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## INTRODUCTION

The fiscal year 2023 is a historic year, 150 years from our company's founding. We started the new Medium-term Business Plan (FY2023-2025) focusing on "business selection and concentration of business" in this historic year. In the business selection and concentration, all businesses have been classified into "strengthening business," "maintaining profit business," "non-focused business," or "direction-changing business" and the positionings of these have been clarified. In particular, the "strengthening business" centering on the Industry Business is positioned as our growth driver. In this business, we will allocate management resources intensively to achieve further growth of sales and earnings.

For the growth of the "strengthening business," it is necessary to strengthen intangible assets including intellectual property. In intangible assets, there are various elements such as not only technology and intellectual property but also relationships with customers and organizational structures, and these elements interact each other to form the strength of business. By verbalizing invisible elements, i.e., intangible assets and visualizing the strength of the business, we will convert intangible assets, which are non-financial information, into financial information.

Coincidentally, in the wake of the revision of the Corporate Governance Code in 2021, we are strongly requested for the governance of management of and disclosure to the outside of strategies and investments on intellectual property and intangible assets. In the fiscal year 2023, we incorporated the Corporate Intellectual Property Division into the Corporate Planning Headquarters to overhaul the organizations so that management strategies and intellectual property strategies would interplay more quickly and more deeply. In this Intellectual Property Report, we explain our intellectual property strategies, activity plans, and specific efforts in the new Medium-term Business Plan in particular. I would appreciate it if this Report will assist more effective dialogues with stakeholders and lead to the continuous improvement of our corporate value.