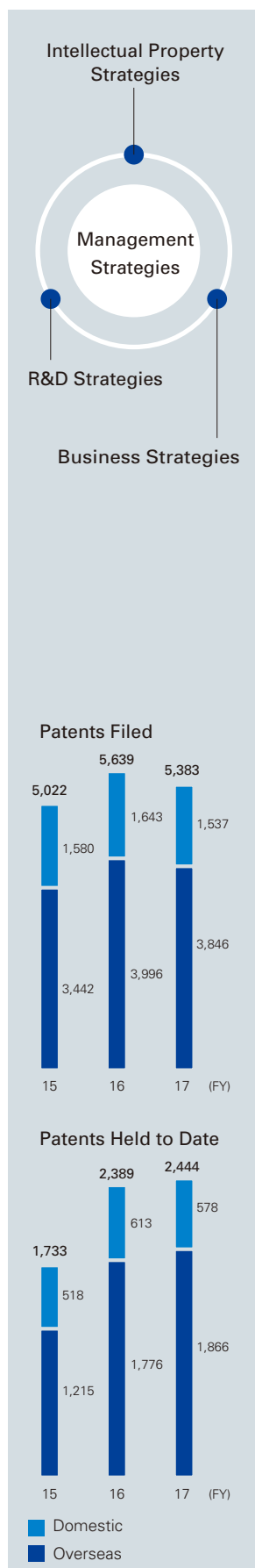


Intellectual Property



Basic Policies on Intellectual Property

Toray Group has formulated and executes the following four intellectual property strategies as its basic policies on intellectual property.

① Intellectual property strategies, as a part of the strategy trinity, that conform to management principles

Toray Group regards intellectual property as one of its vital management resources. We integrate our intellectual property strategies mutually and organically with our business strategies and R&D strategies, and as part of this “trinity,” we designate intellectual property strategies as one of the most important elements of our management strategies.

② Promoting the procurement of rights

In order to protect Toray Group’s products and technologies and to ensure profits in terms of intellectual property, we hold as many useful patent rights as possible and build patent portfolios. At the same time, we pay close attention to efficient patenting by raising the quality of each patent and not making needless applications.

③ Respecting the rights of others

Toray has operated a system for comprehensively investigating the relations between its own products and technologies and patents owned by other companies, and we thoroughly educate employees to prevent infringement on patent rights of other parties.

④ Rightful enforcement of our own rights

When Toray Group’s patent rights are infringed upon by another party, we take proper steps depending on the circumstances by exercising our patent rights, such as demanding that infringement cease, receiving monetary profits from licensing, and using our patent rights for cross-licensing with the patent rights of other parties.

Intellectual Property Strategies in Line with Our Management Strategies

① Promoting global intellectual property strategies of Toray Group

We will promote Toray’s patent applications and patenting in countries other than Japan, particularly in those growth countries and regions where we aim to achieve business expansion in the future. Together with this, we will support global business growth by working to strengthen patent applications and patenting from overseas subsidiaries and affiliated companies to ensure the appropriate protection of inventions created in our bases in each country. We will also establish Group-wide intellectual property strategies that bind Toray Group’s research and technology development for each business field. In addition, we will establish and strengthen patent and trademark management systems at each company in Toray Group.

② Firmly maintaining our technological advantage through strategic patent applications and other such efforts and rolling them out at subsidiaries and affiliated companies in Japan and overseas

At Toray Group, we are working to build patent portfolios with emphasis on the “Green Innovation Business Expansion (GR) Project” and “Life Innovation Business Expansion (LI) Project” while avoiding careless disclosure of technical information through the publication of patent applications. We expect these initiatives to support our businesses in the growth fields as a powerful barrier against entry in the future. We will also spread these efforts to our subsidiaries and affiliated companies in Japan and overseas.

③ Executing intellectual property strategies that are organically linked to our business

In order to promote the execution of intellectual property strategies linked to our individual business activities, Toray Group will strengthen participation in the patent activities of business divisions, and together with this, will work on intellectual property education according to the needs of the individual business divisions.

④ Strengthening utilization of our brand and trademarks

Together with our aim to enhance the value of our technology through technology brands, we will deal strictly with imitation products and other infringements of Toray Group’s trademarks amid surging growth in the number of online transactions.

⑤ Developing human resources to support global intellectual property activities

Toray carries out multifaceted and multilevel education for everyone from management to new employees and front-line sales representatives, covering domestic and overseas patent systems and practice. Additionally, at the Intellectual Property Division, together with encouraging the acquisition of patent attorney qualification, we actively support staff in their efforts to strengthen their foreign language capabilities and dispatch staff to overseas subsidiaries and affiliated companies.

We are also making concerted efforts to provide the same kind of intellectual property education at subsidiaries and affiliated companies in and outside of Japan. Moreover, we will assign intellectual property specialists to companies actively engaging in R&D and work to improve education for researchers and engineers.