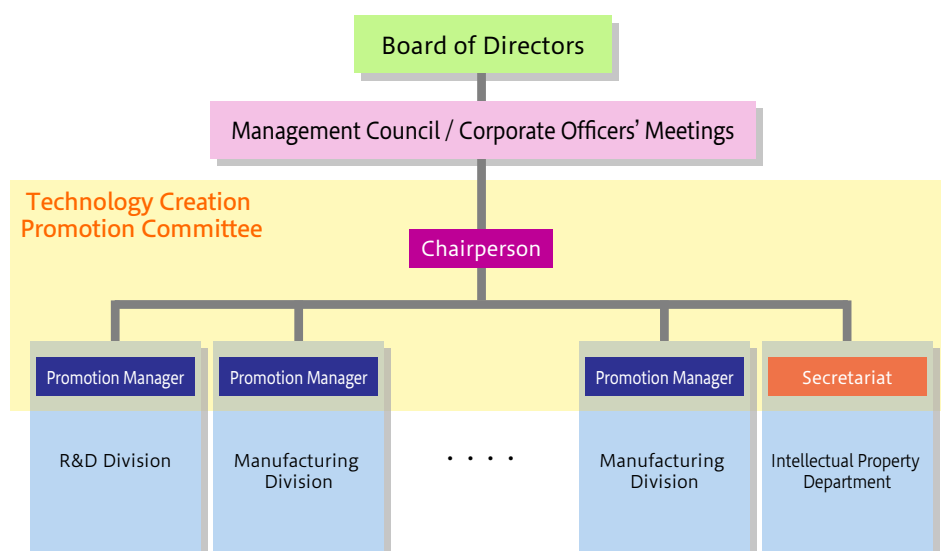


Intellectual Property

The Shinko Group upholds "Technology Leadership," "The Art of Manufacturing," and "Long Term Vision," in its Corporate Vision of the Shinko Way, and its Corporate Values are to emphasize "technology" and continue to create new value. We have also established respecting intellectual property as one of the Shinko Way Code of Conduct. Based on these principles, we are working to acquire, protect, and utilize intellectual property, which is an important management resource of the company.

Technology Creation Program

Shinko has long been engaged in Company-wide programs that create technology with the aim of "strengthening our technological development and creating new products that will lead to the development of our business." Under the Committee for the Promotion of Technology Creation, which consists of a chairperson appointed by the president and the persons in charge of promotion in the R&D Division and manufacturing division, multiple activity groups are organized to continuously carry out activities such as invention creation. The policies and results of the activities of the Technology Creation Program are regularly reported at the Corporate Officers' Meetings and also reported to the Board of Directors as intellectual property initiatives. The Board of Directors has established a system to appropriately supervise investment in intellectual property activities.



Initiatives for Technology Creation

Protecting Rights and Keeping Confidentiality of Intellectual Property

The IP coming from R&D is protected by patent rights, and technologies that are secret are kept strictly confidential and protected from public disclosure. In line with the globalization of our business, we are striving to protect our intellectual properties by filing patent applications not only in Japan but also in major overseas market countries. We also respect the intellectual properties of others and ensure that they are not infringed upon.

Intellectual Property Education

We regularly provide our engineers with patent-related training to deepen their understanding of intellectual property. We offer a variety of courses, as shown below, for our engineers to choose from according to their skills and interests. We believe that these educational programs motivate engineers to create inventions, develop their ability to comprehend patents in depth, and encourage them to create high-quality inventions. In addition to our engineers, our IP Department also improves their practical skills through external training programs.

■ Examples of Educational Courses

- Overview of the patent system
- How to comprehend patent gazettes
- Invention discovery
- How to operate patent search tools, etc.

R&D Workshop

We hold an R&D workshop and other events every year to encourage technical exchanges among engineers and to share technical information, which leads to the more efficient development of new technologies and products as well as invention and creation.

Invention Incentives

Shinko has an inhouse system to give incentives to persons who have developed inventions. Incentives are paid not only when a patent application is filed, but also on performance, based on the sale of patented products. Regarding performance incentives, etc., the inventor is notified of the results after deliberation at an invention and innovation review meeting, and an appeal period is provided to ensure the fairness of the results.

We believe that research and development activities, which are the source of intellectual property, are indispensable for the Shinko Group's sustainable growth.

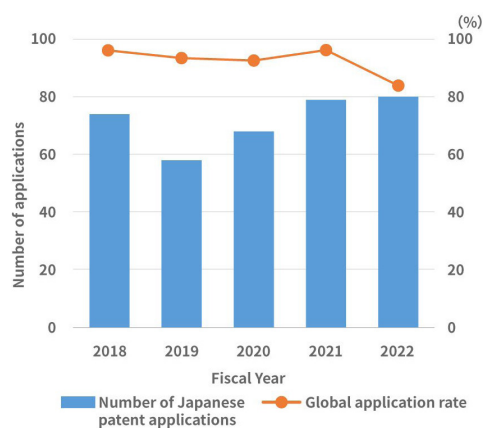
We will continue to engage in technology creation as a company-wide activity, with the aim of strengthening our technological development capabilities and creating new products that will lead to the development of our business.

Intellectual Property Data

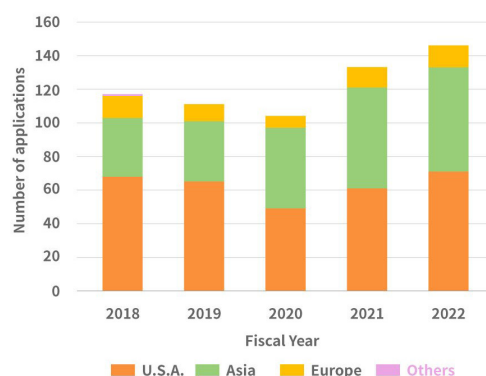
Number of Patent Applications

We strive to protect our intellectual property by filing applications overseas where patented products are distributed.

Number of Japanese patent applications and global application rate*



Number of Overseas Patent Applications by Region



* Global application rate: Percentage of Japanese patent applications that were also filed overseas.

Number of Patents

We go all-out to maintain effective patent rights based on a comprehensive assessment of our business strategy, patent value evaluations, cost effectiveness, and other factors.

Percentage of Patents in each Region at the end of FY2023

