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Management System

Ever since Panasonic was founded, we have always placed an emphasis on intellectual property based on the idea that business is founded on intellectual property. We continue to work toward business growth and corporate value today, but what has changed is that we have begun to take aim at solving some of the social issues through our acquisition, management, and effective use of intellectual property.

The Panasonic Group has codified this basic stance on intellectual property in our Basic Rules for Intellectual Property Matters, which applies to the entire Group, and endeavors to properly execute intellectual property activities and establishing a foundation for those activities.

We respect the intellectual property rights of third parties, including our suppliers and our business partners, and we do our best to avoid infringing on them. This approach is also codified in our Panasonic Group Code of Ethics & Compliance and we conduct regular education to ensure that employees adhere to it.

Policy

The Panasonic Group conducts our intellectual property activities with the goal of ensuring the superiority and safety of our business both now and into the future through strategic proposals for business from an intellectual property perspective; the acquisition, protection, and use of global intellectual property; and prevention and resolution of disputes related to intellectual property.

Furthermore, in recent years we have begun to look at how we can contribute to solutions to social issues, which has led the Group to undertake approaches involving external organizations that include commercialization and valuation for intellectual property as intangible assets, including data.

Responsible Executive and Framework

The Group Chief Technology Officer is the executive officer responsible for IP for the Group (as of August 2022).

The Intellectual Property Department at the Group's holding company, Panasonic Holdings, and the Intellectual Property Center at Panasonic Operational Excellence Co., Ltd., which was established as a firm to house our advanced specialist human resources in a wide variety of fields, are in charge of establishing and promoting the Group's intellectual property strategies.

We have also created an intellectual property division within each Operating Company, and each Operating Company establishes and promotes intellectual property strategy within that Operating Company.

We use trust among Persons Belonging to Same Group of Companies as defined in Article 51 of the Trust Business Act to promote a wide array of intellectual property work meant to integrate and commercialize the work related to intellectual property being done within the Group at Panasonic IP Management, Co., Ltd., a wholly owned subsidiary.

Major Approaches

■ Acquiring Intellectual Property Rights and Reward System

Panasonic Group has been building up a global portfolio of intellectual property in line with our IP strategy, which in turn is based on our business strategies and research and development strategies. The table below shows the number of new applications for patents, utility models, or design rights made by Panasonic Group in fiscal 2022 and the number of patents, utility models, designs, and trademarks held by the Group as of March 2022.

Fiscal 2022 Number of applications	Number of applications for patents, utility models, and designs: roughly 15,000 (including roughly 8,600 outside Japan)
As of March 2022 Number of rights held	Number of patents, utility models, and designs owned: Total roughly 100,000 (including roughly 58,000 outside Japan)
	Number of trademarks held: roughly 16,000 (including roughly 11,000 outside Japan)

The Panasonic Group also has a reward system for inventors designed to increase their motivation and help invigorate their inventions and creative endeavors, and we operate this system in a fair and just manner based on the laws and regulations of each country. For example, the standard for reward is decided through agreements with employees and shared with them, and we also have a system in place to solicit feedback from inventors about the reward system.

■ Contributions to Building Relationships for Joint Innovation

The Panasonic Group aims to contribute to solutions to the social issues through our business activities, and in our intellectual property activities as well, it is crucial that we contribute to solutions to social issues by building friendly relationships for joint innovation with our customers and different types of other partners we work with, and we are promoting new intellectual property strategies in the interest of achieving that aim.

To take the field of electric vehicle batteries as a specific example, the Group has been able to speed up collaborations and build out supply chains geared toward solving climate issues by combining our strength in having developed technologies that balance high quality and high reliability with low cost and the intellectual property pertaining to the same with the strengths of our partner companies. We are

also working to build optimal relationships for joint innovation in fields like energy management and materials through approaches that combine a variety of intellectual property activities, including a search for partner companies with the use of intellectual property information, the creation of an intellectual property portfolio that is mindful of how it will be used by the joint innovation partner, and the establishment of detailed relationships for joint innovation with contracts.

■ Participation in WIPO Green

WIPO GREEN, established by the World Intellectual Property Organization (WIPO) supports global-scale approaches against climate change through connecting key stakeholders when it comes to environmentally-conscious innovations using its database and networks. The Panasonic Group agrees with this mission and has registered environmentally-friendly underwater plasma technologies, artificial photosynthesis technologies, and gas sensor technologies.

■ Anti-counterfeit activities

Unauthorized use of brands, designs, and other intellectual property have a negative impact not only on companies (brand owners) but also on society. Counterfeit products undermine a company's reputation, which damages its credibility in the eye of its customers. The counterfeit products lead to defective quality concerns, and they can cause accidents and injuries to our customers. Therefore, imitations hinder the creation of a healthy society, such as through:

- Economic losses: decreasing tax revenues, less business incentives to develop new products and innovation.
- Security issues: potential sources of funds for criminal/terrorist organizations, increasing threats to national security.
- Environmental problems: disposal of seized counterfeit goods

Thus, aiming to eliminate counterfeit goods should be considered a Corporate Social Responsibility. Our policy of anti-counterfeit activities is to protect customers' safety and intellectual property, including brands, as well as to solve the social issues caused by counterfeit products. In 2019, measures against counterfeit products were added to the Japanese government's SDGs Action Plan, thanks in part to advocacy from the Panasonic Group. At present, we are working in partnership with the Japanese government, other companies, and the governments of other countries at the International Intellectual Property Protection Forum (IIPPF) to take action based on the idea that eliminating counterfeit products will contribute to achieving SDGs. The IIPPF is an industry organization that aims to resolve the counterfeit issue, and it consists of 288 members (companies and organizations).

Recent trends show a rapid increase in the number of counterfeit goods sold online, in addition to those sold in actual markets. Online sales make selling counterfeit products easier globally than conventional retail methods—transactions are made easily and carried out before the buyer ever sees the actual product, meaning that there is an increasing risk that consumers could purchase them by mistake. Panasonic Group believes that it is more critical than ever that rights holders work together with consumers to eliminate counterfeit goods and work aiming to create a better world.

Evaluations

Panasonic Group has been recognized as a Clarivate Top 100 Global Innovator 2022 chosen by London-based Clarivate. The award that Panasonic Group received is given to companies that are leaders in global business because they are successful in protecting and commercializing their unique inventions and ideas through intellectual property rights. Of the 100 companies honored on the 2022 list, 35 were from Japan. Panasonic Group has been on this list since its inception, 2022 being our 11th consecutive year.

The Panasonic brands were also honored in Clarivate's Top 100 Best Protected Global Brands in 2021 is a testament to the fact that the Group's brand is properly protected.