

Intellectual Property Report 2009

ASAHI KASEI CORPORATION

Local Commendations for Invention (Japan Institute of Invention and Innovation)

Fiscal Year	Commendation	Area	Title
2008	The Encouragement Prize of Invention of the Minister of Education, Culture, Sports, Science and Technology	Kinki	Elastic Polyurethane Fiber with Excellent Chlorine Resistance
	The Encouragement Prize of the Commissioner of Japan Patent Office	Kyushu	Development of Silicone Macromer for Contact Lenses
	The Encouragement Prize of the Chairman of HATSUMEI KYOKAI (JIII)	Kanto	Development of Aluminum Paste with High Brightness and Flip-Flop
	The Prize of the Honorary Director of Miyazaki Branch of HATSUMEI KYOKAI (JIII)	Kyushu	Polyamide with High Stiffness and Excellent Appearance
	The Encouragement Prize for Invention	Kanto	Long Life Home and Maintenance Program
2007	The Encouragement Prize of Invention of the Minister of Education, Culture, Sports, Science and Technology	Chugoku	Process of DPC Production without Using Phosgene
	The Prize of the Honorary Director of Shizuoka Branch of HATSUMEI KYOKAI (JIII)	Kanto	Technology for Producing Reagent for Diagnosis of Diabetes
	The Prize of the Honorary Director of Kanagawa Branch of HATSUMEI KYOKAI (JIII)	Kanto	Styrene Hydrogenated Block Copolymer and Polypropylene Resin Composition Containing the Same
	The Encouragement Prize for Invention	Chugoku	Industrial Process for Production of MMA by Direct Methyl-Esterification
	The Encouragement Prize for Invention	Kanto	Shape of Joints between ALC Wall Panels
	The Encouragement Prize for Invention	Kanto	Lightweight Aerated Concrete Panel with Patterns
	The Encouragement Prize for Invention	Kanto	Phenolic Foam
2006	The Encouragement Prize of the Chairman of HATSUMEI KYOKAI (JIII)	Chugoku	Catalyst for 2nd Stage Reaction in Direct Methyl-Esterification to Produce MMA
	The Encouragement Prize of the Chairman of HATSUMEI KYOKAI (JIII)	Kinki	Polyethylene Microporous Membrane and Lithium-Ion Battery Separator
	The Encouragement Prize of the President of Japan Patent Attorneys Association	Kyushu	Stretchable Polyester False-Twist Fibers and Production Thereof
	The Encouragement Prize for Invention	Kanto	Masterbatch-Based Hardener for One-Part Epoxy Composition
	The Encouragement Prize for Invention	Kanto	Speech Processing Apparatus and Method
2005	The Encouragement Prize of the Commissioner of Japan Patent Office	Chugoku	Production Method for Environmentally Friendly Polycarbonate Resin
	The Encouragement Prize of the Chairman of HATSUMEI KYOKAI (JIII)	Kyushu	Technology Relating to InAs Quantum Well Type Hall Element
	The Prize of the Honorary Director of Miyazaki Branch of HATSUMEI KYOKAI (JIII)	Kyushu	Microcrystalline Cellulose with High Compactability for Medicine and Food
	The Prize of Oita Prefectural Governor	Kyushu	Network Porous Hollow-Fiber Membrane
	The Encouragement Prize for Invention	Kinki	One-Decitex PP Spunbond Nonwoven Fabric
	The Encouragement Prize for Invention	Kinki	Stretchable Lining Fabric and Method for Producing the Same
	The Encouragement Prize for Invention	Chubu	Heat Shrinkable Film Suitable for High-Speed Continuous Packaging
	The Encouragement Prize for Invention	Kanto	Mass Production of Enzyme by Gene Recombination
	The Encouragement Prize for Invention	Kanto	Catalyst for 1st Stage Reaction in Direct Methyl-Esterification to Produce MMA
	The Encouragement Prize for Invention	Kanto	Seismic Damping System for Steel Framed Building



INTELLECTUAL
PROPERTY



1 Organization for Intellectual Property

Corporate IP, part of New Business Development in the holding company of the Asahi Kasei Group, is the organization responsible for management of intellectual property (IP) for the entire Group. Corporate IP also formulates and executes IP strategy for the Group, and provides the shared infrastructure for the Group's IP functions.

Each core operating company of the Group also has its own organization for management of IP rights, including their acquisition, maintenance, and enforcement. The IP organizations of the core operating companies are staffed with liaison personnel of Corporate IP, and with concurrent positions in the core operating companies, these personnel work to identify IP, secure IP rights, and enforce those rights in concert with each core operating company's own management strategy and R&D strategy. They also formulate IP strategies for the core operating companies and advance coordination with inventors.

Certain functions identified for reinforcement are shared by Corporate IP throughout the Group. Corporate IP also provides Group-wide services performed by the dedicated specialist personnel of its Strategic Licensing

Group, Trademark Group, Technical Information Group, and Planning & Control Group.

2 Intellectual Property Strategy

Basic Policy

In the Asahi Kasei Group, the management strategy, IP strategy, and R&D strategy of each operation are integrated as one, with the creation of new businesses as an important management task. IP activities are advanced in direct connection with the management of operations to gain business advantage by the steady acquisition of IP rights from R&D results, enabling the creation of new businesses and the securement of profitability in existing businesses.

The core operating companies take the lead in formulating IP strategy for each operation in line with the relevant business characteristics. Essentially, equal emphasis is placed on the quality and the quantity of patents. The primary focus is on strengthening existing businesses, and strategic licensing is performed when it is deemed an effective means to heighten the contribution of IP rights to our own business operations.

A relationship of mutual trust and reliance is fostered between the personnel working on IP and those working on R&D, as the IP and R&D functions advance in close coordination to strengthen business operations.

Thorough Patent Searching

The Asahi Kasei Group considers reliable and effective patent searching to be vital, and thorough patent searches are performed at critical phases in the process of developing patent rights. It has become part of the corporate culture that the patent search is routinely utilized to help clarify the positioning of businesses and technologies, and facilitates the development of the optimum IP portfolio.

Having the acquisition and maintenance of effective IP rights as a guiding objective for R&D is an important key to advancing the expansion of high-earnings operations and the development of businesses that create value for the customer.

Overseas IP Strategy

The securement and enforcement of firm IP rights play an important part in the expansion of global businesses as a pillar of strategy in the Asahi Kasei

Group's mid-term management initiative. To support the effort to enhance IP worldwide, personnel from Corporate IP are stationed in the three key markets of Europe, the US, and China. As China continues to grow in importance for our business operations, IP strategy in China in particular has become an essential point of focus.

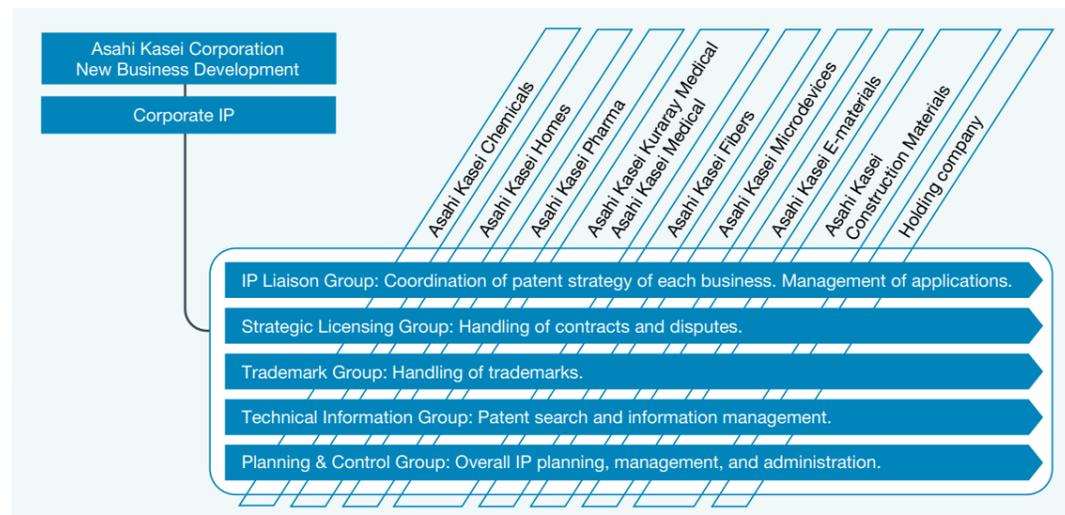
The ongoing reinforcement of IP in these three key international markets and throughout the world will prepare the ground for further expansion of global operations.

IP Portfolio

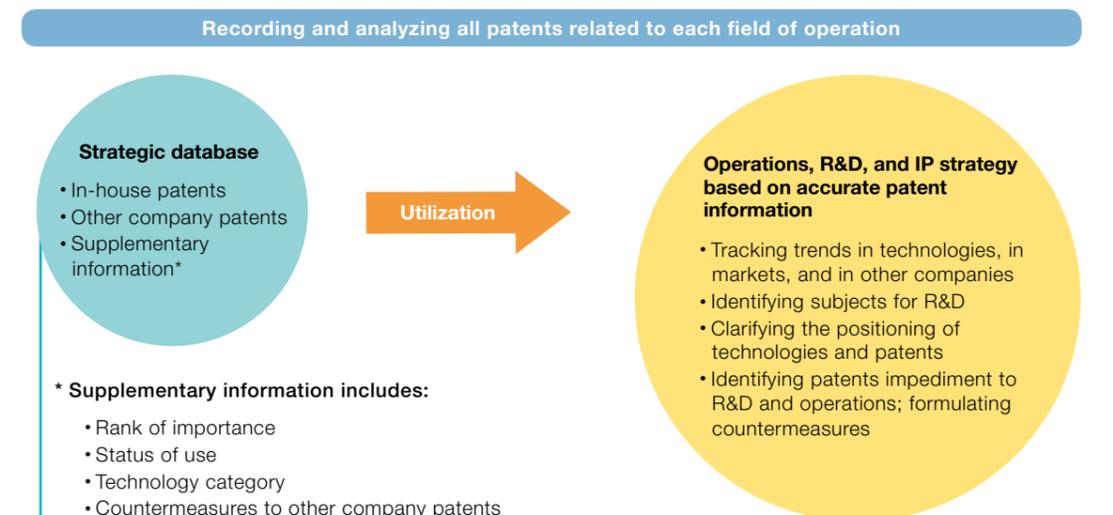
The Asahi Kasei Group maintains a strategic database of patent information to enable its strategic analysis in the management of its IP portfolio. Key aspects of the utilization of this strategic database include 1) tracking trends in technologies, in markets, and in other companies, 2) identifying subjects for R&D, 3) clarifying the positioning of technologies and patents, including those of other companies, and 4) identifying patents which would pose an impediment to R&D and to business operations, and formulating countermeasures.

One unique characteristic of this strategic database is the inclusion of supplementary information specific to each individual patent (both in-house patents and other company patents) as related to each R&D project.

ASAHI KASEI GROUP ORGANIZATION FOR IP



STRATEGIC DATABASE OF PATENT INFORMATION



The supplementary information includes a rank of importance, status of use, technology category, and countermeasures to other company patents.

Using this strategic database, the IP Liaison Group and the Technical Information Group of Corporate IP work closely together with each R&D organization to formulate and implement countermeasures in response to other company patents as well as plans for in-house patent applications.

3 Number of Patents and Patent Applications

The Asahi Kasei Group works to continuously maintain a patent portfolio that will secure market superiority in business operations. The patent portfolio is reviewed annually to determine whether to file patent applications and whether to maintain or abandon patents and applications, as well as the feasibility of licensing.

Number of Patents Held (As of December 31, 2008)

Patents held in the Asahi Kasei Group play an important role in supporting and enabling successful business. Among Japanese patents, those

in practice amount to 47% (49% in the previous year) of the total. Combined with those scheduled to come into practice, this rises to 66% (68% in the previous year). The 34% of the total which is classified as “defensive and other” includes many strategically essential patents which serve to inhibit the entry of competitors.

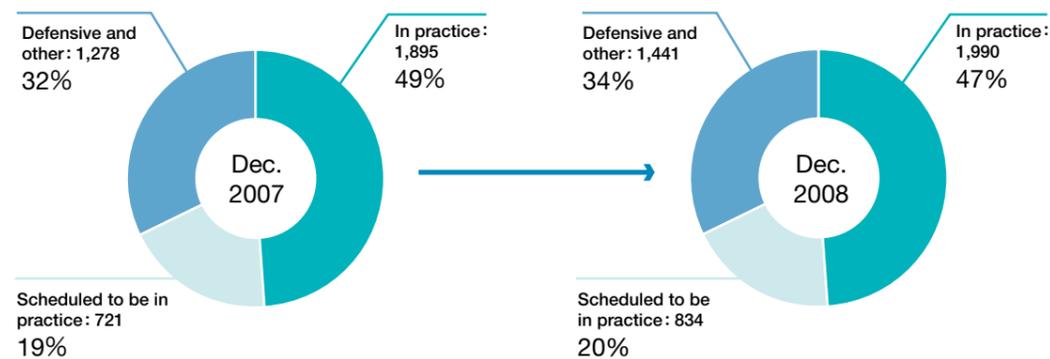
The number of patents held overseas is steadily rising with patent protection playing an increasingly important role for global operations.

4 Strategic IP Management

Management of IP Rights

The acquisition, maintenance, and enforcement of IP rights are performed in accordance with the Asahi Kasei Group’s Corporate Intellectual Property Management Regulations. Patent application procedures and the storage and management of patent information are almost fully computerized, enabling the swift exchange of information with researchers and patent law firms located around the world. We enhance close communication and coordination with patent law firms as important strategic partners in the management of IP.

JAPANESE PATENTS



Number of IP Rights, by Segment

As of December 31, 2008

		Chemicals	Homes	Health Care	Fibers	Electronics	Construction Materials	Services, Engineering and Others	Holding company	Total
Japanese Patents	In practice	1,033	156	108	229	244	108	71	41	1,990
	Scheduled to be in practice	358	21	38	62	153	20	4	178	834
	Defensive and other	855	26	138	161	173	66	3	19	1,441
	Total	2,246	203	284	452	570	194	78	238	4,265
Overseas Patents	U.S.	578	0	129	86	116	10	7	104	1,030
	Europe	960	0	293	184	98	46	3	143	1,727
	Asia	1,166	0	88	202	179	23	5	107	1,770
	Other	154	0	22	24	3	7	0	12	222
	Total	2,858	0	532	496	396	86	15	366	4,749
Trademarks	Japanese	594	329	571	1,973	52	225	39	234	4,017
	Overseas	748	0	279	828	122	20	0	182	2,179
	Total	1,342	329	850	2,801	174	245	39	416	6,196

As of December 31, 2007

		Chemicals	Homes	Health Care	Fibers	Electronics	Construction Materials	Services, Engineering and Others	Holding company	Total
Japanese Patents	In practice	1,066	122	114	198	217	96	65	17	1,895
	Scheduled to be in practice	268	19	45	59	120	25	1	184	721
	Defensive and other	801	35	109	153	101	58	4	17	1,278
	Total	2,135	176	268	410	438	179	70	218	3,894
Overseas Patents	U.S.	516	0	143	84	100	1	7	86	937
	Europe	899	0	297	239	95	9	3	138	1,680
	Asia	1,092	0	77	222	161	17	5	76	1,650
	Other	201	0	30	33	10	4	0	49	327
	Total	2,708	0	547	578	366	31	15	349	4,594
Trademarks	Japanese	591	312	593	2,096	50	213	40	232	4,127
	Overseas	772	0	270	835	114	18	0	175	2,184
	Total	1,363	312	863	2,931	164	231	40	407	6,311

Number of Patent Applications, by Segment

From January 1, 2008, to December 31, 2008

	Chemicals	Homes	Health Care	Fibers	Electronics	Construction Materials	Services, Engineering and Others	Holding company	Total
Japanese	529	121	55	69	199	49	7	189	1,218
Overseas	74	0	31	9	33	5	1	16	169
Total	603	121	86	78	232	54	8	205	1,387

From January 1, 2007, to December 31, 2007

	Chemicals	Homes	Health Care	Fibers	Electronics	Construction Materials	Services, Engineering and Others	Holding company	Total
Japanese	442	100	43	116	135	33	10	141	1,020
Overseas	78	0	27	8	30	0	1	8	152
Total	520	100	70	124	165	33	11	149	1,172

Managing Trade Secrets and Preventing Unauthorized Technology Outflow

Thorough management of trade secrets and other confidential information in the Asahi Kasei Group is performed in accordance with its Secrecy Maintenance Regulations, Basic Regulations for Information Systems for information in digital format, and Personal Information Management Regulations for information about individual people.

The Asahi Kasei Group implements strict measures to prevent unauthorized or unintentional outflow of technological information and know-how in accordance with its basic policy and management standards for prevention of technology outflow. The Asahi Kasei Group also applies internal guidelines summarizing related precautions to take when entering business overseas as well as procedures to ensure the preservation of prior-use rights in China.

To raise awareness and understanding regarding such issues among personnel, a wide range of education and training measures are performed.

Corporate Brand Strategy

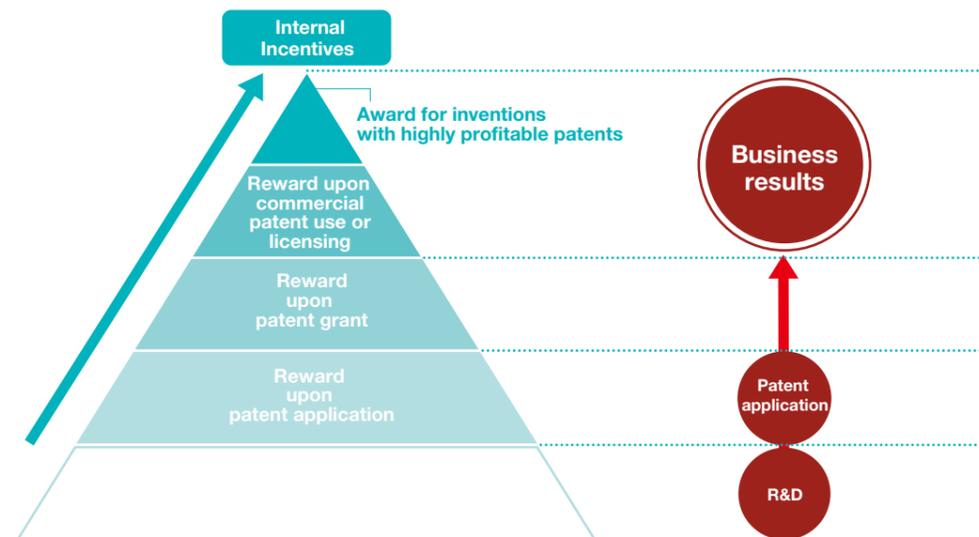
In 2001, the name of the parent company was changed from Asahi Chemical Industry Co., Ltd. (*Asahi Kasei Kogyo Kabushiki Kaisha* in Japanese) to Asahi Kasei Corp. (*Asahi Kasei Kabushiki Kaisha* in Japanese), eliminating the linguistic differential between “Asahi Chemical” and “Asahi Kasei” by unifying on the latter for use consistently worldwide. The trade name “Asahi Kasei” has now been registered in 76 countries. At the same time, a new global brand logo combining “Asahi” with “KASEI” in upper case was adopted for use throughout the world, replacing both the Japanese logo using the Chinese ideographs for “asahi” “kasei” and the “Asahi Chemical Industry” logo which had been used outside Japan.

In 2007, the original graduated color scheme for the logo was replaced with a solid coloration in the designated Asahi Kasei Blue. To further enhance brand recognition in the vital Chinese market, a variant combining the standard logo with the Chinese ideographs for “asahi” “kasei” “group” was also adopted.



Global brand logo and logo for use in China

SYSTEM TO REWARD INNOVATION



5 Incentives for Innovation

Incentives for employee innovation include lump-sum rewards upon application for and grant of patents, and special rewards for inventors who make exceptional contributions to business operations. In April 2005, the invention reward system was revised, eliminating any theoretical limit on rewards and giving inventors a generous reward when a patented invention is commercialized. Such incentives serve to focus the minds of our young researchers on the objective of obtaining IP rights. The incentive system is continuously reviewed, and further revisions are made as deemed effective in fostering greater motivation to obtain IP rights which make valuable contributions to operations in line with the IP strategy of each business.

6 Human Resource Development

Recognizing human resources as an essential key to the execution of its IP strategy, the Asahi Kasei Group implements a comprehensive range of measures for the education and training of personnel in matters related to IP. The systematic program begins with orientation for new employees, and includes uniform training sessions for technical personnel and for marketing personnel throughout the Asahi Kasei Group. In addition, “e-learning” programs are made available on the corporate intranet to enable personnel to further enhance their practical knowledge related to IP rights.

Major External Commendations (Fiscal 2005 – Fiscal 2008)

Fiscal Year	Commendation	Organization	Title
2008	Medal with Purple Ribbon	Government of Japan	Development of Novel Process for Polycarbonate Production from CO ₂ without Using Phosgene
	National Commendation for Invention The Invention Prize	Japan Institute of Invention and Innovation	The Catalyst for the 2nd Stage Reaction in the Direct Methyl-Esterification to Produce MMA
	The CSJ Award for Technical Development	The Chemical Society of Japan	Direct Methyl Esterification Route for MMA – Development of Its Catalytic Chemistry and Process Engineering –
	The Award of the Society of Polymer Science, Japan	The Society of Polymer Science, Japan	Development of Microporous PE Film which Contributed to Dissemination and Innovation Lithium Ion Battery
2007	The Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology	Ministry of Education, Culture, Sports, Science and Technology	Development of Novel Antileukemic Drug of N4-Behenoyl Cytosine Arabinoside
	The Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology	Ministry of Education, Culture, Sports, Science and Technology	Development of Novel Process for Polycarbonate Production from CO ₂ without Using Phosgene
2006	Medal with Purple Ribbon	Government of Japan	Development of Novel Process for Producing Polyacetal Resin
	National Commendation for Invention The Prize of the Chairman of HATSUMEI KYOKAI (JIII)	Japan Institute of Invention and Innovation	Rare Earth Permanent Magnetic Material
	The CSJ Award for Technical Development	The Chemical Society of Japan	Development and Industrialization of the Filter Designed Specifically for Virus Removal
2005	The Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology	Ministry of Education, Culture, Sports, Science and Technology	Development of Oil-Extended SBR Containing Functional Groups for Silica Tires
	The Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology	Ministry of Education, Culture, Sports, Science and Technology	Development of Novel Catalyst Reaction Using High-Concentration Heteropoly Acid Solution
	The Award of the Society of Polymer Science, Japan	The Society of Polymer Science, Japan	Development and Industrialization of Novel Process for Polycarbonate Production from CO ₂ without Using Phosgene
	The Okochi Memorial Grand Technology Prize	Okochi Memorial Foundation	Development and Industrialization of Polycarbonate Production Process Using CO ₂ as a Raw Material