

Social & Environmental Report
2023



Social & Environmental Report 2023

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About the report

Coverage	Reporting on corporate activities mainly in Japan (Some descriptions include data from overseas subsidiaries.) "Non-consolidated" refers to the Company and "Global" refers to the Company and its domestic and overseas subsidiaries.
Period of coverage	Data for the Company and its domestic subsidiaries (collectively, the Domestic Group) are for April 1, 2022 to March 31, 2023, and data for its overseas subsidiaries are for January 1 to December 31, 2022. (Some descriptions may still apply after April 2023.)

Published: October 2023

The following abbreviations may be used.

■ Kyushu Factory	Kyushu Factory
■ Shiga Factory	Shiga Factory
■ Technical Center(Otake)	Technical Headquarters, Otake
■ Technical Center(Shiga)	Technical Headquarters, Shiga
■ Ohtake-Meishin Chemical	Ohtake-Meishin Chemical Co., Ltd.
■ Kobe Paints	Kobe Paints, Ltd.

Social & Environmental Report 2023



Message from the President

In May 2021, the CMP Group revised its management philosophy to clarify its commitment to promoting management that takes all stakeholders into consideration. At the same time, we announced our long-term vision through 2030 with the key message of becoming a leading global niche company distinguished by sustainability and high profitability. We have also formulated a medium-term management plan that focuses on expanding the value provided through environmental and social contributions as the primary basic policy toward realizing our long-term vision. We are committed to advancing sustainability management with the aim of maximizing both social and economic value.

In June 2022, we established the Sustainability Committee, chaired by me, to further strengthen our sustainability initiatives. I believe that we have successfully accelerated the promotion of various measures by establishing a foundation for our sustainability management system, such as formulating a basic sustainability policy and identifying material issues, in which the Committee has played a central role. I hope that this report will serve as an aid for your understanding of these efforts.

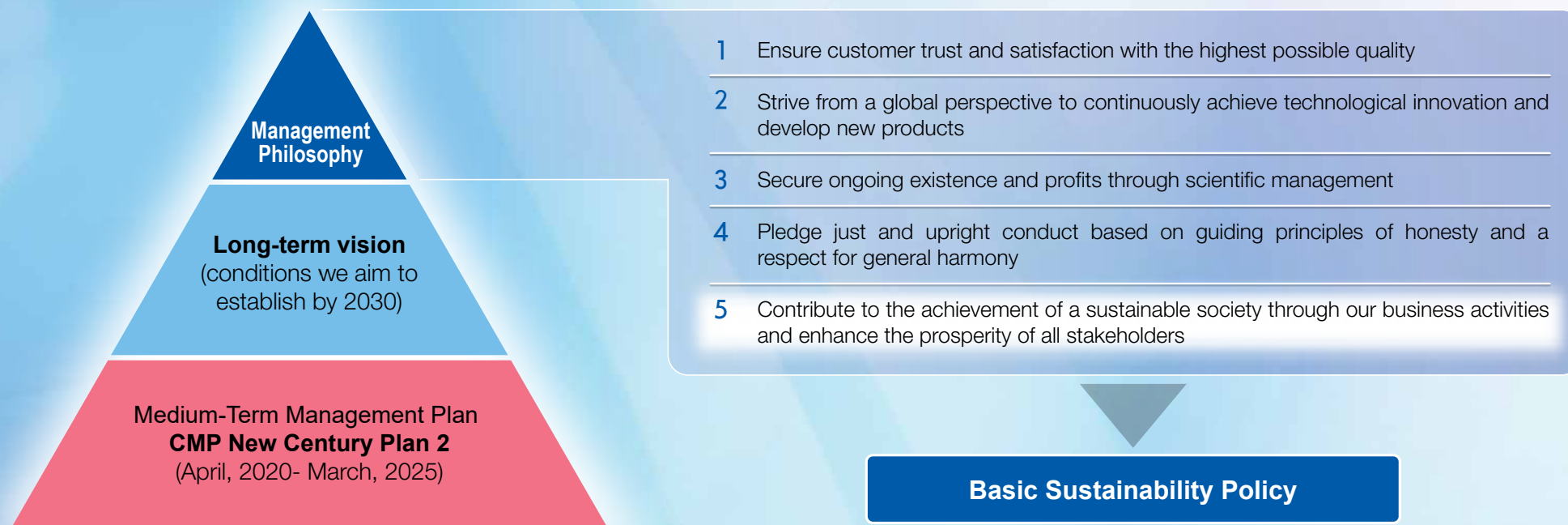
We will continue to strive to achieve both the realization of a sustainable society and the enhancement of the corporate value of our Group. I kindly ask all of our stakeholders for their continued support and encouragement.

Kenshi Date

President

Corporate Statement Structure

The CMP Group clearly states in its management philosophy that it will promote management that takes all stakeholders into consideration. In addition, based on the relevant section of our management philosophy, we have also established a basic sustainability policy that articulates our approach toward each of our stakeholders.



*Please refer to pages 56–57 of this report for details on the long-term vision and the medium-term management plan.

Basic Sustainability Policy

We will contribute to the achievement of a sustainable society through our business activities and enhance the prosperity of all stakeholders.



Customers

▶ page 11

We will continue to develop and provide superior products functionally and environmentally to contribute to sustainable growth of customers' businesses and lowering their environmental impact.



Employees

▶ page 23

We will first and foremost ensure health and safety of our employees, and make efforts to create a rewarding work environment and provide opportunities for growth so that each and every employee can bring out his or her best and play an active role.



Suppliers

▶ page 27

We will build a relationship of co-existence and co-prosperity as a business partner of our suppliers, and will aim to realize a sustainable society with them through transactions that are considerate of the environment and human rights.



Regional community

▶ page 29

We will conduct business activities that are mindful of the environment and safety, and as a member of our regional community, will build amiable relationships with other members of the community and collaborate with them for regional revitalization and development.



Environment

▶ page 31

By providing eco-friendly products, we will help customers reduce environmental impact, and proactively promote initiatives to cut greenhouse gas emissions and other waste in our business activities to contribute to preserving the Earth's environment.



Shareholders and investors

▶ page 53

Based on appropriate corporate governance, we will strive to bring happiness to the abovementioned stakeholders and at the same time sustainably enhance corporate value in efforts to expand shareholder profits.

Materiality (Priority Issues)

Based on our basic sustainability policy, which states that “We will contribute to the achievement of a sustainable society through our business activities and enhance the prosperity of all stakeholders,” we have identified material issues for the realization of a better society and the growth of our Company, and have set related goals and KPIs.

Process for identifying material issues

Step 1

Extraction of potential issues

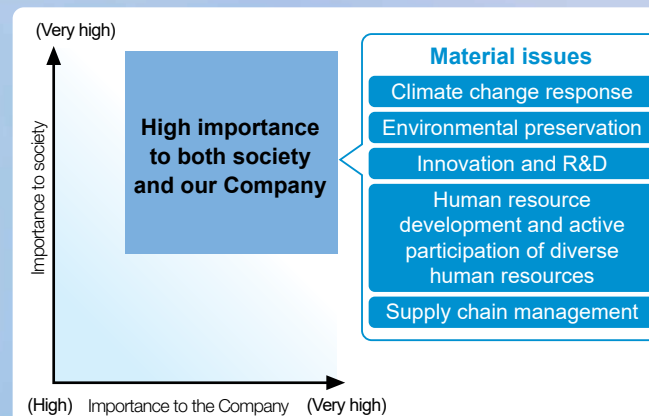
The secretariat of the Sustainability Committee, chaired by the President, lists potential general (broadly defined) social issues that may be relevant to the Company, based on various sustainability disclosure guidelines, evaluation items of ESG evaluation organizations, and SDGs.

Step 2

Materiality assessment and identification

The Sustainability Committee evaluates and maps each potential issue listed in Step 1 on two axes: its importance to the Company and its importance to society. Through discussions at the Committee, material issues are identified, along with basic issues that are prerequisites for business continuity.

Basic issues that are prerequisites for business continuity



Step 3

Setting goals and KPIs

The Sustainability Committee and related departments examine and set goals and KPIs for each identified material issue.

Step 4

Deliberation and approval

Goals and KPIs are approved after deliberation by the Sustainability Committee and reported to the Board of Directors.

Materiality (Priority Issues)

Details of material issues 1

Category	Issues and initiatives		Goals and KPIs	Scope of goals and KPIs
Climate change response	1	Reduction of greenhouse gas emissions	Reduction rate of greenhouse gas emissions (Scope 1 and 2; baseline: FY2021) FY2023: 20% reduction FY2030: 50% reduction	The Company and its domestic subsidiaries
	2	Appropriate use of energy	Reduction of energy intensity (baseline: FY2021) FY2023: 2.4% decrease FY2024: 3.6% decrease FY2025: 4.8% decrease	The Company and its domestic subsidiaries
	3	Contributing to reducing greenhouse gas emissions by customers through products	Contribution to reduction of greenhouse gases by expanding supply of high-performance antifoulings (baseline: 2008) FY2025: 1.3 million t-CO ₂ *Data are for ocean-going vessels of 3,000 DWT or more	Entire Group
Environmental preservation (including water resources and biodiversity)	1	Prevention of air and water pollution	Zero environmental incidents (yearly)	The Company and its domestic subsidiaries
	2	Waste management and recycling	Waste recycling rate FY2030: 85% or more	The Company and its domestic subsidiaries
	3	Promoting the development of products with reduced environmental impact	Percentage reduction in use of environmental hormones, TX, etc.* (compared to FY2020) FY2025: 5% FY2030: 10% *Toluene, xylene, benzophenone, etc. (10 substances in total)	The Company and its domestic subsidiaries
	4	Reduction of VOC emissions from products	Reduction of VOC emissions by expanding the supply of low-VOC coatings (baseline: 2008) FY2025: 5,100 tons *Data are for general anticorrosive coatings	Entire Group
	5	Promotion of biodiversity conservation	Increase the sales ratio* of environmentally friendly high-performance antifoulings, which also contributes to measures against transboundary movement of marine organisms FY2025: 50% or more FY2030: 60% or more *Percentage of total antifoulings (based on the number of vessels)	Entire Group

Materiality (Priority Issues)

Details of material issues 2

Category	Issues and initiatives		Goals and KPIs	Scope of goals and KPIs
Innovation and R&D	1	Development of innovative products that contribute to global environmental protection	Number of related research themes set to promote the search for sustainable material and their application to product design (compared to FY2022) FY2025: 25% increase FY2030: 50% increase	Entire Group
	2	Development of intellectual property strategies and application to business	Number of applications for patent rights related to newly developed technologies (compared to FY2022) FY2025: 25% increase FY2030: 50% increase Introduction of business analysis through the use of IP landscapes and promotion of its use in product development strategies	Entire Group
	3	Creation of new technologies through open innovation	Continue to promote development by collaborating with other companies, universities, and research institutions, exceeding the performance of the previous year, and by effectively utilizing external resources	Entire Group
Human resource development and active participation of diverse human resources	1	Employee skill development	Rebuild the human resource development system by the end of FY2023	The Company
	2	Improving employee job satisfaction	Sustainably improving employee engagement FY2024 and beyond: Year-on-year score increases	The Company
	3	Promotion of the active participation of women	Percentage of female employees among new or mid-career hires FY2023: 20% or more FY2024: 25% or more Rate of taking child-care leave FY2023: 70% or more FY2024: 80% or more	The Company
Supply chain management	1	Supplier management through CSR assessment	Supplier evaluation rate based on the UN Global Compact Self-Assessment Questionnaire (SAQ) FY2023: 50% FY2024: 75% FY2025: 100%	The Company
	2	Promotion of green procurement	Percentage of suppliers certified under ISO 14001 FY2023: 55% FY2024: 60% FY2025: 65%	The Company

Contributing to the SDGs

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Improving the functionality of coatings for key industries								●	●		●						
Development of environmentally friendly products (GHG emission reduction, etc.)							●		●				●				
Development of products with reduced environmental impact (VOC reduction, etc.)			●			●					●	●		●			
Human resources			●	●	●			●		●							
Diversity					●			●		●							
Climate change							●					●	●				
Waste												●			●		●
Water resources						●						●					
Pollution prevention			●			●						●		●			●
Biodiversity												●	●		●	●	
Management of chemical substances in products			●			●						●		●			●
Occupational health and safety			●					●									
Security and disaster prevention			●			●								●	●		
Quality assurance												●					
Communication												●					
Social contribution	●		●	●		●					●		●	●	●		

Sustainability Management

Management structure

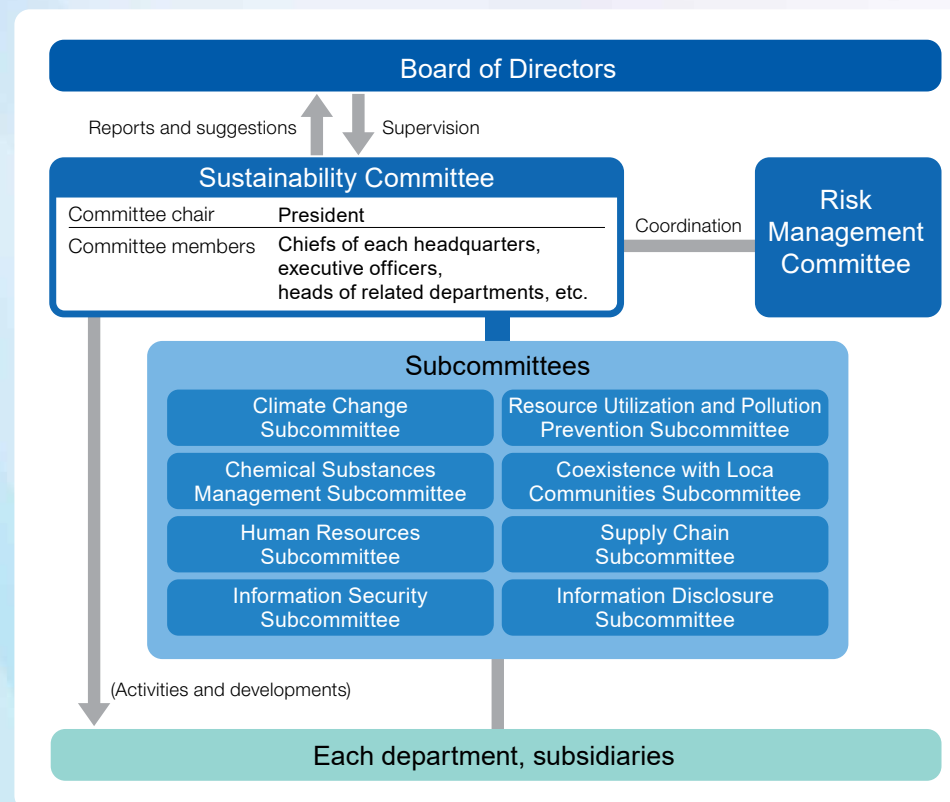
The Sustainability Committee was established in June 2022 to strengthen the CMP Group's sustainability initiatives and develop a structure to systematically promote them from the perspective of increasing the Group's corporate value over the medium to long term. The Committee is chaired by the President of the Company and is composed mainly of executive officers and chiefs of each headquarters. The Committee is responsible for formulating the Company's policies, targets, and action plans for sustainability, promoting and monitoring initiatives on sustainability issues, and identifying material issues. Details are reported to the Board of Directors once a quarter, and the Board of Directors monitors the sustainability activities and KPIs. We have established specialized subcommittees under the Sustainability Committee for each theme to promote specific initiatives on various sustainability issues. Among them, activities related to the environment, safety, and hygiene are based on Coatings Care*, and have been developed by responding to issues such as climate change and coexistence with nature.

Additionally, some of the CMP Group's business sites have obtained international certifications related to the environment and occupational health and safety, and we are promoting standards-based on-site management. As of the end of FY2022, 50% of our global business sites had acquired ISO 14001 certification, and 13% had acquired OHSAS 18001/ISO 45001 certification.

Risk management

Risks related to sustainability are identified and assessed by the Sustainability Committee after being extracted by a department or subcommittee. The significance of risks is determined by calculating an intrinsic risk score based on their potential impact and likelihood of occurrence. The Risk Management Committee examines response policies for highly significant risks and the Sustainability Committee for medium- to low-level risks.

The Risk Management Committee and the Sustainability Committee review the risk response policies and report to the Board of Directors at least once a year. In the process of implementing the risk response measures, the responsible headquarters or subcommittee promotes response measures, and the Risk Management Committee and the Sustainability Committee constantly monitor the status of the response.



*What is Coatings Care?

Voluntary management activity, promoted by the Japan Paint Manufacturers Association and centered on the World Coatings Council (WCC), aimed at preserving the environment, safety, and health in all processes of the paint industry, from product development to manufacturing, logistics, use, and disposal of paint products. It is positioned as the paint industry's version of Responsible Care, which is promoted internationally by the chemical industry led by the International Council of Chemical Associations (ICCA). In 2001, our Company declared that it would implement Coatings Care (a program for the environment, safety, and health), and has been promoting activities that are conscious of the environment, safety, and health.

Description of main business

Looking to the future with cutting-edge technology from three perspectives

CMP contributes to social developments through high quality products, focusing on "Innovation," "Quality," and "Ecology."

Quality

Highly functional and high quality products

Anticipating various future needs, we develop new and high quality functional coatings to provide solutions.



Innovation

Innovative technology to lead the world

Our innovation is not only limited to coating technology, but we also focus to develop world leading technology to provide solutions to the society.

Ecology

Harmonization with the environment

We are committed to protecting the natural environment.

Description of main business

Marine coatings



For large vessels

CMP provides a full range of coatings for marine use such as antifouling.

- Ocean-going ships
- Coastal ships



For fishing boats and fish netting

We provide a full lineup of products in this segment based on the technology we have accumulated to date.

- Fishing boats
- Fish netting



For pleasure boats and yacht

The "Seajet" brand specialised for pleasure boats and yachts is now well known in the market.

- Pleasure boats
- Yachts

Container coatings



Container Coatings

Global logistics and the economy are well supported by containers. Our container coatings are supplied all over the world.

- Marine containers
- Railway containers

Description of main business

Industrial coatings



Protective coatings

Protecting assets from corrosion and deterioration. With our unique ideas, we have been continuously developing protective coating technologies for many years.

- Bridges
- Power equipment
- Plants
- Various constructions



Offshore coatings

We are contributing to the renewable energy industry with our unique technologies.

- Oil platforms
- Offshore power generation facilities
- Various floating construction



Building material coatings

CMP has been making great strides in the building materials and interior industry with high-level environmentally friendly coatings that are required in the field of housing materials which involve direct contact with people.

- Flooring
- Interior and exterior furnishing materials
- Furniture
- Bathrooms (refurbishing)



Plastic coatings

This coating provides material surface enhancement as well as a solution to the increasing diverse requirements for surface modification of plastics.

- Films
- Molded articles



Filling materials

It fixes various equipment such as railway tracks and engines on ships without gaps and maintains alignment over a long period of time, contributing to safety and labour savings

- Railway tracks
- Equipment mounting

Product Development

Adoption for next-generation coastal vessels

For coastal vessels

Ultra low friction antifouling

SEA PREMIER 3000 PLUS

Aiming to reduce CO₂ emissions during navigation

SEA PREMIER 3000 PLUS, a low-friction antifouling developed by CMP, has been adopted for next-generation coastal vessels pursuing environmental measures.

The container carrier NOGAMI was ordered by Imoto Lines, Ltd. and built by Kyokuyo Shipyard Corporation. It is one of the largest coastal container carriers in Japan, designed with a focus on energy efficiency.

The AKARI is a pure battery tanker with a gross tonnage of 499 tons, built by Imura Shipbuilding Co., Ltd. for Asahi Tanker Co., Ltd. SEA PREMIER 3000 PLUS was chosen for the AKARI, following its successful application on the ASAHI, which was completed the previous year.



Container carrier NOGAMI

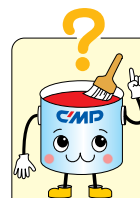


Pure battery tanker AKARI

The ASUKA is a hybrid electric propulsion ship with a gross tonnage of 496 tons ordered by Asahi Tanker Co., Ltd. and built by Honda Heavy Industries Co., Ltd. It is a bulk carrier intended for transporting woody biomass fuel.

In addition, SEA PREMIER 3000 PLUS has been chosen for the world's first liquefied CO₂ carrier for CCUS, which was built by Mitsubishi Shipbuilding Co., Ltd. for Sanyu Kisen Co., Ltd. After its completion, the vessel will be used as a demonstration test vessel for CO₂ transport by the New Energy and Industrial Technology Development Organization (NEDO).

SEA PREMIER 3000 PLUS is a low-friction antifouling developed with the goal of reducing CO₂ emissions during navigation. We believe the adoption of this product is the result of a combination of our proposal for environmental measures using coatings and the idea of reducing the environmental impact of these next-generation vessels.

Hybrid electric propulsion ship
ASUKALiquefied CO₂ carrier

What is CCUS?

CCS and CCUS are part of efforts to reduce CO₂ emissions. CCS stands for "Carbon dioxide Capture and Storage." CO₂ emitted from thermal power plants and other sources is separated from other gases and collected, and stored deep underground.

Product Development

New product development

For coastal vessels

Ultra low friction antifouling

Cuprous oxide-free

SEA PREMIER 1000 PLUS Z

New generation of zinc acrylic resin technology

In May 2022, CMP released SEA PREMIER 1000 PLUS Z, an antifouling for coastal vessels that uses the latest zinc acrylic resin technology.

This product adds the innovative antifouling agent selektepe® to the SEA PREMIER 1000 series, which has a proven track record as a mainstay product for antifouling for coastal vessels, and demonstrates a smoother hydrolysis function than ever before. It maintains an ultra-smooth film coating and excellent antifouling functionality over a long period of time.



Participation in IoS-OP

CMP - Monitoring & Analysis Program



Participation in IoS-OP and application registration

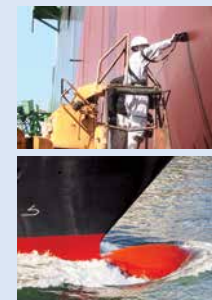
CMP has registered as a solution provider on the IoS-OP (Internet of Ships Open Platform), a common platform for ship IoT promoted by Ship Data Center Co., Ltd., and has registered CMP-MAP (a hull data analysis service) as an application.

IoS-OP is a data distribution platform enabling companies to freely participate in their specialized fields by assigning roles in data creation, transmission, storage, and utilization across all stages from upstream to downstream in order to foster efficient data distribution within the maritime industry, establish a new maritime cluster tailored for the digital age, and connect to the next generation.

As the first coating manufacturer to participate, we will leverage the IoS-OP data sharing platform to accelerate our efforts to reduce GHG emissions from ships through CMP-MAP.

About CMP-MAP

Antifoulings are one of the factors that affect fuel consumption of ships and play an important role in reducing greenhouse gas emissions from ships. CMP-MAP is a program designed to enhance ship fuel efficiency. It analyzes hull performance and operating conditions using the vast amount of data we have accumulated over many years and identifies the appropriate antifouling for the ship's hull based on the analytical results.



Product Development

Antifoulings improve fuel efficiency and contribute to CO2 reduction.

Antifoulings not only prevent damage to the hull caused by marine organisms attaching to it, but also prevent the worsening of fuel efficiency due to the resistance caused by such attached organisms. In recent years, reducing the frictional resistance between the coating surface and seawater to improve the fuel efficiency of ships has also become a challenge in the marine coating industry.

Reducing CO2 emissions during vessel operation

Improving antifouling performance

The new antifoulant selektope® (generic name: medetomidine) was developed using technology from the pharmaceutical field and has a powerful effect on barnacles. It is also a BPR*-registered antifoulant that takes into account the protection of the marine environment. The combination of medetomidine with hydrolysable polymers, which are the mainstay of antifoulings, is a patented technology of CMP.



Barnacles attached to the hull

No attachment of barnacles (high-performance antifouling)

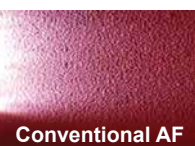
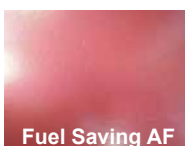
(*) BPR: Biocidal Products Regulation

Reducing CO2 emissions during vessel operation

Reducing underwater frictional resistance

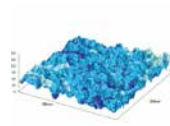
Developed using our polymer technology, our fuel-efficient antifoulings have a smooth coating surface that reduces frictional resistance with seawater.

Coating film surface (enlarged)



CMP has also developed the FIR Theory as a guideline for quantifying the smoothness of the paint film surface and evaluating the fuel consumption reduction effect of antifoulings which has been patented.

FIR THEORY
Friction Increase Ratio
(Registration No. 5916490)

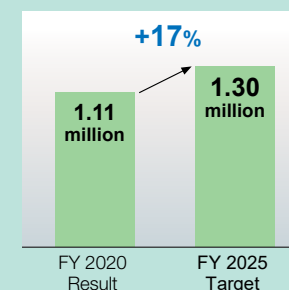


Data is acquired from the hull surface to the coating surface using a portable laser-based three-dimensional hull roughness gauge developed by CMP. The expected fuel consumption reduction rate of the vessel is calculated based on the FIR Theory.

Contributions to reduce greenhouse gases through antifoulings

Contribution target for reduction

In our medium-term management plan announced in May 2021, we set a target contribution amount for the reduction of greenhouse gas (CO2) emissions from ships effected by the antifoulings CMP supplies.



GHG (CO2) emission reductions achieved through expanded supply of antifoulings

Unit: t-CO2

Includes emissions from ocean-going ships with deadweight tonnage of 3,000 or more

*Medium-Term Management Plan: [page 56](#)

Results (SEAFLO NEO CF PREMIUM)



Container carrier (8,900TEU)

Contribution amount for CO2 reduction (for 5 years)

85,500 t-CO2



MR tanker

Contribution amount for CO2 reduction (for 5 years)

9,450 t-CO2

Typical fuel-efficient antifouling products

For Ocean-going ships

SEAFLO NEO CF PREMIUM

SEAFLO NEO M1 PLUS **NEW**

For coastal ships

SEA PREMIER 3000 PLUS

Development of Environmentally Friendly Products

Environmental conservation

Resource saving

Coatings have a role to protect materials from corrosion and deterioration. By coating, materials made of steel, concrete or wood can be maintained in good condition.

Coatings can reduce repair and maintenance work, and thereby contribute to retaining assets for a long period.



Fluoresin finish paint
FLUOREX



Universal primer
BANNOH 1500



Cargo hold coating
UMEGUARD SUPER-H

A high-hardness coating protects the cargo hold. By reducing the frequency of repair coating while in service, this also contributes to resource conservation.



Titanium foil anti-corrosive system

By applying coatings to aged steel structures that were built during the period of rapid growth, the structures will be revitalized with extended longevity.



Epoxy underwater coating
CONTECT WE (For concrete)
PERMASTAR WE (For steel)

Coating materials applicable underwater or on wet surfaces, to protect underwater and waterside structures from corrosion.



CONTECT WE100 construction method

Concrete peeling prevention construction method applicable to wet surfaces

Global warming prevention

Fuel-saving antifoulings improve the fuel efficiency of ships. Heat reflective coatings improve the efficiency of air conditioning in buildings and ships. CMP diligently continues conducting research to further improve the performance of such products that contribute to saving energy and reducing CO₂ emissions.



Fuel saving antifoulings
SEAFLO NEO Z series
SEA PREMIER series

* Please see page 10 for the development of fuel-saving antifoulings.

Underwater frictional resistance is reduced by improving the smoothness of the coating surface. CMP received the Minister of the Environment's Awards, among others, for the excellent fuel saving performance backed by ts FIR Theory.



Heat-reflective coating
THERMO SHADAN W

The environment-conscious water-based THERMO SHADAN W enhances air conditioning efficiency with its excellent heat-reflecting performance, contributing to energy saving.



Solvent-free / UV curable coating
AULEX BIO series (Biomass 25%)

This coating is made from renewable plant-derived biomass resources. It reduces greenhouse gas emissions and contributes to the formation of a recycling-oriented society.



Low-VOC Products to Realize Clear Sky

To support the Air Quality Improvement Promotion Project promoted by the Bureau of Environment, Tokyo Metropolitan Government, CMP has been registered as a Clear Sky Supporter that undertakes NO_x or VOC emission reduction initiatives.

Development of Environmentally Friendly Products

Environmental consideration

Reducing marine pollution

Antifoulings are used in various places such as on ship hulls and in the water channels of power plants to prevent adhesion of marine organisms. CMP is committed to using antifouling agents that have minimal impact on the marine environment, and has added silicone-based, rather than conventional antifouling agent-based, antifouling coatings to its lineup, in pursuit of further enhancing the performance of its products.



Silicone foul release coating
CMP BIOCLEAR

An antifouling function taking advantage of the high water-repelling property of silicone prevents adhesion of marine organisms, and the smooth coating surface contributes to improving fuel saving.



Silicone foul release coating
BIOCLEAR ECO

CMP's BIOCLEAR ECO is applied to underwater facilities of power plants to protect them from fouling. For its excellent antifouling performance and consideration to the environment, BIOCLEAR ECO has also been adopted for the MOSE Project (photograph), a grand project to protect Venice from damages arising from tidal waves.

Reducing air pollution

Volatile organic compounds (VOCs) released into the air are one of the main causes of photochemical smog. CMP is committed to reducing the use of toluene, xylene, and ethylbenzene, and is advancing the development of high-solid coatings and water-based coatings with low VOC content.



High solid

Universal primer
BANNOH 1500



Complete changeover to waterborne products (container coatings)

The majority of container boxes are produced in China. China recently enhanced its environmental protection policies and accordingly, in April 2017, CMP completed changing all of its container coatings to waterborne types. CMP continues to proactively respond to changes in the market environment and establish new production technologies and coating techniques.

Human-friendly technology

Building material coatings

VOCs are said to cause allergic symptoms indoors such as "sick building syndrome". As part of its VOC reduction initiatives, CMP achieved toluene- and xylene-free coatings for construction materials, in addition to waterborne coatings for vessel living areas. For plastic coatings, we develop human-friendly products, including a lineup of products with antiviral properties.



UV curing coatings
AULEX



Highly functional coating for plastics
PHOLUCID Series

Waterborne coatings

Our lineup includes waterborne coatings with low VOCs and odor, ensuring enhanced safety in confined areas such as living quarters and engine rooms on ships. In the industrial field as well, we have built an integrated coating system using waterborne anticorrosive coatings for land structures, from base coat to top coat. We are actively promoting sales activities as waterborne coatings have the same functionality as conventional solvent-borne anticorrosive coatings and can make a significant contribution to environmental protection.



Waterborne coatings for living quarters
SWAN



Waterborne anticorrosive coatings
FLUOREX W System

Supporting the safety

Antifoulings for fish netting

When shells or algae accumulate on aquaculture nets or fixed nets, the nets become a closed environment, cut off from ocean currents, which can harm the health of the fish. Fish nets coated with antifouling prevent shells and algae from attaching and help maintain a healthy growing environment for fish. CMP's antifoulings for fish nets play a role in ensuring the safety of our food.



Antifoulings for fish netting
BIOCRISTY Series
BIOGUARD Series

Business Environment

CMP has expanded and intends to expand further into various markets using the knowledge and technology of its marine, industrial and container coatings.

Marine coatings (approximately 84% of sales in FY2022)

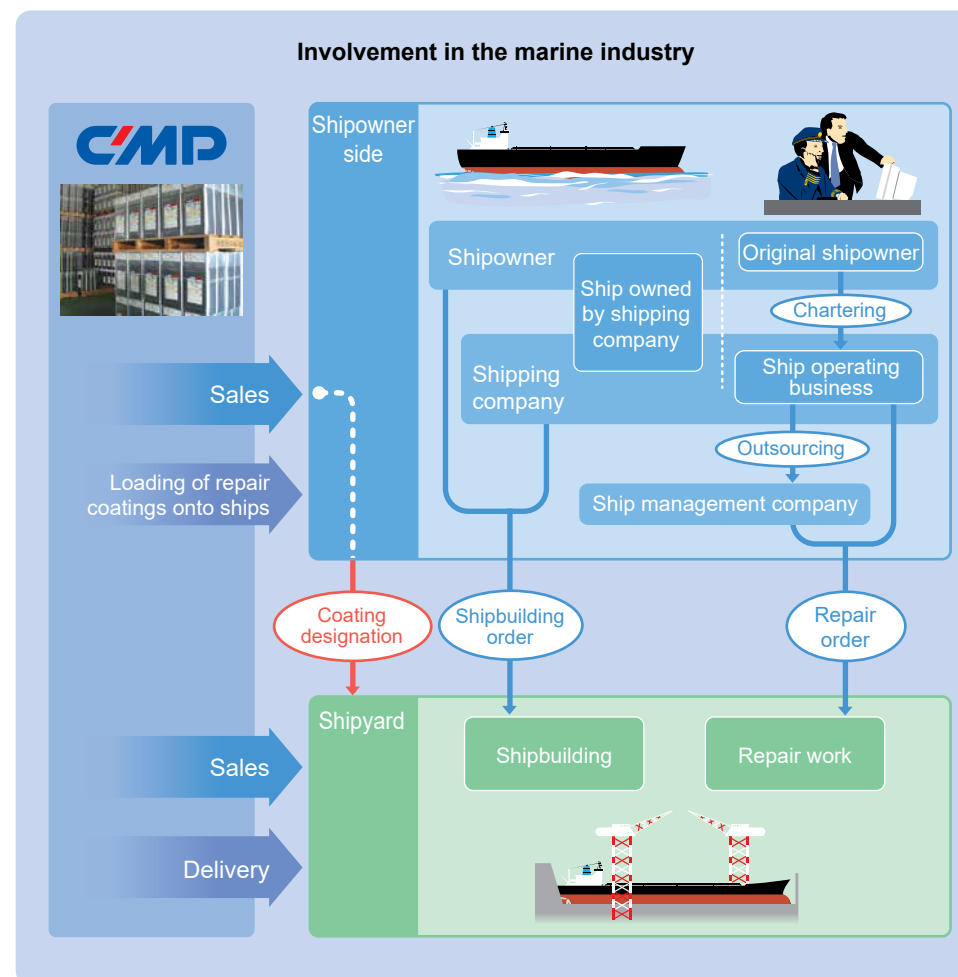


Marine coatings are core products of the CMP Group. We supply products for all parts of the hull, such as antifouling coatings for protecting ship bottoms from fouling and anticorrosive coatings that protect a variety of tanks from corrosion.

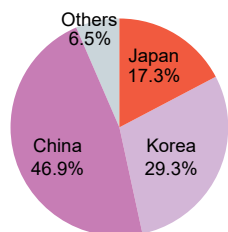
With a global supply system, CMP boasts one of the world's top market shares in marine coatings. We have manufacturing bases not only in Japan but also in China and South Korea, where many new ships are built, and we have established a network along major shipping routes stretching from Europe to East Asia.

The demand for new shipbuilding fluctuates greatly in line with economic trends, and demand for repairs also experiences temporary fluctuations owing to various factors. However, the overall ship market is on a long-term expansion trend due to an increase in maritime logistics accompanying the growth of the global economy.

Our products are applied not only to trading vessels but also to small vessels (such as pleasure boats and fishing boats) and fish netting, and are well received by various users who are involved with marine business and activities.

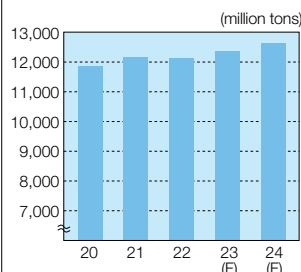


Share by shipbuilding countries



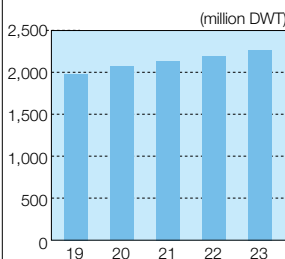
(as of 2021, on gross ton basis)
Source: The Shipbuilders' Association of Japan

Changes in the volume of marine transportation



Source: The Shipbuilders' Association of Japan

Changes in shipping tonnage



Source: The Shipbuilders' Association of Japan

Business Environment

Industrial coatings (approximately 13% of sales in FY2022)



Heavy duty coatings



Coatings for building materials



High-performance coatings for plastics



Filling materials

CMP provides various products including heavy duty coatings for industrial plants and steel/concrete structures, coatings for building materials, high-performance coatings for industrial plastic products, and filling materials.

The main markets of CMP are Japan and emerging Asian countries. Demand fluctuates overseas due to factors such as the slowdown in emerging economies, while domestically it is influenced by the declining birthrate, etc. However, overall, the market has remained relatively robust. Amid such a situation, some market expansion is anticipated arising from new construction of offshore facilities and repair of an enormous amount of existing social infrastructure. Additionally, new markets can be established by adding new functions to coatings for building materials. As such, potential demand for CMP's know-how that has been developed in both the marine transportation and industrial segments is large.

In the building materials field, our mainstay products include the AULEX series of UV-curable coatings that rapidly cure (dry) upon exposure to ultraviolet light, and we have the top share in the domestic market for UV-curable coatings for flooring. In the area of heavy duty coatings, we focus on coatings that protect plants, bridges, and other structures from rust and corrosion, and we also have the largest domestic share in coatings for power plant cooling channels. Furthermore, we have the CUS series of filling materials that enable labor-saving and vibration reduction in maintenance and operation of railway tracks.

Container coatings (approximately 2% of sales in FY2022)



We supply products mainly in China, the main production area for container boxes. We have been advancing technological development from an early stage in response to the shift to water-based coatings in line with stricter environmental regulations starting in 2017, and have been supplying high-quality products.

Due to global economic growth and the globalization of logistics, shipments by ocean containers are on an uptrend, but the volume of container box production fluctuates significantly in the short term in response to the shipping market and other conditions.

One of the main products in this field is the FF series of low-odor coatings, which are used on the inner surfaces of containers to neutralize odors. This product has been certified by the U.S. Food and Drug Administration (FDA). We are also working to develop an all-waterborne coating system that will not only further reduce odor but also contribute to reducing VOCs.

Quality Assurance

Basic concept

We ensure the implementation of quality assurance throughout the entire process of product development, production, and sales, thus delivering products that can be guaranteed.

We identify our customers' needs through communication with them and utilize this information in product development to introduce products that match their needs. We also believe it is important to provide appropriate information so that customers can use our products with peace of mind.

Quality policy

1. Provide a stable supply of good products to customers.
2. Contribute to society through our corporate activities.
3. Comply with relevant laws and regulations related to our business activities and various agreements agreed to by our Company.
4. Strive to improve our technological expertise.
5. Check the effectiveness of the quality management system and make continuous improvements.
6. In order to achieve this policy, each headquarters sets quality targets and strives to achieve them.

(Established on April 2, 2009)

Management structure

In order to operate a quality management system that conforms to the requirements of ISO 9001 as well as our quality policy, we have established a Quality Control Committee and Quality Control Subcommittee.

The Quality Control Committee is positioned as the highest decision-making body for the quality management system. It is chaired by management and is comprised of the managers of each headquarters.

The Quality Control Subcommittee aims to facilitate quality control, streamline production, correct nonconformities, and manage the disposal of slow-moving inventories at each plant. It is composed of the managers of each headquarters, with the plant manager serving as the chief supervisor and the Quality Control Group functioning as the secretariat.

The Environmental & Quality Assurance Department serves as the secretariat, and the Production Headquarters, Technical Headquarters, and Sales Headquarters work together to promote quality control activities.

Strengthening management

We have obtained international standard certifications for our business sites in Japan and overseas, and are promoting standards-based operation of our quality management system. Globally, 99% of our offices have obtained ISO 9001 certification.

Initiatives and track record

Management and provision of product information

We confirm the safety of chemical substances contained in our products and provide information through Safety Data Sheets (SDSs) to ensure safe use of our products. In addition, precautions for safe use of our products are also included on the product labels and in our product catalogs.

Quality control in manufacturing

We provide feedback to production sites about information on product defects received from customers and carry out improvement activities to eliminate the causes of the defects. We are working to create workplaces that prevent product defects through continuous improvement activities.

Customer satisfaction

We consider our customers to be important stakeholders, and we aim to provide products that satisfy them, placing the highest priority on improving customer satisfaction. We regularly conduct customer surveys and strive to build relationships of trust by listening to the voices of our customers and responding sincerely.

Communications

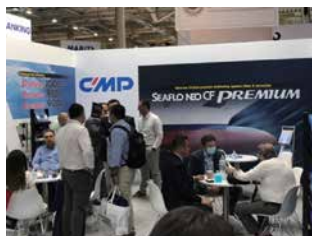
Presentations at exhibitions

To help customers better understand our products, we introduce our products in domestic and international exhibitions.



Sea Japan 2022

April 20 - 22, 2022
(Tokyo / Japan)



Posidonia 2022

June 6 - 10, 2022
(Greece)



SMM 2022 Hamburg

September 6 - 9, 2022
(Germany)



INAMARINE 2022

October 19 - 21, 2022
(Indonesia)



INMARCO 2022

November 17 - 19, 2022
(India)



IMPA 2022

December 13 - 14, 2022
(U.K.)



Japan International Boat Show 2022

March 23 - 26, 2023
(Yokohama / Japan)



Seatrade Cruise Global

March 27 - 30, 2023
(U.S.A.)

Presentations and lectures

CMP actively delivers presentations and lectures at events in order to assist its customers to gain a better understanding of CMP and its products.

Sea Japan 2022 exhibitor presentation



Reduction of CO₂ emission by premium antifouling coating system

April 4, 2022

Taiwan Japan Business Matching Forum 2023



High performance antifouling
“SEAFLOR NEO SL M” “SEAFLOR NEO M1 PLUS”

February 20, 2023

News distribution service

We offer a registration-based news distribution service to quickly deliver the latest information on our products to customers in Japan and overseas.

CMP newsletter registration site

English

https://www.cmp.co.jp/CMP-Memders/Newsletter_en.html

Japanese

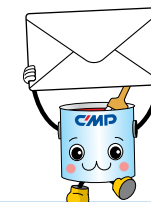
https://www.cmp.co.jp/CMP-Memders/Newsletter_jp.html



English



Japanese



Human Resource Management

Basic concept

We recognize that our employees are not only important stakeholders of the Group but also a source of value creation. By increasing the value of our human capital, we aim to improve the performance of our human assets and organization, thereby sustainably expanding our corporate value.

To this end, we are committed to not only ensuring the health and safety of each and every employee, but also to creating a rewarding work environment where everyone can maximize their abilities and play an active role, and implementing various initiatives to provide growth opportunities.

Management structure

The Human Resources Subcommittee of the Sustainability Committee plays a central role in promoting initiatives related to various personnel measures. The members of the Human Resources Subcommittee consist of personnel from the Personnel Department and the Management & Planning Division, where proposals and recommendations for personnel measures are made as a companywide strategy. The Sustainability Committee monitors the status of such efforts by the Human Resources Subcommittee.

Goals and KPIs

Issues and initiatives	Scope	Goals and KPIs
Employee skill development	The Company	Rebuild the human resource development system by the end of FY2023
Improving employee job satisfaction	The Company	Sustainably improving employee engagement FY2024 and beyond: Year-on-year score increases
Promotion of the active participation of women	The Company	Percentage of female employees among new or mid-career hires FY2023: 20% or more FY2024: 25% or more Rate of taking child-care leave FY2023: 70% or more FY2024: 80% or more

Initiatives and track record

Treatment of employees

Main education and training

We have set “human resource development and active participation of diverse human resources” as one of our material issues, and we are reviewing the content of the conventional training and working toward rebuilding our human resource development system for the purpose of developing the skills of our employees.

Major education and training programs in fiscal 2022 included pre-deployment training and language learning support (with subsidized costs) to develop human resources for overseas assignments, safety training based on disaster scenarios, and sales training focused on addressing sales-related challenges.

We have also established a qualification acquisition support system and a self-development support system to promote individual skill development and career building. Under these systems, the Company subsidizes part of the cost of learning under certain conditions to support employees' self-development efforts and improve corporate activities.



Child-care and family care leave systems

In addition to the legally mandated leave system, CMP has established an accumulated paid leave system, which can also be used for child care of preschool children. To encourage male employees to participate in child care, we encourage eligible employees to use the child-care leave system as well as the accumulated paid leave system. Furthermore, we are advancing the establishment of systems designed to support child-rearing, including extending the eligibility for reduced working hours for child care from age three up to enrollment in junior high school.

	2020	2021	2022
Number of employees taking child-care leave	4	8	8
Percentage of employees taking child-care leave	40.0%	47.1%	57.1%
Number of employees taking family care leave	1	0	0

We have formulated action plans based on the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on the Promotion of Women's Active Engagement in Professional Life.

Human Resource Management

Re-employment system

CMP started a re-employment system in April 2006 enabling employees who reach retirement age (60) to work until age 65. Veteran employees pass on technologies and skills to younger employees in an attempt to utilize accumulated knowledge.

FY	2020	2021	2022
Number of retirees at the retirement age of 60	10	9	11
Number of employees re-employed (after age 60, up to 65)	10	9	9

Employment of disabled persons

Since November 2017, CMP has contracted with a farm operating company in Kashiwa City, Chiba Prefecture, where people with disabilities are employed to cultivate vegetables, etc. As of the end of March 2023, we had an employment rate of approximately 1.6% for people with disabilities, including those working in agricultural operations. We will continue to strive to fulfill our social responsibilities.

FY	2020	2021	2022
Employment rate of disabled persons	Approximately 1.7%	Approximately 1.4%	Approximately 1.6%



Treatment of employees

Labor-management relations

CMP has formed a labor union and participates in its upper-tier union, the Japanese Federation of Energy and Chemistry Workers Unions. Labor and management have been working to resolve various issues related to working conditions through the Labor-Management Council, and have had a smooth and longstanding relationship following a cooperative labor-management approach.

Turnover rate

Through the Labor-Management Council, we are striving to improve the work environment, thoroughly implement safety measures and strengthen the welfare system, in order to create a more pleasant and satisfying workplace environment. As a result of these efforts, our voluntary turnover rate has remained at a low level, and the voluntary turnover rate in fiscal 2022 was approximately 3.9%.

FY	2020	2021	2022
The voluntary turnover rate	Approximately 1.3%	Approximately 1.9%	Approximately 3.9%

Consideration for the health and safety of employees

We have appointed a health manager at each of our business sites, and we regularly convene meetings of the Health and Safety Committee to improve the working environment based on discussions with employees (labor unions). In addition to annual stress checks, we hold health seminars and take other measures to promote the physical and mental health of our employees. The results of these stress checks as well as work-related injuries and accidents are reported to the Board of Directors, which monitors the employee health and safety measures and takes action as necessary.

Prevention of harassment

To prevent harassment, we have established relevant provisions in the service rules of our work regulations, and are conducting awareness and educational activities. We also conduct regular training on harassment prevention and compliance. Furthermore, we have established dedicated internal and external contact points for consultations, including complaints, and have put in place a system to take appropriate measures.

Occupational Health and Safety



Basic concept

As demands for safe operations increase for companies with chemical plants, providing a workplace environment where employees can work safely and with peace of mind becomes an inevitable challenge. CMP has established an action policy for workplace health and safety management. We will ensure the safety of our employees at all times, prioritizing the maintenance and promotion of health.

Management structure

We have established the Central Safety & Health Committee (composed of the chiefs (deputy chiefs) of each headquarters, managers of each business site, subsidiaries with factories, and labor union officers) as the overarching organization for the health and safety committees of each business unit to implement unified health and safety management across the CMP Group. The Central Safety & Health Committee holds a regular meeting once every two months to receive reports on new issues that have arisen at each business site and their countermeasures and status. We are working to prevent recurrence by disseminating information on incidents and countermeasures across our Group.

Initiatives and track record

Health promotion

Infectious disease control measures

The Central Safety & Health Committee shares the status of efforts to prevent the spread of COVID-19 at domestic bases. We have posted our company policy on the corporate intranet to raise awareness about infectious disease control measures. During the spread of COVID-19, we introduced a staggered work system where working hours could be flexibly chosen, as well as a work-from-home system. We also promoted online internal meetings and requested employees to refrain from going out and traveling on business.

Health checkups and health guidance

To maintain and promote health, we conduct regular health checkups for all employees. We subsidize the cost for those eligible for comprehensive medical checkups. We encourage employees who are deemed to require a re-examination or detailed examination to undergo a medical examination at the Company's expense to promote early detection and early treatment. We have also conducted interviews to provide "specific health guidance" to employees who have metabolic syndrome.

Measures to prevent heatstroke

As a measure against heatstroke at factories, we suppressed rises in road surface temperatures by spraying water on the asphalt and installed fans and spot coolers in work areas to create a comfortable working environment. To keep factory workers cool, we provided vests with ice packs, cooling jackets, and portable neck fans. We closely monitored the health of our workers, ensured the availability of oral rehydration solutions, and were attentive to maintaining proper hydration and salt levels. We have established a system that allows people to regularly move to cooler locations and take breaks. For a limited time in the summer, some factories have moved up the start time for the workday by one hour.

Mental health care

As a mental health measure, the CMP Group conducts annual stress checks. We detect employees with high levels of stress at an early stage and refer them to mental health counseling. We have also established a dedicated helpline where employees can consult with a counselor on mental health issues free of charge and without any disclosure to the Company.

Occupational Health and Safety

Occupational Health and Safety

Occupational injuries

With the aim of eliminating occupational injuries, the Central Safety & Health Committee has been conducting inspection tours of Group factories and technical bases in Japan to continuously improve occupational health and safety. In fiscal 2022, we visited Kobe Paints, Ohtake-Meishin Chemical, and Technical Center (Otake). To create a safe and comfortable work environment, we are strengthening safety measures and thoroughly improving the work environment and safety behavior. We have created a database on our intranet that summarizes past cases of occupational accidents, trends in causes of occurrence, and countermeasures for each type of work, in an effort to prevent the recurrence of similar accidents. For workers with fewer years of experience and less proficiency, we provide safety education on how to handle chemical substances and points to keep in mind when working, while referring to past examples.

Number of occupational injuries

		2020	2021	2022
Non-lost time injuries	Global	7	5	5
	Non-consolidated	4	1	1
	Full-time employees	3	1	0
	Contract employees	1	0	1
Lost time injuries	Global	3	5	5
	Non-consolidated	1	0	0
	Full-time employees	1	0	0
	Contract employees	0	0	0
Fatal accidents	Global	0	0	0
	Non-consolidated	0	0	0
	Full-time employees	0	0	0
	Contract employees	0	0	0

Frequency rate (non-consolidated)

	2020	2021	2022
Lost time injuries	1.08	0.00	0.00
Non-lost time injuries	4.30	1.11	1.14
Total	5.38	1.11	1.14

Severity rate (non-consolidated)

	2020	2021	2022
Severity rate	0.07	0.00	0.00



Supply Chain Management

Basic concept

While carrying out material procurement to fulfill our responsibility to supply our customers, we will pursue transactions that take into account social issues, including laws and regulations, the environment, human rights, and conflicts, and contribute to the realization of a sustainable society together with our business partners.

We have revised our existing purchasing policy and established a procurement policy. The CMP Group is enhancing sustainability awareness with a wide range of business partners in Japan and overseas and promoting activities throughout the supply chain.

Management structure

The Supply Chain Subcommittee of the Sustainability Committee receives monthly, quarterly, and annual reports on the material procurement status of the CMP Group in Japan and overseas. Under a system in which the Supply Chain Subcommittee collectively manages and guides the CMP Group's supply chain, we pursue responsible procurement activities in accordance with our procurement policy. We will further strengthen our procurement management system to realize sustainability throughout the supply chain such as by checking the status of CSR activities and ISO 14001 certification of our business partners.

Goals and KPIs

Issues and initiatives	Scope	Goals and KPIs
Supplier management through CSR assessment	The Company	Supplier evaluation rate based on the UN Global Compact Self-Assessment Questionnaire (SAQ) FY2023: 50% FY2024: 75% FY2025: 100%
Promotion of green procurement	The Company	Percentage of suppliers certified under ISO 14001 FY2023: 55% FY2024: 60% FY2025: 65%

Initiatives and track record

Establishment of procurement policy

With the establishment of the Sustainability Committee, the Company has reviewed the existing purchasing policy and established a new procurement policy based on the basic sustainability policy.

Procurement policy

In line with its basic sustainability policy to realize its management philosophy, the CMP Group conducts procurement activities with suppliers based on the following policies.

1 Open and fair trade

The CMP Group constantly seeks to create business opportunities with new business partners. We decide on business partners fairly by comprehensively evaluating quality, price, delivery schedule, reliable supply, and technical services.

2 Compliance

In its procurement activities, the CMP Group complies with all relevant laws, regulations, and social norms, and takes appropriate actions in consideration of morals and human rights.

3 Mutual trust and mutual development

Through fair and honest procurement activities, the CMP Group builds relationships of mutual trust with suppliers and strengthens the relationships for mutual development.

4 Preserving the global environment by reducing environmental impact

In order to contribute to environmental preservation through procurement activities, the CMP Group considers CSR assessment and ISO 14001 certification when selecting suppliers, and aims to contribute to society throughout the supply chain.

5 Appropriate management system for confidential information

The CMP Group appropriately manages confidential information obtained through procurement activities and strives to prevent leakage.

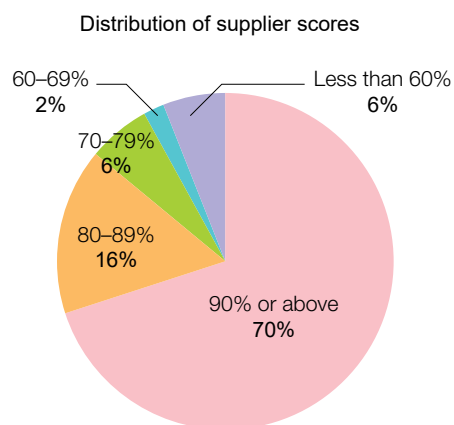
Supply Chain Management

Supplier assessment

CSR survey

As part of our supplier survey, we ask suppliers to report on their ESG activities using the UN Global Compact SAQ, a self-assessment tool provided by the Global Compact Network Japan. The survey evaluates the level of commitment to issues such as corporate governance, human rights, labor, the environment, fair corporate activities, quality and safety, information security, supply chains, and coexistence with local communities. The survey is conducted once a year, and if any concerns are identified in the evaluation, we work together with the supplier to promote measures to reduce future supply risks and strengthen business activities, based on the supplier's understanding of our policy.

Survey results for FY2022 *Survey target: 50 companies (Japan)



Status by item

	Corporate governance	Human rights	Labor	Environment	Fair corporate activities	Quality and safety	Information security	Supply chain	Local communities
Average score by major category	89%	84%	94%	91%	90%	98%	92%	82%	89%
Percentage of companies with a score of 90% or more	70%	58%	80%	64%	72%	90%	72%	54%	70%
Percentage of companies with a score of 80% or more but less than 90%	14%	10%	8%	20%	10%	6%	14%	10%	14%
Percentage of companies with a score of 70% or more but less than 80%	2%	12%	6%	6%	6%	4%	6%	10%	2%
Percentage of companies with a score of 60% or more but less than 70%	6%	12%	2%	6%	4%	0%	4%	10%	6%
Percentage of companies with a score of less than 60%	8%	8%	4%	4%	8%	0%	4%	16%	8%

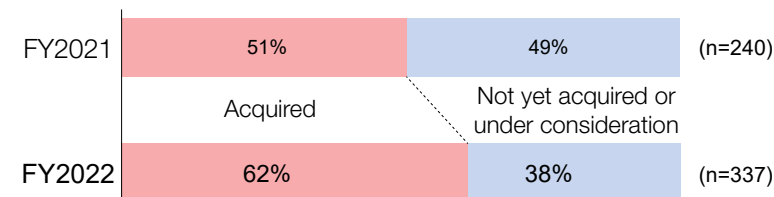
Survey of suppliers' green procurement

In order to confirm the environmental initiatives of suppliers from whom CMP has already purchased a certain amount, we survey their ISO 14001 certification status and other relevant information. We continue to encourage uncertified suppliers to apply for the ISO certification.



Supplier green procurement survey form

Survey results on ISO 14001 certification acquisition status



Social Contribution Activities

Basic concept

We recognize the importance of contributing to society through our core business and building good relationships with local communities. We promote initiatives for local communities, welfare, the environment, and health while taking into account global social issues that we aim to solve through our business. We aim to realize a sustainable society by addressing local issues in areas deeply connected with our business activities, through a variety of activities dedicated to community contribution.

Management structure

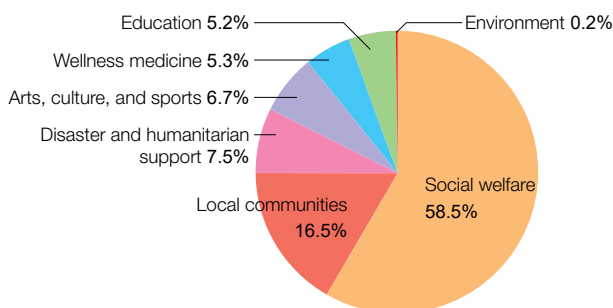
The Coexistence with Local Communities Subcommittee of the Sustainability Committee is working with related departments in Japan to promote initiatives. Overseas, each subsidiary is proactively engaged in social contribution activities that are closely connected to their local communities. Once a year, we receive reports from domestic and overseas Group companies outlining their social contribution activities and their costs.

Initiatives and track record

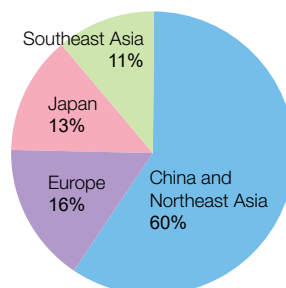
Social contribution cost

In 2022, the social contribution cost was 2.7 million yen.

Breakdown by field of activity



Breakdown by region



Supporting employees' social contribution activities

Charity vending machine installation

We have installed charity vending machines at our Tokyo Head Office, Shiga Factory, and other locations to provide an opportunity for employees to engage in social contribution activities. For every drink purchased, 10 yen is donated, and the donations are utilized through the projects of the Nippon Foundation.

Volunteer leave system

We have established a system to support employees' social contribution activities so that they can connect with society and contribute to solving social issues. Employees can use their accumulated annual leave to take extended leaves for purposes such as volunteer activities.

School education support

Provision of scholarships and donations

Our South Korean subsidiary provided scholarships to a nearby elementary school, and our Dutch subsidiary provided donations to a Japanese school to support education.

Social Contribution Activities

Promotion of arts, culture, and sports

Sponsorship of art exhibitions

We contributed to the promotion of arts and culture by sponsoring the “Special Exhibition Commemorating the 70th Anniversary of the Establishment of Diplomatic Relations between Japan and India: ‘The Ties between India and Japan through Paintings’,” which was organized by Hiroshima Prefecture, and by registering as supporters of the Lake Biwa Museum.



Sponsorship of yacht races

We sponsored yacht races and worked to promote marine sports by providing coatings for pleasure boats and yachts.

Support for medical institutions and patients

Supporting childhood cancer patients

We supported childhood cancer research through donations to the Princess Máxima Center Foundation in the Netherlands.

Support for pink ribbon campaign

At the Kyushu Factory, we have installed a pink ribbon vending machine and donated to the Japan Cancer Society's "Smile Fund" through the purchase of drinks to support activities to reduce the number of women suffering from cancer as much as possible.

Disaster recovery support

Donations to charitable organizations

We have been working on reconstruction support through donations to the Central Community Chest of Japan and the Nordic Green Bank's Nordic support fund Ukraine.

Building good relationships with local communities

Support for community events

We contributed to community revitalization by sponsoring the Iwaki Fireworks Festival and donating to the Koi Koi Festival in Otake, the Otake-Wakigawa Festival, and the autumn festival held near Kobe Paints.

Welfare support

On Respect for the Aged Day, we made donations to facilities for the elderly in the vicinity of our South Korean and Chinese (Guangdong) subsidiaries.

Provision of goods

We supplied coatings for the painting of road blocks within a public housing complex near our Indonesian subsidiary, and for fence painting at a school in the vicinity of our Thai subsidiary.

Dispatch of instructors

We dispatched a lecturer to Kuba Junior High School, located near our Hiroshima Head Office, for their "hometown study" program to provide an opportunity to explore and deepen students' understanding of the charm of their hometown through corporate activities. We also dispatched a lecturer to a class on marine coatings for elementary and junior high school students hosted by the Cooperative Association of Japan Shipbuilders.



Environmental preservation

Cleanup activities

We carried out cleanup activities around the sites at our technology and production bases.

Climate Change

Basic concept

The effects of climate change are becoming more serious year by year, with significant impacts on the natural environment and society, and we recognize that climate change is an important issue for us as well.

As extreme weather events occur around the world, efforts to transition to a decarbonized society are accelerating around the world. The Paris Agreement has set a common goal to limit the rise in global average temperature to well below 2°C compared to pre-industrial levels, and to pursue efforts to limit it to 1.5°C.

As a first step, CMP has set targets for reducing greenhouse gas (GHG) emissions in Scope 1 and 2 to proactively work toward reducing GHG emissions within the Group. By 2030, we aim to reduce GHG emissions by 50% compared to fiscal 2021 through measures such as the introduction of energy-saving equipment and conversion to renewable energy. Going forward, we will continue to set long-term targets for 2050 for the entire Group, including overseas bases.

We will also promote the reduction of GHG emissions as a measure to mitigate the progress of climate change. We are committed to reducing GHG emissions throughout our production and supply chain processes. This includes achieving “low-carbon production” through measures such as reducing energy consumption in production, utilizing renewable energy sources, and transitioning to low-carbon raw materials, “GHG emission reduction through products with environmental contribution value,” such as low-friction antifoulings and biomass coatings, and “GHG emission reduction through the supply chain” by implementing strategies such as the reuse of product containers.

We will work to realize a society resilient to climate change risks as a measure to adapt to environmental changes caused by climate change. Global warming associated with climate change is expected to have significant impacts on people’s lives and health. We aim to realize a society that can adapt to environmental changes due to climate change through the expansion of products that have quality of life (QOL) improvement value, such as suppressing indoor temperature rises with heat-shielding coatings that have high solar reflectivity.

Reduction of GHG emissions is considered important as a climate change mitigation measure, and transparent disclosure of climate-related information is required. We support the Task Force on Climate-related Financial Disclosures (TCFD) and disclose information on the financial impact of climate-related risks and opportunities based on the TCFD framework.

Management structure

The Sustainability Committee’s Climate Change Subcommittee and related departments are working together to reduce GHG emissions and save energy. At our overseas subsidiary factories, we are proactively working in compliance with the laws and regulations of each country.

We receive monthly reports on energy usage from domestic Group companies and once a year from overseas Group companies.

Goals and KPIs

Issues and initiatives	Scope	Goals and KPIs
Reduction rate of greenhouse gas emissions (Scope 1 and 2)	The Company and its domestic subsidiaries	Baseline: FY2021 FY2023: 20% reduction FY2030: 50% reduction
Reduction of energy intensity	The Company and its domestic subsidiaries	Baseline: FY2021 FY2023: 2.4% decrease FY2024: 3.6% decrease FY2025: 4.8% decrease

In fiscal 2022, domestic Group companies’ CO₂ emissions (Scope 1 and 2) were 7,608 tons, a 5% reduction compared to fiscal 2021. The progress rate was 23% of the fiscal 2023 target and 9% of the fiscal 2030 target.

In fiscal 2022, domestic Group companies’ energy intensity was reduced by 6.4% compared to fiscal 2021. The progress was 267% of the fiscal 2023 target, 178% of the fiscal 2024 target, and 50% of the fiscal 2025 target.

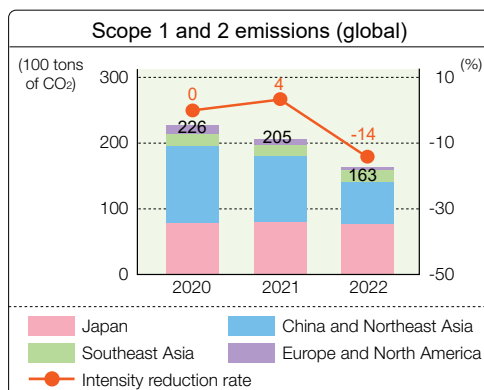
Climate Change

Initiatives and track record

Greenhouse gas emissions

Scope 1 and 2 emissions

Our global CO₂ emissions (Scope 1 and 2) in 2022 were 16,300 tons, down 4,200 tons year on year. The reduction rate of CO₂ emission intensity has improved with a 14% decrease compared to 2020. The decline in CO₂ emissions may include factors such as energy-saving activities in domestic Group companies and a reduction in the amount of natural gas used for heating at a factory in the Netherlands.



		2020	2021	2022
Production sites	CO ₂ emissions (100 tons of CO ₂)	208	187	146
	CO ₂ emission intensity (kilograms of CO ₂ per ton)	89	92	75
Non-production sites	CO ₂ emissions (100 tons of CO ₂)	18	18	17
	CO ₂ emission intensity (kilograms of CO ₂ per m ²)	113	118	110

Scope 1 emissions

Scope 1 emissions decreased by 1,400 tons year on year. This was a 30% reduction from fiscal 2020.

Scope 1 emissions (tons of CO₂ equivalent)

	2020	2021	2022
CO ₂ (energy source)	5,942	5,554	4,168
Japan	3,121	3,114	3,006
China and Northeast Asia	2,563	2,194	1,058
Southeast Asia	80	91	91
Europe and North America	178	155	13
CO ₂ (non-energy source)	0	0	0
N ₂ O	0	0	0
HFCs	0	0	0
CH ₄	0	0	0
SF ₆	0	0	0
NF ₃	0	0	0

*Scope 1 follows the GHG Protocol definition.
Scope 1: Direct GHG emissions that occur from sources that are controlled or owned by an organization

*Emission factors are based on emission coefficients according to the Act on Promotion of Global Warming Countermeasures.

Scope 2 emissions

Scope 2 emissions decreased by 2,800 tons year on year. This was a 27% reduction from fiscal 2020.

Scope 2 emissions (tons of CO₂)

	2020	2021	2022
Total emissions	16,683	14,965	12,134
Japan	4,961	4,856	4,602
China and Northeast Asia	9,012	7,907	5,360
Southeast Asia	1,819	1,698	1,885
Europe and North America	891	504	288

*Scope 2 follows the GHG Protocol definition.

Scope 2: Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling

*To calculate Scope 2 emissions from our domestic bases, we used the adjusted emission factors based on emission coefficients by electric utility in accordance with the Act on Promotion of Global Warming Countermeasures. We made corrections because the basic emission factors were used in 2020 and 2021. For our overseas bases, we use specific coefficients based on each country's laws and regulations and the emission coefficients for the electricity we have contracted and purchased.

Scope 3 emissions

Scope 3 emissions (tons of CO₂)

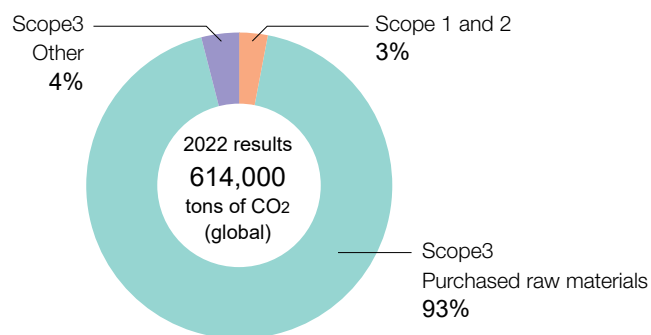
	Non-consolidated			Global
	2020	2021	2022	2022
1 Goods and services purchased	154,063	130,237	173,721	570,921
2 Capital goods	1,024	969	709	2,562
3 Fuel- and energy-related activities (not included in scope 1 or scope 2)	621	574	572	2,348
4 Transportation and distribution (upstream)	6,598	5,912	6,202	9,195
5 Waste generated in operations	498	481	671	3,845
6 Business travels	189	199	214	318
7 Employee commuting	51	52	67	2,145
8 Leased assets (upstream)	0	0	0	0
9 Transportation and distribution (downstream)	0	0	0	0
10 Processing of products sold	2,266	2,112	2,624	5,926
11 Use of products sold	0	0	0	0
12 End-of-life treatment of products sold	233	206	209	635
13 Leased assets (downstream)	0	0	0	0
14 Franchises	0	0	0	0
15 Investments	0	0	0	0
Total	165,541	140,740	184,989	597,894

*Calculated based on GHG Protocol standards. For the calculations, we used the emission intensity described in IDEAv2 (Emission Intensity Database for Calculating Greenhouse Gas Emissions and Other Emissions of an Organization Through Its Supply Chain [Ver. 3.2]). For transportation, the calculations were made in accordance with the Ministry of Economy, Trade and Industry's notification on the method for calculating energy consumption for transportation of freight cargoes by freight forwarders.

Climate Change

Composition of Scope 1, 2, and 3 emissions (global)

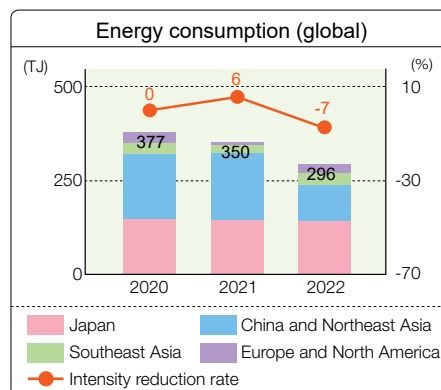
The CMP Group (global) produced 614,000 tons of Scope 1, 2, and 3 emissions, 93% of which were from purchased raw materials (Scope 3) and 3% from Scope 1 and 2 emissions.



Energy saving (factories and offices)

Trends in energy consumption

In 2022, our global energy consumption was 296 TJ, a reduction of 54 TJ year on year. The reduction rate of energy intensity improved with a 7% decrease compared to 2020. The main reasons for this improvement are considered to be the thorough electricity demand management at factories and laboratories in Japan through the renewal of air conditioning systems and conversion to LED lighting, as well as a reduction in the use of natural gas for heating at a factory in the Netherlands.



		2020	2021	2022
Production sites	Energy consumption (TJ)	341	314	262
	Energy intensity (GJ per ton)	1.5	1.5	1.3
Non-production sites	Energy consumption (TJ)	36	36	33
	Energy intensity (GJ per m ²)	2.3	2.3	2.1

Purchase of electricity and other energy sources

The CMP Group is promoting a switch to the purchase of renewable electricity. In 2022, the amount of renewable electricity purchased was 5% of the total purchased electricity. The Group has also installed solar power generation for its own consumption. In 2022, the total electricity produced by our solar power generation systems amounted to 291 MWh.

Amount of electricity, heat, and other energy sources purchased (TJ) (global)

	2020	2021	2022
Electricity	274	255	227
Heat	1	1	1
Steam	0	0	0
Cooling	0	0	0

Amount of renewable electricity purchased (global)

	2021	2022
Purchased electricity (TJ)	12	12
Percentage of total purchased electricity (%)	5	5

Amount of electricity produced by solar power generation (MWh)

	2022
CHUGOKU PAINTS B.V.	282
Hiroshima Head Office	10

Fuel consumption

At our subsidiary in the Netherlands, the use of natural gas has decreased significantly by switching from natural gas heating to heat pump heating. The factory has introduced energy-saving technologies to reduce energy consumption.

Consumption by fuel type (TJ) (global)

	2020	2021	2022
Natural gas	51	41	20
Class A heavy oil	39	40	38
Light oil	3	4	2
Kerosene	1	2	2
Others	7	5	4

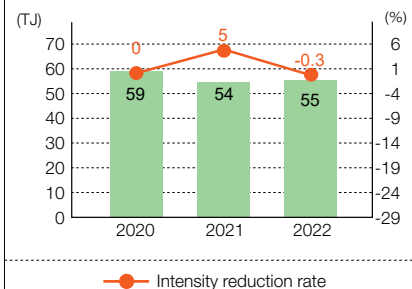
Climate Change

Energy saving (transportation)

Energy consumption during transportation

In fiscal 2022, energy consumption for transportation in Japan (non-consolidated) was 55 TJ, a 1% year-on-year increase. The intensity reduction rate (per transportation volume) improved with a 0.3% decrease from fiscal 2020.

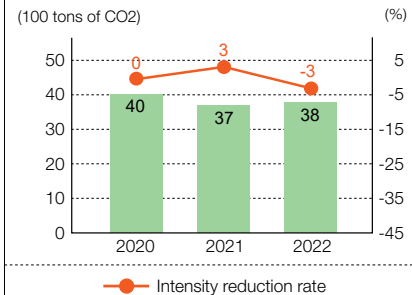
Energy consumption (non-consolidated)



CO2 emissions during transportation

CO2 emissions during transportation in Japan (non-consolidated) amounted to 3,800 tons, a 3% year-on-year increase. The intensity reduction rate (per transportation volume) improved with a 3% decrease from fiscal 2020.

Trends in CO2 emissions(non-consolidated)



Improving transportation efficiency

We are continuously working on increasing the load capacity and the size of vehicles for mainline transportation to expand the amount of cargo transported at one time.

Shift to transportation means with less environmental impact

We continue to implement modal shifts from truck transportation to railways, ships, and other forms of transport that emit less CO2.

Shortening transportation distance

We propose the shortest transportation routes to freight forwarders and review them continuously.

Compliance with the Act on Rational Use and Proper Management of Fluorocarbons

Owners of commercial refrigeration and air conditioning equipment that use fluorocarbons are required to thoroughly manage the fluorocarbons they use and to report the leakage of fluorocarbons in excess of a certain amount.

Our Group companies in Japan own 400 units of such equipment and work to properly monitor the amount of fluorocarbons leaked in accordance with the management criteria established by the government. In fiscal 2022, there were no leaks of fluorocarbons of 1,000 tons of CO₂ or more.

Stakeholder engagement

Participation in the VOC Working Group of the Japan Paint Manufacturers Association

The Japan Paint Manufacturers Association (JPMA) is working to reduce indirect CO₂ emissions by reducing non-methane volatile organic compounds (NMVOCs).

Every year, JPMA calculates the actual status of VOC emissions from coatings based on information from its member companies.

We are also working to reduce indirect CO₂ emissions by reducing VOCs.

Information Disclosure Based on TCFD Recommendations



In February 2023, the CMP Group announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and is disclosing information in accordance with the TCFD's disclosure items (governance, strategy, risk management, and metrics and targets).

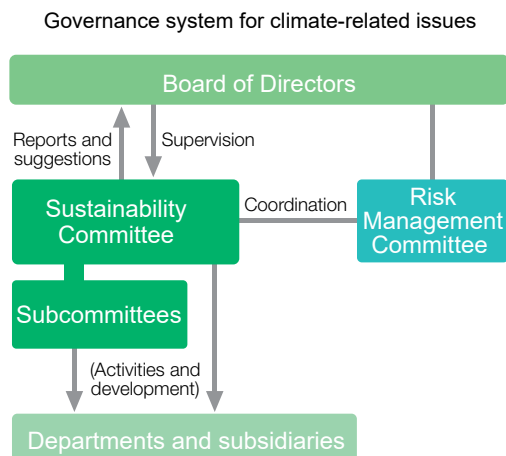
Excerpt

Governance

The Sustainability Committee has been established to strengthen the CMP Group's sustainability initiatives, including climate change countermeasures, from the perspective of increasing the Group's corporate value over the medium to long term. The Committee is chaired by the President of the Company, who is also the chief officer responsible for addressing climate change, and is composed mainly of executive officers and chiefs of each headquarters. The Committee is responsible for formulating policies, targets, and action plans for sustainability, promoting and monitoring initiatives on sustainability issues, and identifying material issues. Details are reported to the Board of Directors once a quarter, and the Board of Directors monitors the sustainability activities and KPIs.

Climate change-related agenda

- Setting energy-related targets and reporting results
- Setting greenhouse gas (GHG) emission reduction targets and reporting results
- Considering the introduction of energy-saving equipment and renewable energy
- Setting waste recycling rate targets and reporting results
- TCFD compliance, matters related to climate change risks and opportunities



Strategy

The CMP Group considers the various risks and opportunities caused by climate change to be one of the important aspects of its business operations. We have examined the risks and opportunities that climate change issues pose to our Group with reference to the respective risk and opportunity items indicated in the TCFD recommendations. Additionally, while referencing climate change scenarios, we have conducted a scenario analysis on the identified risks and opportunities using two temperature range scenarios: the 1.5°C to 2°C scenario, in line with the Paris Agreement's targets, and the 4°C scenario, which presupposes the continued emission of greenhouse gases at the current rate.

Scenario analysis

Analysis process



1.5°C to 2°C scenario

A scenario that aims to keep the global average temperature increase below 1.5–2°C compared to pre-industrial levels as efforts to achieve carbon neutrality to curb the effects of climate change gain momentum. In the 1.5°C scenario, the impact of policy and regulatory risks is assumed to be greater than in the 2°C scenario.

4°C scenario

A scenario in which climate change countermeasures make no progress from the present level, and the average global temperature rises by approximately 4°C by the end of this century compared to pre-industrial levels. It is assumed that the impact of physical risks, such as the intensification of extreme weather events and the risk of sea level rise, will become more significant.

Scenario used for reference:

- IEA Net Zero Emissions by 2050 Scenario
- IPCC SSP1-2.6 ■ IPCC SSP5-8.5

Information Disclosure Based on TCFD Recommendations

Overview of climate-related risks and opportunities for the CMP Group

Based on the climate change scenarios, we have identified the following important risks and opportunities that could affect the CMP Group's business. As for the periods for considering risks and opportunities, we have positioned the short-term as being until fiscal 2025, which is the period for implementing our medium-term management plan, the medium-term as being until fiscal 2030, and the long-term as being until fiscal 2050.

In the 1.5°C to 2°C scenario, we foresee risks such as the strengthening of decarbonization policies leading to an increased cost burden due to the introduction of a carbon tax, surging raw material prices, and a decline in demand for marine coatings due to fewer fossil fuel carriers. However, we also recognize potential new business opportunities, including increased demand for environmentally friendly products such as low-friction antifoulings, and the development of coatings for floating offshore wind power generation facilities.

The worldview under the 4 °C scenario is that rising temperatures will lead to more frequent and severe natural disasters, and that there will be physical risks due to sea level rise, but we also expect an increase in demand for antifoulings due to rising seawater temperatures.

Risks/ opportunities	Type	Factors	Impact on business	Financial impact	Timing of occurrence	Our response
Transition risks	Policy and legal	Introduction of carbon tax and increase in carbon tax rate	Increase in carbon tax burden	Medium	Medium term	Switch to renewable energy
			Increase in electricity costs	Medium	Short to medium term	Energy saving by introducing highly efficient equipment
	Technology	Switching to low-carbon raw materials	Increased procurement risk and costs due to growing demand for low-carbon raw materials	Medium	Short to long term	Shift from petroleum-derived raw materials to biomass-derived chemical substances
	Market	Increase in raw material prices	Increase in costs due to higher demand for conventionally used vegetable oil raw materials	Medium	Short to long term	Improve factory utilization ratio
						Expand sales of high-value-added products
		Change in demand in the shipping industry	Decrease in fossil fuel carriers	Medium to high	Long term	Develop demand for coatings for next-generation fuel carriers
Physical risks	Chronic	Sea level rise	Increased costs due to company base relocation	High	Long term	Consider relocation timing and location by conducting risk mapping
						Promote BCP-related investment
	Acute	Intensification of natural disasters	Decrease in capacity utilization of business bases due to sudden disasters	High	Short to long term	Identify hazardous areas in advance by using regional disaster prevention maps
						Place sandbags, oil fences, and oil adsorption mats to prevent flood damage
						Plan emergency alternative production systems and plans (group production sites, outsourced manufacturing)
Opportunities	Resource efficiency	Monetization of unused resources	Reduction of waste disposal costs associated with reuse of coating containers and solvent distillation	Low	Short to medium term	Review manufacturing process
	Products and services	Expanding markets for low-emission products and services	Increase in demand for environmentally friendly products (low-fric- tion, high-performance antifoulings, biomass coatings, etc.)	High	Medium term	Utilize IBC tanks
						Strengthen R&D of environmentally friendly products and proactively make proposals to customers
	Markets	Change in demand in the shipping industry	Increase in demand for coatings for next-generation fuel carriers	Medium to high	Medium to long term	Improve product competitiveness and strengthen sales activities
		Expansion of low-carbon power sources	Increase in demand for coatings for offshore wind power generation facilities	Low to medium	Medium term	Develop and deploy in the market products that meet various standards
	Other	Rising seawater temperature	Increase in demand for high-performance antifoulings to reduce the risk of fouling	Medium	Medium to long term	Strengthen R&D of high-performance antifoulings and proactively make proposals to customers

Information Disclosure Based on TCFD Recommendations

Status of initiatives to reduce risks and realize opportunities

●Introduce renewable energy power and energy-saving equipment

The CMP Group is promoting the introduction of renewable energy and energy-saving equipment with the aim of reducing greenhouse gas emissions. We have introduced solar panels at our headquarters in Hiroshima, which also serves as our R&D base in Japan, and at our subsidiary, CHUGOKU PAINTS B.V., in the Netherlands, as part of our efforts to increase the use of renewable energy sources for our power consumption. In the future, we plan to gradually switch to renewable energy sources for the electricity we purchase from electric power companies.



Solar power generation system at our subsidiary in the Netherlands

●Reduce greenhouse gas emissions with antifoulings

Our core product in marine coatings, antifoulings, prevents the increase in surface resistance caused by marine organisms like barnacles attaching to the hull during operations and maintains smoothness. This improves the ship's fuel efficiency and contributes to the reduction of greenhouse gas (CO₂) emissions.

In the shipping industry, as part of climate change measures, regulations and rules concerning ship fuel consumption and CO₂ emissions have been enacted and are expected to be strengthened in the future. Also, rising seawater temperatures and changes in weather patterns such as heavy rains and typhoons due to climate change are activating marine life in some ocean areas, increasing the risk of hull fouling. In order to respond to these changes in the environment, demand is increasing for high-performance antifoulings with superior fouling prevention and enhanced fuel efficiency, and we expect demand to continue to grow over the long term.

We have been focusing on the development of high-performance antifoulings and working to enhance our lineup and improve quality. In light of all of this, we are aware that addressing climate change challenges for ships will be a major opportunity for our marine coatings business to expand our business performance through an increase in sales of high-value-added products.



Test coating results of high-performance antifoulings (the dotted line indicates areas with high-performance coating, while the remaining areas have a general-purpose coating)

Risk Management

●Process for identifying and assessing climate-related risks

The CMP Group has established the Basic Rules for Risk Management and has set up a Risk Management Committee, chaired by the Chief of the Administration Headquarters, to ensure efficient business operations. The Committee aims to prevent, detect, and correct any potential risks that may occur in the course of operations, as well as to prevent their recurrence, by establishing a risk management system and providing guidelines for responding to risks that arise.

Risks associated with climate change are identified and assessed by the Sustainability Committee after being extracted by a department or subcommittee. The significance of risks is determined by calculating an intrinsic risk score based on their potential impact and likelihood of occurrence. The Risk Management Committee examines response policies for highly significant risks and the Sustainability Committee for medium- to low-level risks.

●Process for managing climate-related risks

There is a system in place where, after the Risk Management Committee and the Sustainability Committee have examined the response policy, they report to the Board of Directors at least once a year. In the process of implementing the risk response measures, the responsible headquarters or subcommittee promotes response measures, and the Risk Management Committee and the Sustainability Committee constantly monitor the status of the response.

●Process for integration into companywide risk management

Our risk management system is centered on the Risk Management Committee and includes the Compliance Committee, the System Planning & Operating Committee, and other committees. We consolidate the control system for prevention, detection, correction, and recurrence prevention of anticipated risks, and for the response to materialized risks. With regard to climate change risks, the Risk Management Committee and the Sustainability Committee collaborate to manage them in a process similar to companywide risks, creating an integrated risk management system.

Indicators and Targets

We calculate greenhouse gas emissions (Scope 1, 2, and 3) based on the GHG Protocol standards. The base year for our greenhouse gas reduction target is 2021, and we are aiming for a 50% reduction in Scope 1 and 2 emissions by 2030.

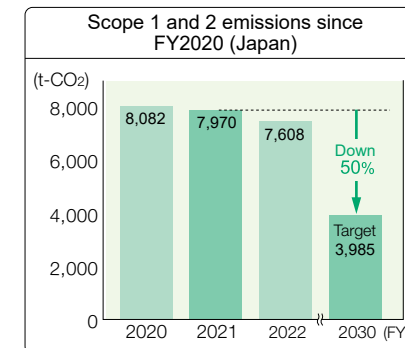
Going forward, we will also formulate long-term emission reduction targets for the entire Group, including overseas bases, by 2050.

Indicators and targets used to assess climate-related risks and opportunities

Indicator	Target level
Greenhouse gas emissions: Scope 1 and 2	Reduce CO ₂ emissions by 50% in FY2030 (Japan)

Greenhouse gas emissions in Japan (t-CO₂)

FY	2020	2021	2022
Scope1	3,121	3,114	3,006
Scope2	4,961	4,856	4,602
Scope3	165,541	140,740	184,989



Water Resources

Basic concept

Water resources are limited, and problems are becoming apparent due to localized heavy rain, floods, and chronic droughts. The situation is expected to become increasingly serious in the future due to climate change and population growth. The coatings we offer use only a small amount of water during production, as the majority of raw materials are sourced from suppliers. However, since our Group companies and suppliers require water in the process of manufacturing resins and other materials, we recognize the need to make effective use of the limited water resources.

Management structure

The Sustainability Committee's Resource Utilization and Pollution Prevention Subcommittee is working with relevant domestic departments to manage water intake. Outside Japan, each subsidiary's production site proactively manages its water intake. We receive monthly reports from domestic Group companies and annual reports from overseas Group companies regarding water intake.

Initiatives and track record

Risk survey

We have used the Aqueduct Water Risk Atlas, a water risk assessment tool provided by the World Resources Institute (WRI), to assess risks related to the quantity and quality of water at our production sites in Japan and overseas. The water intake rate from areas with "high" or "extremely high" water quality risk was 6% and production in those areas was 27% of total production. Meanwhile, the water intake rate from areas with "high" or "extremely high" water quantity risk was 1% and production was 20% of the total.

	Water quality risk		Water quantity risk	
	Water intake (1,000 m ³)	Production volume (1,000 tons)	Water intake (1,000 m ³)	Production volume (1,000 tons)
Low	15	66	0	0
Low-Medium	1,150	59	16	22
Medium-high	7	16	1,213	134
High	58	36	6	22
Extremely high	12	18	7	16

Water stress

As a result of the investigation using the Aqueduct Water Risk Atlas, it was found that the water intake rate from areas with "high" or "extremely high" water stress in terms of available water quantities at our production sites in Japan and overseas was 1%, and the proportion of production in these areas was 8%.

	Water intake (1,000 m ³)	Production volume (1,000 tons)
Low	76	69
Low-Medium	1,153	87
Medium-high	6	22
High	0	0
Extremely high	7	16

Water Resources

Regional distribution of water intake

In fiscal 2022, water intake at the CMP Group's production sites was 1,242,000 m³. Since we have domestic production bases for synthetic resins and chemical products, Japan accounts for 93% of the water intake. Water intake in China and Northeast Asia was 5%, and the water intake rate in Northeast Asia, including Japan, was 98%.

In Thailand, an area with high water stress, the amount of water used was 7,000 m³, which was 1% of the total. The intensity of water intake has been around 0.5 m³ per ton.

	Water intake (1,000 m ³)	% of total
Japan	1,153	92.8%
China and Northeast Asia	64	5.1%
Southeast Asia	20	1.6%
North America	4	0.3%
Europe	1	0.1%

Trends in water intake

Production sites (global)

		2020	2021	2022
Total water intake	1,000m ³	1,301	1,242	1,242
Seawater	1,000m ³	0	0	0
Underground water	1,000m ³	52	50	69
Municipal water	1,000m ³	1,249	1,192	1,172
Surface water	1,000m ³	0	0	0
Rainwater	1,000m ³	0	0	0
Intensity	m ³ per ton	5.5	6.1	6.4

Production sites with high water stress (Thailand)

		2020	2021	2022
Total water intake	1,000m ³	6	7	7
Seawater	1,000m ³	0	0	0
Underground water	1,000m ³	0	0	0
Municipal water	1,000m ³	6	7	7
Surface water	1,000m ³	0	0	0
Rainwater	1,000m ³	0	0	0
Intensity	m ³ per ton	0.4	0.5	0.4

Trends in water discharge

Production sites (global)

		2020	2021	2022
Total water discharge	1,000m ³	1,151	1,151	1,144
Ocean	1,000m ³	1,045	994	1,012
River, lake, etc.	1,000m ³	56	60	72
Sewage line	1,000m ³	50	96	59
Underground/well	1,000m ³	0	0	1
Others	1,000m ³	0	0	0

Production sites with high water stress (Thailand)

		2020	2021	2022
Total water discharge	1,000m ³	5	6	6
Ocean	1,000m ³	0	0	0
River, lake, etc.	1,000m ³	0	0	0
Sewage line	1,000m ³	5	6	6
Underground/well	1,000m ³	0	0	0
Others	1,000m ³	0	0	0

Pollution Prevention

Basic concept

Since our Group uses a variety of chemical substances in its business activities, we recognize the importance of countermeasures against air, water, and soil pollution. To prevent or minimize adverse effects on the global environment and local environments, we comply with laws, regulations, and ordinances, and strive to reduce emissions of pollutants.

Management structure

The Sustainability Subcommittee's Resource Utilization and Pollution Prevention Subcommittee works with domestic production sites to implement pollution countermeasures. Overseas subsidiary factories are proactively managed in compliance with the laws and regulations of each country. We receive reports on pollutant emissions from domestic Group companies at least four times a year, and from overseas Group companies once a year.

Goals and KPIs

Issues and initiatives	Scope	Goals and KPIs (yearly)
Environmental incidents	The Company and its domestic subsidiaries	Zero

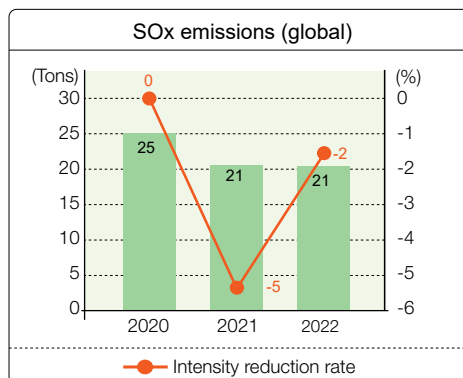
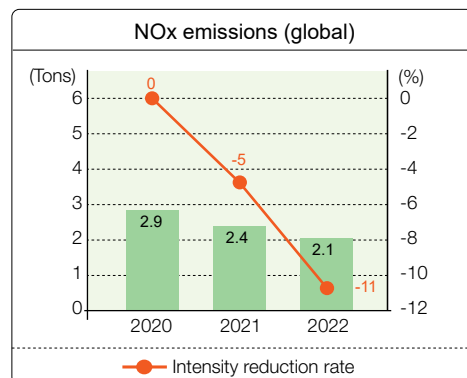
In fiscal 2022, there were no incidents that caused significant environmental pollution, degradation, or change.

Initiatives and track record

Prevention of air pollution

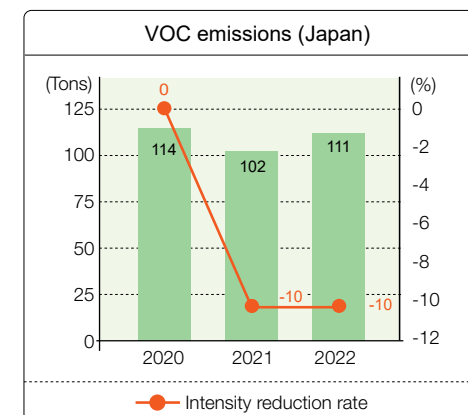
NOx and SOx emissions

We monitor the amount and concentration of pollutants emitted from facilities subject to the Air Pollution Control Act and appropriately manage them in accordance with laws and ordinances. In 2022, the CMP Group (global) emitted 2 tons of nitrogen oxides (NOx) and 21 tons of sulfur oxides (SOx). In 2022, the reduction rate of NOx emission intensity (per production volume) decreased by 11% compared to 2020, and the reduction rate of SOx emission intensity decreased by 2% compared to 2020.



VOC emissions

We are working to reduce VOC emissions by installing deodorizing equipment in our factories. In 2022, the amount of VOCs released into the atmosphere by CMP Group companies in Japan was 111 tons. The intensity reduction rate (per production volume) decreased by 10% compared to fiscal 2020.



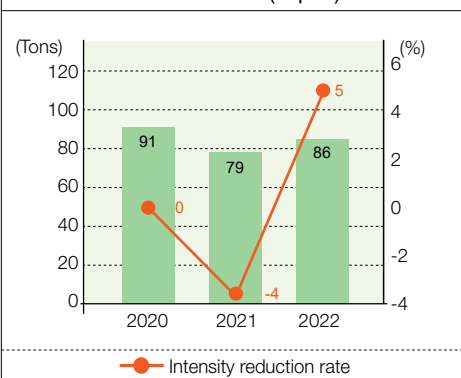
Pollution Prevention

Emissions of chemical substances subject to the PRTR Act

In fiscal 2022, no chemical substances subject to the Pollutant Release and Transfer Register (PRTR) Act were discharged into public waters or soil at any of the relevant business sites among the Group companies in Japan.

Emissions into the atmosphere amounted to 86 tons, and the intensity reduction rate (per production volume) increased by 5% compared to 2020.

Emissions of chemical substances subject to the PRTR Act (Japan)



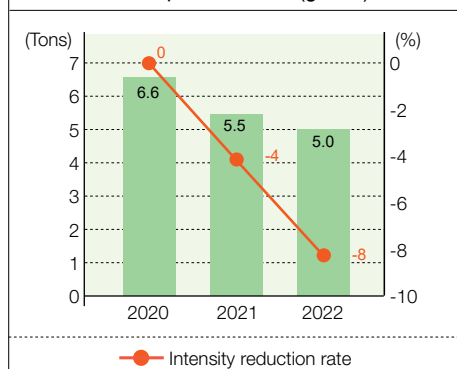
	Emissions to the atmosphere (tons)		
	2020	2021	2022
Ethylbenzene	41	35	40
Xylene	37	32	33
Toluene	12	11	12
1,2,4-Trimethylbenzene	0.3	0.3	0.4
1,3,5-Trimethylbenzene	0.1	0.1	0.1
Cumene	0.01	0.01	0.02
Styrene	0.07	—	—
Tritolyl phosphate	0.01	—	—

Prevention of water pollution

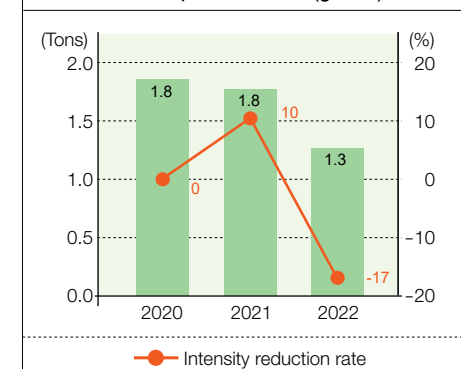
COD and BOD pollution loads

At the bases subject to the regulations of the Water Pollution Prevention Act, we monitored wastewater discharge into rivers and oceans, and confirmed that the discharge levels of water pollutants are being managed below the regulatory values. In 2022, the CMP Group (global) had a chemical oxygen demand (COD) pollution load of 5 tons and a biochemical oxygen demand (BOD) pollution load of 1 ton. In 2022, the reduction rate of COD pollution load intensity (per production volume) decreased by 8% compared to 2020, and that for BOD pollution load intensity decreased by 17% compared to 2020.

COD pollution load (global)



BOD pollution load (global)



Prevention of soil and groundwater contamination

The Shiga Factory voluntarily measures environmentally hazardous substances in groundwater on the premises to prevent pollution.

Utilization of Waste and Resources

Basic concept

The trend of a circular economy, which aims for sustainable economic growth by minimizing the use of new resources, is spreading globally. The CMP Group adopts this approach, striving to utilize resources effectively through its business activities and collaboration with stakeholders.

Management structure

The Sustainability Committee's Resource Utilization and Pollution Prevention Subcommittee works with domestic production sites to advance resource utilization and the reduction of waste and other environmental impacts. Overseas subsidiary factories are proactively managed in compliance with the laws and regulations of each country. We receive reports on pollutant emissions from domestic Group companies at least four times a year, and from overseas Group companies once a year.

Goals and KPIs

Issues and initiatives	Scope	Goals and KPIs
Waste recycling rate	The Company and its domestic subsidiaries	FY2030: 85% or more

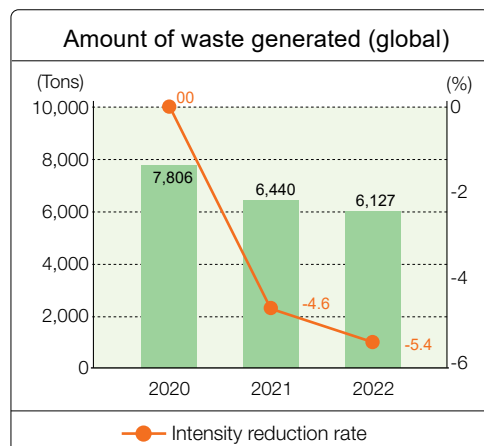
In fiscal 2022, the recycling rate for Group companies in Japan was 72%. The progress rate against the target was 85%.

Initiatives and track record

Waste

Amount of waste generated

In 2022, the amount of waste generated (global) was 6,127 tons, a decrease of 313 tons year on year. The intensity reduction rate (per production volume) improved with a 5.4% decrease compared to 2020.



Promotion of recycling

At the Shiga Factory, we have promoted in-house resource recycling, including the reuse of cleaning solvents through distillation, as well as promoting recycling initiatives at waste disposal contractors. In 2022, our global recycling rate was 65%, up 12 percentage points from 53% in 2020.

	Global		
	2020	2021	2022
Amount of waste generated (tons)	7,806	6,440	6,127
Amount recycled (tons)	4,134	3,851	3,989
Recycling rate (%)	53	60	65

	Group companies in Japan		
	2020	2021	2022
Amount of waste generated (tons)	2,321	2,235	2,782
Amount recycled (tons)	1,562	1,512	2,003
Recycling rate (%)	67	68	72
Final disposal amount (tons)	168	168	231

Amount of hazardous waste generated

Among Group companies in Japan, no hazardous waste was generated among the total amount of waste produced.

Waste plastics

The amount of waste plastic generated by Group companies in Japan was 130 tons, down from 138 tons in the previous year.

Confirmation of conformity for waste disposal contractors

In 2022, we visited three waste disposal contractors in Japan to check the status of waste disposal and found no noncompliant disposal contractors.

Utilization of Waste and Resources

Stakeholder engagement

In addition to advancing the circular economy by reusing product containers through engagement with customers, we are promoting both the reduction of procured resources and the reduction of associated CO₂ emissions (Scope 3, Category 1 and Category 5 under the GHG Protocol). We will continue our customer engagement activities and promote contributions to low-carbon initiatives throughout the supply chain.

Reuse of drums

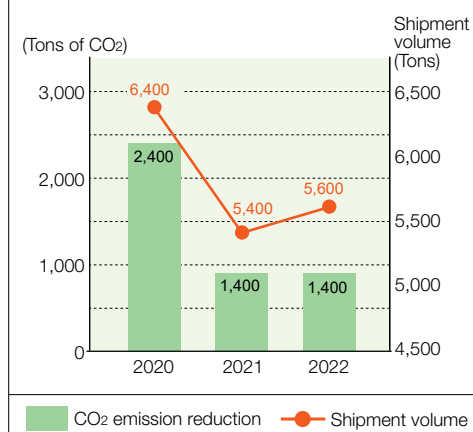
In March 2022, we started activities to collect drums used for antifouling agents for fish nets and reuse them in cooperation with major customers. In fiscal 2022, 3,539 drums were reused. We have contributed not only to reducing the use of resources by decreasing the number of drum purchases at our Company and the number of drums disposed of by customers, but also to reducing CO₂ emissions associated with the purchase and disposal of these drums. Through this initiative, we reduced CO₂ emissions by 114 tons.



IBC system

To reduce the number of cans disposed of by users, we started sales in 1995 of the IBC system, a paint delivery system equipped with reusable intermediate bulk containers (IBCs) and automatic paint mixing and weighing equipment. This system has been realized in cooperation with users who construct buildings to install equipment, including automatic paint mixing devices. One IBC tank can reduce the number of waste cans by 70 to 100. In fiscal 2022, we sold 5,600 tons of IBC tanks, reducing waste cans by the equivalent of 550,000 oil cans. As a result, we have contributed not only to the reduction of cans disposed of on the user's end and a decrease in the number of cans purchased by both users and our Company, but also to the reduction of CO₂ emissions associated with the purchase and disposal of these cans. In 2022, we reduced CO₂ emissions by about 1,400 tons through IBC shipments.

CO₂ emission reduction through IBC shipments



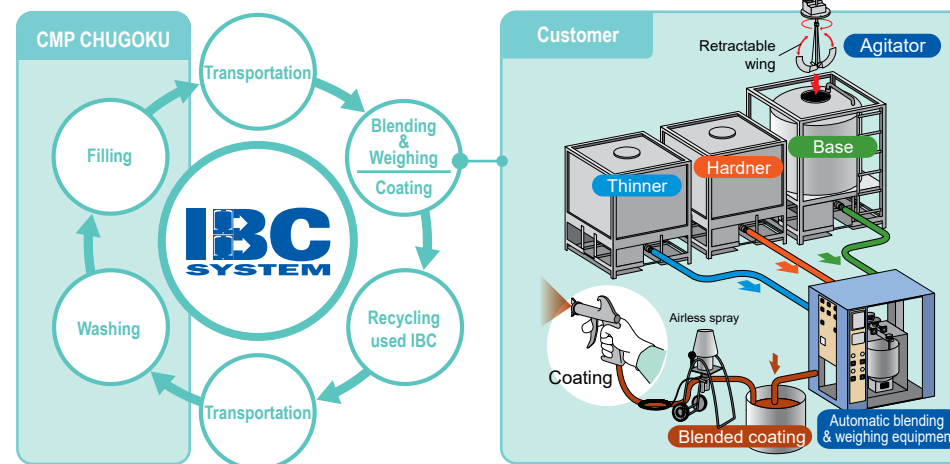
Automatic blending & weighing equipment

Blending & Weighing



IBC (Intermediate Bulk Container)

Concept of IBC system



Management of Chemical Substances Contained in Products

Basic concept

While the chemicals our Company uses are essential for enriching people's lives, some of them can also have a negative impact on people and the environment. In order to use chemical substances safely, it is necessary to understand their properties and manage them appropriately. In addition to responding to domestic and international movements to strengthen the management of chemical substances and complying with laws and regulations related to hazardous substances, we are working to develop and improve products that present minimal health and safety risks and have a lower environmental impact throughout their lifecycle. We prioritize the reduction of hazardous or regulated substances at the product design and development stages, and are intensifying our efforts therefor.

Management structure

The Chemical Substances Management Subcommittee of the Sustainability Committee and the Technical Headquarters work together to develop and improve products with reduced environmental impact and to reduce the use of hazardous substances. In addition, the Chemical Substances Management Subcommittee and the Environmental & Quality Assurance Department work together to promote initiatives based on laws and regulations in Japan and the overseas countries in which we operate.

Goals and KPIs

In fiscal 2022, the reduction rate of target substances for Group companies in Japan was 1.6% compared to fiscal 2020. Progress was 32% against the fiscal 2025 target and 16% against the fiscal 2030 target.

Issues and initiatives	Scope	Goals and KPIs
Percentage reduction in use of environmental hormones, TX, etc.*	The Company and its domestic subsidiaries	Compared to FY2020 FY2025: 5% FY2030: 10%

*Toluene, xylene, benzophenone, etc. (10 substances in total)

Initiatives and track record

Management of chemical substances

Quality management system
(JIS Q 9001:2015)

Raw materials and procurement Quality control Production Sales Design and development

Management system

Chemical information
Law and regulation information
Formula data
Product sales data
Exposure environment data

Product information

GHS-compliant Safety Data Sheets (SDSs)
Technical Data Sheets (TDSs)
GHS-compliant labels
Exporting country legal and regulatory compliance information

Business location information

PRTR data
Waste data

Chemical substance information

Information on imports of chemical substances and coatings (preparation)
Information on exports of chemical substances and coatings (preparation)
Production information on coatings (preparation)
Shipment information on coatings (preparation)

We utilize a chemical substance management system to ensure the appropriate management of chemical substances. This system centrally manages information on chemical substances contained in raw materials and products, as well as acquired information on laws, regulations, and toxicity. We have also established a system that allows us to prepare and provide SDSs and other information to our customers. We are continuing to improve our systems to comply with laws and regulations related to chemical substances.

In-house training

We conduct in-house training to deepen knowledge of regulations when laws and ordinances are newly revised, and to disseminate specific methods of response. In fiscal 2022, we held a briefing session on the revised Industrial Safety and Health Act. Not only managers but also a wide range of members, including staff in charge, participated in the session.

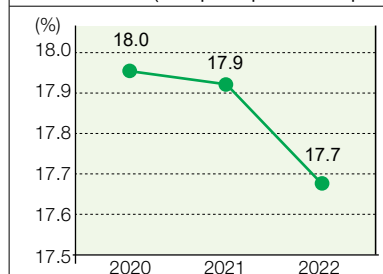
Risk assessment of chemical substances

At our business sites that handle chemical substances, we conduct risk assessment of chemical substances based on the Industrial Safety and Health Act. CMP appoints staff responsible for such risk assessment and promotes assessment based on the control-banding method by the safety and health committees of each business base.

Reduction of the use of hazardous substances

In an effort to reduce the environmental impact of its products, the CMP Group has voluntarily designated 10 substances that have high emissions or are highly hazardous, such as toluene and xylene, as target substances, and is working to reduce them on a priority basis. In fiscal 2022, the percentage of target substances in purchased raw materials was 17.7%, down 0.3 percentage points from 18.0% in fiscal 2020.

Percentage of target substances in purchased raw materials (Group companies in Japan)



Biodiversity

Basic concept

Our business activities benefit from nature and biodiversity in all cycles, from raw material procurement to production, sales, use, and disposal, while at the same time impacting nature and biodiversity in various situations including disposal. We are keenly aware of the importance of stopping and reversing the loss of biodiversity, which is proceeding at a critical rate, and moving it onto a recovery track. Based on the action policy of Coatings Care, which includes information related to biodiversity conservation, we will strive to reduce the impact of our business activities on biodiversity, develop products that take biodiversity conservation into consideration, endeavor to understand our dependence and the impacts we have on biodiversity in our supply chain, and promote activities to conserve and restore biodiversity.

Management structure

The Sustainability Committee's Resource Utilization and Pollution Prevention Subcommittee and related departments are working together to conserve biodiversity. At our overseas subsidiary factories, we are proactively working in compliance with the laws and regulations of each country.

Goals and KPIs

Issues and initiatives	Scope	Goals and KPIs
Increase the sales ratio* of environmentally friendly high-performance antifoulings, which also contributes to measures against transboundary movement of marine organisms	Entire Group	FY2025: 50% or more FY2030: 60% or more *Percentage of total antifoulings (based on the number of vessels)

Sales of environmentally friendly high-performance antifoulings accounted for 52% of total antifouling sales in fiscal 2022, achieving more than 50% of the fiscal 2025 target ahead of schedule.

Initiatives and track record

Contributing to biodiversity through products

Antifoulings are indispensable for ship navigation, preventing marine organisms from attaching to the ship's hull, and reducing fuel consumption and CO2 emissions by minimizing frictional resistance during navigation. Our high-performance antifoulings employ a new environmentally friendly antifouling agent. Even in small quantities, this agent exhibits high resistance to barnacles, contributing to countermeasures against transboundary movement of marine organisms attaching to ship hulls.

Biodiversity risk assessment

To assess the potential impact of the CMP Group's business activities on biodiversity, we conducted a survey of the surrounding ecosystems at our domestic and overseas production bases. We used the Integrated Biodiversity Assessment Tool (IBAT) in our survey to investigate the proximity of any natural protected areas (UNESCO World Natural Heritage sites, IUCN protected area categories I to III, and wetlands of the Ramsar Convention) within a 3km radius of our bases. As a result, it was confirmed that one site is in close proximity to an area protected under the Ramsar Convention. We are proceeding with initiatives at this site in accordance with the law.

IBAT evaluation results (number of applicable production bases)

Region	Number of production bases	UNESCO World Natural Heritage sites	IUCN			Wetlands of the Ramsar Convention
			Category I	Category II	Category III	
Japan	4	0	0	0	0	0
China and Northeast Asia	3	0	0	0	0	0
Southeast Asia	4	0	0	0	0	0
North America and Europe	2	0	0	0	0	1
Total	13	0	0	0	0	1

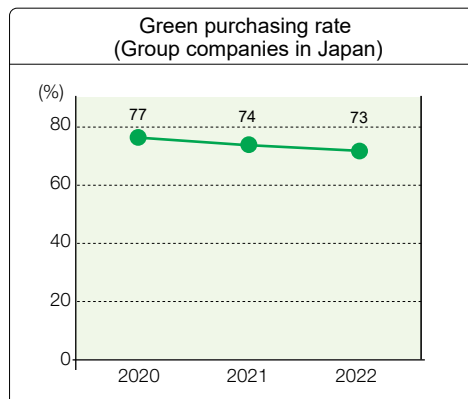
*IBAT: An assessment tool that provides access to basic data and up-to-date information on nature conservation, developed by BirdLife International, Conservation International, International Union for Conservation of Nature (IUCN), United Nations Environment Programme (UNEP), and World Conservation Monitoring Centre (WCMC)

Biodiversity

Reducing environmental impact through procurement and purchasing

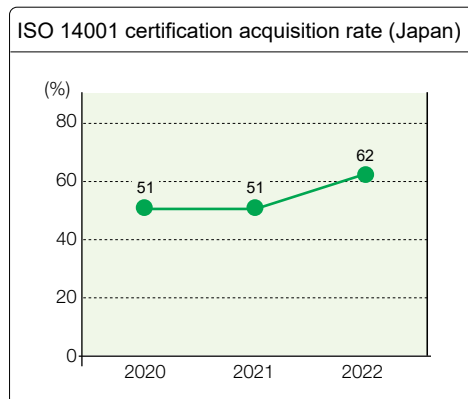
Promotion of green purchasing

In response to the Act on Promoting Green Procurement, our Group companies in Japan have been promoting green purchasing by selecting materials with the smallest possible environmental impact. Our Group companies' green purchasing rate (based on purchase price) in Japan was 73%, down year on year.



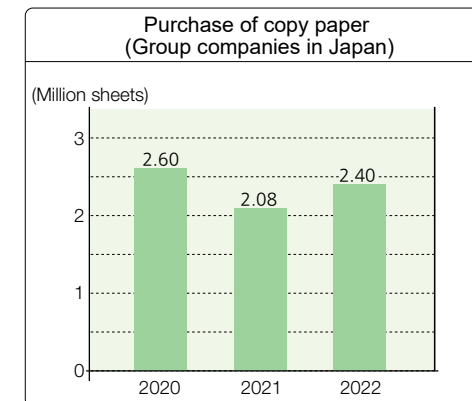
Promotion of green procurement

We are promoting green procurement, which prioritizes procurement of products and services with low environmental load and from companies that are actively working on environmental considerations. According to a survey on the status of ISO 14001 certification among our suppliers in Japan, 215 companies, or 62%, of the 337 companies that responded have obtained certification.



Reduction of copy paper

Our Group companies in Japan have long been working to reduce the amount of copy paper they use through promoting digitization and other measures. In fiscal 2022, the amount of copy paper purchased rose by 16% year on year, to the equivalent of 2.40 million sheets of A4-size paper. This increase is likely due to people returning to the office as work from home during the COVID-19 pandemic was reduced.



Use of FSC-certified paper

We are promoting the use of FSC-certified paper for printed materials to continue the sustainable use of forest resources. FSC-certified paper is used in many documents issued by CMP, including periodic reports to shareholders.

Collaboration with other organizations

Collaboration with the citizens' organization Fieldwork Yasu

The Shiga Factory continues to participate in cleanup activities on the Gioui River sponsored by the citizens' organization Fieldwork Yasu. Fieldwork Yasu is an organization aimed at preserving and revitalizing the abundant natural landscapes and the historical and cultural heritage of the Yasu Plain, which includes mountains, rivers, and lakes, as a common asset of the citizens of Yasu. We aim to establish and continue river cleaning as an activity to keep rivers clean in the community.

Security and Disaster Prevention

Basic concept

As natural disasters have become increasingly severe and more frequent in recent years, demands for safe operations are increasing for companies with chemical plants. Accidents caused by fires or production facilities can harm the health and safety of not only employees but also local residents, and affect the surrounding environment. We will ensure safety and strengthen disaster prevention measures to prevent such incidents from occurring.

Management structure

We have established the Central Safety & Health Committee to carry out everyday safety and disaster prevention activities. The Committee, composed of the managers of each business site, subsidiaries with factories, and labor union officers, serves as the overarching organization for the safety and health committees of each business site. The Central Safety & Health Committee holds a regular meeting once every two months to receive reports on new issues that have arisen at each business site and their countermeasures and status. We are working to prevent recurrence by disseminating information on incidents and countermeasures across our Group. In the event of an emergency, we have established a system to grasp the situation through an emergency communication network.

Initiatives and track record

Accidents

In fiscal 2022, there was a fire in a part of the building at the factory of our subsidiary Ohtake-Meishin Chemical Co., Ltd., resulting in one serious accident. There was no impact on the environment or the surrounding areas. In fiscal 2022, there were 15 minor accidents that did not lead to serious accidents. We analyze the causes of accidents and take appropriate measures to prevent similar accidents from occurring in the future.

Number of accidents (other than serious accidents)

	2020	2021	2022
Global	9	11	15
Non-consolidated	6	7	6

Emergency response

Emergency response drills

At our factories and laboratories, we conduct regular drills in anticipation of fires, leaks of hazardous materials, other potential emergencies. After the drills, we verify the response and improve our disaster prevention capabilities by correcting any defects. In recent years, in light of the importance of preparing for major

earthquakes and tsunamis, the Hiroshima Head Office participated in Hiroshima Prefecture's simultaneous earthquake disaster prevention drill called Minna de Gensai. This drill was designed to simulate the occurrence of a large-scale earthquake originating from the boundary zone of the Nankai Trough, extending from off the Tokai coast to off Shikoku. Similar drills were also conducted at the Shiga Factory and Kobe Paints.

Confirmation of evacuation route

The Hiroshima Head Office faces the Seto Inland Sea, and in preparation for a tsunami caused by an earthquake in the Nankai Trough, we confirmed the evacuation route to the designated evacuation center in Otake. The emergency evacuation route was posted on the corporate intranet and made known to employees.

Strengthening safety and disaster prevention

Inspection of facilities

We regularly inspect high-pressure gas facilities, electrical equipment, and hazardous materials facilities to confirm that there are no safety issues.

Safety education

We provide fire prevention education, forklift safety training, and crisis management training for security guards to strengthen safety and disaster prevention. We have published a database on our intranet that summarizes past accidents, trends in their causes, countermeasures for each type of work, and points to keep in mind, in an effort to prevent the recurrence of similar accidents.

Safety inspection

The Central Safety & Health Committee conducts inspection tours of Group plants and laboratories in Japan to strengthen safety and disaster prevention, aiming to eliminate serious accidents as well as onsite fires, explosions, and leakage accidents. In fiscal 2022, the Committee visited Kobe Paints, Ohtake-Meishin Chemical, and Technical Center (Otake). To create a safe and comfortable work environment, we are strengthening safety measures and thoroughly improving the work environment and safety behavior.

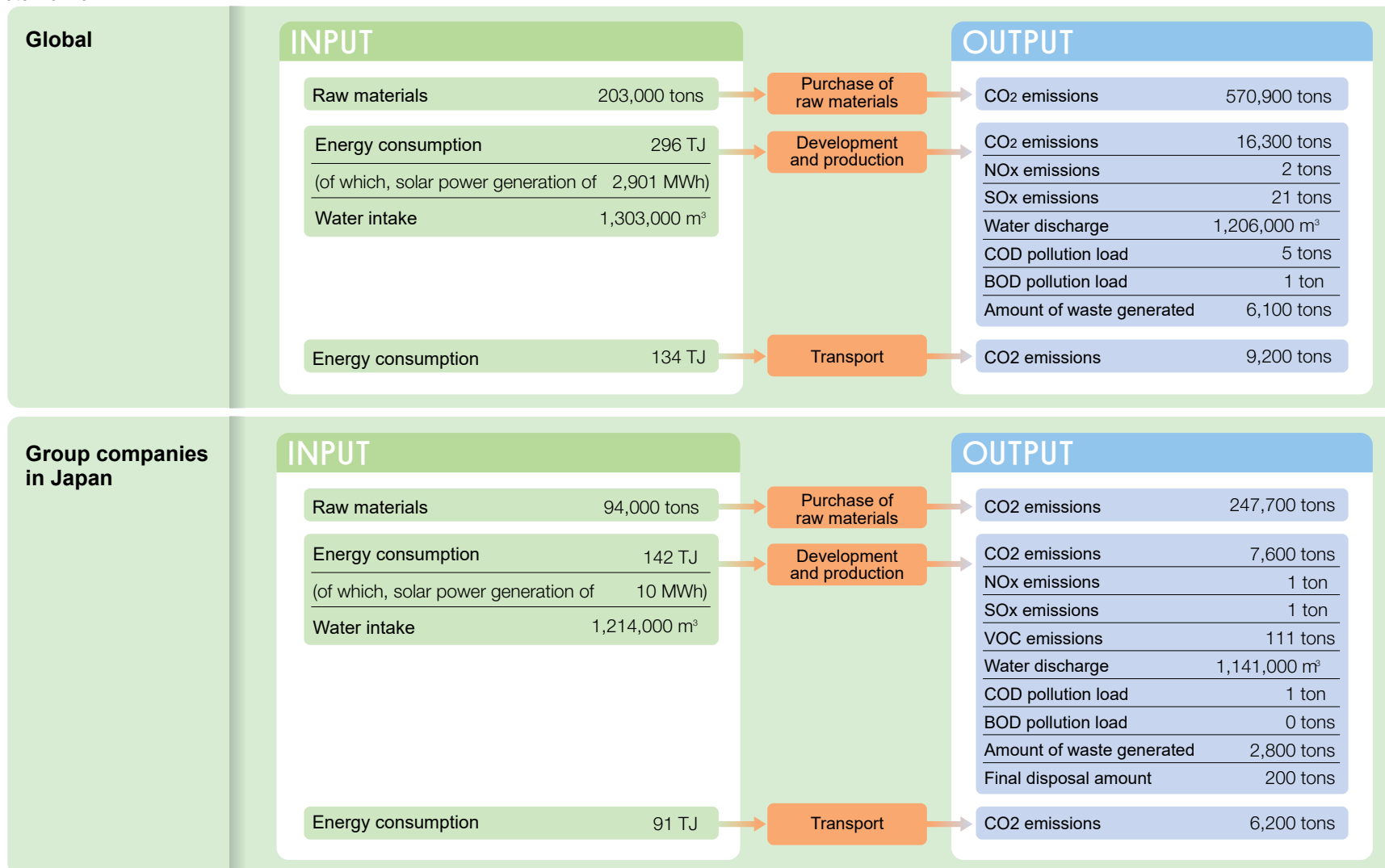
Prevention of accidents during product transportation

Through freight forwarders to whom we outsource the transportation of our products, we ensure environmental safety during transportation by requiring drivers at all times to carry a card (yellow card) with emergency measures and contact information.

Material balance

Material balance

We are committed to reducing the environmental impact of our business activities at each stage from energy and raw material input to disposal, by identifying, evaluating, and managing environmental load in an appropriate manner.



Environmental Accounting

FY2022 environmental accounting report

- 1 With reference to the Ministry of the Environment's Environmental Accounting Guidelines (2005 Edition), the data has been collected based on our Policy for Environmental Accounting.
- 2 Only those economic benefits calculated based on solid evidence were included, and those based on hypothetical calculations such as risk aversion effects were excluded.
- 3 The scope of the data covers CMP on a non-consolidated basis (environmental conservation costs: Kyushu Factory, Shiga Factory, Technical Center [Shiga], Technical Center [Otake]; environmental conservation and economic benefits: Kyushu Factory, Shiga Factory, Technical Center [Shiga]).
- 4 The data covers the period from April 1, 2022 to March 31, 2023.

Environmental conservation costs

(Unit: million yen)

Categories		Main activities	Investments	Expenses
Business activity costs			29	51
Details	Antipollution costs	Preventing air, water, noise pollution, etc.	8	5
	Global environmental conservation costs	Prevention of global warming	21	13
	Resource recycling costs	Waste reduction and recycling, etc.	0	33
Administration costs		Expenses for the promotion of environmental safety, ISO certification maintenance, monitoring and measurement, etc	2	49
Research and development costs			80	969
Details	Climate change-related	Development of products related to climate change mitigation and adaptation	18	300
	Others	Development of other environmentally friendly products	62	669
Social activity costs		Contribution to society, etc.	0	0
Environmental remediation costs		Costs for the restoration of nature, for the recovery of environmental damage caused by production activities, etc.	0	0
Total			111	1,069

Environmental conservation effects ^(*)

Effects			Reductions
Effects in business activities	Effects on invested resources	Energy usage (GJ)	1,431
		Water usage (1000m³)	-6
	Effects on environmental load and waste	CO2 emissions (ton-CO2)	296
		Pollutant release (ton) ^{(*)2}	-1
		Waste generation (ton)	-229
Other effects on environmental conservation		CO2 emissions from transportation (ton-CO2)	182
		Freight (products) transportation (1000 tons-km)W	575

*1) The environmental conservation effect was calculated by comparison with the production volume in FY2021.

Environmental Conservation Effect = FY2021 Environmental Load × (FY2022 Production Volume / FY2021 Production Volume) - FY2022 Environmental Load

*2) Chemical Substances subject to the first kind of the PRTR Law

Economic benefits ^{(*)3}

(Unit: million yen)

Effects		FY 2021
Benefits	Proceeds from recycling	0.2
Cost reduction	Cost reductions from energy saving	-26.4
	Cost reductions from water saving	0.2
Total		-26.0

*3) The environmental conservation effect was calculated by comparison with the production volume in FY2021.

Cost saved = Cost in FY2021 × (FY2022 Production Volume / FY2021 Production Volume) - Cost in FY2022

Initiatives

In fiscal 2022, environmental conservation costs amounted to 111 million yen in investments and 1,069 million yen in expenses. We made investments in switching to LED lighting and energy-saving air conditioners. Environmental conservation effects included improvements in energy consumption and CO₂ emissions (through business activities and transportation).

Environmental Data

Greenhouse gas

			Non-consolidated			Domestic subsidiaries			Overseas factories			Global (total)		
			2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Scope1	Energy-related CO ₂	100 tons of CO ₂ equivalent	4	4	4	27	27	26	28	25	12	59	56	42
	Non-energy-related CO ₂	100 tons of CO ₂ equivalent	0	0	0	0	0	0	0	0	0	0	0	0
	CH ₄	100 tons of CO ₂ equivalent	0	0	0	0	0	0	0	0	0	0	0	0
	N ₂ O	100 tons of CO ₂ equivalent	0	0	0	0	0	0	0	0	0	0	0	0
	HFCs	100 tons of CO ₂ equivalent	0	0	0	0	0	0	0	0	0	0	0	0
	PFCs	100 tons of CO ₂ equivalent	0	0	0	0	0	0	0	0	0	0	0	0
	SF ₆	100 tons of CO ₂ equivalent	0	0	0	0	0	0	0	0	0	0	0	0
	NF ₃	100 tons of CO ₂ equivalent	0	0	0	0	0	0	0	0	0	0	0	0
Scope2		100 tons of CO ₂	34	34	31	16	15	15	117	101	75	167	150	121
Scope3		100 tons of CO ₂	1,655	1,407	1,850	—	—	769	—	—	3,360	—	—	5,979
Scope 1 and 2 emissions		100 tons of CO ₂	38	38	35	43	42	41	145	126	87	226	206	163
Scope 1 and 2 emissions during production		100 tons of CO ₂	20	19	18	43	42	41	145	126	87	208	187	146
GHG emission intensity during production		Kilograms of CO ₂ per ton	28	31	26	216	217	209	101	104	81	89	92	75
Scope 1, 2, and 3 emissions		100 tons of CO ₂	1,693	1,445	1,885	—	—	810	—	—	3,447	—	—	6,142

*Scope 1, 2, and 3 follow the GHG Protocol definition.

*Scope 1 emission factors are based on emission coefficients according to the Act on Promotion of Global Warming Countermeasures.

*To calculate Scope 2 emissions from our domestic bases, we used the adjusted emission factors based on emission coefficients by electric utility in accordance with the Act on Promotion of Global Warming Countermeasures. We made corrections because the basic emission factors were used in 2020 and 2021. For our overseas bases, we use specific coefficients based on each country's laws and regulations and the emission coefficients for the electricity we have contracted and purchased.

*Some of the total figures are represented as "—" due to the lack of overseas factory data.

Energy

			Non-consolidated			Domestic subsidiaries			Overseas factories			Global (total)		
			2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Energy consumption	Total	TJ	79	75	74	70	70	68	228	205	154	377	350	296
	Electricity	TJ	71	67	66	31	30	30	173	146	119	274	243	216
	Heat	TJ	1	1	1	0	0	0	0	0	0	1	1	1
	Natural gas	TJ	2	3	2	0	0	0	49	39	18	51	41	20
	Class A heavy oil	TJ	0	0	0	38	39	37	1	1	1	39	40	38
	Light oil	TJ	0	0	0	0	0	0	2	3	2	3	4	2
	Kerosene	TJ	1	1	1	1	1	1	0	1	0	1	2	2
	Other fuels	TJ	4	3	4	0	0	0	2	2	1	7	5	4
	Renewable energy	TJ	0	0	0	0	0	0	1	13	13	1	13	13
Energy consumption during production		TJ	43	39	41	70	70	68	228	205	154	341	314	262
Energy intensity during production		100 MJ per ton	6	6	6	35	36	35	16	17	14	15	15	13

Environmental Data

Waste

		Non-consolidated			Domestic subsidiaries			Overseas factories			Global (total)		
		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Amount of waste generated	Tons	1,435	1,234	1,565	886	1,001	1,218	5,484	4,205	3,344	7,806	6,440	6,127
Amount recycled	Tons	1,208	1,070	1,287	355	442	717	2,572	2,339	1,986	4,134	3,851	3,989
Recycling rate	%	84	87	82	40	44	59	47	56	59	53	60	65
Final disposal amount	Tons	64	52	49	104	116	94	—	—	—	—	—	—
Amount of hazardous waste generated	Tons	0	0	0	0	0	0	—	—	—	—	—	—

*Some of the total figures are represented as “—” due to the lack of overseas factory data.

Water

Water utilization

			Non-consolidated			Domestic subsidiaries			Overseas factories			Global (total)		
			2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Water intake	Total	1,000 m³	146	153	160	1,108	1,033	1,054	108	121	89	1,363	1,307	1,303
	Seawater	1,000 m³	48	51	47	0	0	0	0	0	0	48	51	47
	Underground water	1,000 m³	47	47	65	0	0	0	4	4	4	51	51	69
	Municipal water	1,000 m³	52	55	48	1,108	1,033	1,054	104	117	85	1,264	1,205	1,187
	Surface water	1,000 m³	0	0	0	0	0	0	0	0	0	0	0	0
	Rainwater	1,000 m³	0	0	0	0	0	0	0	0	0	0	0	0
Water discharge	Total	1,000 m³	118	125	128	1,046	996	1,013	48	95	65	1,213	1,216	1,206
	Ocean	1,000 m³	56	59	56	1,045	995	1,012	0	0	0	1,101	1,054	1,068
	River, lake, etc.	1,000 m³	55	55	67	0	0	0	6	11	10	61	66	77
	Sewage line	1,000 m³	7	11	5	1	1	1	42	84	54	50	96	60
	Underground/well	1,000 m³	0	0	0	0	0	0	0	0	1	0	0	1
	Others	1,000 m³	0	0	0	0	0	0	0	0	0	0	0	0
Water consumption		1,000 m³	28	28	32	62	38	41	59	26	24	150	91	98

Water pollutants

		Non-consolidated			Domestic subsidiaries			Overseas factories			Global (total)		
		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
COD pollution load	Tons	0	0	0	1	2	1	5	4	4	6	6	5
BOD pollution load	Tons	0	0	0	0	0	0	2	2	1	2	2	1

Environmental Data

Air pollutants

		Non-consolidated			Domestic subsidiaries			Overseas factories			Global (total)		
		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
NOx emissions	Tons	0	0	0	1	2	1	2	1	1	3	2	2
SOx emissions	Tons	0	0	0	1	1	1	24	19	20	25	21	21
Volatile organic compound (VOC) emissions	Tons	106	93	102	8	9	9	—	—	—	—	—	—

*Some of the total figures are represented as “—” due to the lack of overseas factory data.

Chemical substances subject to the PRTR Act

		Non-consolidated			Domestic subsidiaries			Overseas factories			Global (total)		
		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Emissions to the atmosphere	Tons	84	73	79	7	6	6	—	—	—	—	—	—
Discharge into public waters	Tons	0	0	0	0	0	0	—	—	—	—	—	—

*Some of the total figures are represented as “—” due to the lack of overseas factory data.

Other data

		Non-consolidated			Domestic subsidiaries			Overseas factories			Global (total)		
		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Environmental accidents	Incidents	0	0	0	0	0	0	—	1	0	—	1	0
Purchased raw materials	1,000 tons	78	69	76	24	24	18	—	121	109	—	214	203
Volatile organic compounds (VOCs)	1,000 tons	18	16	16	6	6	7	—	24	19	—	46	42
Inorganic pigments	1,000 tons	10	8	7	1	2	1	—	28	16	—	38	24
Others	1,000 tons	50	45	53	17	16	10	—	69	74	—	130	137
Production volume	1,000 tons	71	63	68	20	19	20	143	121	107	235	203	195

*Environmental accidents include accidents that cause serious environmental pollution, such as discharge into public waters or penetration underground.

*Typical solvents from substances that fall under volatile organic compounds (VOCs) are included in the calculation.

*Among inorganic pigments, inorganic compounds of iron, copper, zinc, barium, calcium, titanium, antimony, and molybdenum are covered.

*Some of the total figures are represented as “—” due to the lack of overseas factory data.

Corporate governance

Corporate governance

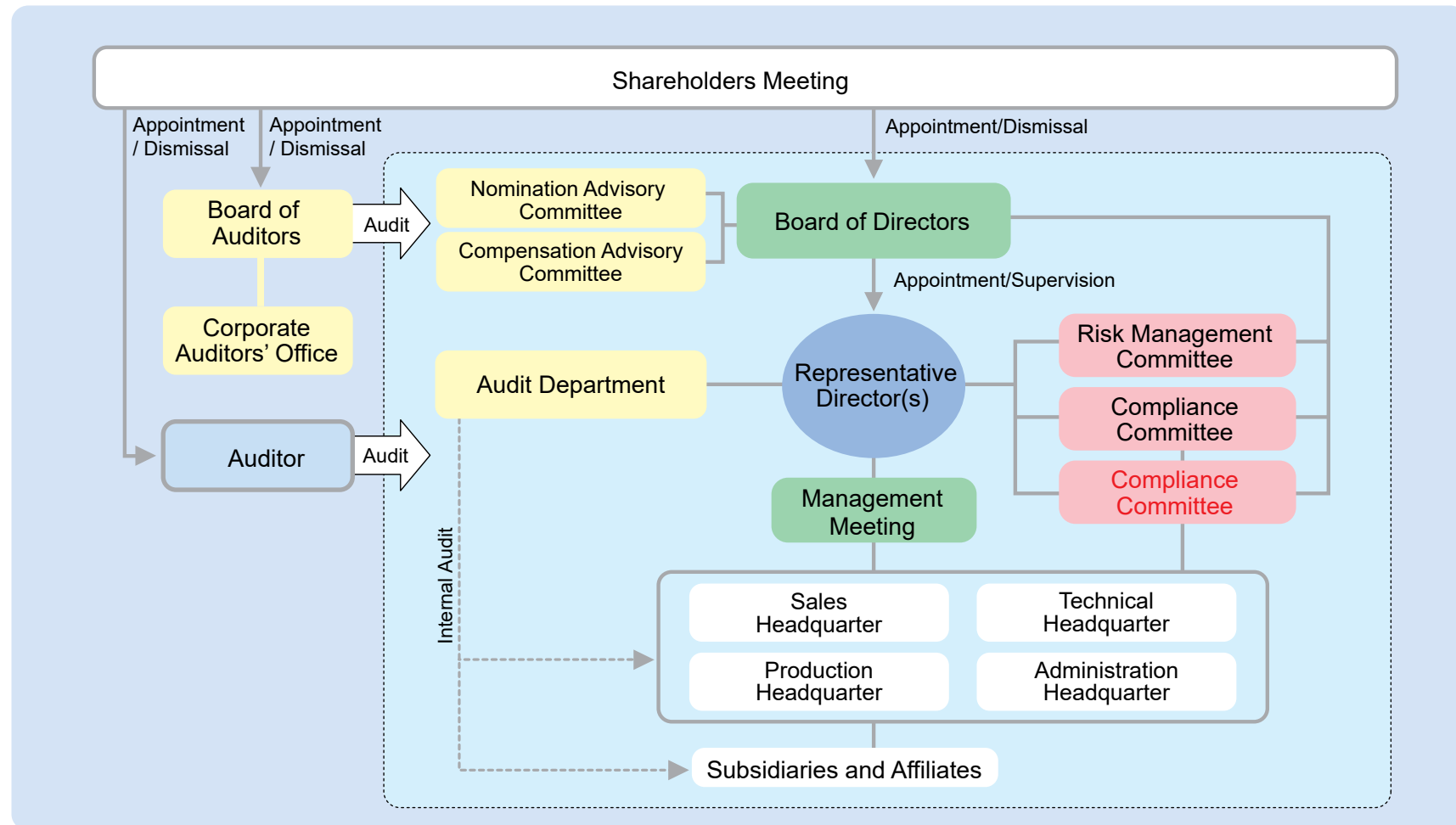
CMP regards the continuous improvement of corporate value through the establishment of efficient, sound, and transparent corporate governance as an important management policy and strives to strengthen its structure by basing it on the Board of Directors and the Board of Auditors, in addition to establishing the Management Meeting and various other committees. CMP's basic policy on corporate governance is disclosed on its website.

History of improving corporate governance

		2015	2016	2017	2018	2019	2020	2021	2022	2023
Diversity of Bord of Directors	Outside directors	1 outside director appointed.	2 outside directors appointed (1/3 of all board members).							
	Female directors									1 Female director appointed.
Enhancement of Board of Directors' functions, etc.			Effectiveness of the Board of Directors was evaluated.							
				Division of functions between the Board of Directors and the Management Meeting was clarified.						
			Directors' term of office was shortened to one year.							
Arbitrary Advisory Committees					The Nomination Advisory Committee and Compensation Advisory Committee were established.					
Compensation for directors					Restricted Stock (RS) plan was introduced.					
					Compensation system was changed.					
Others		The basic policy on corporate governance was established.								
							A female corporate auditor was appointed.			

Corporate governance

Organization chart for corporate governance



Corporate governance

Risk management system

The business environment surrounding the CMP Group is always changing and requires CMP to respond quickly to various risks. Under the basic policy of "Enhancing risk response capabilities by building an effective and efficient risk management system, thereby ensuring personal safety, maintenance and improvement of corporate value, and securing the trust of stakeholders," our Group has established various committees to enhance its structure. These committees include the Compliance Committee, System Planning & Operating Committee and others in support of the Risk Management Committee. We consolidate the control system for prevention, detention, correction, recurrence prevention of such anticipated risks, and for crisis response.

Compliance

To sustain corporate activities in society, it is essential to comply with social norms and business ethics. In the CMP Group, compliance is recognized as an extremely important aspect amid numerous risks. For this reason, we are advancing companywide inspections centered on the Risk Management Committee and have established a guidance system centered on the Compliance Committee to ensure thorough legal compliance.

Providing compliance education

For basic education, CMP has prepared a "Compliance Manual" and audio materials in Japanese, English and Chinese. Those materials have been distributed to headquarters, subsidiaries and affiliates in Japan and overseas. In addition, CMP has conducted educational training on particularly important laws, regulations, social norms and rules for different work types and subjects, especially for officers and employees in Japan.

Code of conduct for CMP Group directors and staff members

CMP presents the CMP Group's Code of Conduct along with the CMP Company Policy to all subsidiaries and affiliates to encourage rigorous compliance with law, business management from a medium- to long-term perspective, and mutual understanding with stakeholders.

Initiatives for protecting human rights

Human rights violations, represented by child labor and slave labor, have not been eradicated in the modern era and continue to be issues that the world should address. CMP strives to ensure legal compliance and fair and ethical corporate practices through its management policies and standards of conduct, and pays close attention to ensure that human rights violations do not occur in the execution of business in our company. Our consolidated subsidiary CHUGOKU PAINTS (UK) LIMITED has issued a statement to the effect that, in compliance with the UK Modern Slavery Act 2015, not only within its own operations but also throughout its supply chain, no human rights violations such as the imposition of slave labor will occur.

Setting up of anonymous consultation in and outside the Company

CMP has established an anonymous consultation service (Post 999) to receive various internal and external opinions, requests, suggestions and fraud reporting in eight countries and regions. In addition, in accordance with the amendment to the Whistleblower Protection Act, "the contact point for whistleblowers to report legal violations" (in Japan only), a dedicated contact point for reporting legal violations, has been set up.

"POST 999" Chief Compliance Officer
Email: chugoku.paints-999@cmp.co.jp

Medium-Term Management Plan

Details of the new medium-term management plan are available on our website
<https://www.cmp-chugoku.com/global/ir/medium-term.html>

Medium-Term Management Plan (April, 2020- March, 2025)

Outline of long-term vision and medium-term management plan

In order to promote sustainable management and maximise both social and economic value, the CMP Group revised its long-term vision and formulated the CMP New Century Plan 2, a medium-term management plan for the period from FY2021 to FY2025 (for five years), which was announced in May 2021.

Long-term vision

conditions we aim to establish by 2030

A leading global niche company distinguished by sustainability and high profitability

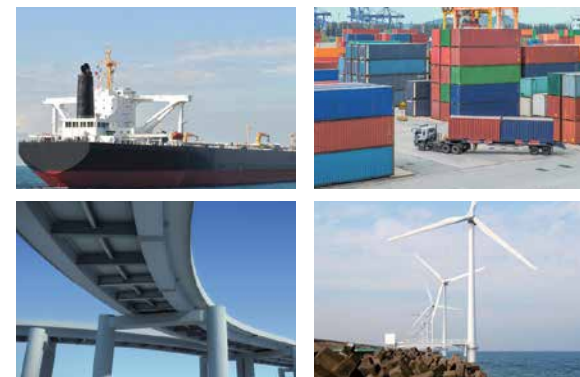
Obtain a top share in the global marine coatings market

Become the **world's leading coating manufacturer** through efforts aimed at achieving a sustainable society by providing antifoulings that **help reduce greenhouse gases emitted by ships**

Improve our presence through a focus on **environmental and social contributions** through our industrial and container coatings and coatings for offshore structures

Establish a sustainable and strong **management base**

Achieve a stable and **high-profit structure** (ROE of at least 10%)



Basic strategy (key themes)

1 Expand value provided through environmental and social contributions

Promote social value creation by extending business leading to environmental and social contributions. As a result, sales will be expanded, which are the source of economic value.

2 Improve and stabilize profit structure

Strive to improve sustainable profitability through a variety of approaches, while curbing fluctuations in profit levels due to changes in the business environment, and stably creating economic value.

3 Reinforce organizational foundations

Establish a foundation for value creation that contributes to perpetual growth of the company by improving the performance of the human resources that support ① and ② and strengthening management functions.

4 Actively raise shareholder returns and capital efficiency

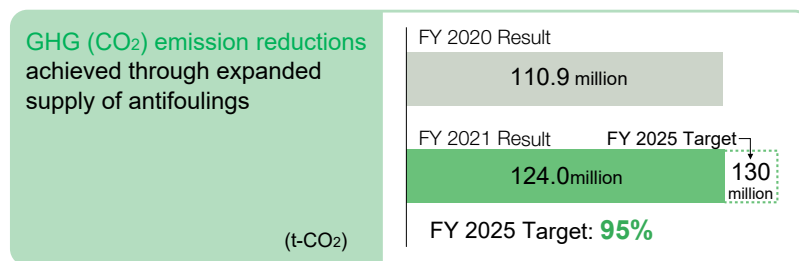
Ameliorate ROE by improving profitability and controlling shareholders' equity through aggressive shareholder returns.

Medium-Term Management Plan

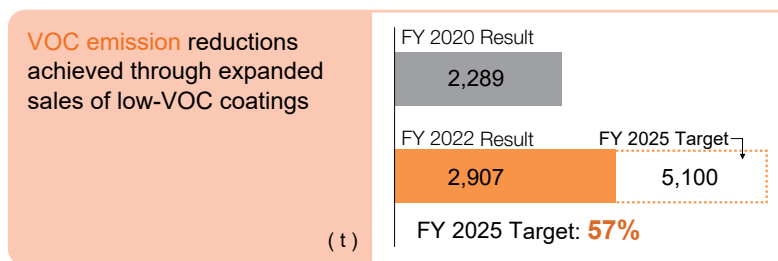
Progress by priority theme

1 Expand value provided through environmental and social contributions

- Further expand reductions in greenhouse gases (GHGs) and volatile organic compounds (VOCs) (*) Both of the above show approximate reduction achieved by the Group compared to 2008 levels.



Includes emissions from ocean-going ships with deadweight tonnage of 3,000 or more



Includes emissions achieved through sales of general anticorrosive coatings

2 Improve and stabilize profit structure

- Promoting sales price revisions of products including those for newbuildings in line with rising raw material procurement costs
- Promoting preparation for the use of financial hedging techniques to reduce price volatility risk in raw material procurement

3 Reinforce organizational foundations

- Sustainability Committee chaired by President established to strengthen initiatives related to sustainability
- Measures to improve the performance of internal human capital is under review by the Sustainability Committee

4 Actively raise shareholder returns and capital efficiency

	Medium-term shareholder return policy	FY 2021 Result	FY 2022 Result	FY 2023 Plan
Shareholder return criteria	Total return on consolidated shareholders' equity (D&BOE) of at least 5% on average over the period of the medium-term plan	9.7%	5.3%	—
Dividends	Consolidated payout ratio: at least 40%	711%	45.6%	40.1%
	Minimum annual dividend: 35 yen per share	35 yen	35 yen	68 yen
Share buybacks	We will flexibly conduct share buybacks in accordance with our D&BOE standards while duly considering proper balance between growth investment and dividends.	36.8 Million yen *7,068,000 treasury shares (equivalent to approximately JPY 6.2 billion) were cancelled.	12.6 Million yen *7,000,000 treasury shares (equivalent to approximately JPY 6.2 billion) were cancelled.	TBD

Overview of Consolidated Financial Results

FY2022 (April 1, 2022–March 31, 2023)

Summary

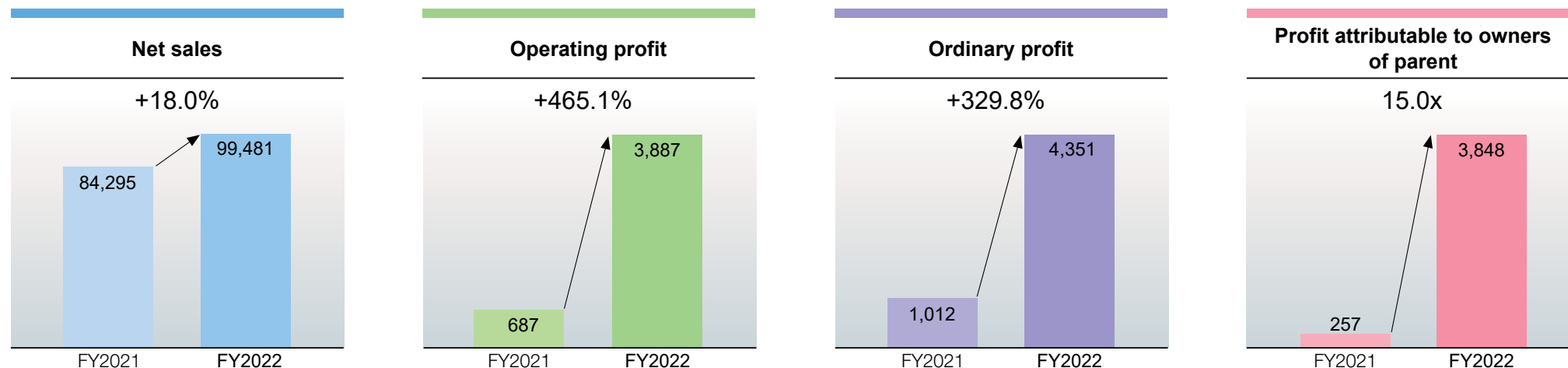
While the outlook remains uncertain due to persistently high resource prices and rapid interest rate hikes in Europe and the US, sales of mainstay marine coatings increased significantly year on year. Sales of new ship coatings grew, primarily driven by a rise in shipments in Japan and the revision of selling prices in response to soaring raw material prices. In addition, sales of ship repair coatings were robust, particularly in Japan and Europe, as we revised our selling prices and promoted aggressive sales activities amid continued demand, including for environmentally friendly products.

Despite the impact of the lockdown in China caused by the spread of COVID-19, we saw an overall increase in industrial coatings sales, mainly due to strong sales of heavy duty coatings in Southeast Asia.

Sales of container coatings declined sharply as we scaled back orders for low-margin projects due to renewed price competition in China, which was spurred by the contraction of the container market.

As the prices of key raw materials soared across the board due to the impact of high global resource prices, we revised our selling prices and strove to control various expenses, leading to a decrease in the SG&A expense ratio. These efforts successfully improved our profitability. In addition, we recorded extraordinary gains of 1,145 million yen from the sale of investment securities following the divestment of strategic shareholdings.

As a result of the above, net sales were 99,481 million yen (up 18.0% year on year), operating profit was 3,887 million yen (up 465.1%), ordinary profit was 4,351 million yen (up 329.8%), and profit attributable to owners of parent was 3,848 million yen (15.0x).



(Millions of yen)

Overview of Consolidated Financial Results

Consolidated financial statements

- Consolidated net sales grew driven by marine coatings, and selling price revisions in line with rising raw material prices and exchange rate fluctuations also contributed.
- Higher selling prices offset the rise in various procurement costs, resulting in a substantial increase in profits.
- We recorded extraordinary gains of 1,145 million yen from the sale of investment securities following the divestment of strategic shareholdings.

Summary of consolidated income statement

(Millions of yen)

	FY2021 (April 1, 2021– March 31, 2022)	FY2022 (April 1, 2022– March 31, 2023)
Net sales	84,295	99,481
Cost of sales	64,631	74,750
Gross profit	19,664	24,730
Selling, general and administrative expenses	18,976	20,843
Operating profit	687	3,887
Non-operating income	823	1,030
Non-operating expenses	498	565
Ordinary profit	1,012	4,351
Extraordinary income	603	1,151
Extraordinary losses	0	274
Profit before income taxes	1,615	5,228
Income taxes—current	788	1,430
Income taxes—deferred	407	(284)
Profit	419	4,082
Profit attributable to non-controlling interests	162	233
Profit attributable to owners of parent	257	3,848

Net sales

Sales of marine coatings for new ships increased, primarily due to a rise in shipments in Japan and the revision of selling prices in response to soaring raw material prices. Additionally, sales of ship repair coatings were strong, particularly in Japan and Europe, as we revised our selling prices and pursued aggressive sales activities. Coupled with positive effects from foreign exchange rates, net sales grew 15,185 million yen year on year.

Operating profit

As the prices of major raw materials soared across the board due to the impact of high global resource prices, we revised our selling prices and worked to control various expenses, resulting in a decline in the SG&A expense ratio. As a result, profitability improved, and operating profit rose 3,199 million yen year on year.

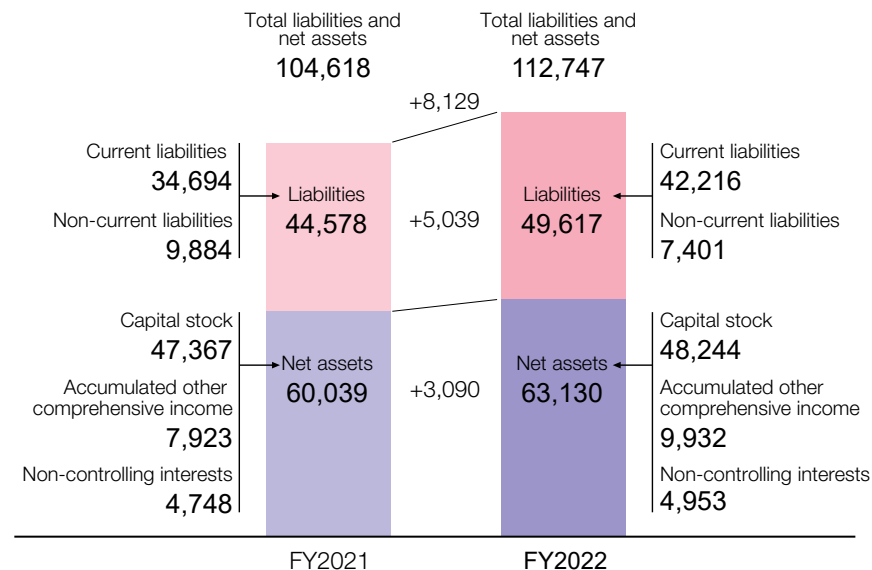
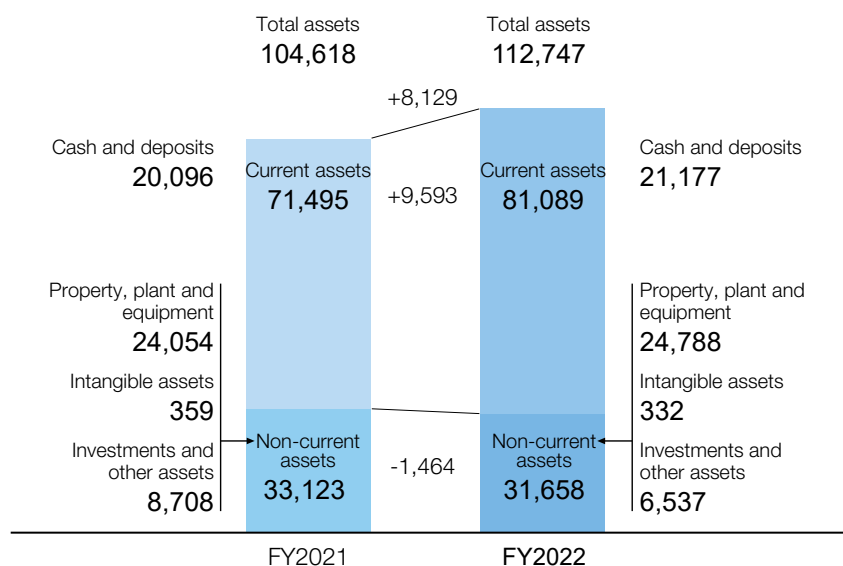
Profit attributable to owners of parent

The year-on-year increase of 3,591 million yen primarily reflected a rise in operating profit, along with the recording of extraordinary gains of 1,145 million yen from the sale of investment securities following the divestment of strategic shareholdings.

Overview of Consolidated Financial Results

Summary of consolidated balance sheet

(Millions of yen)



Main changes

(Millions of yen)

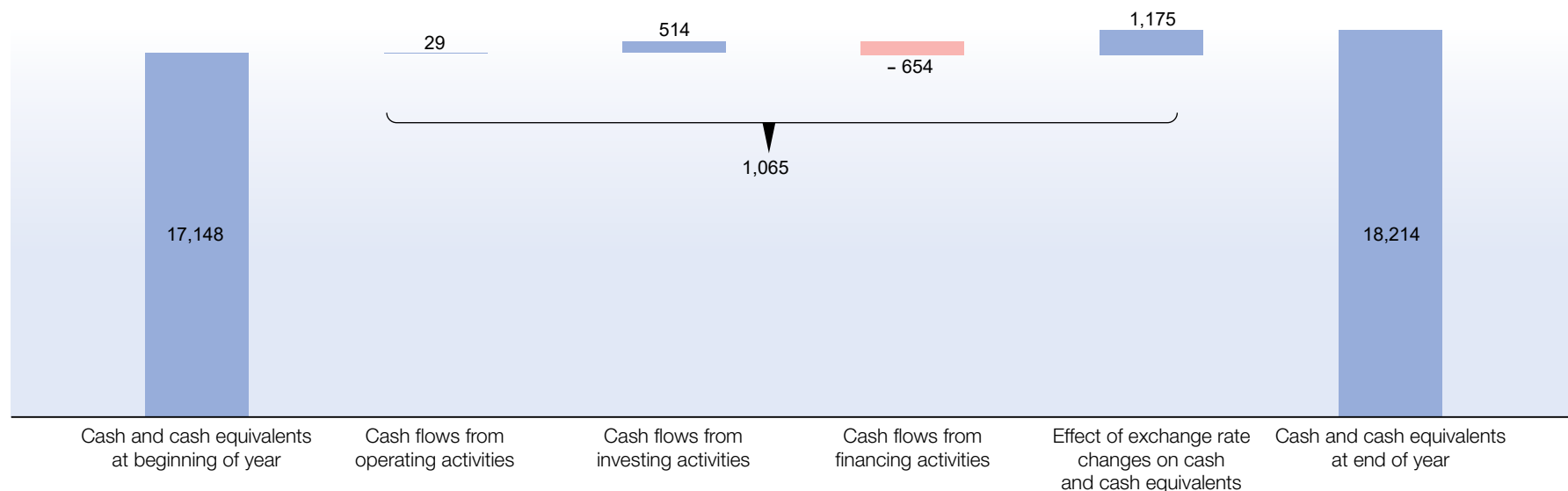
Current assets	Notes and accounts receivable-trade	+4,562
	Merchandise and finished goods	+1,788
	Raw materials and supplies	+1,850
Non-current assets	Property, plant and equipment	Construction in progress +751
	Intangible assets	-27
	Investments and other assets	Investment securities -2,407

Liabilities	Current liabilities	Notes and accounts payable-trade +1,095
		Borrowings, net +5,139
		Accounts payable-other +434
Non-current liabilities	Long-term borrowings	-1,734
	Deferred tax liabilities	-720
Net assets	Capital stock	Capital surplus -1,504
		Retained earning -2,707
		Treasury shares (decrease) +5,088
Accumulated other comprehensive income	Foreign currency translation adjustment	+3,198

Overview of Consolidated Financial Results

Summary of consolidated cash flow statement

(Millions of yen)



Main breakdown of cash flow

(Millions of yen)

	(Gain/increase)		(Use/decrease)	
Operating cash flow	Profit before income taxes	5,228	Increase in trade receivables	(3,469)
	Depreciation	1,603	Increase in inventories	(2,373)
	Increase in trade payables	866	Changes in consumption taxes payable/consumption taxes refund receivable	(268)
			Income taxes paid	(897)
Investing cash flow	Proceeds from sale of investment securities	1,734	Purchase of non-current assets	(1,518)
Financing cash flow			Purchase of treasury shares	(1,261)
	Changes in borrowings	2,938	Dividends paid	(1,771)
			Dividends paid to non-controlling interests	(402)

Company profile

Corporate data

Company name

CHUGOKU MARINE PAINTS, LTD.

Head offices

Tokyo Office

Tokyo Club Building, 2-6, Kasumigaseki 3-chome,
Chiyoda-ku, Tokyo, 100-0013 Japan
Phone: +81-3-3506-3951 Fax: +81-3-5511-8541

Hiroshima Office

1-7, Meiji-Shinkai, Otake-shi, Hiroshima-ken
739-0652, Japan
Phone: +81-827-57-8555 Fax: +81-827-59-0017

Company president

Kenshi Date

Date of establishment

May 1917

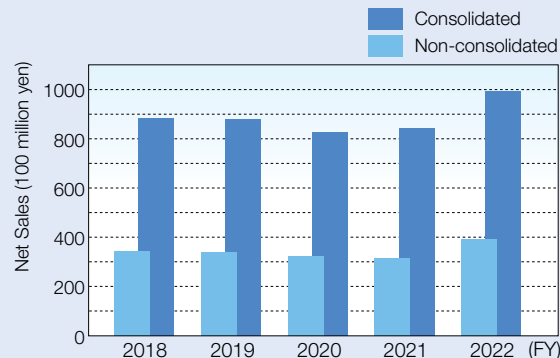
Capital

11,600 million yen

Net sales

99,481 million yen in FY2022 (Consolidated)

38,964 million yen in FY2022 (Non-consolidated)



Stock information

Total number of authorized shares

277,630,000 shares

Total number of outstanding shares (including treasury stock)

55,000,000 shares

Stock exchange

Prime Market of the Tokyo Stock Exchange
(Code #4617)

Directors

President	Kenshi Date
Managing Director	Hideyuki Tanaka
Director	Katsunori Kobayashi
Director/Deputy	Takao Shimizu
Director	Toshifumi Inami
Director	Akiko Monden
Standing Corporate Auditor	Eiichi Kunimoto
Standing Corporate Auditor	Atsushi Ushida
Corporate Auditor	Kie Yamada
Corporate Auditor	Tetsuji Nakamura
Senior Executive Officer	Hiroyuki Okimoto
Executive Officer	Koji Akiyama
Executive Officer	Yoshihiko Nishimura
Executive Officer	Masataka Mitsuda
Executive Officer	Makoto Saito
Executive Officer	Shinji Nakamura

Number of employees

End of March 2023

2,199 (Consolidated)

460 (Non-consolidated / Male: 386 Female: 82)

(*) As of March 31, 2023, the number of nonpermanent employees on a consolidated basis was 177, or approximately 7.4% of the total workforce.

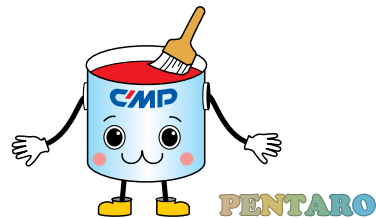
Management Philosophy

- 1 Ensure customer trust and satisfaction with the highest possible quality
- 2 Strive from a global perspective to continuously achieve technological innovation and develop new products
- 3 Secure ongoing existence and profits through scientific management
- 4 Pledge just and upright conduct based on guiding principles of honesty and a respect for general harmony
- 5 Contribute to the achievement of a sustainable society through our business activities and enhance the prosperity of all stakeholders



Company logo (established in 1992)

Our company logo is based on a design selected from about 250 designs submitted in response to a group-wide invitation that was issued as part of the 75th anniversary memorial project. This logo carries our hopes for major future growth of the CMP group, with the red highlight indicating a passionate "human" power that continues to seek new challenges.



Company mascot "PENTARO®" born in 2017 in commemoration of the 100th anniversary.
(Trademark Registration No. 5813014)

Company profile

Japan networks

Head Office



Tokyo Head Office



Hiroshima Head Office

Technical Headquarter



Technical Headquarter
(Hiroshima Pref.)

ISO 9001



Technical Headquarter
(Shiga Pref.)

ISO 9001

ISO 14001

Factories in Japan



Kyushu Factory

ISO 9001

ISO 14001



Shiga Factory

ISO 9001

ISO 14001

Factories at Japanese subsidiaries



Kobe Paints, Ltd.

ISO 9001



Ohtake-Meishin Chemical
Co., Ltd.

ISO 9001

- Head office
- Factory
- Sales office



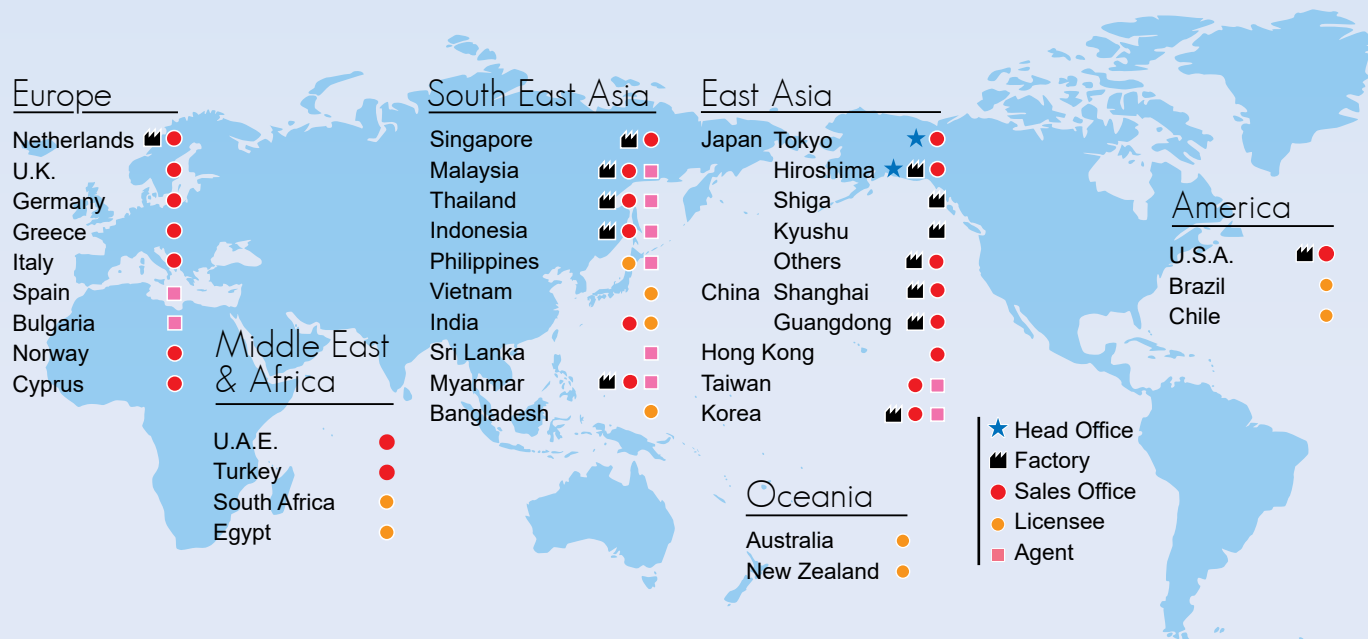
Japanese subsidiaries

- CMP Planning, Ltd.
- Ohtake-Meishin Chemical Co., Ltd.
- Bunsei Trading Co. Ltd.
- Kobe Paints, Ltd.
- Sanyo Kosan Co. Ltd.
- Global Engineering Service, Co., Ltd.

Company profile

Global network

CMP, having begun in the business of marine coatings, placed great emphasis on developing systems that provide and maintain products and service all over the world. Now, with the growing support, confidence, and trust of its customers for all its achievements, CMP has established a worldwide network which delivers top class services generally - manufacturing, supplying, sales and technical partnerships in marine paints, container paints, and paints for plants and woodworking, etc. We are present in about 105 locations in 35 countries. CMP aims to continuously improve and develop itself as a global company, expanding its factories and upgrading its service network worldwide by gathering and analyzing a broad range of information through organic cooperation with its global affiliates and business partners.



CMP's group companies overseas

CHUGOKU MARINE PAINTS (SHANGHAI), LTD.	China
CHUGOKU MARINE PAINTS (GUANGDONG), LTD.	
CHUGOKU MARINE PAINTS (HONG KONG), LTD.	Hong Kong
CHUGOKU MARINE PAINTS (TAIWAN), LTD.	Taiwan
CHUGOKU SAMHWA PAINTS, LTD.	Korea
CHUGOKU MARINE PAINTS (SINGAPORE) PTE. LTD.	Singapore
Dubai Branch	U.A.E.
CHUGOKU PAINTS (MALAYSIA) SDN. BHD.	Malaysia
TOA-CHUGOKU PAINTS CO., LTD.	Thailand
CHUGOKU-TOA PAINTS (MYANMAR), LTD.	Myanmar
P.T. CHUGOKU PAINTS INDONESIA	Indonesia
CHUGOKU PAINTS (INDIA) PRIVATE LIMITED	India
CHUGOKU PAINTS B.V.	Netherlands
Norway Office	Norway
Turkey Office	Turkey
Cyprus Office	Cyprus
CHUGOKU PAINTS (UK) LIMITED	U.K.
CHUGOKU PAINTS (GERMANY) G.m.b.H.	Germany
CHUGOKU MARINE PAINTS (HELLAS), S.A.	Greece
CHUGOKU-BOAT ITALY S.P.A.	Italy
CMP COATINGS, INC.	U.S.A.

Company profile

Overseas factories

Shanghai

CHUGOKU MARINE PAINTS (SHANGHAI), LTD.



Relocated from the former Shanghai Factory site for its expansion in November, 2006

ISO 9001

Guangdong

CHUGOKU MARINE PAINTS (GUANGDONG), LTD.



Incorporated in October, 1997

ISO 9001

Korea

CHUGOKU SAMHWA PAINTS, LTD.



2Factory built in September, 2002

ISO 14001

ISO 9001

Singapore

CHUGOKU MARINE PAINTS (SINGAPORE) PTE. LTD.



Incorporated in April, 1980

ISO 9001

Malaysia

CHUGOKU PAINTS (MALAYSIA) SDN. BHD.



Incorporated in July, 1990

ISO 9001

Thailand

TOA-CHUGOKU PAINTS CO., LTD.



Incorporated in October, 1989

ISO 14001

ISO 9001

Myanmar

CHUGOKU-TOA PAINTS (MYANMAR), LTD.



Incorporated in January, 2019

Indonesia

P.T. CHUGOKU PAINTS INDONESIA



Incorporated in October, 1988

ISO 14001

ISO 9001

Netherlands

CHUGOKU PAINTS B.V.



Consolidated subsidiary since January, 1988

ISO 9001

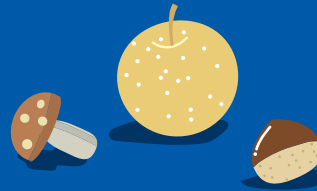
U.S.A.

CMP COATINGS, INC.



Incorporated in October, 1990

Social & Environmental Report
2023



CHUGOKU MARINE PAINTS, LTD.

Tokyo Club Building, 2-6, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo, 100-0013 Japan
Phone:81-(3)3506-3951 Fax:81-(3)5511-8541
<https://www.cmp-chugoku.com/>