Creating Inspirational Value Report



MESSAGE FROM OUR CEO

In October 2023, we established the CMC Group's approach to sustainability, which aims "to achieve sustainability of information value."

For us, sustainability means working alongside our clients to deliver "inspirational value" to all stakeholders.

To achieve this, it is essential that we understand the true nature of the challenges faced both by our clients and by society as a whole, and constantly strive to find solutions to these issues.

We are pleased to share our vision and progress on creating inspirational value with you here in the "Creating Inspirational Value Report".

佐々幸恭

Yukiyasu Sasa President and CEO CMC Corporation March 2024





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Editorial Policy

This report has been published as a tool to facilitate dialogue with our stakeholders. Here, we introduce our strategic story and how we are working to realize the CMC Group's vision. We will continue working to improve the content of the report.

Information Disclosure

Information on our sustainability policies and initiatives can be found on the following pages.

Sustainability https://www.cmc.co.jp/english/sustainability/

IR News | Investor Relations* https://www.cmc.co.jp/ir/* Information currently available in Japanese only.

PURPOSE

To achieve sustainability of information value

Continuing to provide "inspirational value" to all of our stakeholders by ensuring "the right people have the right information, at the right time, in the right way" – this is the CMC Group's enduring purpose.

Our Fundamental Approach to Sustainability

Since our earliest days, we've moved with the times, and our products and services have evolved to keep pace. What hasn't changed, however, is our commitment to working alongside our clients to deliver "inspirational value" to all stakeholders.

When people's innate potential and skills are combined with the power of data, we can change the way we live and work for the better. We will continue to open up new possibilities and help to make life more enjoyable.

The potential of people meets the power of data – better lives through better information

The CMC Group values system expresses the way in which each and every one of our employees can help realize our vision. The scenes in the background of our vision are a depiction of the future ways of life we want to make a reality. We will continue to challenge ourselves to realize our vision and keep delivering inspirational value.

CMC Group Way

https://cmc.jp/english/about/vision/

The CMC Group Way defines the actions and behaviors expected of all Group employees. We aim to prove ourselves worthy of the trust that our clients and other stakeholders place in us.



Business Plans

Mid-Range Plans
Company Goals / Divisional Targets



How We "Achieve Sustainability of Information Value"

Our business model strategy – the "Infinity Loop" – encapsulates our purpose of continuing to deliver the right information to the right people at the right time. From highly confidential blueprints and unwritten "tribal knowledge", to corporate value systems and marketing strategies, we are entrusted with the full spectrum of our clients' information.

Our job is to make sense of this vast quantity of information and carefully consider what, when, and how it should be communicated to the various users who need it. The CMC Group's point of difference lies in our ability to organize and streamline the flow of our clients' information with dedicated digital platforms and feedback mechanisms that unlock the power of data to identify what users really want.

1

Organize and record clients' information

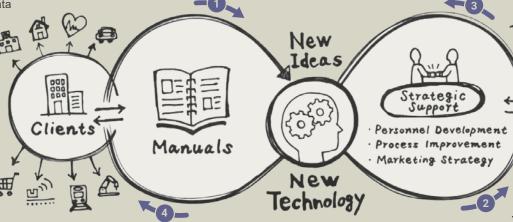
The first step is the groundwork. To ensure information can be conveyed in an easy-to-understand manner, we take clients' technical data, product information, and "tribal knowledge" and organize it into a coherent system, then enter it into a digital platform.

3

Understand how information is used

The third step is listening to the "voice of the customer" to confirm that the optimal information is reaching the right people.





Accumulate and update data

After analyzing how information is used, we refine data records and provide feedback to our clients to further improve the information being provided.

Develop, operate, and maintain platforms

At the heart of all of our business model are customized, centrally managed platforms and systems that we create from the ground up.

2

Deliver information

Tailored information is delivered to various users depending on their needs.

HOW WE CREATE INSPIRATIONAL VALUE

INPUT The Sources of Value Creation

Human Capital

P06 🗗

People who can design and bring to life businesses that achieve "sustainability of information value"

Employees

925 (consolidated), 436 (non-consolidated) Note: As of September 30, 2023

Intellectual Capital

P07 🔁

The technology to connect the right people with the right data so that information is conveyed in an easy-to-understand manner

Social & Relationship Capital P07 🔁

Finding solutions to social challenges through cocreation with our clients, and collaboration with industry, governments, and academia

Manufactured Capital

P07 🗗

Locations established in markets in which our clients' businesses are growing

Number of CMC Group locations

Japan: 16 locations

Global: 11 locations in 8 countries

Financial Capital Financial Highlights

A robust financial foundation from which to grow our business and increase profitability

Equity ratio 76.5% ROE

Operating Income 2.62 billion yen (consolidated)

1.52 billion yen (non-consolidated)

Note: Financial results for the fiscal year ended September 30, 2023



Growth Strategy

Material Issues

P05 🗗

Mid-Range Business Plan (FY22 - FY24)

Unleashing the potential of people. Harnessing the power of data. Ready for what comes next.

Business Model

P03 €

Working alongside our clients gives us a deep understanding of their products and the industries in which they operate. Our business model, shown below, aims to create a cycle that enhances the value of information for society as a whole.



OUTPUT

Business Activities

Manuals & Knowledge Business

- Manuals Business Content development We understand clients' technical and product information, and transform it into easy-tounderstand content
- Knowledge Business Strategic support We create content and support clients' business strategy (personnel development, process improvement, marketing strategy)

Key Markets

(Industries our clients operate in)

- Mobility
- Logistics
- Manufacturing Local Government
- Medical/Pharmaceutical
- Robotics/Software Robotics

GROUP

Values

CMC Group Way "Be inspiring"

Working alongside our clients to solve material issues is how we contribute to the creation of a sustainable society.

We strive to deliver inspirational value to our clients and all other stakeholders by finding solutions to challenges that society faces.

■ Material Issues and Examples of Initiatives

9 menonical 10 month | 12 month | 12 month | 16 menonical | 12 month | 13 month | 14 month | 15 mon **Target SDGs** - People living longer, healthier lives - Evolving digital technology - Evolution and increasing complexity of - Evolving digital technology Major products and services - Addressing the needs of our clients' - Aging of experienced workers and need - Movement and outflows of talent opportunities to pass on skills to next generation - Enforcement of legal obligations ("brain drain") environments and risks pertaining to safe use of products - Declining working-age population Material Facilitating behavioral changes Helping to create environments in Creating working environments where Building the foundation on which issues that increase productivity and which products and services can be a diverse range of employees next-generation businesses alleviate labor shortages can be developed used safely and with peace of mind can thrive • Promoting digital transformation (business • Frameworks for ensuring the right information · Developing people · Helping clients make their businesses more transformation, manpower reduction, etc.) reaches the right people environmentally friendly Promoting QOL/QOW* · Building partnerships with industry, Initiatives Business process management (streamlining, · Strengthening Group governance * QOL: Quality of life; QOW: Quality of work governments, and academia increasing productivity, etc.) · Harnessing the power of the latest technology

■ Process for Identifying Material Issues

1. Selection of Potential Issues

With reference to the Sustainable Development Goals, Sustainability Promotion Committee Members (representatives from each organization) select potential material issues relevant to the CMC Group.

2 Materiality Assessment

The selected issues are assessed from two perspectives: "the importance to stakeholders", with emphasis on the expectations and interests of our clients, and "the impact on the CMC Group's business".

3. Identification of Material Issues

Items assessed as high priority from both perspectives are discussed with members of the board of directors to identify the Group's material issues.

THE SOURCES OF VALUE CREATION | Human Capital

We believe the CMC Group's greatest asset is our people. Our professional employees are the key to value creation, and we go to great lengths to position them for success.

Personnel Development

Our training programs are geared to developing employees who, while working alongside our clients, can design and bring to life businesses that achieve "sustainability of information value".

Main Initiatives*1 ·····

- Spreading awareness of and instilling core values (CMC Group Way Promotion Committee)
- Professional training tailored to markets/ functions/job roles

(Product/Service workshops, skills training, etc.)

Developing expertise

(CEO-led training for high performers, training for nextgeneration leaders, "Tongaru Camp" online training platform, etc.)

- •Quality improvement awareness raising (CS Promotion Committee)
- Support for individual career development (Career training, 1-on-1 guidance from supervisors)
- Support for self-development (Subsidized training, qualification allowances)



Creating a Work Environment Where People Can Thrive

We want our work environments to be places that respect our employees' diversity and allow them to work safely and happily.

Main Initiatives*1

 Creation of systems and a workplace culture that supports diverse ways of working

(Flexible working hours (no "core time"), telecommuting, childcare leave, nursing care leave, permission to work side jobs, re-employment of older workers, etc.)

Health Promotion

(Periodic health checkups above and beyond statutory requirements, seminars on health promotion and mental wellbeing, CMC Group Way calisthenics, mental health worker consultation service, etc.)

External Evaluations

CMC Corporation





· Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category) for the fourth year in a Certified by the Nagova City actively promotes women in the Sports Yell

Main Corporation

- Certified Health & Productivity Management Outstanding Organization (Small and Medium-Sized Corporation department; fourth consecutive year in 2024)
- Excellent Corporation for Health Management (Silver Level Certification)
- Recognition of activities to promote women's participation and advancement in the workplace*7
- Tokyo Work-Life Balance Certification
- Tokyo Father's Childcare Leave Promotion Project 2023
- Minato City Work-Life Balance Promotion Certification

Paternity Leave

• Sports Yell Company 2024

CMC Xmedica Corporation

(Silver Level Certification)

Excellent Corporation for Health Management

Total Employees (Consolidated)

CMC Corp. Employees (Non-consolidated)

Group Employees with ICT Expertise

Length of Service

Group Employees who are Qualified Mechanics

of which, qualified Class 1

CMC Group Human Capital at a Glance* 'With the exception of total (consolidated) employee numbers and employees with ICT expertise, figures are for CMC Corporation (non-consolidated), as of September 30, 2023.

Auto Mechanics **Average**



Annual Leave Utilization Rate

No-Overtime Dav Rate

Percentage of Women in Management/Leadership Positions*3, 4

Utilization Rate*3, 5

Maternity Leave Utilization Rate*6

*1 Includes initiatives conducted by CMC Corporation on a standalone basis. *2 Excludes employees seconded to other organizations; includes employees seconded to the CMC Group from other organizations. *3 Includes employees seconded to other organizations, including other CMC Group companies, excludes directors, part-time employees, employees seconded to CMC Group from other organizations (Denominator: 422 employees). *4 The percentage of women in management positions is: CMC Corporation: 6.2%; CMC Solutions: 22.2%; CMC Xmanicom Corporation: 31.3%; and Main Corporation: 42.9%. *5 Period of leave taken: At least 2 weeks; Main Corporation utilization rate: 100%. *6 Period of leave taken: At least 12 months (including maternity leave). *7 "Kurumin" Certification 2023: Based on the Act on Advancement of Measures to Support Raising Next Generation Children, this program recognizes organizations that are supportive of childcare; "Eruboshi" Certification (3 Stars): Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, this accreditation system recognizes workplaces that are conducive to promoting women's empowerment.

Intellectual Capital | External Evaluations

DX Certification

Accredited by the Ministry of Economy, Trade and Industry as a company with the expertise to achieve digital transformation, both internally and for clients.

FSC® Certification*1





ISO27001 Certification (Information Security)





ISO9001 Certification*1,2

ISO14001 Certification*1,2

locations

JIS Q 9001 JIS Q 14001 JSAQ330, JSAE379

Our products are made with raw materials from well-managed, Forest Stewardship Council®-certified forests, recycled materials, and other resources sourced from properly managed suppliers.



ocations

*1 Registered organization: Nakagawa Office

*2 Scope of registration: Production of general printed materials (catalogs, manuals, etc.)

Social and Relationship Capital | **External Endorsements and Memberships**

- · Declaration of Partnership Building
- Aichi e-Sports Union
- · Platform for Public Private Collaboration on SDG Regional Development
- - AICHI
- 地方創生 SDGs 官22民連携 プラットフォーム

- MONET Consortium
- 3D Scanning Technology Association
- · Chubu Marketing Association
- Japan Technical Communicators Association
- Japan Association of Graphic Arts Technology
- All Japan Federation of Printing **Industry Associations**
- · Aichi Social Insurance Association

Manufactured Capital | **Domestic** and **Global Locations**

- Maruboshi Europe E.U.R.L.* (France)
- · Maruboshi Europe B.V.* (Netherlands)
- · Maruboshi Central & Eastern Europe Sp. zo.o. (Poland)

CMC Productions USA, Inc. (USA)

North America

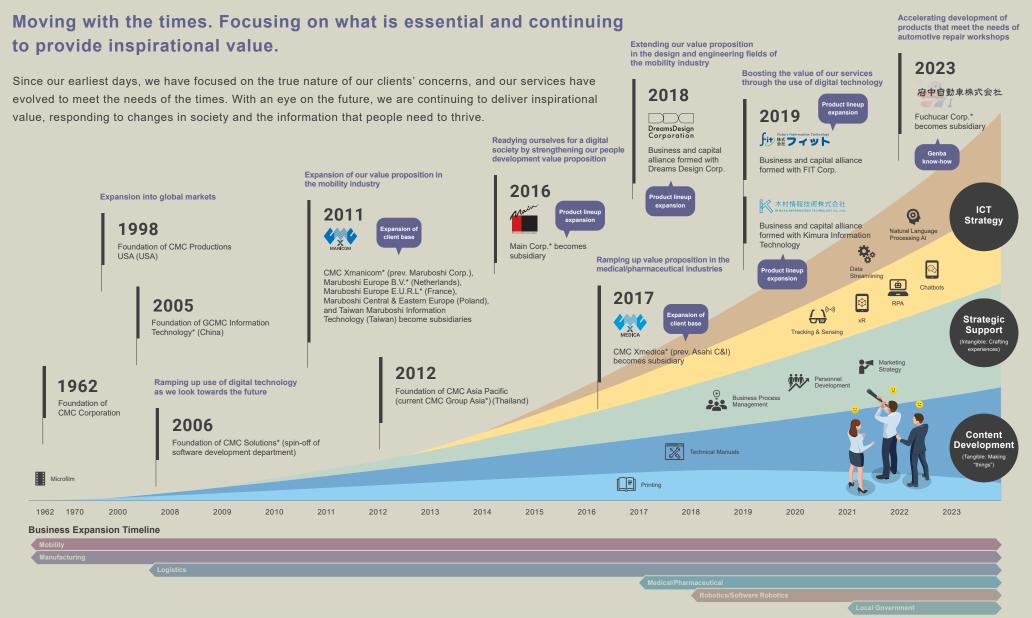
location



- GCMC Information Technology Co., Ltd.* (China; 2 locations) http://www.cmc-china.cn
- GCMC Network Technology Co., Ltd. (China) http://www.cmc-china.cn
- CMC Group Asia Co., Ltd.* (Thailand/Singapore) https://www.cmcgroupasia.com
- Taiwan Maruboshi Documentation Technology Co., Ltd. (Taiwan; 2 locations) https://www.maruboshi.com.tw

- CMC Corporation (8 locations) https://www.cmc.co.jp
- CMC Solutions, Inc.* https://www.cmc-solutions.co.jp
- CMC Xmanicom Co., Ltd.* https://www.cmc-xmanicom.co.jp
- · Main Co., Ltd.* https://www.cc-main.co.jp
- CMC Xmedica Co., Ltd.* https://cmc-xmedica.co.jp
- Fuchucar Co., Ltd.* http://www.fuchucar.co.jp
- FIT Co., Ltd. https://www.fit2001.com
- Kimura Information Technology Co., Ltd. https://www.k-idea.jp
- Dreams Design Corporation https://www.dreams-design.co.jp

OUR HISTORY OF VALUE CREATION



Notes:

We use the term "mobility industry" to collectively refer to clients of ours who provide products and services related to the movement of people and goods; it includes a wide range of industries from automotive to aviation and railways.

[·] Companies marked with an asterisk (*) are consolidated subsidiaries.

CMC GROUP

https://cmc.jp/english/

Creating Inspirational Value Report

Published March 2024

Publisher / Inquiries:

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