

Feature Story | Project working closely with the community in Hakuba

Taking the Hakuba Project to the Next Level

The Hakuba Project seeking solutions to issues in the community and to create a sustainable society is now moving at full speed

In the INOAC Group, we are working to make our business operations sustainable and are partnering with communities to build a sustainable society. The Hakuba Project aims to explore progressive, innovative initiatives and work together with stakeholders to turn enormous possibilities into reality.

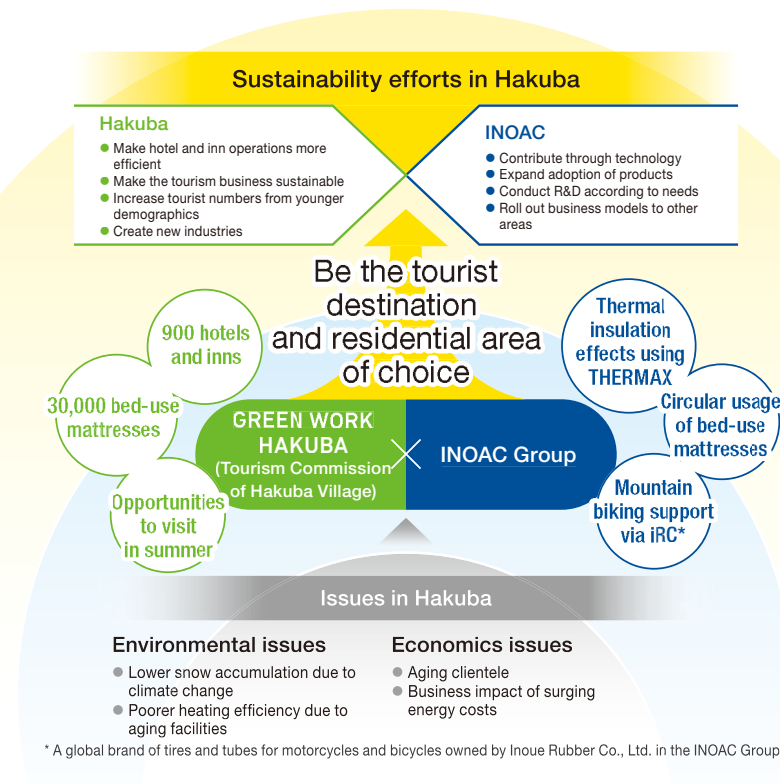
Since opening the Hakuba Office and Showroom in Hakuba in December 2022, we have continued efforts in business development while engaging consistently with government agencies, business operators, and many others in testing out potential solutions to issues in the community.

In doing so, we have emphasized contributions that leverage INOAC's materials, technologies, and products (thermal insulator, health-oriented bedding/reusable bedding, attracting tourists, supporting foreign residents, cooperating on business development for companies in the village, making green sports successful, etc.) and also establishing cooperative systems to implement such contributions. These efforts have since taken on a more tangible form.

Going forward, the challenge will be to establish ecosystems in the local community based on efforts thus far, and to build and expand new business models within these ecosystems. Utilizing the basic materials and technologies that INOAC possesses, we must expand our scope to include providing products more closely targeted to the issues that exist, and push forward with such efforts.

For that, we believe that we will need to establish a location under the INOAC name. This is because we aim to have a hub for social interaction in the community and for visitors to the village of Hakuba, and we want to make it a place where people can also learn more about INOAC.

We believe that having many different people intermingling and interacting on a deeper level will also further advance our sustainability efforts in Hakuba.



Providing THERMAX thermal insulator Organized "Thermal Insulation Workshops"

Main efforts
thus far

Starting with thermal insulation workshops in buildings at Hakuba Minami Elementary School, we provided THERMAX to Hakuba High School and Hakuba International School (HIS). They checked the effectiveness of its thermal insulation and helped to reduce energy usage.

Developing mattresses The Color Foam Hakuba mattress



We produced an original mattress for Hakuba. The bed cover which serves as the top layer is partially made from recycled materials such as plastic bottles, the middle-layer main part of the mattress contains ECOLOCEL (composed of at least 30% plant-based raw materials), and the bottom later contains MIXEL*. Hakuba's mountainscape has also been recreated on the cover.

Organizing & co-hosting summer events



Creating opportunities to experience the charm of Hakuba in the summer with the aim of year-round tourism.

- Organizing motorcycle tourism events
- Organizing gravel path bicycle events
- Sponsoring Hakuba mountain biking events
- Participating in the JOC Junior Olympic Cup
- Supporting mountain bike rider Tsubasa Hara from the Hakuba Mountain Bike Club

Contributing to Green Work Hakuba

We are helping to build circular economies through participation in initiatives by the Tourism Commission of Hakuba Village.

* Recycled polyurethane foam made from sponge material cutoffs discarded from production processes that are crushed and then hardened with steam and starch.

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Establishing New Locations

In the Hakuba Village Project, we are working to build a new location and pressing ahead with efforts to establish a sustainable society. Guest Eisuke Tabata shares his thoughts on the new location which we have entrusted him to design in its entirety.

How the new location project got started

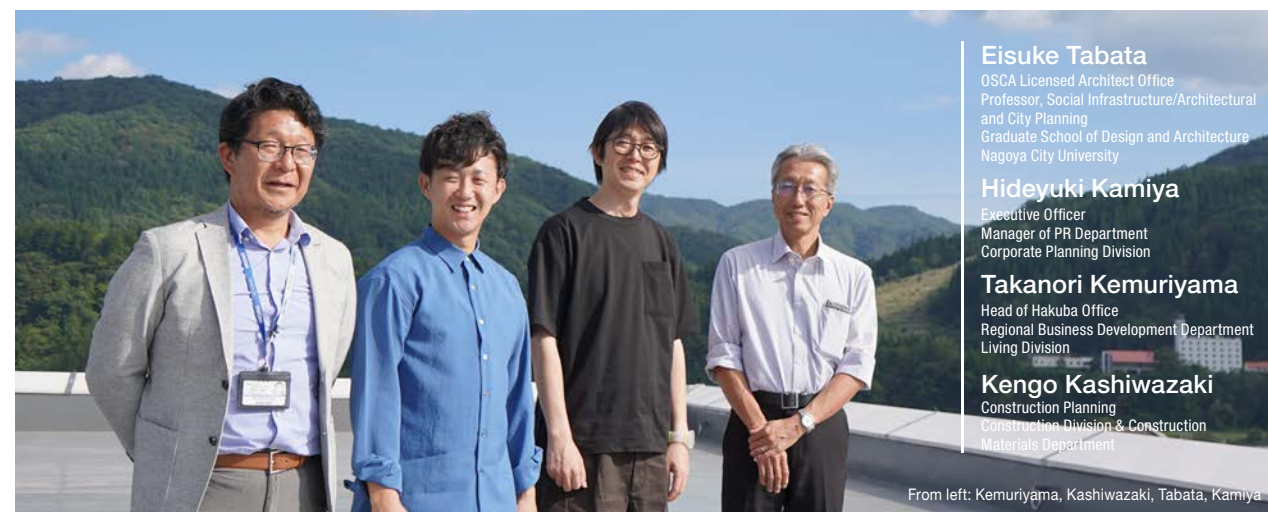
Kemuriyama We asked each individual in the community about their issues, then touched on the nature of these issues such as whether they are in areas that INOAC can help out with, or areas that INOAC cannot address on its own. Doing so, we made lots of connections, but we also felt strongly that we needed to find ways for more effective social interaction.

Kamiya Including the preparation period, this relationship between Hakuba and INOAC is now entering its third year. From among the various initiatives we had already implemented, we came to the point of realizing that we needed to establish a location as a base for full-scale activities.

Kashiwazaki Initially, our feeling was just to have better functionality as an office, but in our interactions with many different stakeholders the

concept of a new base became important to us. As a conceptualization, we are reviewing the idea of creating a new location that makes use of the natural environment in the abundant forests of Hakuba. Forest is also part of INOAC's corporate philosophy. Thinking about that holistically in terms of space and location, I think it needs to be a comfortable place for many people, and that it must remain so into the future.

Tabata My relationship with the village of Hakuba predates this project. I had previously been involved in creating public spaces there, such as laying electric power lines underground. For this project to create the new location, I also remember first having various informal dialogues in the phase before participating in the project.



Specific concept for the location

Tabata I had been involved as a specialist in areas such as architecture and public spaces. As opposed to being made just for a single company, this location is meant to be a company facility that also has public spaces. Thus, we must explore the public value that the company can facilitate, which is quite a challenge.

Kamiya In addition to its identity as a B-to-B company, INOAC is also active in B-to-C, so I think that communality with diverse stakeholders will become an important standpoint.

Kemuriyama I also want to emphasize the point that it should be a place for interaction not only by locals but also where tourists and many others young and old, male and female, can relax. When they do, I hope they can notice things about INOAC, learn about the village of Hakuba, and feel a deeper sense of connectedness with it.

Kashiwazaki As you also mentioned, Professor Tabata, I think the communality of this whole site will be increasingly important. It will be like a forest for the generations.

Tabata This project is highly public in nature, and I think it will have important implications for INOAC, the village of Hakuba, and also for many areas of Japan. For the design of spaces at the site, I want to emphasize the balance between architecture and a forest where large numbers of people can slow down and relax. I also believe it can be a place where visitors from the community and tourists can form new relationships with the company, and where new lifestyles can be discovered.

Kamiya INOAC is now more well known in Hakuba than it is in other communities. We will also need to display a sound corporate attitude.

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Specific design proposal

Tabata We must take good care of the natural environment, which is also one of Hakuba's attractions. It is important to design it in a way that opens up just enough space in the forest for people to relax while also fully utilizing the large trees. Also, for this design I have proposed setting up a forest plaza as a community space in the middle, and also walking paths.

Kashiwazaki It is also important for INOAC's new location to have office, residential, and interaction zones positioned organically. Additionally, I want to make it a place for creating next-generation business models and communicating them to the world.

Kamiya We need to incorporate spaces where people can naturally intermingle with interiors such as thermal insulator and other construction materials, and furniture, which are INOAC products. For these, I think we will need even better eco-friendly performance including energy efficiency, and also barrier-free design.

Kemuriyama For this new location, I want to create a facility that can be the pride of both INOAC and Hakuba once it is completed.



Reviewing the facility design proposal

INOAC and Tourism Issues in Hakuba

The village of Hakuba is a tourist spot. We listened to what people involved in the local tourism industry had to say about issues in tourism caused by social contexts such as Japan's aging population and inbound tourism, and the potential for INOAC to get involved.

Hideki Ito

CEO, Goryu Co., Ltd.
Representative Director,
Tourism Commission of Hakuba Village

Developer of ski resorts from the ridge to the base of Mt. Goryu in the Northern Japanese Alps blessed with a wonderful natural environment. Switched all facilities in operation to 100% renewable energy starting in December 2023 to achieve sustainable resort operations.

Also operates Hakuba Goryu Alpine Botanical Garden as part of back to nature activities.



Tourism does not happen with resort facilities alone. It is important for all types of stakeholders including local government agencies, public organizations, and infrastructure developers to get onto the same page and coordinate to create the area's appeal. Hopefully each of the resort facilities will cooperate to think about branding for the village of Hakuba.

In addition to products such as thermal insulator, mattresses, and furniture, I also hope that INOAC can utilize its track record interfacing with various people and locations as a global company here in Hakuba.

Although individual organizations have information in their own respective fields, they cannot easily share information with others and have been inevitably challenged to look at things such as the SDGs from an all-encompassing perspective and take measures to address them. The tourism industry here in Hakuba is also dealing with the issue of finding successors. It would be great if INOAC could be a positive guiding force by getting involved using their perspective as an outsider, in a good way, instead of only relying on local perspectives.



Yuji Hoshino

Representative Director, Iwatake Resort Co., Ltd.

Operates mountain resorts for extra-special leisure, from the most beautiful scenic spots on the three peaks of Hakuba (Mt. Shirouma, Mt. Shakushi and Mt. Hakuba Yari) to trekking, mountain biking, winter sports, and more.

He is also actively working on measures to make the community sustainable such as abolishing sales of beverages in plastic bottles in the summit areas and offering locally-produced menu items for local consumption.

Tomoko Kusamoto

Representative Director, Hakuba International School
Outside Director, Nippon Ski Resort Development Co., Ltd.

Hakuba International School is a combination junior high and high school that opened in September 2022.

Using a project-based learning format with the theme of sustainability envisioning the future world, its curriculum is designed primarily around the three pillars of social emotional learning, self-awareness in the context of the natural environment, and outdoor education that empowers students to refine their life skills and relationship-building skills.

In 2021, I also assumed an outside director role at Nippon Ski Resort Development Co., Ltd. which operates ski resorts and other facilities.



In Hakuba, there are clearly discrepancies in awareness and desires between people who have been here for a long time and those who have moved here recently, and also between the elderly residents and younger residents such as high schoolers. Over the long term, I hope to evolve it into a resort in a broader context, including residential tourism, hosting international conferences, and more. I would like INOAC to be involved by getting information through the company to people who cannot normally be reached from a tourism perspective, and by building business models rooted in the community.

Feature Story | Initiatives targeting global advancement

Employee Engagement Via the Company Awards System

We have established the Company Awards as part of our drive to create work environments that inspire pride and strong awareness as members of the INOAC Group among employees in locations around the world.

Our Company Awards are honors that recognize achievements in the INOAC Group once per year.

These awards go to companies, members, teams, departments, and others who have delivered high performance or special achievements.

- Top management directly shows appreciation to employees
- Boosts employee motivation
- Improves company spirit and trust in the company

The awards are held for these purposes and more.

In FY 2023 we also received large numbers of entries, both voluntary and through recommendations by others, from countries around the world. Awards were then given to the most outstanding examples.

Company Awards: List of Awards

Outstanding Performance Award	Factory Improvement Award
New Technology & Patent Excellence Award	Excellent Sales Activity Award
Good Quality & Excellent Production Preparation Award	Carbon Neutral Contribution Award
Safety Award	Sustainability Contribution Award
Excellent Procurement Award	Excellent Rookie Award
Digitalization Promotion Award*	Lifetime Achievement Award*

* The Digitalization Promotion Award and Lifetime Achievement Award were added in FY 2023.

Excellent Procurement Award

Activity to Reduce Raw Material Costs Through Cooperation Between Global Locations

Winning Company

Dongguan INOAC Polymer Co., Ltd. (China)

Materials such as additives that are purchased in small quantities were being purchased separately at each location, and locations had also been handling their own cost reduction activities and BCP management. Having the relevant departments work on management together eliminated deviations in areas such as the effectiveness of supply chain management, cost reductions, and BCP management.

Members /

Procurement sections	Global Procurement Section, Procurement Section of Shanghai INOAC Corporation
Plant sections	Associates from Shanghai INOAC Corporation Shanghai INOAC Polymer Products Co., Ltd. Dongguan INOAC Polymer Co., Ltd. INOAC Vietnam Co., Ltd. INOAC Polymer Lanka (Pvt) Ltd. INOAC (Thailand) Co., Ltd.



Reason for Award

Eliminated inefficiencies such as overlaps due to evaluations of suppliers and other management having been conducted by individual departments, and from dealing with increasing numbers of suppliers.

Overall man-hours spent in evaluations were reduced by conducting basic quality assessments in a centralized manner for controlling the quality of raw materials from suppliers. Also contributed in areas such as greater efficiency in evaluations when switching raw materials.

Contributed to the advancement of supplier management in the future

Cost reduction effect: 105% vs. initial plan

Reduced work hours through greater operational efficiency, reduced energy usage, etc.



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Good Quality & Excellent Production Preparation Award

Smart Standard Activity

Putting smart operations in place with a focus on improving work standards

Winning Company

INOAC Automotive (Thailand) Co., Ltd.

Advanced the standardization of tasks and improved operational efficiency by compiling the improvement initiatives completed within individual purchasing, quality, and production teams into an overall workflow, leading to improvement in production efficiency for the plant.

Members /

Quality Control (QC) & Quality Assurance (QA) Team	K.Thansinee T., K.Poonsak B., K.Wittaya P.
Production team	K.Passaworn, K.Nutthawut, K.Aphinan
Purchasing team	K.Suradej, K.Kamolrat

Reason for Award

Sharing information and implementing education between teams

Raised production efficiency for raw materials in plants when operational improvements and layout changes are implemented

Reduced relevant waste (approx 20% reduction in waste volume)

Reduced work hours through greater operational efficiency, reduced energy usage, etc.

Implementing activities learned from Japan under the leadership of local staff was particularly praiseworthy

Lifetime Achievement Award

Activity that Supported IHL's 50th Anniversary

Recipient

Popo Fong
INOAC Hong Kong Ltd.

She was the first female employee to ever work at INOAC Hong Kong Ltd. ("IHL") when she joined the company in April 1991, since which time she has supported multiple Japanese presidents of the company and served as coordinator for local employees. During that time she supported the establishment of companies in multiple locations in China and managed employee health during outbreaks of infectious diseases such as SARS, among other contributions. In addition to company operations, she has also contributed greatly to management of employee work environments. IHL was able to commemorate its 50th anniversary this year, and this award was given to recognize contributions in support of the company such as hers.



Closest to the front: Popo Fong