Intellectual Property Activities Supporting Research and Innovation

Basic Perspective

One tenet of the Toyoda Precepts, which encapsulates the spirit of our founder, Sakichi Toyoda, states, "Always be studious and creative, striving to stay ahead of the times." Carrying on this spirit, we actively engage in research and innovation. We leverage the resulting intellectual property rights, including inventions and know-how, to support the strategies of each business. Furthermore, by securing intellectual property rights in and outside Japan and preventing infringement, we strive to enhance corporate value through the effective management of intellectual property.

Intellectual Property Activities Aligned with the Technology Roadmap

Technological development is becoming increasingly important to achieving our 2030 Vision. As such, we review what intellectual property is necessary for our business based on the technology roadmap formulated by each technology development department. We also formulate strategies to establish competitive advantages by monitoring competitors' business strategies.

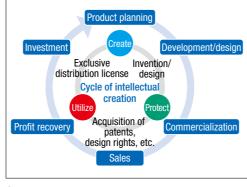
Our business domains are expanding into new technology fields such as IoT, AI, autonomous driving, and carbon neutrality. We maintain a keen awareness of these emerging technologies and strengthen our competitiveness by actively creating intellectual property and intangible assets, including know-how and software, in addition to conventional intellectual property rights. To support this, we have established a dedicated IP landscape team that explores industry trends and prospects. This team timely disseminates intellectual property information that accelerates development and supports our business efforts, ensuring we continue to contribute to society.

Virtuous Cycle of Intellectual Creation

The TICO Group is focusing on strengthening the active use of intellectual properties to further promote a virtuous cycle of intellectual creation.

First, in the "creation" phase, we have appropriately identified inventions generated by business divisions through technological development and established a solid foundation for intellectual property assets.

Next, in the "protection" phase, these inventions are elevated into legally protectable intellectual property rights. We collaborate with the business divisions to carry out the necessary procedures and



Cycle of intellectual creation

provide technical support for patent applications and rights acquisition.

Finally, in the "utilization" phase, we are making active use of rights by leveraging acquired patents to secure market advantages and contribute to revenue. This includes licensing to third parties and maximizing value through a mix of intellectual property rights, including designs, trademarks, and copyrights.

Intellectual Property Activities Leveraging Our Strengths

TICO is committed to creating highly competitive intellectual property in the solution, mobility-related, and synergy areas to enhance corporate value.

In the solution area, we strive to build a robust patent portfolio by complementing our strengths and weaknesses through partnerships and M&As with other companies, mainly in the Logistics Solutions Business.

In the mobility-related area, to strengthen competitiveness in the growing electrification business, we are working to utilize the intellectual property cultivated in our core Car Air-Conditioning Compressor and Electronics businesses while actively discovering new inventions based on intellectual property information.

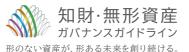
In the synergy area, leveraging the twin strengths in solution and mobility-related areas, we are engaging in activities to enhance intellectual property information analysis capabilities in fields such as fuel cells, AI, and batteries, thereby promoting further innovation.

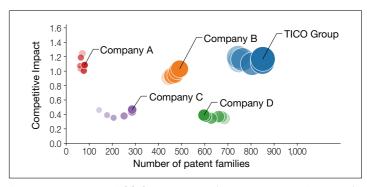
Visualization of Patent Asset Value

We utilize LexisNexis® PatentSight+, a tool developed by U.S.-based LexisNexis, as an objective indicator for analyzing and evaluating the value of our patent assets. Based on the technology roadmap of the Materials Handling Equipment Division, which emphasizes the keywords "automation and labor-saving," "carbon neutrality," and "safety and comfort," we identify the technologies we should possess and build a focused patent portfolio in key markets

of Japan, the U.S., and Europe, where both our subsidiaries and competitors operate. In doing so, we maintain a competitive advantage in both the quantity and quality of our patents.

[Reference guideline] Intellectual Property and Intangible Assets Governance Guidelines





Positioning map of the TICO Group's patents (Materials Handling Equipment)