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Panasonic 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.

If the Group's intellectual property is not appropriately protected and utilized, related counterfeit or infringing products may appear, hindering sustainable innovation and potentially leading to quality problems, resources to criminal organizations, and other issues.

In addition, if we infringe on the intellectual property of a third party, there is a risk of causing loss to the third party and inconvenience to the Group's direct and indirect customers due to changes in the Group's product or service specifications, interruptions in supply, or other unforeseen concerns.

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 an intellectual property policy aimed at ensuring the superiority and safety of its business now and in the future by proposing IP-based strategies for its business; acquiring, protecting, and utilizing global intellectual property; and preventing and resolving disputes related to intellectual property. Furthermore, in recent years, we have taken a view to helping address social issues using IP, which has become one of our most important motivations in our IP efforts.

To consistently achieve these goals, the Group has established its "Basic Intellectual Property Regulations" that apply to Groupwide. We are working to appropriately pursue our intellectual property policy 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 2023). 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. Furthermore, 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 Initiatives

■ 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 2023’s R&D expenses; the number of new applications for patents, utility models, or design rights made by Panasonic Group in fiscal 2023; and the number of patents, utility models, designs, and trademarks held by the Group as of March 2023.

Fiscal 2023 R&D expenses	469,800 million JPY (the ratio of R&D expenses to sales: 5.6%)
Fiscal 2023 Number of applications	Number of applications for patents, utility models, and designs: roughly 15,000 (including roughly 9,200 outside Japan)
As of March 2023 Number of rights held	Number of patents, utility models, and designs held: Total roughly 99,000 (including roughly 56,000 outside Japan)
	Number of trademarks held: Total roughly 15,000 (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 just and fair 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.

■ Respect for Intellectual Property of Third Parties

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 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. In the field of energy management and materials, the Group works to build optimal relationships for joint innovation 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.

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. For instance, by transferring our unused patents related to quick-charging technology to an overseas start-up through an outside partner, we are collaborating and supporting that start-up’s business of bringing light to areas without electricity.

■ 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

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 anti-counterfeit policies aim to solve the social issues caused by counterfeit products and protect our customers and their 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-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 12 languages, due to, for example, the increasing importance of software in business in recent years. In addition, each Operating Company also provides training and education on intellectual property to meet their specific business needs. In addition, 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 giving lectures at various seminars organized by the Japan Patent Office for overseas governmental authorities and Customs officials in various countries. We also dispatch lecturers to Japanese junior high and high school students to teach the importance of intellectual property. In addition, to address the issue caused by counterfeited products, we manufacture the consumer awareness videos and introduce them at our website and the above-mentioned lectures.

[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 (on [page 138](#)).

Evaluations

Panasonic Group has been recognized as a Clarivate Top 100 Global Innovator 2023 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 2023 list, 38 were from Japan. Panasonic Group has been on this list since its inception, 2023 being our 12th 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.