

Intellectual Property

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Panasonic group strives to appropriately acquire, protect, and utilize technologies, know-how, designs, brands, and other achievements obtained through R&D and other business activities as intellectual property.

By implementing our group's intellectual property in various ways, such as commercialization in our group and co-creation with other companies as well as striving to respect the intellectual property of third parties in our group's business activities, Panasonic Group aims to achieve business growth in our group and achieve solutions to social issues.

Policy

Based on the spirit of "IP (intellectual property) before business" since its founding, Panasonic Group has been promoting intellectual property activities, aimed at ensuring the advantage and safety of its business now and in the future and helping address social issues, by proposing IP-based strategies for its business; acquiring, protecting, and utilizing global intellectual property; and preventing and resolving disputes related to intellectual property.

To consistently achieve these goals, the Group has established its "Basic Rules for Intellectual Property Matters" that apply to the entire Group. We are working to appropriately pursue our intellectual property activities and establish a foundation for our initiatives. In addition, we respect the intellectual property of our suppliers, business partners, and other third parties and do our best not to infringe on them. That is also a stipulation in the "Panasonic Group Compliance Code of Conduct," and we provide regular education to ensure that all employees comply with it.

Responsible Executive and Framework

The Group Chief Technology Officer is the executive officer responsible for intellectual property for the Group (as of August 2024).

The Intellectual Property Department at the Group's holding company, Panasonic Holdings Corporation ("PHD"), is in charge of establishing and promoting the Group's intellectual property strategies. We have also established an intellectual property division at each operating company, and each intellectual property division establishes and promotes intellectual property strategy of each operating company. PHD's Intellectual Property Department and the intellectual property divisions of each operating company work together to promote intellectual property strategies, thereby creating group synergy.

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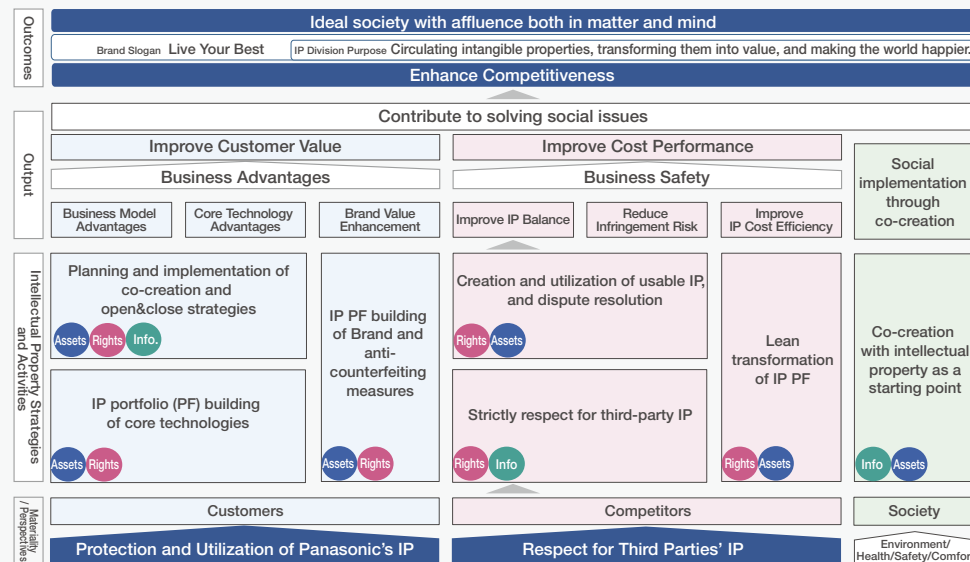
In addition, the Intellectual Property Department at Panasonic Operational Excellence Corporation (“PEX”) which has highly specialized personnel, and Panasonic IP Management Corporation (“PIPM”), a subsidiary of PEX, are advancing a wide range of intellectual property operations on a global basis.

PIPM was established as a wholly owned subsidiary to integrate and commercialize the Group’s intellectual property operations, and is advancing intellectual property operations by utilizing the “Trusts among Persons Belonging to Same Group of Companies” as stipulated in Article 51 of the Trust Business Act.

Major Initiatives

Intellectual Property Strategy Framework

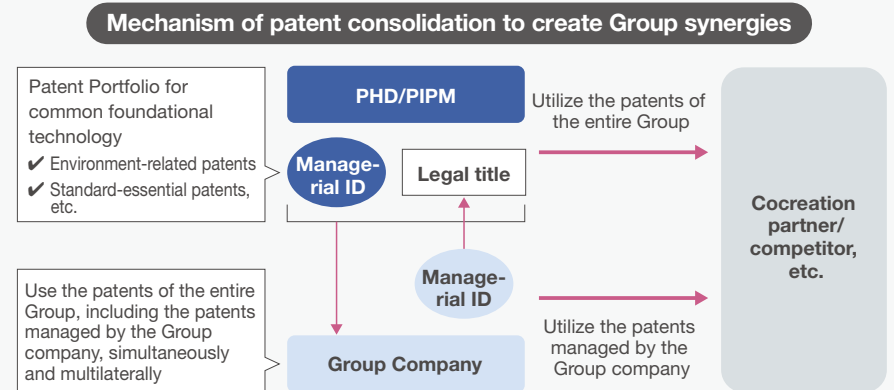
The Group has formulated an Intellectual Property Strategy Framework through discussions at Board of Directors meetings (see figure below). This framework shows that our intellectual property (IP) strategies and activities, conducted from the perspectives of “customers,” “competitors,” and “society” based on our materiality, will contribute to “business advantages” and “business safety” as well as “social implementation through Co-creation with intellectual property as a starting point”, and that these will contribute to solving social issues and ultimately lead to the vision we are aiming for. These strategies and activities are embodied in the framework based on each aspect of intellectual property: “rights,” “assets,” and “information.” For example, from a “customer” perspective, strategies and activities such as planning and implementation of



“co-creation and open & closed strategies” and “IP portfolio (PF) building of core technologies”, will lead to output in the form of “improvements in customer value.” From the “competitors” perspective, strategies and activities such as “dispute resolution”, “strict respect for third-party IP”, and “lean transformation of our IP portfolio (e.g., abandoning unnecessary IP)” will lead to output in the form of “improvements in cost performance.” From the “social” perspective, strategies and activities such as “Co-creation with intellectual property as a starting point” will lead to outputs such as “social implementation through co-creation” (e.g., commercialization of environmental technologies through co-creation with other companies). These outputs will lead to our goal of “enhance competitiveness” and realizing “an ideal society with affluence both in matter and mind.” PHD uses KPIs shared across the Group to monitor each strategy and activity indicated in the framework, and provides support for priority themes.

Mechanisms for consolidating patents and other assets to create group synergies

The Group has set up a mechanism to consolidate patents and other forms of industrial property to PHD so that they can be utilized as assets of the entire Group simultaneously and multilaterally. PHD and its subsidiary, PIPM utilize (e.g. license) the patents, etc. of the entire Group. These include patents related to common foundational technology and patents with legal title consolidated from our Group companies. The Group companies in Japan that are subject to this mechanism manage the patents, etc. they have created or obtained (i.e., they retain the “Managerial ID” (Managerial code) as the identification of responsibility for managing such patents, etc.), and such Group companies bear the costs and receive the revenues from them, even after their legal title has been consolidated to PHD. The Group company can then use the patents, etc. of the entire Group, and externally utilize those for which it holds the Managerial ID. The Group promotes both internal and external co-creation, etc., using this mechanism (see figure below).



■ 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 following table shows the fiscal 2024's R&D expenses; the number of new applications for patents, utility models, or design rights made by Panasonic Group in fiscal 2024; and the number of patents, utility models, designs, and trademarks held by the Group as of March 2024.

R&D expenses in fiscal 2024	491,200 million JPY (the ratio of R&D expenses to sales: 5.8%)
Number of applications in fiscal 2024	Number of applications for patents, utility models, and designs: Total roughly 16,000 (including roughly 9,200 outside Japan)
Number of rights held as of March 2024	Number of patents, utility models, and designs held: Total roughly: 98,000 (including roughly 55,000 outside Japan)
	Number of trademarks held: Total roughly 16,000 (including roughly 11,000 outside Japan)

If the Group's intellectual property is not properly protected and utilized, counterfeit or infringing products involving that intellectual property may emerge, causing quality problems, generating inflows of funds to criminal organizations, and other problems that may inhibit sustainable innovation. Going forward, the Group will continue to acquire the results of research and development and business activities in the form of intellectual property, and will strive to further protect and utilize intellectual property.

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 just and fair manner based on the laws and regulations of each country. For example, in Japan, 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.

■ Respect for Intellectual Property of Third Parties

If we infringe on the intellectual property of a third party, there is a risk of causing losses to that third party and inconvenience to our direct and indirect customers due to changes in specifications or interruptions in the supply of our products or services.

The Group conducts its business activities while striving to respect third parties' intellectual property. Our Groupwide internal rules stipulate how to respond when a third party contacts us with a suspicion of intellectual property rights infringement and how to estimate losses in the event of such infringement. The internal rules of each operating company also stipulate

how to conduct investigations, report discovered risks, and follow other processes to prevent infringement of third-party intellectual property rights.

■ Contributions to Building Co-creation Relationships

The Group aims to contribute to solving social issues in its business activities. In addition to facing social issues head-on, contributing to their resolution, and growing our business as a result, we are also promoting a new intellectual property strategy by building a system that connects and cooperates between a wide range of people, goods, and things, and building co-creation relationships based on intangible assets to solve social issues that are difficult for individual companies to address.

Specifically, in September 2023, we opened "Technology Index" for external use. The Technology Index is a system that enables users to easily find and connect with the technology they need by indexing the Group's intellectual property information in easy-to-understand, sensible language that describes the technology's usage scenarios and purposes. Taking the Technology Index as a starting point, we will contribute to accelerating the resolution of social issues, including the resolution of global environmental problems, by circulating intangible assets throughout society.

In addition, by strategically establishing co-creation relationships with other companies, regarding patents and know-how related to environmental technologies, we aim to advance their social implementation and contribute to solving social issues. For example, by allowing our patents to be used by our co-creation partners in the field of vehicle batteries, we are helping to reduce CO₂ emissions by replacing gasoline-powered vehicles with electric and hybrid vehicles. We also believe that if we can create mechanisms for society to evaluate such efforts, it will promote the sharing of the intangible assets necessary to solve social issues. As a first step toward this, we are taking on the challenge of visualizations of the effects of CO₂ reductions, on a trial basis. For example, we estimate that in 2022, the effects of CO₂ reductions of electric vehicles equipped with lithium-ion batteries using our patent is 7.75 million tons (*) of CO₂ emissions.

Addressing social issues such as climate change is not a task that can be handled by the Group alone. The Panasonic Intellectual Property Department believes in a future in which trends of the "circulating intangible properties" will serve as a starting point for a range of stakeholders to move forward, come together, generate social innovation, and make the world a happier place, and will continue to evolve and strengthen its efforts going forward.

Moreover, we believe that addressing social issues requires cooperation from diverse yet connected people, goods, and services, so we are working on open innovation rooted in intangible assets.

*1: The flow method (emissions for the entire lifetime of the vehicle are accounted for in the year of sale) is used to calculate the difference in CO₂ emissions during running (using) between a gasoline-powered vehicle and an electric vehicle equipped with batteries using our patents.

■ Participation in International Initiatives

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-conscious underwater plasma technologies, artificial photosynthesis technologies, and gas sensor technologies.

In August 2022, we became the first Japanese company to join the Low Carbon Patent Pledge (LCPP), whereby patents related to artificial photosynthesis technology are available for free to any individual or organization under the prescribed conditions stipulated by the LCPP.

[WEB The Low Carbon Patent Pledge](https://lowcarbonpatentpledge.org/the-pledge/)
<https://lowcarbonpatentpledge.org/the-pledge/>

■ Anti-counterfeit activities

Counterfeit products that use important corporate assets such as brands and other intellectual property without permission, and piggyback on the brand value built up by the rights holders not only cause quality problems (accidents and injuries) for customers, but also give rise to the following problems for society as a whole and can be an obstacle to the creation of a healthy society.

- 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 anti-counterfeit policies aim to solve the social issues caused by counterfeit products and protect our customers and intellectual property, including brands. 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), an industry organization that aims to resolve the counterfeit issue, to take action based on the idea that eliminating counterfeit products will contribute to achieving SDGs. 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. In response to the recent increase in the number of social media users, we are also implementing new initiatives to share information using social networks.

Example) [WEB https://twitter.com/PanasonicBrand/status/1759463303867466126](https://twitter.com/PanasonicBrand/status/1759463303867466126)

In-House Education and External Consumer Awareness-Raising

Panasonic Group conducts various training and education programs for employees to ensure they thoroughly implement Panasonic's policy on intellectual property. Alongside the above-mentioned employee education on respecting third-party intellectual property, we provide e-Learning on copyright for employees in Japan and overseas in multiple languages, taking into account importance of software in business and the rapid spread of generative AI in recent years. In addition, each operating company also provides training and education on intellectual property to meet their specific business needs. For employees engaged in intellectual property operations, we provide a wide range of training and education with a view to achieving business success, including training on project management and training to improve IP-related expertise.

We also help raise awareness of intellectual property issues outside the Company. One such example is the dispatch of lecturers to HR development training for overseas governmental authorities such as patent office staff upon request by the Japan Patent Office. We also give our unique lectures on intellectual property at Japanese junior high and high schools. In addition, to address the issues caused by counterfeit products, we create consumer awareness videos and introduce them on our website.

[WEB Panasonic's efforts to raise awareness about eliminating counterfeit goods](https://holdings.panasonic/global/corporate/sustainability/sustainability-files/case13.html)
<https://holdings.panasonic/global/corporate/sustainability/sustainability-files/case13.html>

Consultation & Whistleblowing

All Group employees, business partners, and their employees can seek consultation and report any intellectual property-related risks or problems they see or hear about through the global hotline Panasonic has set up. For more details, see the "Whistleblowing System" in the "Business Ethics" chapter ([page 146](#)).

Evaluations

Panasonic Group has been recognized as a Clarivate Top 100 Global Innovator 2024 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 2024 list, 38 were from Japan. Panasonic Group has been on this list since its inception, 2024 being our 13th consecutive year. The Panasonic brands were also honored in Clarivate's Top 100 Best Protected Global Brands (in 2021), a testament to the fact that the Group properly protects its brand. Furthermore, the Panasonic GREEN IMPACT brands were also honored in Clarivate's Top 100 New Brands in 2023 as new brands that have surged into the public sphere since 2021 and demonstrated an exceptional ability to bring value, impact, and protection on a global scale.