

INOAC CORPORATION

CSR REPORT 2025

INNOVATION & ACTION





INNOVATION & ACTION

Corporate philosophy

Creating a beautiful forest,
comprised of many trees
of varying character.

In our efforts to enrich people's life, we at INOAC have specialized in not only a single business, but we have cultivated four business "seedlings"—polyurethane, rubber, plastics, and composite materials, creating an extensive range of products and services as an entity that contributes to society.

INOAC will continue meeting the needs of the times by cultivating many trees of varying character.

CONTENTS

[01](#) Corporate philosophy

Introduction

[02](#) INOAC Group history

[03](#) Our products

[04](#) Message from the president

Feature Story

[08](#) The enrich people's life
with materials tour with INOAC-kun

[11](#) Current state of the Hakuba Project

[12](#) Approaching our 100th anniversary

Environment

[14](#) Environmental management

[16](#) Climate change initiatives

[17](#) Contributing to a circular economy

[18](#) Managing chemical and other
substances appropriately

[20](#) Addressing water-related risks

Social

[21](#) Improving value

[26](#) People development for greater value
creation

[34](#) Supply chain management

[36](#) Communication with society

Governance

[37](#) Corporate governance

[38](#) Compliance

[40](#) Information security

Data & statistics

[42](#) ESG statistics

[46](#) Company outline

Editorial policy

© Reporting period
This report was prepared based on the business activities of the INOAC Group during FY 2024 (January 1-December 31, 2024)

* Also includes some information from FY 2023 and before, and from FY 2025

© Applicable scope
Focusing on the business activities of INOAC Corporation on a non-consolidated basis, including certain domestic and overseas companies of the INOAC Group

© Guidelines used as reference
GRI Standards

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INOAC Group history

Expanded as a leading company in foaming technologies for comfortable life and a sustainable society

Since our founding in 1926, we established ourselves as Japan's first-ever producer of polyurethane foam and have gone on to create an extensive range of products and services that make people's lives better and more comfortable. The growth of INOAC is also a history of innovation. For the sake of people and the planet, we continue challenging ourselves to generate an abundance of new usage applications, while focusing particularly in recent years on consistently conducting environmentally conscious development.

Business history

1920

- Established Inoue Rubber Co., the predecessor of Inoue Rubber Co., Ltd. ("IRC") in Atsuta ward of Nagoya, Japan (1926)
- Started exporting IRC-brand tires and tubes

1950

- Implemented polyurethane foam technology from Germany (1954)
- Established MTP Kasei Co., Ltd.
- Entered the bedding and childcare products businesses
- Established first overseas joint venture Associated Rubber Industries Ltd. in Sri Lanka
- Entered the automotive components business

1960

- Entered the piping materials business
- Entered the consumer products business

1970

- Entered the furniture business
- Entered the distribution materials business
- Full-scale entry into the cosmetic container business
- Full-scale entry into Southeast Asia

1980

- Established Inoue MTP Co., Ltd. (1980)
- Debuted the Group's unified brand INOAC (1980)
- Entered the construction materials business
- Entered the office automation equipment business
- Entered the packaging materials industry
- Full-scale entry into the US

1990

- Changed company name to INOAC Corporation (1990)
- Entered the nursing care products businesses
- Full-scale entry into China

2000

- Entered the environment business
- Bolstered and expanded locations in Southeast Asia
- Established the International Polyurethane Technology Foundation

2010

- Held International PUForum 2015 for the 60th anniversary of the start of manufacturing polyurethane foam
- Established INOAC Ryukyu Co., Ltd. as the first subsidiary of the INOAC Group in Okinawa

2020

- Established Jinno R&D Center in Nagoya, Aichi Prefecture
- Expanded Nagoya Head Office and established new company building

2025

- Opened retail stores for bedding and more, primarily within business sites nationwide
- Organized International PU Forum 2023
- Launched production at the Tarui Factory

Product history

- Launched Japan's first-ever production of polyurethane foam
- Launched sales of Color Foam mattresses
- Performed on-site thermal insulation work on LPG tankers and shinkansen vehicles
- Developed cosmetic bottles using injection blow method and decorative technology
- Developed in-mold coating (double-layered) integrally molded instrument panels
- Developed the R-PUR on-site polyurethane foaming lightweight banking method for road construction sites
- Produced MAPS environmentally responsible interconnected fine cell polyolefin foam
- Produced FOLEC clean polyolefin rolled sheet foam using the supercritical foaming technique
- Produced PureCell environmentally responsible ultrafine cell foam sheet with anti-yellowing properties
- Developed ECOLOCEL plant-based polyurethane foam
- Developed flexible aerogel, a high performance thermal insulation composite

Our products

Right there beside you, making your everyday life better. Now and into the future.

In everything from household consumer products, nursing care products, and everyday IT devices, to industrial machinery used in production plants. Also in housing and construction materials, and at civil engineering worksites. Even in cars and other means of transport, and in infrastructure facilities. INOAC materials come in many different forms. They can be found in every aspect of the neighborhoods that surround us, adding comfort to our everyday lives in various fields.



Polyurethane foam

Polyurethane foam is a foamed material that is both elastic and lightweight. In addition to industrial applications such as transportation equipment and infrastructure, it also helps to make life more comfortable in bedding, insoles, and many other fields.



THERMAX

THERMAX is a high performance flame retardant thermal insulation board for construction applications. With superior thermal insulation, flame retardancy, waterproofing, and heat shielding properties, this environmentally responsible fluorocarbon-free next-generation thermal insulator is used for housing and construction applications.



SlimFlex

This high density high performance urethane foam has an ultrafine and uniform cell structure. Being less prone to deformation than other foam materials, it is widely used as a shielding material for electronic equipment such as smartphones with dust proof and waterproof functionalities.



Plastic bottles

These are functional bottles made via injection blow molding using PET and PP resins. We offer own standards of bottles according to the contents with which they are filled, including cosmetic bottles and bottles for food and beverage use.



Color Foam

Color Foam is a bedding brand of INOAC, which was Japan's first-ever producer of polyurethane foam mattresses. Everything from materials R&D to performance assessments and commercializations are handled in-house, as Color Foam has continued to help people sleep better for over 60 years.



Seat cushion

Our compounding and molding technologies achieve seating comfort through control over flexibility, durability, air permeability, and vibration absorption. Our cushions will also contribute significantly to future motorization by being lighter in weight while increasingly eco-efficient.



Armrests

Transport crew members can relieve stress in their arms and shoulders by placing their elbows on our armrests, offering comfort while making their work less strenuous. Some of these products contain MIXEL, which is comprised of crushed polyurethane foam material cutoffs which are then blended with adhesives and molded.



Rear spoilers

Attached to the top of a rear side of a car, this component improves driving stability and fuel efficiency by redirecting airflow while driving. They can be tailored to meet various needs such as aesthetic appeal, structural configurations, and aerodynamic performance through a diverse range of molding processes.



Motorcycle, bicycle & wheelchair tires

Combining strong grip power with durability, our tires deliver stable road performance and satisfying ride comfort both on-road and off-road. We offer an extensive lineup of wheelchair tires, from general purpose to racing tires.



Foam Light W

Foam Light W is a lightweight banking method using foamed polyurethane, which can also be used on sloped and low land. It can be filled into complex spaces to improve structural stability. Foam Light W was also used in restoring the Noto Satoyama Highway that was damaged in the Noto Peninsula Earthquake.

Message from the president



Navigating the age of change with our unshakable foundation

Pursuing continuous growth rooted in our mission to “Enrich people’s life with materials”

Yasushi Nomura
President & COO
INOAC Corporation

In 2025 the world once again finds itself in the midst of major changes. Geopolitical risks are increasing, economic policy is shifting, and the discussion about ESG is changing. On the surface, it could be considered an age of upheaval. However, as I always say, we need to have an unshakable foundation in order to not be overcome by superficial changes such as these.

That unshakable foundation for the INOAC Group is our advocated purpose to “Enrich people’s life with materials.” As long as we have this foundation, we will always be able to see our path forward regardless of the changes that surround us. That is because we are a necessary presence in people’s lives even when lifestyles change, since they will always want their lives to be enriched.

We have been contributing to people’s lives through materials for roughly a century since our founding. And now, we find ourselves at the halfway point of our long-term business plan for 2030 as we stand at a critical juncture where we will lay the foundation for the next hundred years.

Message from the president

Progress on “INOAC2030” and future developments

In implementing the “INOAC2030” long-term business plan, we have produced some key achievements. The biggest change was overhauling our internal organizations. We defined our four business segments, positioning automotive and industrial materials as core businesses and home products and construction materials as strategic businesses. This framework has already begun functioning smoothly, which has enabled us to deploy strategies according to the nature of each respective business.

We have also made efforts toward creating good workplace atmospheres internally. Under the mantra of “Brightly, Joyfully and Cheerfully,” we are establishing various spaces for communication. One particular example is Chat INOAC-Style, a measure that we launched in 2024 to energize communication. For this measure, senior management have been travelling out to our business locations to engage in numerous discussions with employees of all ages and in various types of roles. We are listening to firsthand opinions at our worksites, and using those to energize the company as a whole.

On the other hand, some issues also became clear. The biggest issue was an “ad hoc” way of thinking. Being in the manufacturing industry, we need the mindset of always grasping the true nature of things. That starts with getting back to the basics of “know the market, know your competition, know yourself.” For example, in sales activities, you might insufficiently comprehend market needs, disregard trends among competitors, and overstate your own company’s strengths. Making judgments in such an ad hoc manner leaves no path to continuous growth. We must seek out the true nature of things and make decisions based on a quality control-like approach or thought process.

Pursuing the true nature of manufacturing: *buy, make and sell*

Being in the manufacturing business, the true nature of the INOAC Group lies in balancing the three elements of *buy, make* and *sell*. There was a time in the past when if you made it, it would sell. However, we currently find ourselves in a much harsher environment of spiking raw material costs and declining sales prices. In order to overcome this situation, it is imperative for us to get stronger at the “make” part in particular.

Our version of “make” has three meanings. The first is to *create*—in other words, the R&D capabilities to manufacture things that are new or meet market needs. The second is to *devise*—meaning the production engineering capabilities of what to produce, where, and in what way. And third is to *produce*—the manufacturing capabilities to actually fabricate product.

By strengthening these three aspects of our “make” function in a balanced manner, we will break away from the old business model of simply buying low-cost materials and selling at higher prices and pursue true added value creation. Added value means changing forms. Raw materials change form through the application of our technologies and expertise, turning into the products that make our customers happy. This is the mission of manufacturing and the source of our competitive strength.

“Comfort” as a keyword for our business

To turn “Enrich people’s life with materials” into a reality, we operate with “comfort” as a keyword. So then, what exactly is comfort? For us, it means quieting sound, reducing vibration, shielding heat, maintaining correct posture, aesthetically pleasing appearance, and more than anything, providing safe and reassuring environments.

For example, one of our main products is Color Foam Facet which features hexagonal slits that make it easier to roll over in bed, resulting in comfortable sleeping positions. Our sound absorption materials and seat cushions for automotive use help to make the cabins of cars more comfortable. We are also working to develop products that help to create new forms of comfort concurrently with the popularization of electric vehicles, such as thermal insulator for batteries and intercell cushions.

The important thing is that definitions of comfort vary by culture and region. For example, the firmness that customers in Vietnam desire in mattresses differs significantly from what Japanese people consider comfortable for sleep. Based on the *Genchi Genbutsu* go-and-see-for-yourself approach, we will accurately grasp the needs of each respective market and use our proprietary formulation technology to offer them the optimal products.



Message from the president

We will consolidate our technology systems to build a systematic brand strategy focused on comfort-related elements such as sound, vibration, heat, posture, aesthetic appeal, safety and reassurance, and decarbonization. Doing so, I believe that we will be able to communicate our value to clients in a way that is even easier to understand.



Initiatives to strengthen our power of person

Person (human resource) is what keeps business running. Based on our policy of “Communication starts with asking and listening,” we are working to improve our hiring and training of personnel and our organizational capabilities.

Development of talent who can succeed in international environments is a pressing issue for a company like ours that operates globally. In our Trainee System, we send young employees on assignments to global locations to facilitate their growth as global personnel through actual local work experience. Among the success stories from this system, we have cases of employees who experienced the program as trainees, then boosted their skills even further upon returning and are now producing success in subsequent overseas assignments. On the other hand, there have also been failure cases in which the employees ended up leaving the company after trainee assignments due to insufficient follow up. I am therefore keenly aware of the importance of offering career planning and ongoing support.

In Japan, we organize a three-day training retreat called the One-Team Leadership Camp for corporate management executives. This is more than just training. It offers a space for deep mutual understanding where participants openly share everything about themselves, from their back stories to their values. The true value of this training camp comes after it ends. The participants autonomously organize mutual study workshops with each other, creating interpersonal interaction that transcends the boundaries of business divisions. Strengthening our cross-organizational connections in that manner helps to foster more unity in our organization overall.

We are also pushing forward with revisions to our basic research and professional training. As we revise our training sys-

tems which had previously tended to rely on on-the-job training, we are establishing clear level-specific training and assisting employees in career planning on an individual basis.

Sustainability initiatives

I believe that the true nature of sustainability and of human rights, diversity, and inclusion is compassion. Have compassion for the environment, for your coworkers, and for the community. Having that compassion in your spirit is precisely how true sustainability can be achieved.

In terms of the environment, we have established the Sustainability Promotion Department under my direct supervision, and added “Environment” to our corporate management policies from FY2026. Each section in the company is working cooperatively with others toward our ambitious goal of halving our FY 2013 CO₂ emissions by 2030. Specialized subcommittees such as the Energy Section Committee and Raw Materials Section Committee have been established within the Carbon Neutrality (CN) Committee, and they are implementing specific reduction measures.

What is important is to pursue genuine results and achievements as opposed to formal initiatives. This is not simply about accumulating small results such as turning off the fluorescent lights. The aim is to sustainably generate value through our business activities in their entirety. We are creating sustainability through business, such as creating and growing decarbonization-related business, implementing environmental technologies, and conducting recycling-related business.

Another important issue is consideration for human rights and the environment in our supply chain. Relationships based on trust with our clients are essential for being able to procure stably and inexpensively worldwide. We are promoting responsible procurement throughout our entire supply chain by distributing our

Message from the president

Supplier CSR Guidelines and conducting sustainability surveys.

Perspective on our 100th anniversary

As we now approach our 100th anniversary, we find ourselves at a pivotal point in time to lay the foundation for the next hundred years. With two-thirds of our sales currently coming from overseas, global expansion is not simply an option for us. It is a necessity.

The most important approach to have in expanding overseas is to respect the local culture rather than imposing Japanese values onto them. Local personnel must be the ones who play the main role in driving business expansion. Our role as stationed expats from Japan is to thoroughly support them. We will think together with our local overseas colleagues about how to utilize our materials technologies to enrich the lives of residents there, based on an understanding of the characteristics of each country and region.

Even within Southeast Asia, Thailand, Indonesia, Vietnam, Malaysia, the Philippines, and other countries each have different economic climates and cultural backgrounds. We will manufacture products with locally-procured raw materials according to the needs in that specific location, and bring them to the people there—based on a “produce locally to consume locally” mentality. By establishing this model, we will create sustainable global business in the truest sense.

Continuously accomplishing our mission to “Enrich people’s life with materials”

These times of turbulent change are particularly when we need to get back to our roots. The spirit of “Enrich people’s life with materials” is our unshakable foundation. Based on this foundation, we will always pursue the true nature of things and practice

compassion in our business.

In manufacturing, we will maintain our balance of “buy, make and sell” while strengthening three facets of our “make.” We will enrich people’s lives by creating value based on “comfort” as a keyword. As we train our personnel to be successful globally, we will confront challenges as a solidly unified organization. And, we will do business with consideration for the environment and human rights to achieve a sustainable society.

All of these comprise our mission as we approach the milestone of our 100th anniversary, and they are also our responsibilities as we embark on the next hundred years. Together with our stakeholders, the INOAC Group will continue accomplishing our mission to “Enrich people’s life with materials.”

Our quest has only just begun. We will advance without fearing change, without losing sight of the true nature of things, and with compassion. We sincerely appreciate your continued support and cooperation.



Yasushi Nomura

- Mar 1985** Joined Inoue MTP Co., Ltd. (now INOAC Corporation)
- Feb 1991** Assigned to North America
- Feb 2004** General Manager of the Technology Department, Automotive-related Products Division
- Oct 2007** General Manager of Quality Assurance Department, Automotive-related Products Division
- Oct 2008** President, Tohoku INOAC Co., Ltd.
- May 2011** Automotive-related Products Division Supervisor (stationed in Thailand)
- Feb 2015** Managing Director & General Manager of Automotive related Products Division
- Apr 2018** Director
- Apr 2019** Managing Director
- Apr 2022** President & COO (Current)