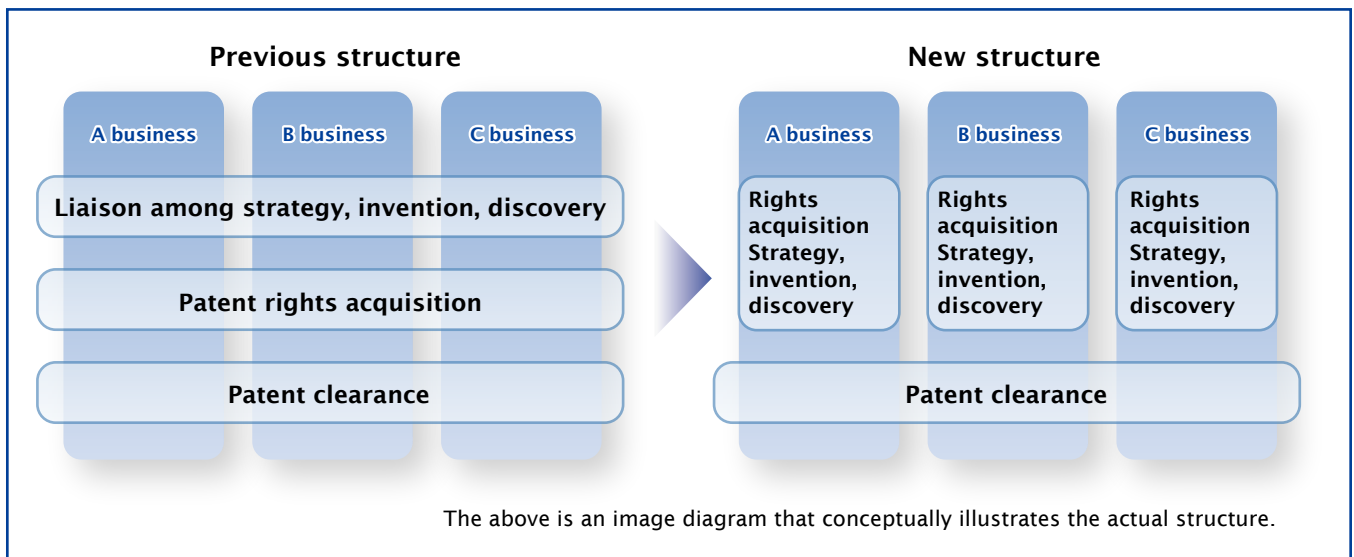


# System to Support Intellectual Property Activities

## [Organizational Framework]

The responsibility for supervision and promotion of intellectual property activities lies with the Intellectual Property Division, which directly reports to the President. At the commencement of 2018, an organizational reform of the Intellectual Property Division was conducted, to transform from a structure organized for each IP function to one that is aligned to each of the Core, New, and Growth businesses. Through this reform, we will carry out our intellectual property strategy in line with the intellectual property environment specific to each business area, and thereby promote the new Medium Term Business Plan "SHINKA 2019" in a more powerful way.

Furthermore, in conjunction with the organizational reform, the operational process of intellectual property operation has been reformed for improved productivity. Having reviewed the roles and responsibilities of the patent office, R&D department and the Intellectual Property Division, and redefined the business standards that were established by function, a balanced operational process has been set up with focused allocation of IP resources to functions and operations that need to be strengthened for the implementation of intellectual property strategy.



## [Bases and Globalization]

The Intellectual Property Division has bases of operation not only in Japan but also in overseas development sites, to promote intellectual property activities at the development sites through face-to-face and close communication with developers in Japan and abroad. The headquarters of Intellectual Property Division is in Hachioji, Tokyo, which is the Group's largest base and which oversees intellectual property activities at each operational base. In recent years, as a result of active M&A transactions notably in the New businesses, the number of overseas subsidiaries has been increasing. In order to beef up the promotion of intellectual property operations in these overseas subsidiaries and development bases, a further evolution of our global IP structure will be sought.

