

Intellectual property strategies

Intellectual property policy

Over the years, ISEKI Group has produced a great many products, guided by its founding spirit of “freeing farmers from exhausting labor.” Going forward, we will continuously create high-quality intellectual property through active investment in frontrunner research and human resources development, in line with the strategies for our business and products. In addition to incorporating the intellectual property we create into product design, we will seek to monetize it through means including intangible assets such as know-how. This will enable us to enhance our competitiveness as a corporation, thereby boosting our market shares and improving profitability.

> Invention creation and patent strategies

ISEKI Group is strongly driving forward invention proposal activities based on invention proposal themes that are set by considering promising technologies, market trends and needs, and incorporating opinions from the development and sales departments. We also bring together engineers in charge of different products and carry out invention creation activities by systematically grasping agriculture as a whole to improve the quality and quantity of inventions through the horizontal deployment of technology.

Taking into account the future social environment, technological trends, and feasibility of the business, we examine the invention, and then acquire the property rights only for the highly viable ones to protect our proprietary technology and enhance the competitiveness of product development.

> Design and trademark strategies

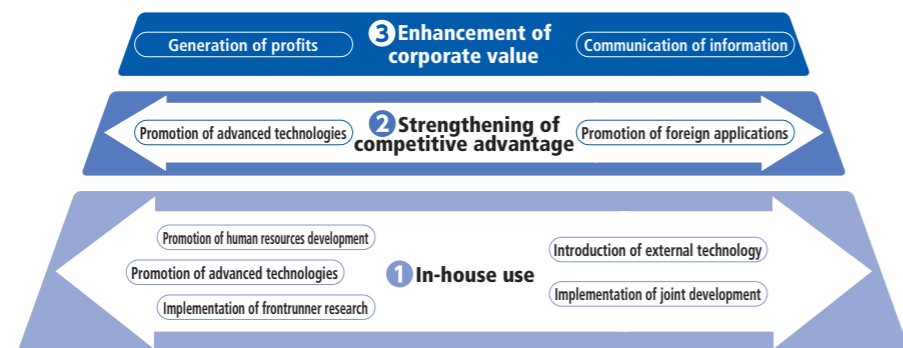
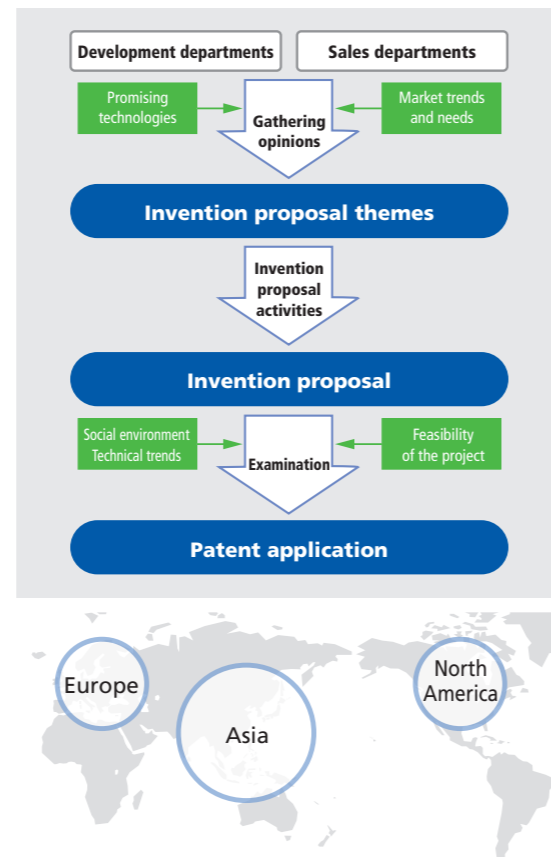
By building up a store of attractive designs and friendly pet names as design rights and trademark rights, we strive to improve ISEKI brand value through differentiation from competitors’ products and enhanced protection of product design.

> Establishment of overseas IP network

We strive to prevent imitations of our products in various regions, including emerging countries, and to prevent infringements of intellectual property rights of other companies by striving to acquire and accumulate valid rights according to the intellectual property systems in multiple countries, where application methods, application examination criteria, and the legal validity of rights vary.

> Use of intellectual property

- In addition to strengthening our defense with our technological foundation and intellectual property through in-house use of intellectual property, we will expand our foundation by making further investments in frontrunner development, joint development (introduction of other companies’ technology), and human resources development.
- Having firmed up this foundation, we will expand the establishment of IP rights for our proprietary technologies and our overseas intellectual property network to strengthen our competitive advantage.
- Further, we will leverage our proprietary intellectual property and intangible assets (drawings, know-how, and brands) to generate profits and enhance corporate value by communicating information to stakeholders. ISEKI is also engaged in technology transfer for agriculture-related products, having signed a technical and business alliance agreement with a major agricultural machinery manufacturer in India.



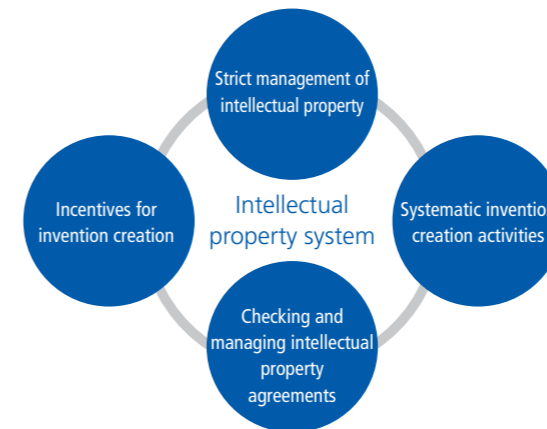
> Intellectual property system

At ISEKI Group, the Intellectual Property Control Department manages intellectual property strictly, from creation to establishment of rights and the waiver of those rights. Incentives such as bonuses and awards are offered for the creation of intellectual property through invention creation activities.

When concluding intellectual property agreements, the Intellectual Property Control Department considers the legal aspects, and checks and manages the agreements.

> Invention awards scheme

To invigorate intellectual property creation activities, awards are presented to young engineers as an awareness-raising exercise. Internal awards are also presented to promote creation activities by sharing outstanding inventions within the development departments. Through the creation of outstanding inventions, we will pursue the enhancement of ISEKI Group’s competitiveness.



> Intellectual property management

Acquisition and management of intellectual property are conducted in accordance with laws and regulations and company rules. Through this, we strive to protect trade secrets and respect the intellectual property rights of other companies. Intellectual property information in Japan and overseas is digitized using an intellectual property management system for the smooth and efficient management and implementation of intellectual property.

Example: Valuation of intellectual property

Based on our value calculation standards and in light of conventional wisdom, we make a reasonable evaluation that enables us to determine the value of a technology and calculate the consideration for the transfer of rights and licensing fees.

> Human resources development

[Intellectual property education, transmission of creative abilities]

- Intellectual property education**
To invigorate employees’ creativity, we provide intellectual property education commensurate with years of experience, including new recruit training. In particular, we promote the enhancement of the creative abilities of young engineers through the transmission of invention creation know-how from veteran engineers to young engineers.
- Technological research presentations**
In order to manufacture products that will be able to contribute to the changing market environment in Japan and overseas, technological research presentations are held to share the outcomes of research and development and invention information and to provide opportunities for discussion, including senior management, with the aim of raising the standard of the Group as a whole.

Outcomes of intellectual property activities: Proof of ISEKI Group’s high technological capabilities

Our proactive efforts to develop, launch and commercialize new technologies are exemplified by the high number of patent application registrations in Japan per specialty field, as well as high patent allowance rates. Taking advantage of the technological capabilities underpinned by our intellectual property, we will strive in business activities that emphasize intellectual property.

Number of patent application registrations per specialty field

Year	2000–2006	2007–2014	2016–2017	2018	2019	2020	2021
Statistics	Number of laid-open applications per specialty field		Number of patent application registrations per specialty field				
Field	Agriculture and fisheries		Other special machinery				
Rank	No. 1		No. 2		No. 1		No. 2

Patent allowance rate

Year	2004–2010	2011	2012–2017	2018	2019	2020	2021
Patent allowance rate*	83.7%–91.8%	91.8%	94.7%–100.0%	96.4%	97.7%	98.7%	97.2%
Rank	No. 1		No. 2	No. 1		No. 2	

*Patent allowance rate = Number of allowed applications / (Number of allowed applications + Number of rejected applications + Number of withdrawn and abandoned applications);
Number of withdrawn and abandoned applications = Number of applications withdrawn or abandoned after notification of reasons for refusal

Number of invention awards received
(The Japan Institute of Invention and Innovation)

National awards for inventions: **19**

Regional awards for inventions: **213**

Total: **232**

(As of February 2023)