

Notes to consolidated financial statements:

1. The Company applied IFRS 16, "Leases" from April 1, 2019 using the modified retrospective method by recognizing the cumulative effect of applying IFRS 16 at the date of initial application. By applying IFRS 16, as of the date of initial application, right-of-use assets, investment properties and lease liabilities increased by 307.1 billion yen, 281.2 billion yen and 636.3 billion yen, respectively, and retained earnings decreased by 20.8 billion yen. Accordingly, "right-of-use assets," "investment properties" and "lease liabilities (current liabilities and non-current liabilities)" are separately presented in Condensed Quarterly Consolidated Statements of Financial Position, for the year ending March 31, 2020. In addition, in Condensed Quarterly Consolidated Statements of Cash Flows, the majority of lease payments is included in "Increase (decrease) in long-term debt" of cash flows from financing activities for the year ending March 31, 2020, that was previously included in cash flows from operating activities.
2. The Company applied IFRIC 23, "Uncertainty over Income Tax Treatments" from April 1, 2019. The impact of the application of IFRIC 23 on the consolidated financial statement of the Company is not material.
3. The Company resolved at the Board of Directors meeting held on December 21, 2018, to merge Panasonic Precision Devices Co., Ltd. ("PPRD") from Panasonic Equity Management Japan Co.,Ltd., which is a wholly owned consolidated subsidiary of Panasonic, through an absorption-type company split. Through these procedures, the Company absorbed PPRD on April 1, 2019.
4. The Board of Directors of the Company resolved on May 9, 2019, to conclude an integration contract toward the establishment of a new joint venture related to the town development business with Toyota Motor Corporation. Panasonic Homes Co., Ltd. will become a wholly owned subsidiary of the joint venture by way of a joint transfer share method, and be no longer a subsidiary of the Company.
5. The Board of Directors of the Company resolved on May 9, 2019, to succeed its R&D department related to its solar business by way of an absorption-type-company split to a newly established corporation.
6. The Company resolved at the Board of Directors meeting held on May 31, 2019, to sign a share purchase agreement and shareholder agreement with Polaris Capital Group Co., Ltd. ("Polaris") regarding the transfer of its security systems business of Panasonic to a SPC (Special Purpose Company) which will be established by Polaris. This transfer will take place on the basis that the security system business is transferred to a newly established entity by Panasonic.
7. Assumption for going concern: None
8. Significant subsequent events:
Panasonic Corporation issued a total of 2.5 billion of senior notes denominated in U.S. dollars in the overseas markets outside Japan, on July 19, 2019.
9. Number of consolidated subsidiaries as of June 30, 2019: 575
Number of companies under the equity method as of June 30, 2019: 88