

# Our efforts to improve product quality

INOAC GROUP has introduced a comprehensive management system based on ISO 9001 and is working with the product quality assurance system in cooperation with our customers to assure product safety while also supplying excellent products and services to satisfy our customers.

Safety in our products is the beginning of everything. We secure safety in our products in the compliance Code of Conduct and arrange our system in order to implement the Code. We are also working to ensure the design process includes essential safety design.

Basic policy

Critical defects: 0

- ① No critical quality problem
- ② Strict quality review & to strengthen inspection function
- ③ To enhance examination of new products

## Quality assurance

### 1. Implement quality audits to monitor quality assurance activities

INOAC GROUP continues to improve process conformity and effectiveness by implementing the PDCA\* cycle of the quality management system, and implements integrated quality audits for better quality assurance.

\*PDCA: Plan, Do, Check, and Action

### 2. Implement product examinations to secure stable quality

INOAC GROUP objectively evaluates if the content and level of the measures to prevent risks related to products are necessary and sufficient during new product development by implementing design verification, design review and validation to secure product safety.

### 3. Implement audits to secure quality in production

INOAC GROUP implements audits for quality assurance to see whether (1) the quality for receiving materials and purchases is secured in product manufacturing and (2) products satisfy the performance and characteristics with respect to the design quality in accordance with our important quality commodity audit at 34 domestic bases and 8 overseas bases.



### 4. Implement managing chemicals to secure environmental safety

We quickly respond to customer inquiries through our chemical substance management system regarding substances that may influence our environment.

The chemicals in purchased materials and parts (domestic and overseas products) are thoroughly managed in accordance with our Green Procurement Management Provisions.

### 5. Ongoing quality education to secure quality improvement

We provide ongoing quality education to all our employees from new employees to employees in charge of key positions because the quality of each employee's work is the base for INOAC to determine product and service quality.

(Key positions are administrative positions including managers and higher positions.)

- **New employee induction course:** Study of basic knowledge about quality, cause investigation, etc.
- **Quality control education:** Introduction to quality control, statistical quality control technique, study of quality engineering, etc.
- **Other quality-related training:** Training of knowledge about products, compliance education, chemical management education, etc.



### 6. Develop global human resources to improve overseas field capability

Since our company's basic management policies include developing production bases for local production and local consumption combined with promoting management localization, the employment, education and promotion of candidates for executive positions at overseas bases is urgent.

INOAC GROUP has implemented education such as trainer training and teaching quality control techniques since 2013 in China where many of our overseas bases are located. Last year we focused on 201 front field managers and candidates, implementing on-site training to improve their field capability, implement appropriate process management and strengthen the capability of maintaining processes in a stable manner at 19 bases in total.

We will expand our education overseas in Thailand, Indonesia, Vietnam and other countries by regarding the education in China as a model for the future.



## Risk management for quality

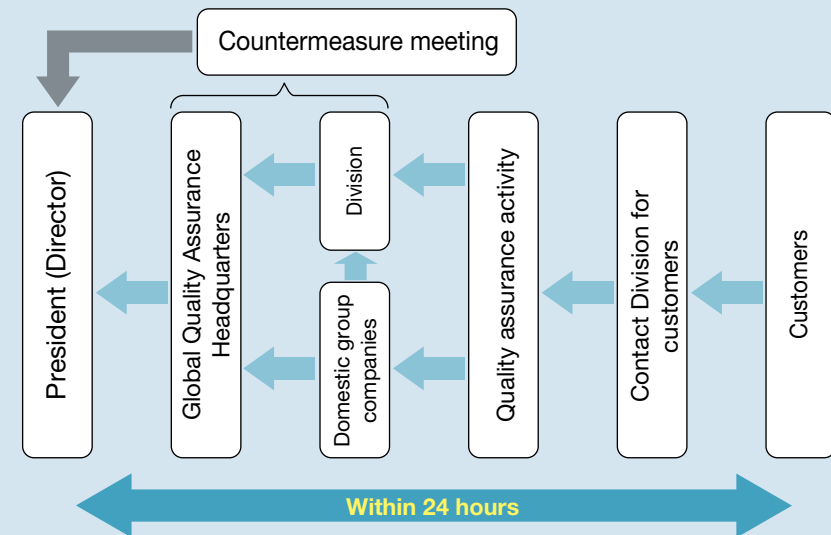
### 1. Response system for early detection and prevention of critical complaints

We are working hard on early detection and prevention of critical quality problems.

We attach great importance to rapid and appropriate response, and have "Quality dial 110 provisions" to prevent critical quality problems from expanding damages.

We center on the functional quality division of our headquarters, cooperating with the functional quality division of each department, to rapidly respond, detect issues as soon as possible and prevent complaints.

Quality risk management flow chart



# Welfare and Nursing care business

The rate of the elderly to the total population has accelerated sharply since Japan became an aging society in 1970; now the rate of the population over 65 years old to the total population exceeds 21 percent, which is a super aging society. The rate of the elderly is expected to increase in the future; the rate will be approximately 30 percent in 2025 and 40 percent in 2060. Social problems are generated such as an insufficient labor population, medical care, pensions and nursing care. INOAC is working on such social issues through our business.

## Converting our real estate into nursing care facilities

Insufficient facilities for the elderly who need nursing care have become more and more serious year after year. INOAC is converting our real estate into facilities for the elderly to respond to such social requirements. We started with a home nursing care support center built in Nagoya City, Aichi Prefecture in 2000, built a home for the elderly with a clinic attached to it in Nagoya City in 2016, and have built six facilities for the elderly so far. When creating the facilities, we used Thermax, which is INOAC's high-functioning heat-insulating board with excellent heat insulation and thermal barriers that is moisture-proof, and FoamLight, which is on-site foam heat insulation with excellent heat insulation, which wraps a building with air foam, in the foundations, walls and ceilings. We promote energy saving and expand our know-how as a specialist in air conditioning, hot-water supply and heat insulation. The facilities use our original nursing care brand, Smile, and Smile products and furniture.



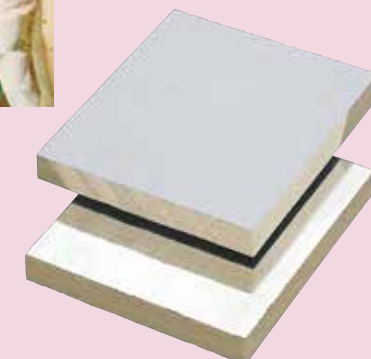
Home for the elderly with an attached clinic in Nagoya



An example of a room



FoamLight



Thermax



Fuwamo



Smile, the brand of INOAC nursing care goods, to cuddle the heart among smiling faces

We have pursued the gentleness of the parts contacting human body since 1997, and accordingly started the development of welfare/nursing care goods with especially good quality. We put the Reversible PRO Mattress on the market in 2002, which was developed in cooperation with the Japanese Society of Pressure Ulcers. With thinking that originated from our desire to deliver our smile to the people for whom care is provided and to the people who provide care, we established Smile, our care product brand, in 2014. "Smile" was named after reading of Roman letters of "smile". We are working to cuddle hearts among smiling faces by manufacturing products on the basis of softness.



Smile series playing a key role at nursing care fields



Reversible PRO Mattress



Posture change super breathable thirty pad



Locomo Mat

VOICE

Message from INOAC LIVING

Toward an aging society accelerating in the future

INOAC LIVING develops extremely useful and required products from the perspective of manufacturers of rubber, urethane and resin materials as well as staff using such products and the elderly for whom such products are used.

Our soft material group supports the muscles of the elderly to reduce the burdens on their bodies. For example, Swimo, a wheelchair cushion using automobile seat technology, which has achieved body pressure dispersion and high durability, stabilizes sitting and supports standing up. This product is utilized in the Soft Wall Cushion to protect only the necessary parts from impact by combining the suction effect of PureCell and PE foam. We are working to contribute to our aging society through our products with safety and comfort as the key.

We also promote cooperation with and contribution to local society by presenting our products including medical and nursing care mats to neighboring hospitals and facilities. This is mainly conducted by our factories and business offices because we regard medical and nursing care as community-based businesses.



Takashi Ishii, President

Exhibited at International Home Care and Rehabilitation Exhibition



INOAC LIVING displayed products at the international care apparatus exhibition, H.C.R 2017, held at Tokyo Big Sight in September 2017. The centerpiece in this exhibition was Swimo, the wheelchair cushion that enables smoothly standing up. In our exhibition booth, we held a product introduction seminar conducted by a doctor working for Amakusa Hospital, who is also an associate developer and many people came. Swimo utilizing INOAC's urethane mold technique has realized an unprecedentedly high-quality cushion, which has generated much positive feedback.