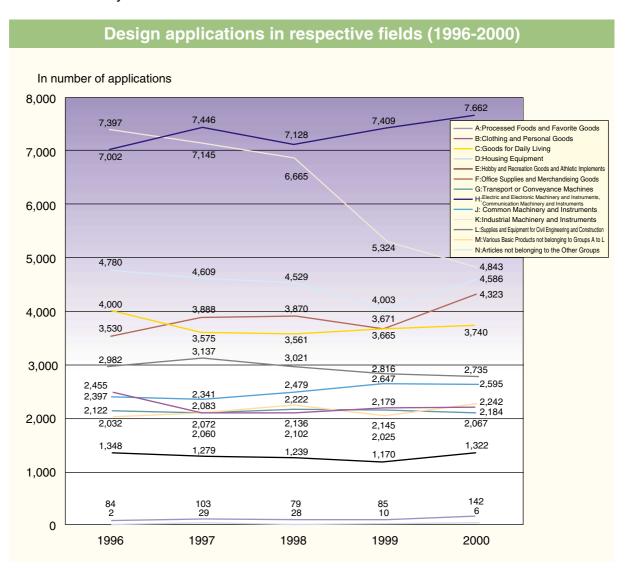
Design Application Trends

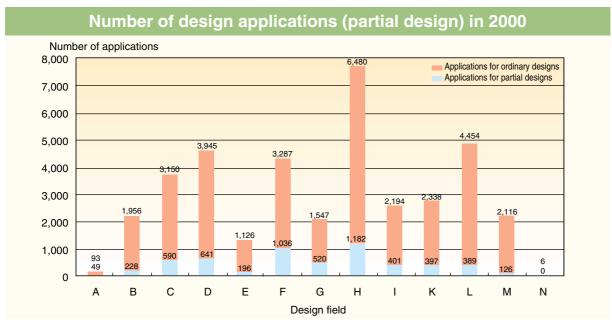
After 1990, the number of design applications per year remained between 38,000 and 40,000. This may suggest that design development in industry has remained relatively stable in recent years.



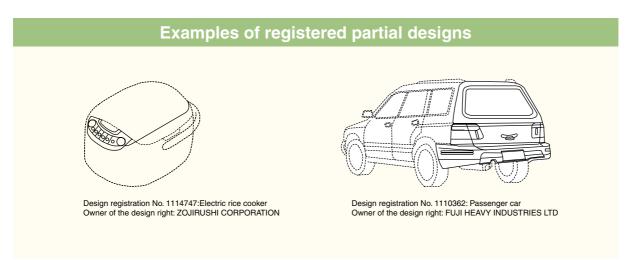
Concerning the recent trend of design applications in respective design fields, the number of applications in group L (Supplies and Equipment for Civil Engineering and Construction) greatly declined, and a noticeable downward tendency can be seen with civil engineering products, prefabricated houses and construction materials. On the other hand, the number of applications in group D (Housing Equipment) has turned upward, and applications for furniture, air conditioners and the like are recovering. In the housing-related industry, design development can be said to be shifting from external structures such as houses to living-related products such as furniture.

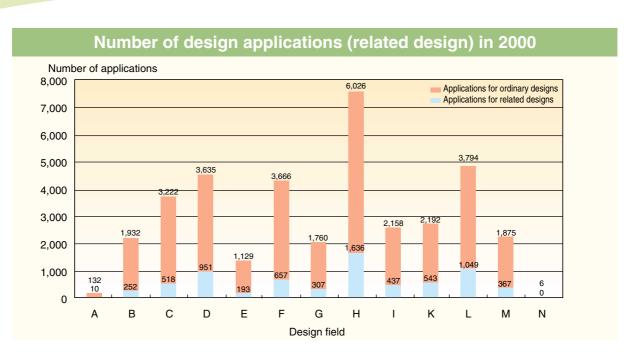
The number of applications in group H (Electric and Electronic Machinery and

Instruments, Communication Machinery and Instruments) keeps growing at a rapid pace due to the dramatic progress in the IT industry. In this field, efforts are being devoted not only to technological development but also to the development of user-oriented product designs. This results in an increase of design applications for such machinery or instruments as personal computers and cellular phones.



The partial design registration system ,a characteristic of the revised Design Law which came into force in January 1999, has shown a steady increase in its rate of use. In 1999, applications for partial designs accounted for about 15% of total applications, in 2000 it accounted for 17%, and as of September 2001 about 20%. The proportion of applications for partial designs is therefore increasing, and it is considered that the importance of partial designs will continue to rise in the future.

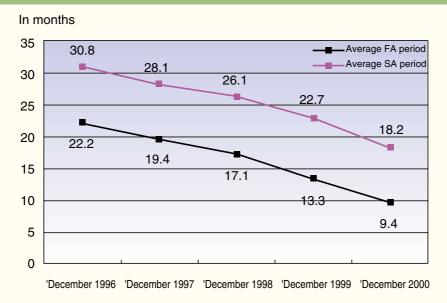




The related design registration system, introduced in January 1999, like the partial design registration system, is used relatively frequently, especially in group D (Housing Equipment), group H (Electric and Electronic Machinery and Instruments, Communication Machinery and Instruments) and group L (Supplies and Equipment for Civil Engineering and Construction). In these fields, two or more design variations are created from one original design concept. By registering these designs as related designs strengthening of protection and clarification of the scope of rights is possible.



Changes of average FA and SA periods (1996-2000)



[First action period (FA period)]

The examiner's first examination result notice to an applicant is called a first action (ex. Decision of registration or Notification of reason for refusal). The first action period, the time from the filing date to the dispatch date of the notice (FA period), means the period in which the primary examination by the examiner is completed.

[Second action period (SA period)]

The examiner's second examination result notice after receipt of a response from an applicant pursuant to a first action is called a second action (ex. Decision of registration after notification of reason for refusal or Decision of refusal). The period from the filing date to the dispatch date of the notice is called the second action period (SA period).

The disposal of design examinations has been expedited drastically during the past five years. At present, first actions are taken in about 9 months on average (some are taken as early as 3 months) after the filing date. It is intended to further shorten the examination period in FY 2002, aiming at the establishment of a design right within one year after the filing date for those applications without any defects in registration.