

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 (these are mostly classified as assets held for sale in "Other current assets" as of the third quarter ended December 31, 2019) and 636.3 billion yen, respectively, and retained earnings decreased by 20.8 billion yen. Accordingly, "right-of-use assets" 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 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 succeed its R&D department related to solar business by way of an absorption-type company split to a newly established corporation.
5. 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, through an absorption-type company split, of its security systems business to a SPC (Special Purpose Company) which would be established by Polaris. This transfer would take place on the basis that the security system business would be transferred to a newly established entity by Panasonic. On November 20, 2019, the Company transferred the shares of the newly established entity, Panasonic i-PRO Sensing Solutions Co., Ltd., to the SPC, PSP Holdings Co., Ltd.
6. 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.
7. The Board of Directors of the Company resolved on November 28, 2019, to transfer the semiconductor business-related intellectual property rights and certain business contracts, and others held by the Company, to Panasonic Semiconductor Solutions, Co., Ltd., a subsidiary of the Company, through an absorption-type company split. The company split is related to the transfer of the semiconductor business of Panasonic Group to Nuvoton Technology Corporation, a Taiwan-based semiconductor company under the umbrella of Winbond Electronics Corporation group.

8. Significant subsequent events;

- (1) 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. On January 7, 2020, Panasonic Homes Co., Ltd. became a wholly owned subsidiary of the joint venture, Prime Life Technologies Corporation ("PLT") by way of a joint transfer share method, and is no longer a subsidiary of the Company.

Assets and liabilities which are transferred from the Group to the PLT group, are classified as assets held for sale and liabilities directly associated with assets held for sale, respectively. On the Condensed Quarterly Consolidated Statements of Financial Position, the figures are presented in "Other current assets" and "Other current liabilities."

- (2) The Board of Directors of the Company resolved on February 3, 2020, to organize Prime Planet Energy & Solutions, Inc. ("PPES"), a subsidiary of Panasonic, into a joint venture. This is in accordance to the agreement with Toyota Motor Corporation to establish a joint venture related to automotive prismatic batteries. PPES will be no longer a subsidiary of the Company, resulting from the share transfer through forming a joint venture.

Assets and liabilities, which are transferred from the Group to PPES and companies under the umbrella of PPES, will be categorized as assets held for sale and liabilities directly associated with assets held for sale, respectively. On the Condensed Quarterly Consolidated Statements of Financial Position, the figures will be presented in "Other current assets" and "Other current liabilities."

- (3) The Board of Directors of the Company resolved on February 3, 2020, to issue a total of 100.0 billion of domestic unsecured straight bonds as the upper limit. The details of the issuance of bonds, including the aggregate principal amount of bonds, issue price, coupon rate, maturity and date of issue, will be determined in the later stage.

9. Assumption for going concern: None

10. Number of consolidated subsidiaries as of December 31, 2019: 568

Number of companies under the equity method as of December 31, 2019: 90