fuel tank removes dirt adhering to the injectors and other engine components, thereby restoring performance.



#### EV coolant

Our specialized EV coolant significantly reduces the risk of fire caused by short circuits when, due to an accident or other issue, coolant leaks and comes into contact with the battery.

### USC Limited



Headquarters	12F Hulic Fuchu Tower, 1-1 Nikko-cho, Fuchu, Tokyo
Date of establishment	September 16, 1947
Capital	76 million yen
Business areas	<p>Sales and import/export of petroleum, oils, and fats</p> <p>Manufacture, sales, and import/export of chemical products, industrial chemicals, automotive functional parts, etc.</p> <p>Manufacture, sales, and import/export of food products, alcoholic beverages, agricultural and livestock products, edible oils, etc.</p>

As a manufacturer of petroleum and chemical products, as well as an import trading company, USC sells cutting-edge products, such as car care and chemical products centered on the original brand Zoom Power. This is in addition to automotive functional parts, food products, and feed and industrial products sold directly to customers through USC's directly-managed network.

#### Main products

#### Automotive coating agent

This coating agent can be applied in just five extra minutes during the car washing process to give cars outstanding shine and water repellency. No special skills or major equipment investments are required, and it also protects cars from acid rain.



#### Engine oil friction modifier

With this product, a coating is formed on the metal surface by multiple extreme pressure agents, significantly reducing friction and wear. This improves engine performance and ensures smooth and powerful driving.



### Shimoda-Ecotech Co., Ltd.



Headquarters	Maki Riverside Building (5F), 1-1-12 Yanagibashi, Taito-ku, Tokyo
Date of establishment	June 29, 2001
Capital	10 million yen
Business areas	<p>Design, manufacture, and sales of grease traps (fat and oil separators)</p> <p>Design, manufacture, and sales of HACCP* compliant products</p> <p>Other related construction work</p>

Shimoda-Ecotech designs, manufactures, and sells kitchen wastewater treatment equipment, such as grease traps and various types of strainers, as well as HACCP-compliant wastewater equipment for food safety management. Shimoda-Ecotech offers a wide range of products to provide the most suitable drainage treatment equipment, given the total floor space of the business, including the kitchen, and the number of users.

#### Main products

#### HACCP-compliant products

Stainless steel drainage basins and drainage gutters offer excellent antibacterial and washable properties. These products support clean and hygienic environments at HACCP-certified factories and other facilities.



#### Grease traps

Through floatation separation, grease traps prevent the discharge of oil from kitchen drains, which helps prevent pipe blockages and protect our waterways by preventing oil from flowing into public sewers and rivers.



\* HACCP: An international hygiene management method for ensuring food safety.



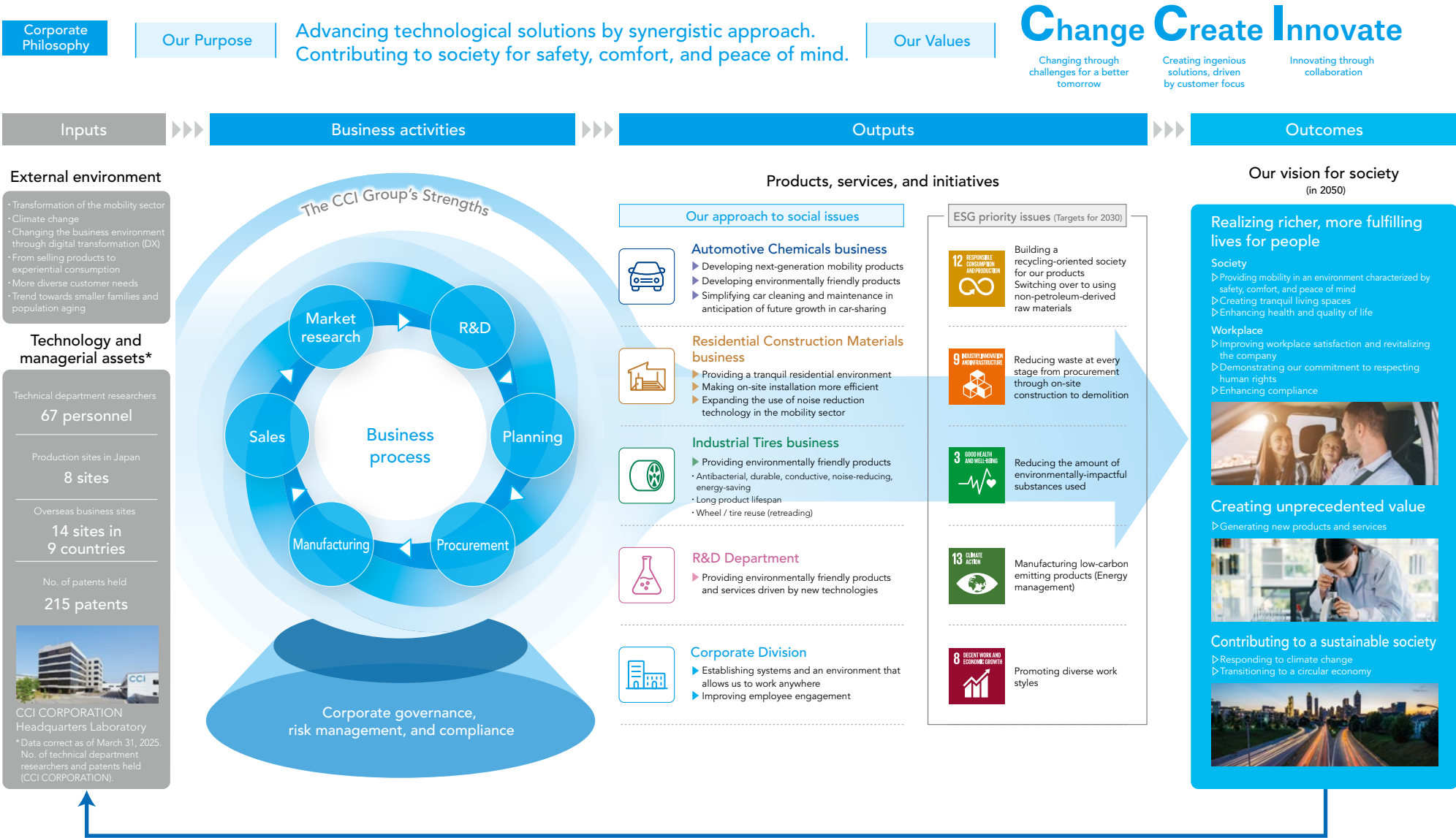
# CCI Products That Support Daily Life

Our 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.



## Overview by Business Segment

# Automotive Chemicals Business

Recognizing the wave of change in the automotive industry and taking on the challenge of creating new value streams.

### Business Activities

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.

CCI Group's Automotive Chemicals business boasts a high market share in the engine coolant and brake fluid segments, supplying high-quality products globally. We have established a research and development system that includes overseas R&D bases and are promoting product development that meets the needs of customers around the world.

Currently, the automotive industry trend is shifting toward BEVs and FCVs. As vehicle electrification progresses, we are continuing our research utilizing the technologies we have cultivated over the years, in order to commercialize coolants with high safety levels compatible with BEVs and FCVs.

Against the backdrop of changes in the demand structure that include a shift from car ownership to car "usership," we have decided to discontinue the manufacture and sale of commercial car care products and focus on the B2B field, where our Group's strengths can be better utilized. In order to strengthen our B2B business in Japan, we have welcomed into the Group USC Limited, which has 34 sales offices in Japan. Going forward, we will focus on expanding our sales channels in Japan by combining the technical capabilities and expertise cultivated by each Group company.

Meanwhile, in the global market, there is room for market expansion in Southeast Asia and the Middle East. Going forward, we will focus on these regions as key markets and strive to further expand our market share through proactive customer development.

We have also begun the process of converting our plants into smart factories. The aim of this initiative is to (1) establish globally unified production and quality standards and (2) build a system that enables us to deliver consistent, highly reliable products to our customers at any location around the world. We have already begun operations of this system at our production sites in Japan, and we are working to gradually introduce this system at our overseas sites as well.

In terms of the environment, we actively address issues such as reducing CO<sub>2</sub> emissions and waste generated through our business activities, and place importance on

proposals that benefit the global environment as well as our customers. In FY 2024, we launched a new initiative involving returnable containers (foldable container boxes). For some customers, we are switching from disposable (one-way) steel drums and cardboard boxes to reusable stainless-steel drums and returnable containers that reduce waste and offer cost savings. Going forward, we will expand this initiative to other customers as part of our commitment to further reduce our environmental impact.

### Reassessing Product Packaging Materials

With the aim of protecting the environment, we reassessed the packaging materials used when delivering products and switched from cardboard boxes to returnable containers (foldable container boxes). With our customers' cooperation, we were able to reduce the amount of cardboard waste that had been generated every year. This initiative is not only considerate of the environment, but also reduces costs.





## Overview by Business Segment

# Residential Construction Materials Business

Strengthening vibration control and sound absorption technologies by leveraging environmental changes as a catalyst for growth. Striving for solutions to challenges in new fields.

### Business Activities

We provide products with a wide range of applications, whether in detached homes or multi-tenant buildings (such as apartment complexes, hotels, and nursing home facilities), including soundproof drainage pipes that integrate PVC and materials that absorb sound and vibration. We are focused on improving living environments, reducing construction time and effort, and offering microbial agents that break down oils and fats.

The Residential Construction Materials business provides soundproof drainage pipes for residences as its main product, offering a quiet, comfortable living environment. However, the Japanese housing market is shrinking overall due to the trend toward smaller families and the aging of the population. In order to respond to these changes in the business environment, we are aiming to commercialize products that take the vibration control and sound absorption technologies we have cultivated and apply them to new fields. We launched a New Vibration Control and Sound Absorption Project in 2021. Moving outside existing frameworks and broadly collecting information on sound and vibration, this project pursues new application possibilities with the potential to become pillars of our future business. We have begun developing new sound-absorbing materials based on the technologies we have cultivated and new insights we have gained. We will continue working on developing materials that have different characteristics from conventional sound-absorbing materials and meet the highest standards of sound-absorption performance.

Our lineup of vibration damping paints previously consisted only of products that were most effective in room temperature environments, but we have now developed a new coating that performs exceptionally well in high temperature environments. We are currently preparing this new product for full-scale commercialization. Going forward, we will continue to examine the formulation of coating materials that provide appropriate vibration control in temperature ranges that meet customer needs, in addition to the existing room temperature and high temperature types.

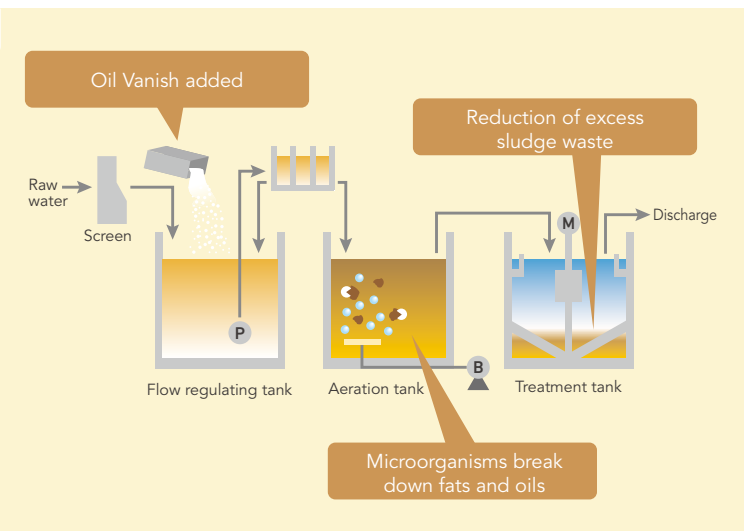
One of our goals in developing materials related to vibration control and sound absorption technologies is to apply them in

the automotive industry, which is the industry most closely connected to our company. In recent years, EVs have become more widespread, and while overall vehicle noise has been reduced, wind noise and mechanical noise that were previously masked by engine noise have become more apparent, creating new challenges. In order to respond to these changes, it is necessary to develop vibration control and sound absorption materials from a different perspective than before. As the first step in pursuing this new opportunity, CCI is currently conducting basic research for product development by examining various combinations of materials and processing methods.

Oil Vanish, a fat- and oil-degrading microbial agent offered by the Residential Construction Materials business, uses a microbial agent containing new yeast strains that powerfully decompose oils and fats contained in wastewater from food factories and other facilities. This significantly reduces the amount of oil and fat waste, contributing to lower disposal costs and improved environmental conditions at each site. We strive to develop these kinds of products and services that are environmentally friendly, people-friendly, and highly safe, while actively working to make them available to as many people as possible.

### Environmental Improvements with Oil Vanish

Oil Vanish significantly reduces n-Hex (normal hexane) extract content contained in the drainage of food factories and other facilities, reducing foul odors caused by decaying fats and oils, and thereby preserving the environment. Since launching sales in 2018, Oil Vanish has proven effective through use in food factories. We will continue to reduce waste by further promoting sales of this product.



## Overview by Business Segment

# Industrial Tires Business

Aiming to realize a “smarter” and more sustainable society, we provide a wide range of products and services that support manufacturing and logistics.

### Business Activities

Among the various types of thermoset urethanes, we primarily handle injected urethane. The adhesive property of urethane, which is vital in assuring vehicle safety, provides an unrivaled advantage over other wheel types, making our product ideal for use in material handling and recreational equipment.

In the Industrial Tires business, we mainly provide high-performance, high-quality urethane wheels used at manufacturing sites that require advanced technology, such as those in the automotive and semiconductor industries. These products are also used in amusement park roller coasters, which place high loads on the wheels during operation. Our urethane wheels have earned high praise from the market for their strength, durability, and dynamic performance.

In recent years, in addition to the acceleration of automation in manufacturing sites, the rapid expansion of the e-commerce market has led to a growing need for efficiency in logistics warehouses, resulting in the rapid and continuous growth of sites that use urethane wheels. At the same time, customer demands for product durability and wear resistance are higher than ever before, and we are rapidly developing products to meet these needs. Currently, we are focusing on developing energy-saving urethane wheels that contribute to reducing the power consumption of equipment and devices by minimizing friction resistance when tires start rolling, and we plan to promote sales of these to customers in the future.

We are working to further improve productivity and reduce environmental impact by thoroughly reviewing our existing manufacturing processes. For example, shortening the heating time required for urethane curing reduces energy consumption throughout the factory, which in turn reduces CO<sub>2</sub> emissions. Taking that concept another step further, we are also developing an even more innovative approach by

which urethane materials cure at room temperature. Last but not least, we are conducting research to replace the fossil fuel-derived raw materials currently in use with 100% plant-derived raw materials instead.

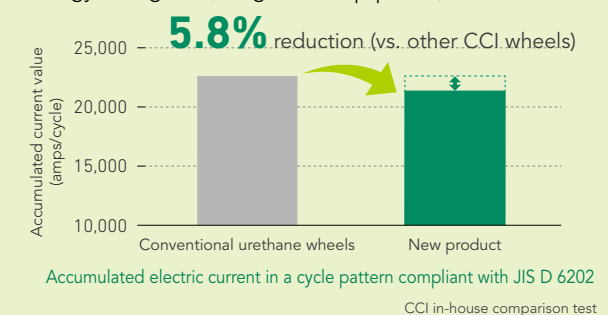
As the first step to converting our plants into smart factories, we plan to begin updating our enterprise resource planning (ERP) system in FY 2025. This will enable centralized information management and ensure more reliable product traceability. Additionally, we believe that this will greatly contribute to improving customer service, as it will enable us to respond more quickly to customer inquiries.

The introduction of logistics robots is rapidly progressing worldwide, including in the United States and Europe, and we expect sufficient growth in demand for the urethane wheels we offer. With this background in mind, CCI Group will work to quickly make smart factories a reality so that we can continue supplying high-quality products while looking to expand into global markets.

## Development of Fuel-Efficient Urethane Wheels

We have developed environmentally friendly urethane wheels that reduce power consumption compared to conventional urethane wheels used on forklifts. This new product is expected to reduce the load on motors in various transport devices, such as automated guided vehicles (AGVs), thereby contributing to energy savings. Furthermore, braking performance is equivalent to that of conventional urethane wheels, thereby enabling sustainable operation without compromising safety.

### Energy-saving test (using actual equipment)



## Pursuing **Environmentally Friendly Products** that **Open Up the Future** with the Theme of **Decarbonization** and a **Petroleum-free Society**

The R&D Department is responsible for researching and developing new technologies for the next generation and supporting each business in the smooth implementation of its strategies. Many of the research projects we are currently working on will take a long time to become commercialized, but we continue our research and development with the aim of establishing innovative technologies that contribute to solving social issues.

We have a continuous Research Grant Program that selects research topics from a wide range of perspectives and provides support to young researchers and students. In addition to this, we are collaborating with external parties on research related to plants with functional components, as well as microorganisms. As part of our community contribution efforts, we are also working to address social issues related to sustainable agriculture by developing new crop varieties in

collaboration with national research institutes and local farms.

Furthermore, we are focusing on the development of microbial agents that contribute to soil improvement, such as decomposing oils in soil contaminated with mineral oil (see page 18 for details). Microbial decomposition methods have less environmental impact than other decontamination methods, so they are expected to be useful in a variety of applications, such as the reuse of factory sites and the purification of contaminated land. We are currently preparing for proof-of-concept experiments aimed at commercial applications.

To date, we have focused our activities on research and development of new basic technologies, but in order to promote research and development that is more in line with market trends and customer needs, we are currently strengthening cooperation with each business within the

Group. We have selected research topics that can be commercialized in a relatively short period of time, while observing market needs and trends. Specifically, we have begun full-scale market research and technology trend surveys in two categories: vibration control systems and cooling systems.

We recognize that reducing dependence on petroleum resources and realizing a decarbonized society are issues that the modern world must seriously address in response to rapid changes in the global environment, including global warming. As the R&D Department of a chemical manufacturer, we will continue to aim to develop innovative products that contribute to society by embodying the idea that “Chemistry is for the world and for all people.”

### CCI's Research Grant Program

Aiming to create novel value that leads to new businesses, CCI provides grants to young researchers. These investigators are undertaking challenging research, as well as basic and exploratory research, that is not limited to a narrow field of study, focusing on projects that are based on research results that aim to commercialize future businesses in fields closely related to CCI's business.

Topics adopted  
in FY 2024:  
(Nagoya University  
and Gifu University)

5

### Developing New Types of Local Specialties

#### ■ An Improved Variety of Strawberry

At CCI, we are conducting research to develop new varieties of vegetables and fruits that will become local specialties. Generally, breeding new varieties of plants takes more than 10 years, but we, in collaboration with the RIKEN research institute, are conducting plant breeding using a method called heavy ion beam irradiation,\* which enables breeding in a short period of time. Since 2022, we have been working with local farms to improve strawberry varieties. We have evaluated approximately 500 new varieties and have developed strawberries that are tastier than existing varieties. Going forward, we plan to continue improving varieties of vegetables and other fruits.

\*Heavy ion beam irradiation: by irradiating plants with heavy ion beams (e.g. carbon and argon ions) accelerated to high speeds by an accelerator, new varieties can be created in a short period of time using the same principle as in nature.



Cultivating strawberries in cooperation with local farms

Harvested strawberries

We will contribute to regional revitalization and develop varieties that may become specialties of Gifu Prefecture.

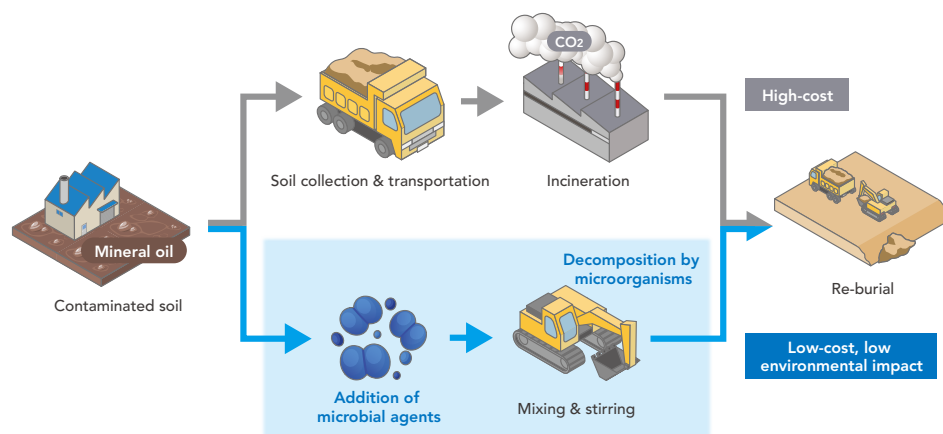


## Example

## Isolating Microorganisms Capable of Efficiently Purifying Soil Contaminated with Mineral Oil

The former sites of factories and gas stations may be contaminated with leaked mineral oil, and low-cost methods of decontamination are needed in order to make effective use of the land. While other decontamination methods already exist, decomposition of pollutants using microorganisms is the least environmentally harmful option. At CCI, we have the technology to isolate and formulate microorganisms, and we have isolated microorganisms that can decompose mineral oil with high efficiency by utilizing the technology we have cultivated in the development of microorganisms that decompose vegetable oil.

### Soil Decontamination and Reuse

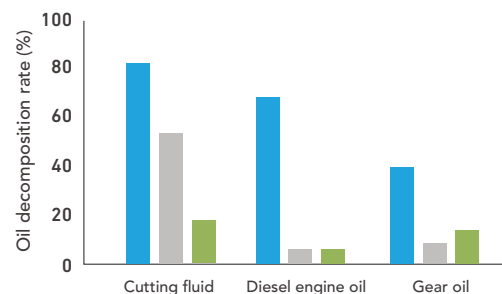


### The Steps of Technology Development

Step 01	Selecting target pollutants	We selected <b>mineral oil</b> , which causes soil contamination, as the target.
Step 02	Screening microorganisms	From soil samples across Japan, we isolated <b>microorganisms capable of decomposing mineral oil</b> .
Step 03	Evaluating degrading ability	We evaluated the ability of microorganisms to <b>break down</b> mineral oil.
Step 04	Formulating microbial agents	We formulate <b>long-life</b> microorganisms. <span>Currently in progress</span>
Step 05	Field testing	Moving forward, we will conduct decomposition tests on contaminated soil to prove efficacy.

### Results of Evaluating Ability to Decompose Mineral Oil

■ Microorganisms isolated by CCI ■ Other company's product A ■ Other company's product B



CCI's isolated microorganism was confirmed to have higher degrading ability than the evaluated products of the other companies.

Through **technological development**, we **contribute** to the **re-usability** of **contaminated land**.

# 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.

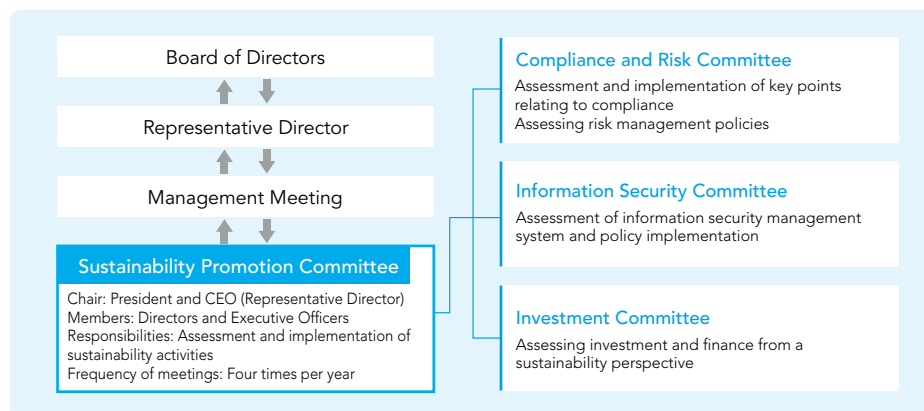
[WEB](#) CCI Group Sustainability Policy (Full text)

## 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 certifications

- Awarded the Bronze Medal for sustainability management in January 2025 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
- Meeting of sustainability promotion managers



Basic training on sustainability (April 2024)

### Voluntary social contribution activities

CCI is engaged in various community and social contribution activities with the aim of raising employee awareness of sustainability.

- Beautification of the local environment through clean-up activities around factories
- Medical support for children through the collection of plastic bottle caps
- Cooperation with employment support organizations through the collection of disposable contact lens cases
- Support for children's learning opportunities through the collection of books, toys, and stuffed animals
- Support activities for people in need through the collection of daily necessities
- Support for the 2024 Noto Peninsula Earthquake (matching gifts)

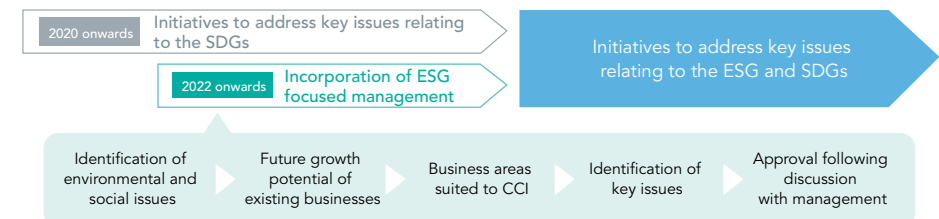


Cleanup in the Seki industrial area (December 2024)

## 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



## Key Issues and KPIs

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

Fields of activities	Key issues	ESG	Priority issues (concrete measures up to FY 2030)		KPI achievement status for FY 2024	Relevant page(s) (FY 2024 results)
Business activities	Providing mobility in an environment characterized by safety, comfort, and peace of mind 	E	Developing next-generation mobility products	Developing low-maintenance products	△	p. 22
	Creating tranquil living spaces 	E	Providing environmentally friendly products and services driven by new technologies	Improving living spaces with vibration damping and sound absorbing materials	○	p. 15
		E		Improving other surroundings with vibration damping and sound absorbing materials	△	p. 15
		E		Expanding sales of Oil Vanish, a fat and oil-degrading microbial agent	△	p. 15
	Transitioning to a circular economy 	E	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	○	p. 14
		E		Expanding reuse business	△	p. 22
		E		Recycling (reducing) and utilizing 50% of industrial wastewater (2019)	△	p. 23
		E		Initiatives to reduce plastics	△	p. 10
		E	Developing products made with nonpetroleum materials	Establishing mass production technology	△	—
	Enhancing health and quality of life 	E	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	△	p. 23
		S		Eliminating the use of hazardous substances by establishing an appropriate management system	○	—
Company-wide activities	Enhancing health and quality of life	S	Contributing to the community through sports, etc.	Sponsoring cultural, art, and sporting events	○	p. 25
	Responding to climate change 	E	Reducing Scope 1 + 2 CO <sub>2</sub> emissions by at least 30% by FY 2030 compared to FY 2019	Implementing the CO <sub>2</sub> reduction project	○	p. 22 p. 31
		E	Assessing and monitoring Scope 3 emissions	Assessing Scope 3 emissions globally	○	—
	Improving workplace satisfaction and revitalizing the company 	S	Improving employee engagement	Improving score on engagement survey Achieving diversity in the workplace Improving the work environment and reviewing current systems	○	p. 27 p. 31 p. 32
		S	Increasing productivity through enhanced visualization and digitalization: Realizing a paperless society	Increasing productivity through digitalization and promoting a paperless society	○	p. 27
	Demonstrating our commitment to respecting human rights	S	Establishing a due diligence process for human rights	Implementing human rights due diligence processes based on CSR procurement guidelines	○	p. 28
		S	Human rights initiatives in the supply chain	Promoting human rights initiatives in the supply chain Human rights SAQ response rate of 100%	○	p. 28
	Enhancing compliance	G	Compliance initiatives	100% compliance training participation rate	○	p. 32
		G	Strengthening information security systems	Zero major security incidents	○	p. 32



# Environment

We actively engage in conserving the Earth's environment by reducing greenhouse gases, providing environmentally friendly products, and making use of our unique technology as we strive toward the goal of carbon neutrality by 2050.

## Basic Approach

Our Corporate Philosophy takes into account that we are in a position to impact society, and are continually promoting initiatives to protect the environment, ensure people's health, and achieve a sustainable society.

## Environment

### Environmental management system

To have every employee strive to implement environmental measures with a shared awareness, 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 toward certification.



Worksites in Japan and abroad that have obtained ISO 14001

**8 sites** (as of March 2025)

## Strategies Addressing Climate Change

### Climate change risks and opportunities

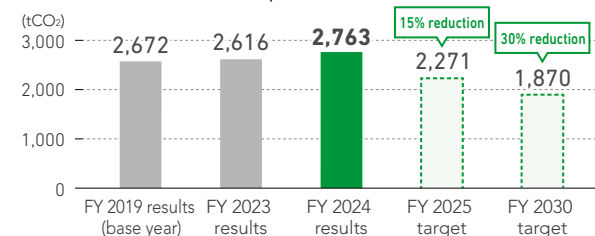
CCI Group conducted scenario analysis based on the TCFD recommendations for 1.5°C and 4°C climate change scenarios. The 1.5°C scenario refers to IEA NZE and IPCC RCP1.9, while the 4°C scenario refers to IEA STEPS and IPCC RCP8.5. Based on the results of the scenario analysis, we identified the following climate change risks and opportunities, while also calculating their financial impact. We will consider measures to minimize risks and maximize opportunities, and will implement these measures appropriately.

■ Table of Climate Change Risks and Opportunities

Category	Details	Time frame	Importance	Issue	Countermeasures
Transition risks	Introduction of a carbon tax will increase the procurement costs of raw materials with high carbon intensity	Medium term	Great	Reduction of greenhouse gases	<ul style="list-style-type: none"> <li>Reduction of Scope 1 and 2 emissions through energy-saving activities and the use of renewable energy <a href="#">P.22</a></li> <li>Reduction of Scope 3 emissions through engagement with suppliers</li> </ul>
Physical risks	Intensification of abnormal weather may cause production delays and a decline in sales due to the shutdown of production sites	Medium term	Medium	Response to abnormal weather conditions	<ul style="list-style-type: none"> <li>Formulation of a business continuity plan (BCP) manual and establishment of a business continuity management (BCM) system <a href="#">P.30</a></li> <li>Regular reassessments and implementation of drills <a href="#">P.30</a></li> </ul>
Opportunities	Increased sales by establishing a competitive advantage through the development and marketing of environmentally friendly products	Medium term	Medium	Development of environmentally friendly products	<ul style="list-style-type: none"> <li>Switching from petroleum-based raw materials to bio-based raw materials</li> <li>Switching to environmentally friendly containers and packaging <a href="#">P.14</a></li> </ul>

**Climate Change Initiatives****Greenhouse gas reduction**

In our efforts to reduce greenhouse gas emissions, we promote energy conservation and the use of renewable energy. As such, we have a medium-term target to reduce CO<sub>2</sub> emissions from Scope 1 and 2 activities by 30% before FY 2030 (as compared to FY 2019). We have established a project to promote these activities and created an action plan to reduce emissions during production. Under both, we are now working to lower our CO<sub>2</sub> emissions. Since FY 2022, CCI Group companies have calculated their individual CO<sub>2</sub> emissions and CCI Group as a whole will continue making efforts toward this end.

**CCI's CO<sub>2</sub> emissions (Scope 1 and 2)**

Note 1: Due to changes in the calculation method, data for FY 2023 has been recalculated based on a new calculation method in order to maintain consistency in comparisons.

Note 2: Regarding CO<sub>2</sub> emissions from gasoline use, from FY 2024 we have been calculating the actual figure based on primary data.

**Efforts to reduce CO<sub>2</sub> emissions—  
Adopting renewable energy**

JCI is actively promoting the adoption of renewable energy and implementing thorough energy conservation measures. Since April 2022, we have achieved 100% renewable energy use at our head office, while reducing CO<sub>2</sub> emissions by 80% across the headquarters as a whole. Furthermore, we will aim for net-zero CO<sub>2</sub> emissions from our own factories and will promote this policy to overseas Group companies with the goal of achieving net-zero CO<sub>2</sub> emissions from our factories worldwide.

**► Key initiatives to reduce CO<sub>2</sub> 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

**Environmental Contribution of CCI Products****Basic Approach**

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

**Developing environmentally friendly products****Retreading ULTRUNS long life urethane tires**

In the Industrial Tires business, we are retreading our ULTRUNS long life urethane tires. Retreading is a technology that reuses the wheel portion of the tires and replaces the urethane layer to restore function. Retreading helps mitigate environmental impacts by avoiding the necessity to replace the whole tire, and by reducing the costs of manufacturing and disposing of wheels. We will seek to further reduce waste by developing products with excellent wear resistance, as well as products that are more durable and longer lasting.

**Developing fuel additives**

JCI is currently developing fuel additives to remove deposits and enhance engine performance. In the combustion chamber of an engine, deposits accumulate from impurities in the fuel, as well as soot from incomplete combustion, which can have a negative impact on the engine. With a single use, and only two active ingredients, our engine cleaner successfully removes oil-soluble and water-soluble deposits adhering to the intake valve, injector, spark plugs, combustion chamber, etc. In terms of the environment, our fuel additives contribute to cleaning exhaust gas and recovering fuel efficiency, and, even in the markets of emerging countries where fuel quality is an issue, CCI can leverage the high adaptability and reliability of our products to promote sales expansion with the aim of realizing sustainable mobility.



Fuel additive

**Compact grease traps significantly improve efficiency**

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



**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, and 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 and reassess work processes in order to reduce environmentally harmful substances.

**Striving Toward a Circular Economy****Basic Approach**

Based on our code of conduct, we strive to achieve a circular economy in our operations. We work to reduce manufacturing waste and encourage the use of recycled resources as we promote products that minimize resource inputs. We also focus on the recycling and effective use of our own products.

**Waste control****Reassessing our disposal methods for industrial waste, while reducing waste through careful waste sorting**

We recently reviewed our disposal methods for unrecycled industrial waste and converted some of the industrial waste generated during the manufacturing process into recyclable materials. In addition to recycling part of the waste generated during the manufacturing process and daily operations, we are

boosting our recycling rate with careful sorting. Furthermore, we are promoting initiatives to reduce paper usage across all Group companies.



Material recycling rate  
(CCI)

**66%**  
(FY 2024)



Reduction in paper  
usage (CCI)

**48%**  
(compared to FY 2021)

**Reducing waste**

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



Reduction in  
raw material  
usage

**35%**  
(CCI, compared to FY 2023)

**Reducing raw material waste**

In the Industrial Tires business, we reviewed the amount of time in between feeding different raw materials into machines and were able to streamline the process and more effectively use our raw materials.



Reduction in  
raw material  
usage

**28%**  
(CCI, compared to FY 2023)

**Reducing and reusing wash water**

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



Wash water  
reduction

**13%**  
(CCI, compared to FY 2019)

**Coexistence with Nature****Environmental preservation activities**

As part of our efforts to preserve the local environment and protect biodiversity, we regularly conduct cleanup activities in industrial parks, rivers, and coastal areas through volunteer activities by our employees. In June 2024, JCI participated in a coastal cleanup activity at Miho Masaki and collected trash that had washed onto the shore. Going forward, we will continue to promote ongoing environmental preservation activities while deepening our ties with local communities.



Cleanup activity on Miho Masaki beach (June 2024)



# Social

We at CCI Group prioritize safety above all else along our journey to improve customer satisfaction. We also actively work with local communities and strive to continually contribute to society through activities that leverage our business and address social issues.

## Quality

### Ensuring world-class quality with smart factories

#### Basic Approach

Our Corporate Philosophy is to 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.

In order to consistently deliver products that offer safety and peace of mind to our customers, we hold monthly global quality meetings. With regard to quality control, our management system covers our entire supply chain, including overseas technology licensees and contract manufacturing partners. We are currently promoting the smart factory conversion of our production sites in Japan, and as we renew our ERP system at all production sites in the future, we will build a sophisticated and efficient quality control system globally.

### Initiatives for quality assurance

CCI Group has acquired ISO 9001 quality management system certification and IATF certification and promotes continuous quality improvement. We are also proceeding with steps to visualize production processes at manufacturing sites, and any complaints we receive from customers are addressed promptly and appropriately, with safety as a top priority. We will continue to strengthen our framework for quality assurance going forward.

#### ► External certification of quality management system (as of March 2025)

ISO 9001 certification **10 sites** IATF 16949 certification **5 sites**

### Training

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

## With Our Customers

### Initiatives to improve customer satisfaction

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

## With Our Business Partners

### Policy

As part of our commitments regarding procurement, we have published the CCI Group Procurement Policy on our corporate website.

 [CCI Group Procurement Policy](#)

### Initiatives for CSR-based procurement

CCI works with business partners (suppliers) to take conventional procurement activities that focus on quality, performance, cost, and delivery, and ensure that they also include corporate social responsibility (CSR) elements regarding environment, labor, and human rights. To reduce potential risks to sustainable business operations, CCI established CSR-based procurement guidelines. 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 strive for sustainable business activities with our business partners.

**Contributions to Society****Basic Approach**

Our Corporate Philosophy 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. Areas of priority include community contributions, human resource development, environmental preservation, and disaster relief.

**Community contributions****Ski Association of Gifu, Freestyle Club**

Since FY 2023, we have been sponsoring the Freestyle Club of the Ski Association of Gifu. As part of our efforts to support the development of local athletes and children who will lead the future, starting in FY 2024, we are the proud sponsor of freestyle ski mogul athletes Ikuma Horishima (Toyota Motor Corporation) from Ikeda Town (Ibi District), and Shiori Asano (Chukyo University) from Kakamigahara City. Moguls is an event in which athletes jump and spin while skiing down a slope, with the focus on the difficulty and execution of their



Signing ceremony with the Ski Association of Gifu (December 2024)

**► Main sponsorships (FY 2024)****► Supporting motorsports**

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

**► Supporting local sports**

- Ski Association of Gifu, Freestyle Club
- Ski moguls, Ikuma Horishima
- Ski moguls, Saori Asano
- Professional basketball Gifu Swoops
- Professional soccer FC Gifu

techniques rather than speed. We provide signs and banners at competitions and promotional events, in addition to participation prizes with our company logo. We will continue to plan various events as we support the popularity of local sports and the excitement of these activities.

**Corporate version of the hometown tax payment system, Shirakawa Village**

In FY 2024, we started making donations to Shirakawa Village, in Ono-gun, Gifu Prefecture, utilizing the corporate version of the hometown tax payment system. Shirakawa Village has Gifu Prefecture's only UNESCO World Cultural Heritage Site, the historic village of Shirakawa-go, and it has been garnering global attention. However, the village is facing a dire situation due to Japan's trend toward a shrinking and aging population. CCI's donations will be used as funds for activities to preserve the unique Gassho-style houses and this picturesque rural landscape for future generations. Going forward, we will continue our efforts to protect cultural assets and contribute to regional revitalization.

**TOPICS****Activities of CCI Automotive Products (Thailand)**

Since July 2024, we have been an official sponsor of YFA Football Club, a local soccer team in Chonburi Province. YFA is a mixed team of both hearing-impaired and non-hearing-impaired members, and they interact through football (soccer) with a special needs school in their local Chonburi Province. In November 2024, the CCI futsal team participated for the first time in a tournament hosted by YFA, and we look forward to continued interactions with the local community.



Players at the futsal tournament (November 2024)

**Community cleanup activities by new employees**

Starting in FY 2024, we made an addition to our new employee training program with the aim of both promoting communication among new employees and also preserving the environment of the local community. This addition includes conducting a litter cleanup activity on Mt. Hatofuki and the surrounding roads in Gifu Prefecture, where the headquarters of CCI are located. We are honored to actively engage in cleanup activities that help promote coexistence between our employees and the local community.



Cleanup activity on Mt. Hatofuki (April 2024)

**Activities of USC Limited**

Since FY 2024, as part of our volunteer activities, we have been participating in children's cafeteria events and providing popcorn, made with a commercial popcorn machine that we own, free of charge to children attending the events. As the number of these events—better known as children's cafeterias—continues to increase year by year, we plan to keep participating in areas where our sales branches are located as one way to support the healthy physical and mental development of our youth.



Event at the Dagashiya Cafeteria (August 2024)

**► Supporting students**

- Formula SAE Japan
- Gifu University Formula Racing
- Nagoya University Formula Racing
- Gifu University, Faculty of Engineering, technology showcase project

**► Other events supported**

- Seki Chamber of Commerce & Industry 70th anniversary event (noh & kyogen)
- Seki City fireworks festival
- Gifu Nagara River fireworks festival
- Gifu Broadcasting System festival
- Yu-no-kai gathering (ohayashi instruments and nagauta singing)

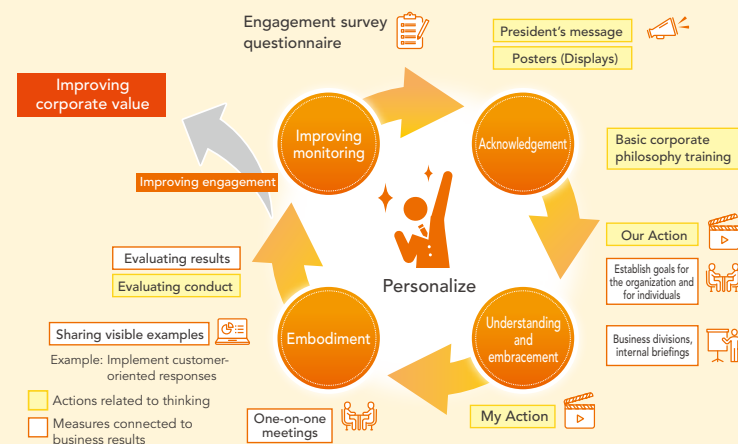
# Corporate Philosophy Implementation— Two Synergistic Projects

Since reestablishing our corporate philosophy in 2023, we have undertaken various initiatives for each employee to understand, identify with, and consider ways of adopting the philosophy's principles, with the aim of realizing our purpose as a company. Through these endeavors, we encourage each employee to mature while we grow as a company that can give back to our customers and society.

## Corporate Philosophy



## Initiatives to support corporate philosophy implementation



## Projects

It is vital to communicate our Corporate Philosophy to the next generation. As part of our efforts to develop human resources and build our organization and corporate culture, we implemented a cross-departmental project in FY 2024.

### Project to formulate a Group vision that transcends company and departmental boundaries

In October 2024, we launched the Group Vision Formulation Project, in which 27 mid-career and younger colleagues from Group companies in Japan participated to review the medium-term direction of the Group, looking out to 2040. In this project, participants summarized and examined megatrends, future information, expected changes in the business environment by 2040, the future of the company, and synergies between companies and other businesses segments.

In the process of creating the elements necessary to realize our desired future, each team held numerous discussions and ultimately presented their ideas to management using storyboards and business/policy posters depicting what they want the company to be in 2040. This project allowed participants to clarify the current strengths and future challenges of each company from the perspective of the entire Group, and to learn how to formulate a long-term vision. In addition, having members from different backgrounds and work cultures together on the same project helped foster a sense of unity among Group companies. (The Group vision is slated to be finalized in FY 2025.)



Workshop participants were divided into four teams that were a mix of different companies and departments



Team members presenting their ideas to management

### Project to plan a company trip arranged by 10 younger employees

In October 2024, we launched a Company Trip Planning Project in which 10 younger employees planned an employee trip to be held in 2025. After surveying internal needs, the project members decided that the purpose of the company trip would be to expand interaction and enhance the power of Group synergy. Accordingly, the theme they chose was "Borderless Challenge: The Circle You Create."

Through the process of drafting plans, creating project materials, and giving presentations, members honed their practical business skills. Because this project energized communication between employees who typically have little interaction of this kind in their everyday work, we expect that future business collaboration will become more fruitful. This project has become an important initiative that promotes the dissemination and implementation of CCI's Corporate Philosophy, while also providing younger employees with opportunities for growth and ways to challenge themselves.



Team members after presenting their ideas to management



Employees on the company trip



## With Our Employees

### Rank-specific education and support for fostering individual capabilities Creating an accommodating and comfortable work environment

#### Basic Approach

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

At CCI, we have established an education system that is systematic and rank-specific, from new employees to managers. In addition to mechanisms that support employees who are motivated to learn voluntarily, such as acquiring a professional qualification, we have also established a rehiring system for retired employees. In FY 2024, we revised our childcare and nursing care regulations to support diverse working styles among employees. Through the promotion of remote work and other measures, we are committed to creating an environment where employees of child-rearing age, regardless of gender, can build their careers. We also conduct annual employee satisfaction surveys aimed at maintaining and improving a safe, secure, and comfortable working environment. The feedback and opinions shared in the surveys help fuel our commitment to continuous improvement.



## Human resource development

In addition to expanding 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

Rank	Rank-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 eLearning Incentives for obtaining qualifications
Mid-career employees	New leader training Training after being promoted			
New employees	Third-year training New hire training			
Prospective candidates	Prospective candidate training (prior to joining the company)			

\* LGBTQ: An acronym for sexual and gender minorities

## Creating a comfortable workplace

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. Additionally, we have offered remote work options for select positions since 2020, and further expanded the number of jobs that can be handled remotely in 2022 with our transition to a cloud-based system. 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 all of our employees.

## 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 periods 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, equity and inclusion

### LGBTQ initiatives

CCI organizes training for all employees, led by guest instructors, to accurately understand the LGBTQ community. Since FY 2022, employees have been encouraged to show their support by donning rainbow badges and becoming visible LGBTQ allies. In recognition of these activities, CCI has been granted bronze certification—for three consecutive years since FY 2022—by the PRIDE Index (an evaluation of a company's LGBTQ initiatives).



**133** people  
(as of March 2025)

## 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. In addition, we have been working to improve quality and productivity by revamping our core systems since FY 2020.



**1,446** hours  
(Estimated figure for CCI in FY 2024)

Upholding Human Rights

Basic Approach

Our Corporate Philosophy is to be 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, CCI Group began human rights due diligence\* in accordance with the UN Guiding Principles on Business and Human Rights.

■ Corrective measures

Based on the assessment conducted in FY 2023, 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 2024, a total of 20 CCI Group companies and partner companies in Japan and abroad were asked to complete a self-assessment questionnaire (response rate: 100%). The information provided allowed us to complete a risk assessment and analysis, and 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 brought in external instructors to conduct annual training on respect for human rights for all board members and employees in Japan (attendance rate: 100%). The purpose of this training is 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, comprehend the ideal that we would like to embody as a company, and be encouraged to work together to address issues.

Setting up a consultation hotline

We have 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

Our Corporate Philosophy is to promote initiatives that prioritize health and safety in all aspects of our operations.

Initiatives for occupational health and safety

CCI pursues business operations while putting a high priority on the creation of a workplace that provides safety and security. 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 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.



Managers conducting a plant safety patrol (April 2025)

TOPIC

Conducting EHS inspections

CCI has been conducting EHS (environment, health, and safety) inspections at its overseas Group companies in Greater China since FY 2023 with the aim of both protecting the safety and health of employees and also creating a workplace environment where they can work with peace of mind. In FY 2024, we also expanded these inspections to include two plants in Japan and our plant at CCI Automotive Products (Thailand). Inspections involved visiting the local plant, checking compliance with laws and regulations related to safety, health, and the environment, and using checklists to inspect matters such as whether there are any dangerous areas on site. We are prioritizing and addressing the issues identified in these inspections. Going forward, we will continue striving for workplaces that offer safety and security across all Group companies.



An EHS inspection in progress (January 2025)

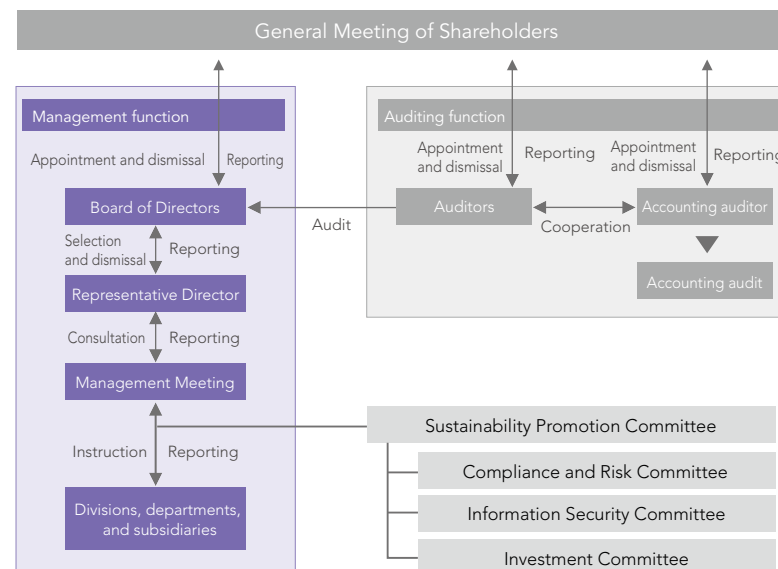
# Governance

As part of corporate governance, 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 the following corporate governance structure (see diagram to the right) 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, as the highest management decision-making body, is responsible for making decisions on matters stipulated by laws and regulations, as well as other important matters related to management, and for acting as the supervisory body for directors. In addition, we have a system in which auditors, including external auditors, conduct audits of the execution of duties by directors, and audits of management in general, from a fair and independent standpoint.

## Corporate governance system



## Compliance

### Basic Approach

We have created a Code of Conduct Guidebook and thoroughly implemented 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 with its legal counsel and relevant departments to ensure 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 responses and progress. Through these measures, we will continue to strengthen our management system.



Serious violations of laws or regulations

**0 cases** (FY 2024)



Number of reports  
Reports involving serious legal violations or misconduct

**0 cases** (FY 2024)



**Compliance****Training**

CCI Group continually implements training on the code of conduct, as well as compliance and harassment prevention training 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. CCI MANUFACTURING IL CORPORATION (USA) also conducts training on automated external defibrillators (AEDs) and cardiopulmonary resuscitation (CPR) for employees every other year.



Comprehensive disaster prevention training (December 2024)



Safety  
confirmation  
system training  
response rate

**100%** (March 2025)

**Information Security****Basic Approach**

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 an information security management system. In the event of an incident, we ascertain the causes and implement preventative measures against recurrences. As we move forward with digitalization of operations and pursue digital transformation, we are working to reinforce data safety by introducing security solutions (EDR) to reduce the risk of cyberattacks and information leaks. We strive to strengthen information security management not only in Japan but throughout the Group.

**▶ CCI's Key Initiatives**

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

**Training**

CCI provides training on information security and countermeasures to targeted attack email for all employees. In addition, we use internal social media tools to disseminate content on information security, such as security measures for working from home. Furthermore, in line with the government's Cybersecurity Awareness Month, we designate February and March as Information Security Awareness Months every year. We conduct awareness activities to encourage employees to be conscious of information security risks in their daily work, with the aim of improving basic knowledge of information security among each and every employee.

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

ESG Data

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

Environment

Environment

CO2 emissions (Scope 1, 2)<sup>1</sup>



Environment

Total energy consumption



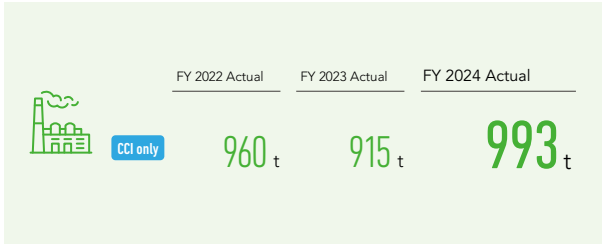
Environment

Water usage



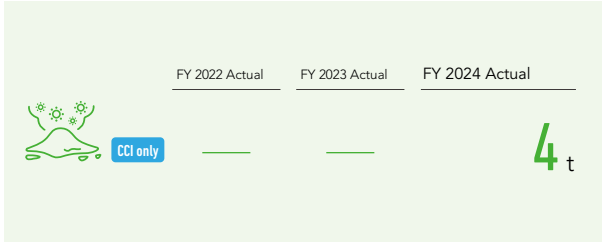
Environment

Industrial waste produced



Environment

Hazardous waste generated



Society

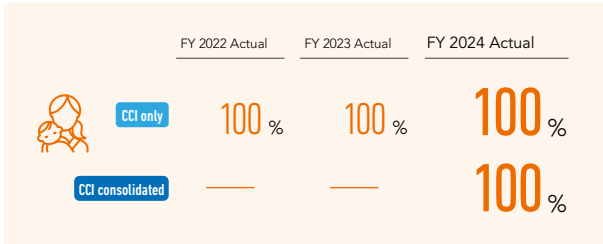
Human resource development

Average hours of training per employee per year



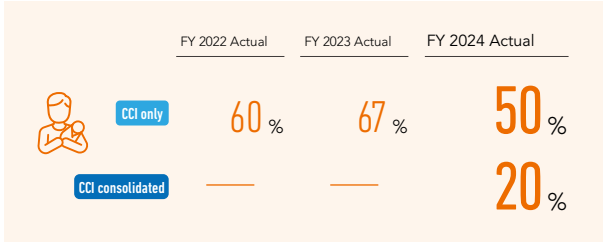
Creating a comfortable workplace

Parental leave utilization rate for female employees<sup>2</sup>



Creating a comfortable workplace

Parental leave utilization rate for male employees<sup>3</sup>



1. Due to changes in the calculation method, and to maintain consistency in comparisons, data for FY 2022 and FY 2023 have been recalculated based on a new calculation method. Also, regarding CO2 emissions from gasoline use, from FY 2024 we have been calculating the actual figure based on primary data.  
2. Number of female employees who started parental leave in FY 2024 / Number of female employees who gave birth in FY 2024    3. Number of male employees who started parental leave in FY 2024 / Number of male employees who had newborn children in FY 2024

ESG Data

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

Society

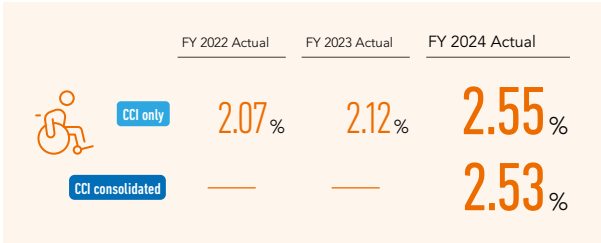
Creating a comfortable workplace

Average number of paid time off days taken per employee



DEI

Percentage of employees with disclosed disabilities



Occupational health and safety

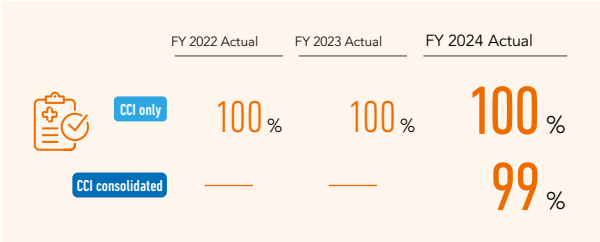
Number of occupational incidents<sup>4</sup>



4. Lost-time injury or worse

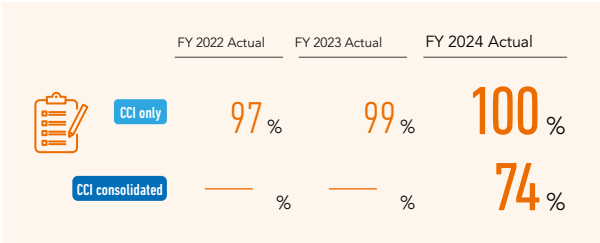
Occupational health and safety

Percentage of employees who received a health exam



Occupational health and safety

Stress check implementation rate



Governance

Compliance

Attendance at compliance training



Information security

Attendance at Information Security Training



Information security

Serious security incidents

