

Intellectual Property

We protect inventions and other creations generated through our business and research and development activities as intellectual property, and aim to utilize them in our business.

Basic Policy

We aim to integrate business strategy, research and development strategy, and intellectual property strategy, promoting intellectual property activities across the entire Group that are directly connected to business management. This will enable us to share the latest technologies globally and provide them to our customers in each region as high-value-added engineering.

Intellectual Property Activities

We have adopted a differentiation strategy as our long-term strategy, under our long-term vision of “Contribute to a Sustainable Society through Innovative Engineering of Energy, Air and Water.”

Additionally, we have adopted “further strengthening core businesses” and “challenge to create new value” as the basic policies of the Mid-Term Business Plan.

To realize our long-term strategy and basic policies, we need to integrate our business strategy, research and development strategy, and intellectual property strategy.

In order for research and development, as well as intellectual property activities, to contribute to the profits of core businesses and the expansion of business areas, we secure our competitive advantage over other companies by ensuring that the outcomes of research and development are protected as intellectual property rights. We promote intellectual property activities that are directly linked to business management, so that by connecting these outcomes to our business, we can ensure profitability.



portfolio with those third parties, supporting the creation of new businesses.

Inventions that are difficult to verify are safeguarded as know-how, keeping them confidential to prevent others from following suit and to secure a competitive advantage.

We respect intellectual property of others and strive to reduce intellectual property risks, while preempting infringement and disputes. To achieve this, we monitor and evaluate the intellectual property of others.

Initiatives Toward the Creation of Innovation

Employee invention rules and award system

We revised our employee invention rules in 2022, significantly updating the provisions for paying rewards at the time of patent application, rights confirmation, and implementation. Furthermore,

we aim to foster employees' creative motivation by presenting rewards to inventors and awarding certificates from the President during our annual foundation anniversary ceremony.



Protection and Utilization of Intellectual Property

In April 2023, we established the Intellectual Property Dept. as an independent department. With the department at the core of our activities, we recognize our unique intellectual assets—such as “intellectual property rights” related to inventions, designs, and patents; “intellectual property” including brands, trade secrets, and know-how; and “intellectual capital” including human capital, business principles, customer networks, and skills—thereby aiming at effectively combining and utilizing these assets to generate profits.

Inventions related to our proprietary technologies are incorporated into a patent portfolio as patent to protect our business and are utilized to secure our competitive advantages.

Inventions created through co-creation with third parties through open innovation are incorporated into a jointly developed patent

Implementation of intellectual property education

We implement intellectual property education for all employees to raise awareness and help them acquire knowledge of intellectual property and patents.

Handing Down Technology Project

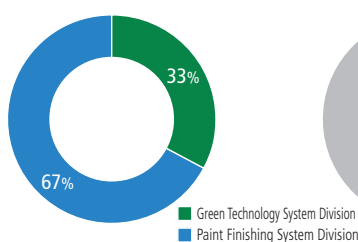
We believe that passing on the technologies and skills developed by veteran employees to next generation, particularly in areas such as fabrication and installation methods, as well as safe construction methods and



procedures at construction sites, will help differentiate us from competitors and enhance our corporate value. With this in mind, we launched the Handing Down Technology Project in 2023.

In the first step of the project during FY2023, as a method of improving quality and safety, and reducing workload at sites through front-loading, we compiled the technologies used at these sites into video formats. By converting the know-how (tacit knowledge) utilized by veteran employees into explicit knowledge and enhancing our technology platform, we aim to deepen our intellectual property activities.

● Patent portfolio



● New patent application in 2023

