

CAC Group's Sustainability

As a global company and as a member of society, we recognize sustainability as a challenge we need to address on a group-wide basis, and we aim to contribute to the realization of a sustainable society by focusing on the SDGs.

What are the SDGs?

The CAC Group's sustainability initiatives also contribute to achievement of the Sustainable Development Goals (SDGs) adopted by the UN in September 2015 by 2030.

The goals shown here have been selected from the 17 SDGs as the goals believed to be most applicable to the initiatives highlighted in this text.

SUSTAINABLE DEVELOPMENT GOALS



Technology and quality > P29

Relevant SDGs



- Development and provision of new services for the DX era

Human resources > P31

Relevant SDGs



- Improvement of way of working through work style reform
- Initiatives to promote digital shift

Social > P33

Relevant SDGs



- Activities for promoting and supporting bocchia
- Support for education



The CAC Group implements initiatives to utilize new technologies and improve quality, aiming to become a sustainable company.

Development and provision of new services for the DX era



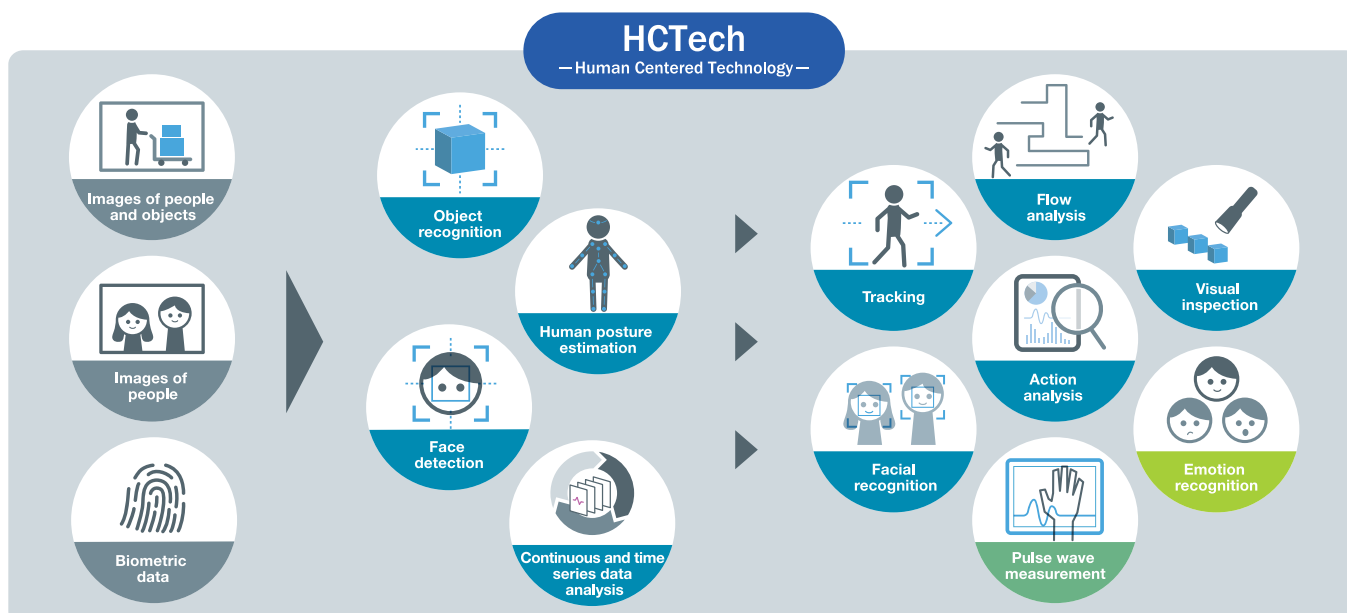
We are pursuing the provision of value through new technologies in response to dramatic changes driven by DX.

Focusing on “HCTech*, — Utilization of IT for human observation, human resource management, and promotion of human health”

In response to digital transformation (DX), the Group is pushing ahead with the development of products and services utilizing DX-related technologies. We are seeking to enhance our lineup of solutions using blockchain, IoT and cloud technologies and are also focusing on the development and provision of services which will help alleviate labor shortages and improve productivity through the performance of work by AI in place of humans. Since 2016, CAC has been developing products such as Kokoro Sensor, which incorporates emotion recognition AI technology for analyzing facial images captured using a camera to estimate emotions, and the facial expression training app Kokoro Sensor for Training, which is provided to various sectors such as the educational and marketing sectors. Leveraging this strong track record and know-how in the field of AI-based image analysis, CAC proposed the concept of

“HCTech — Utilization of IT for human observation, human resource management, and promotion of human health” in 2020 and has since been focusing on HCTech as a priority field. HCTech refers to the detection of abnormal human posture or action, for example, falling down, and the performance of hugely time-consuming specialist processes such as data analysis and data recognition by AI in place of human beings, and it is technology which can be used in various industries and fields. We also intend to develop new solutions and services by combining HCTech not only with our own technologies but also with the technologies and business models of other companies. Japan’s declining birth rate and aging population are leading to social problem such as labor shortages. HCTech aims to help solve such issues through further technological advances whilst at the same time contributing to the CAC Group’s sustainable growth.

*HCTech(Human Centered Technology)



Main technologies used by HCTech

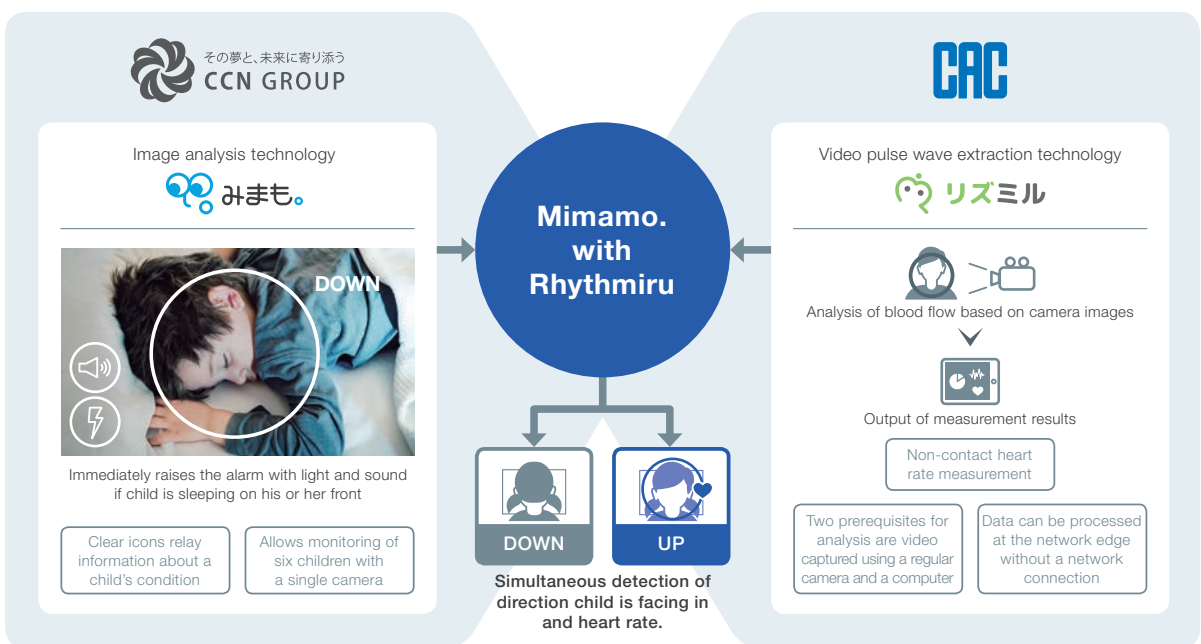
TOPICS

Case Study

Joint development of Mimamo. with Rhythmiru for reducing the risk of sleep-related infant deaths

There is a disease called Sudden Infant Death Syndrome or SIDS when a baby dies during sleep. SIDS is reported to occur in about one of every 6000-7000 live births in Japan, making it the fourth most common cause of infant death. Other sleep-related causes of infant death besides SIDS include asphyxia. To protect babies from such sleep-related causes of death, childcare practitioners diligently check napping babies in their care every 5 to 10 minutes to make sure they are breathing and not sleeping on their front. However, this places a tremendous physical and emotional burden on childcare practitioners who, against the backdrop of labor shortages, are responsible for more than one baby at a time and are simultaneously required to carry out a range of other duties. To solve this issue, CAC co-developed Mimamo. with

Rhythmiru with CCN Group Corporation. Mimamo. with Rhythmiru combines CCN Group's Mimamo. service, which uses IoT technology to help monitor babies during afternoon naps based on camera images, with Rhythmiru, CAC's non-contact vital sensing software which uses video pulse wave extraction technology to measure the heart rate from camera images. Mimamo. with Rhythmiru simultaneously checks whether a baby is sleeping on its front, which is believed to be a sleep-related cause of death, and the baby's heart rate, and promptly raises the alarm with light and sound in the event of a problem. Besides reducing the risk of infant death at childcare facilities, CAC will continue to support childcare practitioners and reduce their workload whilst giving peace of mind to parents and guardians who leave babies in the care of these facilities.





Under its medium-term strategy, the CAC Group is promoting a shift towards digital business. We are establishing a framework for developing the human resources needed to promote this shift while at the same time focusing on creating an environment in which every employee is able to act spontaneously and intuitively based on a correct understanding of the direction in which the CAC Group is headed.

Improvement of way of working through work style reform



The CAC Group is implementing work style reform with the aim of diversifying ways of working and continuing to conduct business in emergency situations.

Diversification of ways of working through work style reform

CAC Holdings and CAC, which is the core operating company, began promoting the systemization of workflows, the utilization of teleconferencing and the accompanying shift towards paperless operation in 2011 and built a teleworking environment and system that allow people to work anytime, anywhere and with anyone in 2012. This has resulted in the introduction of a free-address system (which allows employees to work anywhere in the office) to the floors of sales and administrative departments. It also permits employees to work from home, diversifying working patterns to suit individual circumstances and lifestyles.

As a result of this initiative, CAC was selected for the Telework Pioneer 100 by the Ministry of Internal Affairs and Communications in 2016.



A free-address floor

Continuation of business in emergency situations

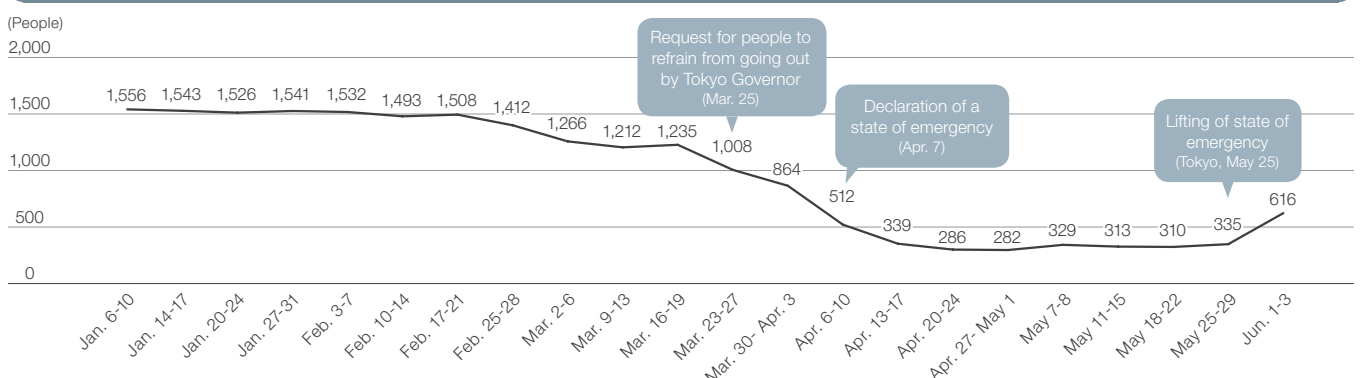
This work style reform has not only helped improve productivity and reduce costs but has also been extremely helpful for dealing with unforeseen situations.

When people were requested to refrain from going out due to COVID-19 in 2020, CAC Holdings and CAC were able to continue conducting business without any major disruption, reducing the number of employees coming into offices to around 20% of normal levels through the use of remote working and online meetings.

We recognize that this contributed greatly to preventing the spread of COVID-19, allowing us to protect employees' health whilst avoiding any interruption in the provision of services to customers.

By continuing to implement work style reform in the future, we will develop an environment in which our employees, who are important assets, can fully demonstrate their skills, achieving personal growth alongside corporate growth.

Changes in number of people entering and leaving head office building (Chuo-ku, Tokyo)



*The number of people entering and leaving the building is the average number for weekdays.

Initiatives to promote digital shift



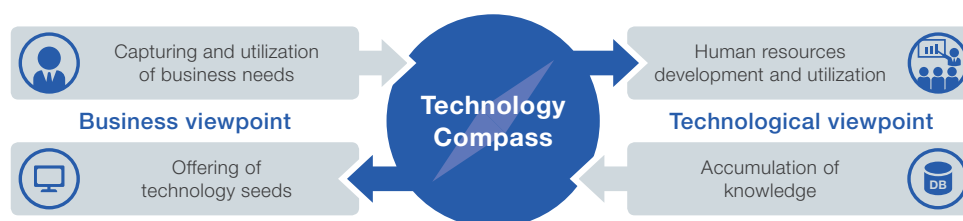
The Group is encouraging individual employees to increase their skills in order to achieve a shift towards digital business in accordance with the medium-term strategy, with the aim of contributing to technological innovation alongside the sustainable development of the company.

Formulation of Technology Compass

For the purpose of accomplishing the shift to digital business in accordance with the medium-term strategy, CAC made a list of the required technology areas and developed the Technology Compass in 2018. This is a roadmap that closely specifies their definitions, statuses of current actions, future actions, examples, business values and other areas.

This helps individual employees to understand what technologies they should acquire, the direction in which the Group is headed and what actions they should take. We periodically revise the Technology Compass because the technologies we need, the direction in which the Group is headed, and the measures we take change depending on advances in technology and global trends.

Schematic of the Technology Compass



Cluster activities

In 2018, we launched technology cluster activities to enable many employees to master technologies included in the Technology Compass more efficiently. We form communities comprising personnel sharing the same technological orientations so that they will mutually provide the support necessary for skill acquisition.

Besides offline activities which require members to meet up, clusters also conduct online activities using digital tools, overcoming the obstacles of distance and time to share information believed to be useful with other members in an attempt to improve each other's skills. In addition, experienced members provide answers to questions submitted by others, shortening the time taken to find solutions to problems and these cluster activities have continued smoothly even during the COVID-19 crisis. Technology clusters support the accumulation of knowledge through activities such as holding report meetings and

disseminating information on our internal portal.

More recently, we have broadened the scope of technology cluster activities to include not only internal activities but also public seminars.





The CAC Group believes that building community relationships and trust will lead to its own sustainable growth and implements a range of CSR activities.



Activities for promoting and supporting boccia

Since 2016, the CAC Group has been implementing a range of initiatives aimed at contributing towards the betterment of human health through activities for promoting and supporting boccia, a sport for people with disabilities.

These include holding boccia tournaments for students as an educational opportunity and renting out the boccia court inside the head office building to help create a comfortable town to live in.

Activities for promoting and supporting boccia, which is good for everyone's health

The Group adopts varied approaches to activities for promoting and supporting boccia because, though a sport for people with disabilities, boccia can be enjoyed by everyone. We help organize tournaments held in Japan and also hold taster sessions and instruction sessions for hands-on experience of the sport.

In 2019, we introduced boccia to around 1,600 people in total at 24 events.

Shun Sato, a boccia athlete who belongs to the CAC Group, also works with Group employees to promote boccia in various places.

Some of our employees are qualified as referees accredited by the Japan Boccia Association and, in 2019, a total of 96 employees took on the heavy responsibility of refereeing at 16 tournaments.

In addition, in 2017, we started donating boccia equipment to organizations that have difficulties purchasing it to ensure that more people would enjoy playing boccia.

In 2019, we donated boccia ball sets and boccia ramps to 25 non-profit organizations and corporations and held instruction

sessions for organizations upon request.

Activities to promote boccia within the company are also flourishing, and employees' involvement in boccia, including the incorporation of taster sessions into training for new employees and group-wide training, helps improve communication and the physical and mental wellbeing of employees.

Through these activities for promoting and supporting boccia, we aim to help both people with disabilities and people without disabilities of all ages, from children to the elderly, maintain and improve their health.

Actual activities in 2019

Activities for promoting boccia such as taster sessions and instruction sessions
24 events / Approx. 1,600 participants

Refereeing by Group employees at 16 boccia tournaments
96 employees in total

Donation of boccia equipment
25 organizations

Opening of boccia court up to the public to help promote health

In July 2019, we set up a regulation-sized boccia court with a TARAFLEX sports floor, as used in major international tournaments, on the first floor of our head office building. Besides using the court internally, we have also rented it out to the public, either as a proper practice court for athletes or as somewhere that helps workers maintain or improve their health and helps local residents socialize or stay healthy.

By providing a barrier-free environment with automatic

doors at the court entrance/exit and disabled toilets, the court makes a healthy lifestyle accessible to everyone and also helps create a town which is comfortable to live in.



Boccia court (first floor of head office building)

Organization of boccia tournaments as learning opportunity for students with disabilities

Since 2017, the CAC Group has been holding the CAC Cup every year, which is a boccia competition among schools for special needs education located in Tokyo. (The fourth tournament in 2020 was cancelled to prevent the spread of COVID-19.) The CAC Cup aims to provide students who participate with an opportunity to mix with other schools, master the techniques, manners and rules of boccia and learn the principles of sportsmanship, and show how hard they have been practicing. It also provides an opportunity to raise

awareness of boccia as a lifelong sport.

Alongside the main competition, we also hold events that give spectators hands-on experience of boccia, showing them that it is a healthy sport which everyone can enjoy regardless of disability, age, or gender. The CAC Cup is planned and run by CAC Group employees themselves, and provides a valuable opportunity for those running the tournament and volunteer participants to experience the health and wellbeing benefits of boccia.



The CAC Cup (held in September 2019)

Support for education



The CAC Group is working with knowledgeable foundations and educational institutions to provide high-quality education to the young people who will be the next generation of leaders.

Mitrais, which joined the CAC Group in October 2019 and has major business locations in Indonesia, is a major sponsor of Yayasan Kemanusiaan Ibu Pertiwi, a foundation formed to support recovery following the terrorist bombings in Bali in 2002.

Through this foundation, which aims to break the cycle of poverty through education, Mitrais provides support for the education of more than 500 children.

Meanwhile, since 2014, CAC has co-sponsored the KOSEN Programming Contest, in which technology college students compete to create ideas and realize information processing technology using the programming experience they have accumulated on a daily basis. Through this, CAC contributes to the advancement of the contest and the development of IT human resources.

In addition, we actively provide internships to technology

college students and university students and other learning opportunities to young people who will be the next-generation leaders.



Support Party sponsored by Mitrais