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SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

SEC Registration No. 0000023022
Company Name PANASONIC MANUFACTURING PHILIPPINES CORPORATION
Industry Classification
Company Type Stock Corporation

Document Information

Document ID 107122018001991
Document Type 17-A (FORM 11-A:AANU)
Document Code 17-A
Period Covered March 31, 2018
No. of Days Late 0
Department CFD
Remarks w/consolidated fs

COVER SHEET FOR ANNUAL REPORT

SEC Registration Number

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Company Name

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Principal Office (No./Street/Barangay/City/Town/Province)

O	r	t	i	g	a	s	A	v	e	n	u	e	E	x	t	e	n	s	i	o	n				
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Form Type

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Department requiring the report

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Secondary License Type, if Applicable

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COMPANY INFORMATION

Company's Email Address

www.panasonic.com/ph

Company's Telephone Number/s

635-2260 to 65

Mobile Number

N/A

No. of Stockholders

441

Annual Meeting
Month/Day

3rd Friday of June

Fiscal Year
Month/Day

March 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

Mr. Marlon M. Molano

Email Address

marlon.molano@ph.panasonic.com

Telephone Number/s

635-2260 to 65

Mobile Number

(+63) 0917 500 1261

Contact Person's Address

Ortigas Avenue Extension, San Isidro, Taytay, Rizal
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Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended March 31, 2018
2. SEC Identification Number 23022
3. BIR Tax Identification No. 000-099-692-0000
4. Exact name of issuer as specified in its charter Panasonic Manufacturing Philippines Corporation
5. Rizal, Philippines
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. Ortigas Avenue Extension, Bo. Mapandan
Barangay San Isidro, Taytay, Rizal
Address of principal office 1920
Postal Code
8. (632) 635-22-60 to 65
Issuer's telephone number, including area code
9. Not applicable
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<u>Common shares, P1.00 par value</u>	
<u>Class A</u>	<u>84,723,432</u>
<u>Class B</u>	<u>337,994,588</u>
11. Are any or all of these securities listed on a Stock Exchange?
Yes [] No []
If yes, state the name of such stock exchange and the classes of securities listed therein:
The Company's Class A shares are listed in the Philippine Stock Exchange.

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [] No []

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [] No []

13. Estimated aggregate market value of the voting stock held by non-affiliates of the issuer as of March 31, 2018 and June 30, 2018 based on stock market price amounted to about ₱502,571,093 and ₱453,955,548 respectively. The price per share used for this computation are the closing price as of March 30, 2018 at ₱7.96 and June 29, 2018 at ₱7.19.

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE (5) YEARS**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Not Applicable

DOCUMENTS INCORPORATED BY REFERENCE

15. Information in the attached Annual Report and Financial Statements incorporated by reference to this SEC Form 17-A are clearly indicated in the part of this Form where the information is required.

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PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1 - BUSINESS

BUSINESS

Panasonic Manufacturing Philippines Corporation (the Parent Company) was incorporated in the Philippines on May 14, 1963 and is a subsidiary of Panasonic Corporation (PC or the Ultimate Parent Company) which is incorporated in Japan on December 15, 1935. The Securities and Exchange Commission (SEC) approved on March 19, 2013 the extension of Parent Company life for another fifty (50) years or until May 15, 2063. The Parent Company holds 40.0% interest in Precision Electronics Realty Corporation (PERC or the Subsidiary), over which the Parent Company has the control over the Subsidiary. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the Subsidiary and has the ability to affect those returns through its power over the Subsidiary.

The Parent Company is a manufacturer, importer and distributor of electronic, electrical, mechanical, electro-mechanical appliances, other types of machinery, parts and components, battery and other related products bearing the "Panasonic" brand. The Subsidiary is in the business of realty brokerage and leases out the land to the Parent Company in which the latter's manufacturing facilities are located.

The Parent Company's registered address is Ortigas Avenue Extension, Barrio Mapandan, Barangay San Isidro, Taytay, 1920, Rizal.

The Parent Company's shares were listed at the Philippine Stock Exchange on January 21, 1983.

There has been no bankruptcy, receivership or similar proceeding nor any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business in the last three (3) years of the Parent Company's and its Subsidiary's operations (collectively referred to as the "Group").

PRODUCTS

The Parent Company is a manufacturer, importer and distributor of electronic, electrical, mechanical, electro-mechanical appliances, other types of machinery, parts and components, battery and other related products bearing the "Panasonic" brand.

The Subsidiary is engaged in the business of realty brokerage and/or act as agent of any persons, firms or corporation, domestic or foreign, for and in transaction relative to the acquisition, sales, lease, mortgage, disposition of, administration and management of real state and/or improvements thereon; to acquire by purchase, lease or other lawful means, lands and interest in lands, and to own, hold, improve, use, administer and manage any real state so acquired or held by the corporation.

The primary products of the Parent Company are refrigerators, air conditioners and washing machines. Other products include electric fans, freezers, imported appliances like LCD/PDP TV sets, Digital AV products (DVD/VCD mini-components, home theater systems, video & still cameras, D-Snap multi-AV devices, etc.); communications equipment/devices (corded/cordless telephones, fax machines, PABX, etc.); office automation equipment (copiers, POS machines, Panaboard, plasma displays, LCD projectors, closed-circuit video equipment, etc.); cooling equipment (package/split-type air conditioners, air-moving equipment); and various kitchen and home appliances (rice cookers, vacuum cleaners, hair dryers/stylers, etc.). These products are grouped into the following segments: Global Consumer Marketing Sector (GCMS), System Network & Communication (SNC), AVC Networks and Others.

Segment reporting information is disclosed in Note 27 of the Audited Financial Statements included in the accompanying Annual Report (Annex "B").

Information as to sales and relative contributions of the main products to total sales were as follows:

	Years Ended March 31		
	2018	2017	2016
Domestic	92.1%	92.1%	89.1%
Export	7.9%	7.9%	10.9%
	100.0%	100.0%	100.0%
Refrigerator	38.9%	37.7%	40.6%
Airconditioner	24.6%	28.6%	34.8%
Television	4.3%	3.2%	1.1%
Washing machine	12.6%	10.0%	9.8%
Others & Export	19.6%	20.5%	13.7%
	100.0%	100.0%	100.0%

GEOGRAPHICAL INFORMATION

The tables below show the revenue information of the Parent Company based on the location of the customer (in thousands).

	Year Ended March 31		
	2018	2017	2016
Philippines	₱9,548,557	₱9,099,559	₱7,238,197
Hong Kong	930,088	841,527	853,409
Africa	6,919	33,191	32,735
Total Revenue	₱10,485,564	₱9,974,277	₱8,124,341

DISTRIBUTION NETWORK

The Group's principal office is located along Ortigas Avenue Extension, Barrio Mapandan, Barangay San Isidro, Taytay, Rizal.

The Group has PEZA registered activity (Airconditioner) located at 102 Laguna Boulevard Laguna Technopark, Sta. Rosa City, Laguna.

Aside from its warehouses located in its plant in Taytay and Sta. Rosa, the Group also has three (3) regional branches located in Pampanga, Cebu and Davao. The Group has a nationwide network of sales offices and accredited dealers to cater to its customers anywhere in the country. For customers' convenience, the Group has established a nationwide distribution network through its area offices and accredited service centers are strategically located at key towns, provinces, and cities.

Because of this wide distribution network, the Group is not dependent upon a single dealer or a few dealers, the loss of which would have a material adverse effect on the Group.

STATUS OF ANY PUBLICLY ANNOUNCED NEW PRODUCT OR SERVICE

The Group does not have any publicly-announced new major product or service that is being developed.

COMPETITION

In fiscal year 2017 ending March 31, 2018, the Company successfully posted a total sales of 10.5 billion pesos, which is 105 percent of last year's 10.0 billion pesos. As to the performance of domestic products versus last year: Refrigerator achieved sales of 109 percent; Washing Machine of 114 percent and Electric fan of 106 percent. However, window air conditioner and freezer registered a low sales performance of 87 percent and 97 percent of last year, respectively.

Moreover, the sales of imported consumer goods registered 133 percent against last year due to the continued demand for higher capacity refrigerators, fully auto washers, split type air conditioners and LED TV sets. All in all, consumer goods products account for 85 percent of the total Company's sales, same ratio of last year. On the other hand, export sales of window air conditioners registered a performance of 107 percent versus last year.

For B2B operations, the Company was able to achieved only 87 percent of last year. On a per sales category of B2B Group, System Sales achieved only 80 percent of its target mainly due particularly to the bulk of the special projects with a business partner last year. Likewise, Eco Solutions with products such as solar panel, V – fan and lighting achieved 113 percent and Cold Chain at 109 percent for the combined sales of showcase chiller and commercial microwave oven to mass merchandise dealers.

For fiscal year 2018, the Company's main focus is to overcome global challenges and continue to operate along with its commitment to realize a better sales growth versus fiscal year 2017. Moreover, please refer to the accompanying FY 2017 Annual Reports of the Company (Annex "A").

SOURCES OF RAW MATERIALS AND SUPPLIES

The Parent Company has a broad base of suppliers, both local and foreign. The Company is not dependent on one or a limited number of suppliers.

The Parent Company imports substantially all of its raw material requirements, merchandise, machinery and equipment and other spare parts and supplies from PC - Japan and affiliates. Purchases from PC - Japan amounted to ₱2.3 million, ₱5.7 million and ₱31.3 million in 2018, 2017 and 2016, respectively. Purchases made from affiliates amounted to ₱4.5 billion, ₱4.0 billion and ₱3.1 billion in 2018, 2017 and 2016 respectively.

CUSTOMER CONCENTRATION

The Group is not dependent upon a single customer or a few customers, the loss of any or more of which would have a material adverse effect on the Company and its subsidiaries taken as a whole. The Group does not have a customer that will account for twenty percent (20%) or more of its revenues.

TRANSACTIONS WITH RELATED PARTIES

The Parent Company has entered into various transactions with related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, such as affiliates. Related parties may be individuals or corporate entities. Transactions with related parties are made substantially on the same terms as with other individuals and businesses and are generally settle in cash.

For the companies under control of the Ultimate Parent Company (referred to as affiliates) that the Parent Company has transactions, results of the related party transactions and the Parent Company has outstanding balances with related parties, please refer to Note 22 of the attached Annual Audited Financial Statements (Annex "B").

The sales and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances as at March 31, 2018 and 2017 are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. In fiscal year 2017, 2016 and 2015, the Group has not recorded any impairment

of receivables relating to amounts owned by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Parent Company has interest-bearing loans receivable from its Subsidiary amounting to ₱154.0 million as of March 31, 2018 and 2017. The 12% nominal annual interest is to be paid on a monthly basis while the principal is payable on its maturity date, March 31, 2026.

The carrying amount of the receivable in the Parent Company's book and payable in the Subsidiary's books amounted to ₱154.0 million as of March 31, 2018 and 2017 which were eliminated in the consolidation. The net expenses in the Parent Company's books and net revenue in the Subsidiary's books amounted to ₱28.9 million and ₱19.1 million in 2018 and 2017, respectively, and ₱28.9 million and ₱26.8 million in 2018 and 2017, respectively. These balances and transactions were eliminated in the consolidation.

Under PFRS, certain post-employment benefit plans are considered as related parties. The Parent Company's retirement plan is in the form of different investments being managed by the Parent Company. The retirement fund has 60% interest in the subsidiary of the Parent Company amounting to ₱58.3 million and 5.1% interest in the Parent Company amounting to ₱171.8 million and ₱148.5 million as of March 31, 2018 and 2017, respectively.

As of March 31, 2018 and 2017, certain loans and receivables amounting to ₱51.8 million and ₱56.5 million, respectively, are receivables of the retirement fund from certain employees and are payable over 2 to 4 years.

There are no other transactions or outstanding balances by the Parent Company, or its related parties, with the retirement plan of the employees of the Parent Company as of March 31, 2018 and 2017.

The Companies under common control of the Ultimate Parent Company (referred to as affiliates) that the Parent Company has transactions with and results of the related party transactions of the Parent Company are incorporated by reference to Note 22 of the Consolidated and Parent Company Audited Financial Statements, pages 39 to 47.

TECHNICAL ASSISTANCE AND TRADEMARK LICENSE AGREEMENT

The Parent Company has several Technical Assistance Agreements with PC – Japan valid for five (5) years from April 01, 2014 until March 31, 2019. Under the terms of the agreements, the Parent Company pays semi-annual technical assistance fees equivalent to a certain percentage of sales of selected products equivalent to 3.0%. Technical assistance fees charged by the Parent Company amounted to ₱172.7 million, ₱171.4 million and ₱138.7 million in 2018, 2017 and 2016, respectively.

The Parent Company has existing trademark license agreements with PC – Japan and affiliates. Under the terms of the agreements, the Parent Company is granted a non-exclusive license to use the trademark "KDK" (Kawakita Electric Company) and "Panasonic" on or in relation to its products and shall be effective as far as the Company uses the trademarks on its products. Currently, existing trademark license agreement became effective since as of 1st day of April, 2016 and shall thereafter continue and remain in full force and effect until 31st day of March, 2024. The Parent Company pays royalty equivalent to 0.7% of the sales price of the products bearing the brands and 0.35% in the event that the Company uses the Trade Marks solely as either a trade name or as a Corporate Mark only. Brand license fees charged by the Parent Company amounted to ₱76.4 million, ₱66.2 million and ₱43.7 million in 2018, 2017, and 2016, respectively, while brand license fees charged by the affiliates amounted to ₱ 0.2 million, ₱0.3 million and ₱0.9 million in 2018, 2017 and 2016, respectively.

NEED FOR GOVERNMENT APPROVAL OF PRINCIPAL PRODUCTS OR SERVICES

The Group's principal products and services are offered to customers only upon receipt of the necessary regulatory approvals or clearances. The Group strictly complies with government product safety and quality standards before these are offered to the market.

The Group also complies with the related regulatory requirements such as reserves, liquidity position, provision on losses, anti-money laundering provisions and other reportorial requirements.

EFFECT OF EXISTING OR PROBABLE GOVERNMENTAL REGULATIONS ON THE BUSINESS

The Group strictly complied with the existing reportorial requirements of the regulatory agencies such as Securities and Exchange Commission, Philippines Stock Exchange and the Bureau of Internal Revenues, among others. In its fiscal year 2017 and 2016 consolidated financial statements, the Group adopted the changes to Philippine Accounting Standards and Philippine Interpretations of International Financial Reporting Interpretations Committee.

The Group will dedicate time and personnel to ensure proper and effective implementation of the future changes in accounting standards.

RESEARCH AND DEVELOPMENT COSTS

The amount spent for research and development costs and its percentage to net sales for each of the last three fiscal years ended March 31 were as follows:

	2017	2016	2015
Cost	₱ 23,147,498	₱ 48,950,506	₱ 15,784,789
Ratio to Net Sales	0.22%	0.49%	0.19%

The Parent Company's research and development activities are mainly driven by new technology and/or improvements of the technical know-how and production technique relating to the products, which is useful for the manufacture/assembly of the products. The efficient use of technology is expected to boost productivity and reduce manufacturing costs of the Parent Company.

COSTS AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS

As an industrial corporation, the Group conducts its operations in compliance with all environmental, occupational health and safety and other related regulations of the government and along with the environmental policy and directives of PC, with its dedication to continuously improve its environmental, occupational health and safety, product safety performance and responding to the requirement of the industrial organization in managing, controlling and mitigating all types of risk that the Group has been exposed to. In fact, the Group, more often than not, implements environment-protection measures ahead of government regulations.

Compliance with the various environmental laws definitely entails costs and additional investments on the part of the Group, resulting higher production costs and operating expenses. The Group spent a total of ₱0.9 million, ₱1.2 million and ₱1.5 million for the treatment of wastes, monitoring and compliance, permits and personnel training for the fiscal year 2017, 2016 and 2015 respectively.

HUMAN RESOURCES AND LABOR MATTER

As of March 31, 2018, the Parent Company has 676 full time employees:

	<u>Administrative</u>	<u>Operations</u>	<u>Total</u>
Under CBA	-	227	227
Non-CBA	449	-	449
	449	227	676

Around half of the Parent Company's employees are rank and file employees who are subject to collective bargaining agreements (CBA). The Parent Company did not deal with any labor strike for the past three years nor were there union complaints submitted to the Department of Labor and Employment.

In addition to the statutory benefits, the Parent Company provides life insurance; hospitalization benefits; vacation, sick, birthday and emergency leaves; and company and emergency loans to employees.

The Parent Company also maintains a retirement plan for its regular full-time employees.

RISK MANAGEMENT OBJECTIVES AND POLICIES

This is incorporated by reference to Note 28 of the Consolidated and Parent Company Audited Financial Statements, pages 52 to 58 (Annex "B").

The Group's principal financial instruments comprise cash and cash equivalents and AFS investments. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has various other financial instruments such as receivables, accounts payable and accrued expenses, dividends payable and technical assistance fees payable which arise from normal operations.

Risk management structure

All policy directions, business strategies and management initiatives emanate from the BOD which strives to provide the most effective leadership for the Group. The BOD endeavors to remain steadfast in its commitment to provide leadership, direction and strategy by regularly reviewing the Group's performance. For this purpose, the BOD convenes at least once a month and should the need arise.

The Group has adopted internal guidelines setting forth matters that require BOD approval. Under the guidelines, all new investments, any increase in investment in businesses and any divestments require BOD approval.

The Group's principal financial instruments consists of cash and cash equivalents, receivables and AFS investments. The main purpose if these financial instruments is to raise finances for the Group's operations. The Group has various other financial instruments such as accounts payable and accrued expenses, dividend payable and technical assistance fees payable which arise from normal operations.

The main risks arising from the Group's financial instruments are liquidity risk, market risk, and credit risk. The Group also monitors the market price risk arising from all financial instruments.

Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through collection of receivables and cash management. Liquidity planning is being performed by the Group to ensure availability of funds needed to meet working capital requirements.

Overall, the Group's funding arrangements are designed to keep an appropriate balance between equity and debt to give financing flexibility while continuously enhancing the Group's business.

Market Risk

Market risk is the risk to earnings or capital arising from adverse movements in factors that affect the market value of financial instruments. The Group manages market risks by focusing on two market risk areas such as foreign currency risk and equity price risk.

Foreign currency risk

Exposure to currency risk arises from sales and purchases in currencies other than the Group's functional currency. Foreign currency risk is monitored and analyzed systematically and is managed by the Group. The Group ensures that the financial assets denominated in foreign currencies are sufficient to cover the financial liabilities denominated in foreign currencies.

Equity price risk

The Group's exposure to equity price pertains to its investments in quoted shares of the Parent Company's which are classified as AFS investments in the consolidated statements of financial position. Equity price risk arises from the changes in the level of equity indices and the value of individual stocks traded in the stock exchange.

The effect on equity (as a result of a change in fair value of equity instruments held as

available-for-sale at March 31, 2018 and 2017) due to a reasonably possible change in equity indices is not material to the consolidated financial position of the Group.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. With respect to credit risk arising from financial assets of the Group, which comprise of cash and cash equivalent, receivables, AFS investments and other assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of the instrument.

The Group manages credit risk by assessing the creditworthiness of its counterparties. The Group trades only with recognized, creditworthy third parties. It is the Group's practice that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

As of March 31, 2016, the Group does not hold collateral or other credit enhancement for cash and cash equivalents, AFS investments, receivables and refundable meralco deposits (included in other assets). Thus, carrying values represent maximum exposure to credit risk. In 2017, the Group acquired credit insurance for its domestic trade receivables, which covers both fully secured and partially secured receivables. Other than for domestic trade receivables, the Group's maximum exposure to credit risk is equivalent to the carrying value of the Group's financial assets as of March 31, 2018 and 2017.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

Fair Value Management

The methods used by the Group in estimating the fair value of its assets and liabilities follow:

Cash and cash equivalents, receivables and other assets

Carrying amounts of cash in banks, cash equivalents and receivables maturing within twelve (12) months are assumed to approximate their fair values. This assumption is applied to liquid assets and the short-term elements of all other financial assets.

AFS investments

Fair values are based on quoted prices published in the markets. For investments that are not quoted, the investments are carried at cost less allowance for impairment losses due to the unpredictable nature of future cash flows and the lack of suitable methods of arriving at a reliable fair value.

Investment properties

The fair value of the investment properties has been determined by an independent appraiser using market data (or direct sales comparison) approach. This approach relies on the comparison of recent sale transactions or offering of similar properties which have occurred and/or with close proximity to the subject property.

The Group has determined that the highest and best use for the investment properties is its current use.

Accounts payable and accrued expenses

Carrying amounts of accounts payable and accrued expenses approximate their fair values due to the short-term nature of transactions.

Finance lease liability

Fair value was estimated using the discounted future cash flow methodology using the Group's current incremental borrowing rates for similar borrowing with maturities consistent with those remaining for the liability being valued.

Carrying amount and fair values of the assets and liabilities, with carrying values not equal to fair value or whose fair values are required to disclose is incorporated by reference to Note 28 of the Consolidated and Parent Company Audited Financial Statements, pages 57 to 58.

ITEM 2 -- PROPERTIES

Manufacturing operations are conducted in a plant with an area of 72,503.5 sq. m. located in Ortigas Avenue Extension, Taytay, Rizal and another plant with an area of 147,195 sq. m. in Laguna Technopark Sta. Rosa, Laguna. The Company leases the land from its subsidiary for a period 25 years that will mature on March 31, 2020 while the land improvements, buildings, machinery and equipment, transportation equipment, office furniture and equipment, and/or tools and small equipment on these parcel of land in which the head office, region offices, sales office and warehouse are located are owned by the Company. Rental expense from these leases amounted to ₱28.9 million during the recent fiscal year. Operations of sales offices and service centers in Pampanga, Cebu and Davao are operated on properties owned by the Parent Company except for the land that is also owned by its subsidiary. Operations of other sales offices and service centers are being conducted on properties leased by the Parent Company in various areas: Naga, Isabela, Dagupan, Bacolod, Iloilo, Tacloban and Cagayan de Oro.

On March 1, 2008, the Parent Company entered into a two-year renewable contract of lease with Panasonic Precision Devices Philippines Corporation (PRDPH) for the rent of its building with some covered areas or improvements, comprising approximately of : Main Building 15,072.6 square meters, Warehouse building 3,564 square meters and Parking Area 909 square meters located at Brgy. Don Jose, Laguna Technopark, Sta. Rosa City, Laguna. The lease is for a period of two years guaranteed commencing on the 1st day of March to 28th day of February and shall automatically be renewed unless terminated by either party upon servicing of at least three (3) months. The leased properties are accounted for by the Parent Company as "Investment properties" (see AFS Note 8). The lease contract was renewed on March 1, 2016 and will expire on February 28, 2018 with a fixed monthly rental fee of US\$45,217.80. On March 1, 2018, the lease agreement was extended for one month only until March 31, 2018. Moreover, the Parent Company transferred investment properties for use by the Company in its operation with cost and related accumulated depreciation amounting to ₱43.9 million, ₱27.7 million and ₱30.9 million, respectively. Rent income recognized under miscellaneous income amounted to ₱25.2 million, ₱25.0 million and ₱27.7 million in 2018, 2017 and 2016, respectively.

The properties owned and/or leased by the Company are in good condition and are free from mortgages, liens and encumbrances.

The aggregate fair value of the investment properties amounted to ₱59.7 million and ₱84.2 million as of March 31, 2018 and 2017, respectively.

There are no plans for the acquisition of the Group's property over the next twelve (12) months.

ITEM 3 - LEGAL PROCEEDINGS

As of March 31, 2018, the Group is not involved in any material litigation or any pending legal proceedings to which the registrant or any of its subsidiaries or affiliates is a party or of which any of their property is the subject.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters, except for the matters taken up last Annual Stockholders Meeting, submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5 - MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS**1. MARKET INFORMATION**

The Parent's Company's common shares were officially listed and first traded at the Philippine Stock Exchange on January 21, 1983.

As of March 31, 2018 and June 30, 2018, a total of 84,723,432 Class "A" shares are listed in the Philippine Stock Exchange.

The price performance of the Company's common equity for each quarter within the two fiscal years and the subsequent interim period has been as follows in Philippine peso:

	<u>High</u>	<u>Low</u>
<u>2018</u>		
Jan – Mar	10.00	7.60
Apr – June	8.48	6.44
<u>2017</u>		
Jan – Mar	7.50	4.94
Apr – Jun	7.55	6.05
Jul – Sept	14.90	6.88
Oct – Dec	13.90	7.30
<u>2016</u>		
Jan – Mar	5.04	3.90
Apr – Jun	5.00	4.04
Jul – Sept	5.24	4.23
Oct – Dec	5.45	4.23

2. DIVIDENDS

The payment of dividend, either in the form of cash or stock, will depend upon the Parent Company's earnings, cash flow and financial condition, among other factors. The Parent Company may declare dividends only out of its unrestricted retained earnings. These represent the net accumulated earnings of the Parent Company, with its capital unimpaired, that are not appropriated for any other purpose. Dividends paid are subject to the approval by the Board of Directors. The Parent Company's Board of Director declared cash dividends as follows:

<u>Date of Declaration</u>	<u>Cash Dividend Per Share</u>	<u>Date of Record</u>	<u>Date of Payment</u>
<u>FY 2017</u>			
April 11, 2018	37.17%	April 25, 2018	May 11, 2018
<u>FY 2016</u>			
March 31, 2017	70%	April 18, 2017	May 10, 2017
<u>FY 2015</u>			
March 22, 2016	10%	April 7, 2016	April 26, 2016

3. HOLDERS

The Company had approximately 441 shareholders of the Parent Company of record as of April 30, 2018.

The table below sets forth the top 20 shareholders as of April 30, 2018.

Name	No. of Shares Held	% to Total
1. Panasonic Corporation (Japanese)	337,994,588	79.96
2. PCD Nominee Corporation (Filipino)	44,139,330	10.44
3. PMPC Employees Retirement Plan	21,586,360	5.11
4. Jesus V. Del Rosario Foundation, Inc.	3,876,083	0.92
5. Vergon Realty Investment Corporation	3,389,453	0.80
6. J.B. Realty and Development Corporation	1,778,915	0.42
7. So Sa Gee	855,716	0.20
8. David S. Lim	656,393	0.16
9. Efren M. Sangalang	603,156	0.14
10. Vicente L. Co	577,245	0.14
11. Jason S. Lim	500,000	0.12
Jonathan Joseph Lim	500,000	0.12
Vicente S Lim	500,000	0.12
Susan L. Tan	500,000	0.12
12. Rodolfo P. Tagle	354,192	0.08
13. Falek Enterprises, Inc.	298,106	0.07
14. Jaime Agabin	252,995	0.06
15. So Ki Lin	252,995	0.06
16. Vladimir Co	248,164	0.06
17. Edgar N. Lim	246,712	0.06
18. Nelson Lim	220,188	0.05
19. Valentin L. Co	181,082	0.04
Virgilio Co	181,082	0.04
20. Victor S. Gabriel	141,497	0.03

4. RECENT SALE OF UNREGISTERED SECURITIES

The Parent Company has neither sold any securities nor reacquired or issued new securities in exchange of properties within the past three (3) years.

5. DESCRIPTION OF REGISTRANT'S SECURITIES

- a. Authorized Capital Stock 847,000,000 (P1.00 par value)
Common Class A shares (Listed) 169,400,000
Class "B" shares 677,600,000

Only Class "A" shares are listed in Philippine Stock Exchange.

- b. Number of Shares Outstanding as of March 31, 2018 and June 30, 2018

Common Shares @ P1.00/share	
Class "A"	84,723,432
Class "B"	<u>337,994,588</u>
Total	<u>P422,718,020</u>

- c. Amount of Debt Outstanding as of March 31, 2018 and June 30, 2018
NONE

- d. Stocks Options, Warrants, Securities subject to redemption or call, other securities and Market information for securities other than common equity

NONE

ITEM 6 - MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION**Management's Discussion and Analysis of Financial Condition and Results of Operations****Top 5 Key Performance Indicators of the Company**

Name of Index	Calculation	FY 2017	FY 2016	FY 2015
1. Rate of Sales Increase	$\frac{\text{CY Sales} - \text{LY Sales}}{100\% \text{ LY Sales}} \times 100\%$	5.2%	22.8%	21.0%
2. Rate of Profit Increase	$\frac{\text{CY Profit After Tax} - \text{LY Profit After Tax}}{100\% \text{ LY Profit After Tax}} \times 100\%$	-50.7%	113.5%	54.4%
3. Rate of Profit on Sales	$\frac{\text{Profit After Tax}}{\text{Total Sales}} \times 100\%$	2.5%	5.4%	3.1%
4. Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	2.8	2.8	3.3
5. Dividend Ratio to Capital	$\frac{\text{Dividend}}{\text{Average Capital}} \times 100\%$	37.17% (declaration date Apr. 11)	20%(regular) 50% (special)	20%

- (a) Rate of Sales Increase - This measures the sales growth versus the same period last year. Sales increased by 5.2% versus last year. Such was achieved due to improved sales to domestic market.
- (b) Rate of Profit Increase - This measures the increase in profit after tax versus the same period last year. Rate of profit for the year decreased by 50.7% due mainly to increase in cost of sales ratio by 5.6% this year.
- (c) Rate of Profit on Sales - This measures the percentage of profit after tax versus net sales for the period. Rate of profit decreased to 2.5% vs. 5.4% last year due to higher cost of sales ratio by 5.6%.
- (d) Current Ratio - This measures the liquidity of the Company and its ability to pay off current liabilities.
- (e) Dividend Ratio to Capital - This measures the dividend payout ratio versus capital for the period. The Group declared 37.17% and 70% cash dividend for the fiscal year 2017 and 2016, respectively.

INTRODUCTION

The following are discussions on the Consolidated Financial Conditions and Results of the Company and its Subsidiary (The Group) based on the Audited Financial Statements as of and for the years ended March 31, 2018, 2017 and 2016.

This discussion summarizes the significant factors affecting the consolidated operating results, financial condition, liquidity and cash flows of the Group for the fiscal year 2017 ended March 31, 2018. The following discussion should be read in conjunction with the attached audited consolidated financial statements of the Company as of and for the year ended March 31, 2018 (Annex "B") and management plans and reviews (Annex "A").

Fiscal Year 2018 vs. 2017

Financial Positions

Material Changes (+/-5% or more) in the financial statements (in thousands)

Accounts	March 31, 2018	March 31, 2017	Difference (%)
Cash and cash equivalent	3,356,080	3,586,650	-6.4%
Receivables	1,190,057	1,021,726	16.5%
Inventories	1,332,521	1,010,964	31.8%
Other current assets	116,207	72,957	59.3%
Investment properties	31,391	48,350	-35.1%
Property & equipment – net	856,076	770,581	11.1%
Other assets	52,046	25,424	104.7%
Accounts payable & accrued expenses	2,127,545	2,036,264	4.5%
Provision for estimated liabilities	329,954	366,597	-10.0%
Stockholder equity	4,591,100	4,269,857	7.5%

The Group continues to maintain its strong financial position with total assets amounting to P7.059 billion and P6.678 billion as of March 31, 2018 & 2017, respectively while total equity amounted to P4.591 billion and P4.270 billion as of the same period.

Current ratio for the period ending March 31, 2018 recorded at 2.8:1, same as last year. Current assets and liabilities increased by P303 million and P97 million respectively.

The decrease in cash and cash equivalent was mainly due to low profit, increased inventory and the payment of last year's declared dividend amounted to Php295 million. Accounts receivable increase in amount versus last year was due to the higher export sales in March 2018 versus last year - a difference of Php76 million, collection of which will be the following month.

Lower sales in March 2018 versus forecast attributed to increase in unsold stocks which have been purchased. Also, the higher sales versus last year considered the increase in volume of inventory purchases.

Property, plant and equipment – net increased by P85.5 million (11.1%). Capital expenditures amounted to P245 million during the year as the Group continues to upgrade its factory facilities, machinery and equipment to improve productivity. Total capital goods retirement / disposal amounted to P31 million. The other difference represents depreciation for the year.

Other current assets increased by P43.3 million (59.3%) due to excess of creditable withholding taxes for the period against income tax payable.

Accounts payable and accrued expenses increased by P97.2 million (4.8%) was mainly brought by the increased purchases of inventory and the outstanding payable for the purchase of equipment. Provision for estimated liabilities was due to payment and/or reversal of reserves or estimated provision on expenses.

Total equity of the Group increased by P321 million (7.5%) caused by current year's total comprehensive income.

Results of Operation

Material Changes (+/-5% or more) in the financial statements (in thousands)

Accounts	FY 2017	FY 2016	Difference (%)
Sales	10,490,076	9,974,277	5.2%
Cost of sales	8,478,203	7,506,888	12.9%
Gross profit	2,011,873	2,467,389	-18.5%
Selling expenses	897,541	1,046,995	-14.3%
General administrative	949,815	888,570	6.9%
Other income – net	152,398	135,386	12.6%
Income before tax	316,915	667,210	-52.5%
Income tax expense	52,883	131,376	-59.7%
Income after tax	264,032	535,835	-50.7%

Consolidated sales for FY 2017 ended March 31, 2018 grew by 5.2% from last year mainly because of the increased demand in consumer appliance products particularly washing machine, refrigerator and split type airconditioner.

The cost of sales increased due to increase in volume. The increase was further aggravated by higher market price of raw materials such as copper, resin and certain chemicals such as urethane. Also, the unfavorable effect of peso depreciation increased our importation cost/cost of sales.

Selling expenses decreased by ₱149.5 million (14.3%) due to decrease in advertising expense, controlled promo activities and lower warranty costs. Also, freight cost slightly decreased by ₱40 million due to more sales concentration in GMA areas versus Vis - Min sales deliveries.

General administrative expenses increased by ₱61.2 million (6.9%) mainly due to payment for the maintenance of SAP system for one (1) year against half year of last year.

Other income mainly compose of interest income from the bank and forex gain/loss. The increase mainly pertains to recovery of allowance for credit and impairment losses.

The decrease in net income before tax was attributable to the high cost of our material components and the peso devaluation/forex loss difference. Last year's average Forex was Php47.92/US dollar, this year was Php50.8/US dollar.

Income tax expense decreased due to low profit, the Company resulted to being taxable under the Minimum Corporate Income Tax (MCIT) of 2% of adjusted gross profit as against the 30% RCIT.

Net income after tax decreased by 50.7% versus last year mainly due to the low income.

Fiscal Year 2016 vs. 2015

Financial Positions

Material Changes (+/-5% or more) in the financial statements (in thousands)

Accounts	March 31, 2017	March 31, 2016	Difference (%)
Cash and cash equivalent	3,586,650	3,292,423	8.9%
Receivables	1,021,726	993,452	2.8%
Inventories	1,010,964	692,094	46.1%
Other current assets	72,957	32,734	122.9%
Investment properties	48,350	53,579	-9.8%
Property & equipment	770,581	752,800	2.4%
Other assets	25,424	28,701	-12.4%
Accounts payable & accrued expenses	2,036,264	1,510,804	34.8%
Provision for estimated liabilities	366,597	466,229	-21.4%
Stockholder equity	4,269,857	3,991,496	7.0%

The Group continues to maintain its strong financial position with total assets amounting to P6.678 billion and P5.987 billion as of March 31, 2017 & 2016, respectively while total equity amounted to P4.270 billion and P3.991 billion as of the same period.

Current ratio decreased at 2.8:1 as of March 31, 2017 compared to 3.3:1 as of March 31, 2016 due to increase in accounts payable and accrued expenses.

Total current assets increased by P681.6 million (13.6%) due mainly to increase in Cash by P294.2 million (8.9%) and accounts receivable by 28.3 million brought by 22.8% increase in sales mostly domestic sales. In addition, inventory increased by P318.9 million (46.1%) and other current assets by P40.2 million (122.9%).

Property, plant and equipment decreased by P17.8million (net) (2.4%) due to retirement and disposal of phased out & defective assets. Capital expenditures amounted to P172 million during the year as the Group continues to upgrade its factory facilities, machinery and equipment to improve productivity. Total capital goods retirement / disposal amounted to P96.1 million.

Other non-current assets decreased by P3.3 million (12.4%) due to utilization of advances for software depreciation cost for the period and deposits by P1.3 million.

Trade accounts payable increased by P233.3 million due to high volume sales requirement for the last quarter of fiscal year 2016 and first quarter of 2017. Cash dividend payable also increased by P211.4 million due to additional 50% special dividend. Moreover, advances from customers increased by P162.6 million.

Provision for estimated liabilities decreased by P99.6 million (21.4%) due P100 million fund contribution to PMPC's Retirement Plan.

Appropriated retained earnings for plant expansion increased by P235 million for the continued factory development and IT facilities and change of accounting system to SAP.

Results of Operation

Material Changes (+/-5% or more) in the financial statements (in thousands)

Accounts	FY 2016	FY 2015	Difference (%)
Sales	9,974,277	8,124,341	22.8%
Cost of sales	7,506,888	6,320,824	18.8%
Gross profit	2,467,389	1,803,517	36.8%
Selling expenses	1,046,995	756,704	37.8%
General administrative	888,570	826,891	7.5%
Other income – net	135,386	179,772	-24.7%
Income before tax	667,210	399,693	66.9%
Income tax expense	131,376	148,718	-11.7%
Income after tax	535,835	250,975	113.5%

Consolidated sales for FY 2016 ended March 31, 2017 increased by ₱1.850 billion (22.8%). This was mainly due to high sales achievement of Consumer products. Local and imported appliances are making good in the market with the Company's inverter models ad sell out activities.

With good sales result, Cost of sales and gross profit increased by 18.8% and 36.8% respectively versus last year.

Selling expenses increased by ₱290 million (37.8%) due to increase in freight cost by ₱106.8 million and advertising by ₱112 million. Sales promotion and warranty cost also increased by ₱95.7 million and ₱11.9 million respectively.

General administrative expenses increased ₱61.8 million (7.5%) mainly due to increase in technical assistance and brand license fee by ₱32.7 million and ₱22.5 million respectively due to increase in sales amount for the period.

Other income - net decreased by ₱44.4 million (24.7%) against 2016 mainly due to recovery of allowance for credit and impairment losses by ₱53.7 million last year. On the other hand, bank interest earned from time deposits increased by ₱19.9 million.

Net income before tax increased by ₱267.5 million (66.9%) due mainly to 22.8% increase in sales achievement versus last year.

Income tax expense decreased by ₱17.3 million (11.7%) due to decrease in temporary differences for the period.

Fiscal Year 2015 vs. 2014

Financial Positions

Material Changes (+/-5% or more) in the financial statements (in thousands)

Accounts	March 31, 2016	March 31, 2015	Difference (%)
Cash and cash equivalent	3,292,423	2,822,927	16.6%
Receivables	993,452	811,799	22.4%
Inventories	692,094	714,234	-3.1%
Other current assets	32,734	60,237	-45.7%
Property & equipment	752,800	811,335	-7.2%
Deferred tax assets	140,974	149,948	-6.0%
Other noncurrent assets	28,701	27,996	2.5%
Accounts payable & accrued expenses	1,510,804	1,200,504	25.8%
Provision for estimated liabilities	278,731	159,176	75.1%
Retirement liability	187,498	281,604	-33.4%
Stockholder's equity	3,991,496	3,804,128	4.9%

The Group continues to maintain its strong financial position with total assets amounting to ₱5.987 billion and ₱5.455 billion as of March 31, 2016 & 2015, respectively while total equity amounted to ₱3.991 billion and ₱3.804 billion as of the same period.

Current ratio decreased at 3.3:1 as of March 31, 2016 compared to 3.7:1 as of March 31, 2015 due to increase in accounts payable and accrues expenses.

Total current assets increased by ₱601.5 million (13.6%) due mainly to increase in Cash by ₱470.0 million (16.6%) and accounts receivable by ₱181.7 million brought by 21% increase in sales. On the other hand, other current assets decreased by ₱27.5 million (45.7%) due to reduction in allowance for impairment losses.

Property, plant and equipment decreased by ₱58.5 million (net) (7.2%) due to retirement and disposal of phased out & defective assets. Capital expenditures amounted to ₱91.8 million during the year as the Group continues to upgrade its factory facilities, machinery and equipment to improve productivity.

Deferred tax assets increased by ₱9.0 million (6.0%) due to decrease in retirement liability of the Company as per actuarial valuation computation.

Other non-current assets decreased by ₱0.7 million (2.5%) due to utilization of advances for software depreciation cost for the period.

Accounts payable and accrued expenses increased by ₱310.3 million (25.8%) mainly due to high volume sales requirement for the last quarter of fiscal year 2015.

Provision for estimated liabilities increased by ₱119.6 million (75.1%) due to warranty expense. Finance lease liability decrease due to yearly depreciation cost.

Retirement liability decreased by ₱94.1 million due to fund contribution amounting to ₱100.0 million for the period.

Income tax liability and technical assistance fee increased due to increase in sales achievement.

Appropriated retained earnings for plant expansion increased by P175.0 million for continuous factory development and IT facilities and change of accounting system to SAP.

Results of Operation

Material Changes (+/-5% or more) in the financial statements (in thousands)

Accounts	FY 2015 Ended March 2016	FY 2014 Ended March 2015	Difference (%)
Sales	8,124,342	6,713,425	21.0%
Cost of sales	6,320,824	5,271,770	19.9%
Gross profit	1,803,517	1,441,655	25.1%
Selling expenses	756,704	720,634	5.0%
General administrative	826,891	621,027	33.2%
Other income – net	179,772	116,954	53.7%
Income before tax	399,693	216,948	84.2%
Income tax expense	148,718	54,373	173.5%
Income after tax	250,975	162,576	54.4%

Consolidated sales for FY 2015 ended March 31, 2016 increased by ₱1.411 billion (21.0%) This was mainly due to high sales achievement of Consumer products. Local and imported appliances are making good in the market with the Company's inverter models ad sell out activities.

With good sales result, Cost of sales and gross profit increased by 19.9% and 25.1%, respectively versus last year.

Selling expenses increased by ₱36.1 million (5.0%) due to increase in freight cost by ₱57.4 million and advertising by ₱49.1 million. On the other hand, sales promotion cost decreased by ₱87.3 million

General administrative expenses increased ₱205.9 million (33.2%) mainly due to increase in provision for other estimated liabilities amounting to ₱97.9 million for inventory write-down due to increase in slow moving products at the end of this year. In addition, technical assistance and brand license fee by ₱21.2 million and ₱7.2 million respectively. Salaries and wages also increased by ₱38.6 million.

Other income - net increased by ₱62.8 million against 2015 mainly due to recovery of allowance for credit and impairment losses by ₱53.7 million. In addition, bank interest earned from time deposits also increased by ₱9.4 million.

Net income before tax and income tax increased by ₱182.7 million (84.2%) and ₱94.4million (173.5%) respectively mainly due to 21.0% increase in sales achievement.

▪ Events that will trigger direct or contingent financial obligation

In the normal course of business, the Group has various commitments and contingent liabilities that are not presented in the accompanying financial statements.

The management believes that these actions are without merit or that the ultimate liability, if any, resulting from these cases will not adversely affect the financial position or results of operation of the Parent Company.

The Group does not anticipate material losses as a result of these commitments and contingent liabilities.

- **Material Commitments for Capital expenditures**

The Parent Company has commitments for capital expenditures. Among these are investments on IT-related projects, relocation and renovation of branch premises, acquisition and repairs of furniture, fixtures and equipment needed to bring the Company at par with competitors.

- **Known Trends or Demands, Commitments, Events or Uncertainties**

There are no known events, trends, and demands, commitments or uncertainties that might affect the Company's liquidity or cash flows within the next twelve (12) months.

There are no trends, events or uncertainties know to management that are reasonably expected to have material favorable or unfavorable impact on the net income or revenues from continuing operations of the Company.

- **Material off-balance transactions, arrangements or obligations**

There were no material off-balance transactions, arrangement or obligations that had a material effect on the Company's financial conditions or result of operations.

- **Significant Elements of Income or Loss**

Significant elements of income or loss will come from continuing operations.

- **Seasonal Aspects**

There were no seasonal aspect that had a material effect on the Company's financial conditions or result or operations.

CASHFLOWS

A brief summary of cash flow movement is shown below

<i>(In thousands)</i>	2018	2017	2016
Net cash provided by operating activities	217,772	549,257	625,758
Net cash used in investing activities	(151,836)	(168,546)	(95,868)
Net cash used in financing activities	(298,194)	(86,864)	(46,400)

Net cash flow from operations consists of income for the period less change in non-cash current assets, certain current liabilities and others, which include decrease in inventory level.

Net cash provided by (used in) investing activities included the following:

<i>In thousands</i>	2018	2017	2016
Proceeds from sale of PPE	1,858	2,522	87
Acquisitions of property, plant and equipment	(142,898)	(171,955)	(90,680)
Acquisitions of investment properties	-	-	(4,940)
Acquisition of software	(4,533)	(446)	(295)
Decrease (increase) in other assets	(6,264)	1,332	(41)
Total	(151,837)	(168,547)	(95,869)

Major components of net cash used in financing activities are as follows:

<i>In thousands</i>	2018	2017	2016
Cash dividends paid	(295,889)	(84,544)	(42,272)
Finance lease liabilities paid	(2,305)	(2,321)	(4,128)
Total	(298,194)	(86,865)	(46,400)

The Group can internally provide its own cash requirements for its operation for the next twelve months and in succeeding years. Various cash flow improvements such as aggressive operational cost reduction, cost negotiation, productivity and system enhancements are being implemented to maintain the Group's loan-free operation.

RETAINED EARNINGS

Retained Earnings in excess of 100% of paid-in capital will be declared as dividends and/or appropriated for plant expansion and modernization and upgrading of factory facilities and equipment in the future.

The appropriated retained earnings pertain to the appropriation for plant expansion and modernization and upgrade of factory facilities and equipment of the Parent Company. The appropriated retained earnings of the Subsidiary for the payment of its outstanding loan payable to Parent Company.

ITEM 7 - FINANCIAL STATEMENTS

The Group's Audited Consolidated Financial Statements for the fiscal year 2017 ended March 31, 2018 are attached hereto as Annex "B". Please refer also to the accompanying notes to the Audited Financial Statements.

ITEM 8 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

Independent Public Accountants

The Group's Audit Committee reviews the eligibility of the incumbent external auditor for retention. Otherwise, the Audit Committee then follows the selection process. Audit Committee selects from among the qualified external auditors and presents their recommendation to the Board of Directors for approval.

Sycip Gorres Velayo & Co., CPAs (SGV) is the current external auditor of the Group for FY 2017 and for the last two (2) fiscal years. To comply with the amended SRC Rule 68 (3) (b) (ix), the signing partners are rotated every five (5) years.

The Group's audit partner-in-charge for fiscal year 2017 ended March 31, 2018 is Mr. Aris C. Malantic who was appointed in 2013.

The Group had no disagreements with the former accountant, Sycip Gorres Velayo & Co. (SGV), the Group's external auditor, on any matter of accounting principles or practices, financial statements disclosures or auditing scope and procedures.

C. Audit-Related Fees

External Audit Fees

The Group engaged SGV & Co. to audit its annual financial statements and perform related reviews. The following fees, exclusive of VAT were incurred:

	2018		2017		2016	
Audit	₱	2.5	₱	2.5	₱	2.0
Audit-Related		–		–		–
Tax compliance		–		–		–
Total	₱	2.5	₱	2.5	₱	2.0

Tax Fees

There are no fees for tax to external auditors other than for audit services and review of withholding tax compliance.

Management presents proposals on possible external auditors to be engaged together with their respective proposed audit fees to the Audit Committee for proper consideration. The Audit Committee evaluates and thereafter, upon its recommendation, the appointment of the external auditor is presented to the Board of Directors and/or stockholders for confirmation. However, financial statements duly approved by the Audit Committee are still subject to confirmation of the Board of Directors prior to submission to the respective government regulatory agencies.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9 – DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

1. Directors and Executive Officers

Name	Office/Position	Citizenship	Age
Shinichi Hayashi	Chairman of the Board & President	Japanese	54
Yoshiyuki Takahashi	Vice – Chairman, Executive Director & Treasurer	Japanese	56
Hiroshi Yamada	Executive Director	Japanese	56
Masaru Toyota	Executive Director & VP – PPH	Japanese	60
Hiroyuki Tagishi	Director	Japanese	57
Eiji Fukumori	Director	Japanese	59
Yasuo Tonooka	Director	Japanese	49
Emiliano Volante	Independent Director	Filipino	74
Elizabeth Gildore	Independent Director	Filipino	60
Mamerto Z. Mondragon	Corporate Secretary	Filipino	74

Shinichi Hayashi, Japanese, 54, was elected to the Board and appointed as the President on January 6, 2016. He is the Chairman of the Board since January 22, 2016. Before his transfer to the Company, he was a former Managing Director of Panasonic Corporation (“PC”) – Malaysian subsidiary, Panasonic Management Malaysia Sdn hd (“PMAM”) – Panasonic Asia Pacific Procurement Management Center from January – December 2015. Prior to PMAM, he was assigned to Material Purchasing Center, Procurement Company, PC, as Director (Jan – Dec 2013). He was the General Manager of PC’s Procurement Company’s Centralized Purchasing Group, Deice Procurement Center (Jan – Dec 2012). He was the Director of PC’s Global Sourcing Center, Corporate Procurement Division (April – Dec 2011). He was the President of Matsushita Techno Trading Co., Ltd. (“MTT”), a subsidiary of PC from April 2006 – May 2011. He graduated from the University of Dosisha, Japan with a Bachelor’s Degree in Commerce.

Yoshiyuki Takahashi, Japanese, 56, was elected as Director and appointed as the Vice – Chairman, Treasurer and Executive Director for Finance and Administration Department on June 22, 2015. He is also the Chairman of Nomination, Remuneration & Risk Management Committees and a member of the Audit, Nomination and Corporate Governance Committees. Prior to joining the Company, he was a former General Manager of Panasonic Corporation’s regional office (“PC”), Panasonic Asia Pacific Pte Ltd (“PA”) Accounting Department from August 2013 to May 2015. He was the Manager of Panasonic Corporation – Equity Management Team, Global Finance Administration Center (April – July 2013) and Councilor of PC HQ Finance Management Team, Corporate Finance & IR Group (June 2010 – March 2013). He is a graduate of the Osaka City University in Osaka, Japan with a Degree in Business Administration.

Hiroshi Yamada, Japanese, 56, was elected as PMPC – Executive Director since February 01, 2014. He is also holds the following positions in the Company: Chief Technology Officer, Chief Quality Officer and Chief strategy Officer. He was a former Councilor for Refrigerator Business Division, Appliances Company, PC – Japan from October 2012 to August 2013. He was the General Manager of Refrigerator Business Unit, Home Appliances Company, PC – Japan from October 2010 to September

2013. He was also the General Manager of Engineering Group, Refrigerator Business Unit, PC – Japan from April 2008 to September 2010 and from July 2005 to March 2008 he was assigned Engineering Group, Refrigerator Division, Pc – Japan as the General Manager. He is a graduate of the Toyama University in Japan with a Degree in Science of Engineering.

Masaru Toyota, Japanese, 60, was elected as Executive Director and Vice- President of PPH Sales & Marketing Division last April 23, 2014. He is also the Chief Brand Communication Officer of the Company. Prior to his assignment to PMPC, he was the Vice-President of Panasonic Corporation – Japan (PC) Panamanian subsidiary, Panasonic Marketing Latin America from January 2012 to April 2014. He is a former General Manager for PC’s Latin America Administration Group, Corporate Management Division for Latin America from June to December 2011. He was assigned as Councilor to Overseas Marketing Group, PC’s AVC Networks Company from July 2009 to June 2011. He was the Vice-President of PC’s Russian subsidiary, Panasonic Russia Ltd. from April 2004 to May 2011. He graduated from Otaru University.

Eiji Fukumori, Japanese, 59, was elected to the Board on April 1, 2016. He is currently the General Director of PC’s Vietnamese subsidiary, Panasonic Vietnam Co., Ltd. (“PV”) since June 2013. He was assigned to Global Marketing Division, Appliances Company (Apr – May 2013). He was a former Group Manager of PC’s Global Marketing Group, Global Consumer Marketing Division from Jan. 2012 – Mar 2013. He was assigned to Planning Group, Corporate Management Division for Europe as the Group Manager (Apr – Dec 2011). He was the Deputy Managing Director – Sales & Marketing of PC’s French subsidiary, Panasonic France S.A. (“PFS”) from April 2006 – March 2011. He graduated from Kobe University of Commerce in Hyogo, Japan with a Degree in Commerce & Economics.

Hiroyuki Tagishi, Japanese, 57, was elected to the Board on April 1, 2016. Presently, he is the Leader of PC’s Appliances Company (“AP”) for AP Asia Project since October 2014. Prior to PC’s AP, he was the Business Unit Executive of PC’s AP for Beauty and Living Business Unit from Jan. – Dec. 2012 and was promoted to Director from Jan. 2013. He was assigned to Product Planning Department, Beauty Business Division of Panasonic Electric Work Co., Ltd. (“PEW”), an affiliated Company of PC as a Councilor from Oct. 2008 – Dec. 2011. He graduated from Kobe University in Hyogo, Japan with a Degree in Engineering.

Yasuo Tonooka, Japanese, 49, was elected to the Board on June 1, 2018. He is presently the General Manager of Cold Chain Devices Human Resources Department, Human Resources and General Affairs Department, Panasonic Corporation – Appliances Company since April 2015. From April 2012 – March 2015, he was the Manager of Panasonic Corporation – HQ Industrial Relations Department. He was assigned to Human Resources Development Section, Human Resources Department of Panasonic Corporation from April 2009 – March 2012.

Independent Directors

Emiliano S. Volante, Filipino, 74, was elected as Independent Director on October 2010. He is the Chairman of Audit and Corporate Governance Committees. He is a member of the Compensation/Remuneration Committee. He was a former Financial Consultant for Expresslane Brokerage Corporation from 2003 – 2010. He was also a former Internal Audit Manager of PMPC from 2000-2002. He graduated from Far Eastern University with a Degree in Commerce.

Elizabeth Gildore, Filipino, 60, was elected as Independent Director on May 4, 2015. She is a member of the Audit, Nomination, Remuneration, Risk Management and Corporate Governance Committees. Currently, she is the Finance Manager of Moduvi Inc. since March 2014. Ms. Gildore is a former General Manager – PPH Accounting from September 2007 to August 2012. She was the Finance Manager of PMPC - PPH Accounting from June 2000 to August 2007. She is a graduate of B. S. in Commerce, Major in Accounting.

Corporate Secretary

Atty. Mamerto Z. Mondragon, Filipino, 74, has been the corporate secretary of the Company since 1968 and its Subsidiary since 1984. He is also the Corporate Secretary of Panasonic Precision Devices Philippines Corporation (PPRDPH) since 2000. He is a graduate of the University of the East with a Bachelor Degree of Law.

Executive Officers

Position	Name	Age	Citizenship
Chairman & President	Shinichi Hayashi	54	Japanese
Executive Director & Treasurer	Yoshiyuki Takahashi	56	Japanese
Executive Director	Hiroshi Yamada	56	Japanese
Executive Director & PPH			
Vice-President	Masaru Toyota	60	Japanese
Corporate Secretary	Atty. Mamerto Mondragon	74	Filipino

Term of Office

The Directors and Executive Officers are appointed/elected annually by the Board of Directors at the organizational meeting following the stockholders' meeting, each to hold office for a period of one (1) year until the next succeeding annual meeting and until their respective successors have been elected and qualified.

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among the Parent Company's directors, executive officers or persons nominated or chosen by the Parent Company to become its directors or executive officers.

2. Significant Employees

The Group values its human resources and considers the entire manpower force as significant employees. It expects each employee to do his share in achieving its set goals and objectives.

3. Family Relationships

There are no family relationship up to the fourth civil degree either by consanguinity or affinity among the Group's directors, executive officers or persons nominated or chosen by the Group to become its directors and executive officers.

4. Involvement in Certain Legal Proceedings

The above-named executive officers and directors have not been involved in any material legal proceedings in any court or administrative agency of the government during the past five (5) years that will affect their ability as directors and officers of the Group.

- a. None of them has been involved in any bankruptcy petition
- b. None of them has been convicted by final judgment in a criminal proceeding or being subject to a pending criminal proceeding, both domestic and foreign.
- c. None of them has been subject to any order, judgment, or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodity or banking activities.
- d. None of them has been found by a domestic or foreign court of competent jurisdiction (in civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self – regulatory organization, to have violated a securities or commodities law or regulation.

ITEM 10 – EXECUTIVE COMPENSATION

The aggregate annual compensation during the last two fiscal years and to be paid in ensuing fiscal year 2018 of the Company's Chief Executive Officer and four others most highly compensated executive officers and all other officers and directors as a group are as follows:

Chief Executive Officer and four other most highly compensated executive officers:

	<u>Compensation</u>	<u>Bonuses</u>	<u>Others</u>	<u>Total</u>
FY 2018 ***	Php 45,286,523	Php 13,900,000	Php 0	Php 59,186,523
FY 2017 **	44,081,497	14,196,408	0	58,277,905
FY 2016	31,831,342	8,125,908	330,000	40,287,250

***Refers to Messrs. Shinichi Hayashi (CEO), Yoshiyuki Takahashi, Hiroshi Yamada, Masaru Toyota, Kunihiko Nimura

***Estimated amount – no significant change versus last year

All officers and directors as a group unnamed:

	<u>Compensation</u>	<u>Bonuses</u>	<u>Others</u>	<u>Total</u>
FY 2018*	Php 49,087,391	Php 14,950,000	Php 660,000	Php 64,697,391
FY 2017	47,777,003	15,245,272	660,000	63,682,275
FY 2016	46,358,935	11,860,905	974,118	59,193,958

*Estimated amount

For ensuing year 2018, no significant change is anticipated in the compensation of Directors and Officers.

The Company has no standard arrangement regarding the remuneration of its existing directors and officers aside from the compensation herein stated.

The directors and executive officers receive salaries, bonuses and other usual benefits that are also already included in the amounts stated above. Aside from the said amounts, they have no other compensation plan or arrangement with the registrant.

Each director and executive officers executed an employment contract with the Company for an indefinite period and entitled to receive retirement benefits in accordance with the terms and conditions of the Group's BIR-registered Employees Retirement Plan. There is no plan or arrangement by which a the director and executive officers will receive from the Group in case of a change-in-control of the Group or change in the executive officer's responsibilities following a change-in-control.

The Group has not granted any warrant or options to any of its Directors or Executive Officers.

ITEM 11 – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**1. Security Ownership of Certain Record and Beneficial Owner of more than 5% of any class as of March 31, 2018 and June 30, 2018**

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Ownership and Relationship with Record Owner	Citizenship	No. of Shares	Percentage
Common "B"	Panasonic Corporation ("PC") Japan 1006 Oaza Kadoma, Kadoma City, Osaka 571-8501, Japan Parent Company	Various Stockholders	Non-Filipino	337,994,588	79.96%

Panasonic Corporation (PC) has the power to decide how the PC shares in Panasonic Manufacturing Philippines are to be voted and has authorized Mr. Shinichi Hayashi – Chairman of the Board to vote on the shares.

2. Security Ownership of Directors and Management

The following are the securities beneficially owned by directors, nominees and executive officers of the Parent Company as of June 30, 2018.

Title of Class	Name of Beneficial Owner	Amount of Beneficial Ownership (Php)	Nature of Beneficial Ownership	Citizenship	Percent
Common "B"	Shinichi Hayashi	1	Direct	Japanese	NIL
Common "B"	Yoshiyuki Takahashi	1	Direct	Japanese	NIL
Common "B"	Masaru Toyota	1	Direct	Japanese	NIL
Common "B"	Hiroshi Yamada	1	Direct	Japanese	NIL
Common "B"	Hiroyuki Tagishi	1	Direct	Japanese	NIL
Common "B"	Eiji Fukumori	1	Direct	Japanese	NIL
Common "B"	Yasuo Tonooka	1	Direct	Japanese	NIL
Common "A"	Emiliano Volante	9,879	Direct	Filipino	.0024
Common "A"	Elizabeth Gildore	1,000	Direct	Filipino	NIL
Common "A"	Atty. Mamerto Mondragon	85,360	Direct	Filipino	.0202

The aggregate number of shares owned of record by all or key officers and directors as a group as of March 31, 2018 and June 30, 2018 is 96,246 shares or approximately 0.02% of the Parent Company's outstanding capital stock.

3. Voting Trust Holders of 5% or More

There has been no beneficial owner under the PCD Nominee account who holds more than 5% of the Parent Company's equity securities.

4. Changes in Control

The Parent Company is not aware of any change in control or arrangement that may result in change in control of the Company since the beginning of its last fiscal year.

ITEM 12 – CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the last two years, there were no transactions was undertaken by the Company in which any director, executive officer, beneficial owner, or any member of their immediate family had a direct or indirect material interest.

There were no director, executive officer, principal stockholder, or any member of their immediate family owns 10% or more of the Company's outstanding shares.

There were no transactions promoters for the past five years.

Details on related party transactions were on Note 22 of the Consolidated Financial Statements which is incorporated herein.

PART IV – CORPORATE GOVERNANCE**ITEM 13 – CORPORATE GOVERNANCE**

Please refer to the attached 2018 Integrated Annual Corporate Governance Report (I-ACGR) (Annex "C").

PART V - EXHIBITS AND SCHEDULES**ITEM 14 – EXHIBITS AND REPORTS ON SEC FORM 17 – C**

The following reports on SEC Form 17-C were filed to SEC.

Date Filed	Item Reported
04/17/2017	List of Top PMPC 100 stockholders as of March 31, 2018
05/16/2017	Notice of Annual Stockholders' Meeting to be held on June 16, 2017
05/23/2017	Certification of Independent Directors Mr. Emiliano Volante Ms. Elizabeth Gildore
06/06/2017	List of Stockholders entitled to notice and vote during June 16, 2017 Annual Stockholders' Meeting
06/20/2017	Notice of election of the following for 2017 – 2018 during 2017 Annual Meeting: Regular Directors: 1. Mr. Shinichi Hayashi 2. Mr. Yoshiyuki Takahashi 3. Mr. Hiroshi Yamada 4. Mr. Masaru Toyota 5. Mr. Hiroyuki Tagishi 6. Mr. Eiji Fukumori 7. Mr. Koji Takatori

	<p>Independent Directors:</p> <ol style="list-style-type: none"> 1. Mr. Emiliano Volante 2. Ms. Elizabeth Gildore <p>Appointment of Sycip, Gorres, Velayo & Co. as the Co.'s external auditor for fiscal year 2017 – 2018</p> <p>Election of Corporate Officers & Chairman/Members of Various Board Committees for 2017 – 2018</p> <table> <tr> <td>Mr. Shinichi Hayashi</td> <td>President & Chairman</td> </tr> <tr> <td>Mr. Yoshiyuki Takahashi</td> <td>Vice-Chairman of the Board Executive Director & Treasurer</td> </tr> <tr> <td>Mr. Hiroshi Yamada</td> <td>Executive Director</td> </tr> <tr> <td>Mr. Masaru Toyota</td> <td>Executive Director & Vice – President PPH</td> </tr> <tr> <td>Atty. Mamerto Mondragon</td> <td>Corporate Secretary</td> </tr> </table> <p>Election of Chairman and Members of the Various Board Committees for 2017 – 2018</p> <p>Audit Committee:</p> <table> <tr> <td>Chairman</td> <td>Mr. Emiliano Volante</td> </tr> <tr> <td>Member</td> <td>Ms. Elizabeth Gildore</td> </tr> <tr> <td>Member</td> <td>Mr. Yoshiyuki Takahashi</td> </tr> </table> <p>Nomination Committee:</p> <table> <tr> <td>Chairman</td> <td>Mr. Yoshiyuki Takahashi</td> </tr> <tr> <td>Member</td> <td>Ms. Elizabeth Gildore</td> </tr> <tr> <td>Member</td> <td>Mr. Emiliano Volante</td> </tr> </table> <p>Compensation/Remuneration Committee:</p> <table> <tr> <td>Chairman</td> <td>Mr. Yoshiyuki Takahashi</td> </tr> <tr> <td>Member</td> <td>Mr. Emiliano Volante</td> </tr> <tr> <td>Member</td> <td>Ms. Elizabeth Gildore</td> </tr> </table> <p>Risk Management Committee:</p> <table> <tr> <td>Chairman</td> <td>Mr. Yoshiyuki Takahashi</td> </tr> <tr> <td>Member</td> <td>Mr. Emiliano Volante</td> </tr> <tr> <td>Member</td> <td>Ms. Elizabeth Gildore</td> </tr> </table> <p>Corporate Governance Committee:</p> <table> <tr> <td>Chairman</td> <td>Mr. Emiliano Volante</td> </tr> <tr> <td>Member</td> <td>Ms. Elizabeth Gildore</td> </tr> <tr> <td>Member</td> <td>Mr. Yoshiyuki Takahashi</td> </tr> </table>	Mr. Shinichi Hayashi	President & Chairman	Mr. Yoshiyuki Takahashi	Vice-Chairman of the Board Executive Director & Treasurer	Mr. Hiroshi Yamada	Executive Director	Mr. Masaru Toyota	Executive Director & Vice – President PPH	Atty. Mamerto Mondragon	Corporate Secretary	Chairman	Mr. Emiliano Volante	Member	Ms. Elizabeth Gildore	Member	Mr. Yoshiyuki Takahashi	Chairman	Mr. Yoshiyuki Takahashi	Member	Ms. Elizabeth Gildore	Member	Mr. Emiliano Volante	Chairman	Mr. Yoshiyuki Takahashi	Member	Mr. Emiliano Volante	Member	Ms. Elizabeth Gildore	Chairman	Mr. Yoshiyuki Takahashi	Member	Mr. Emiliano Volante	Member	Ms. Elizabeth Gildore	Chairman	Mr. Emiliano Volante	Member	Ms. Elizabeth Gildore	Member	Mr. Yoshiyuki Takahashi
Mr. Shinichi Hayashi	President & Chairman																																								
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Member	Mr. Yoshiyuki Takahashi																																								
07/10/2017	List of PMPC's Top 100 Stockholders as of June 30, 2017																																								
07/27/2017	<p>Certification of Independent Directors</p> <p>Mr. Emiliano Volante</p> <p>Ms. Elizabeth Gildore</p>																																								

10/13/2017	List of PMPC's Top 100 Stockholders as of September 30, 2017
01/15/2018	List of PMPC's Top 100 Stockholders as of December 31, 2017
01/30/2018	Corporate Secretary's Certification for number of Board Meetings from January 01 to December 31, 2017
04/03/2018	Final list of Candidates for Board of Directors 2018 – 2019
04/13/2018	List of PMPC's Top 100 Stockholders as of March 31, 2018
	Declaration of 37.17% cash dividend for all stockholders of record as of April 25, 2018; payable on May 11, 2018
06/05/2018	Resignation of Mr. Koji Takatori as member of the Board of Director Election of Mr. Yasuo Tonooka as new member of the Board of Director
06/07/2018	List of stockholders of entitled to vote during June 15, 2018 Annual Meeting
06/21/2018	Election of Regular Directors, Independent Directors and External Auditor during Annual Stockholders' Meeting held on June 18, 2018
	Notice of Annual Board of Directors Meeting Election of Corporate Officers for 2018 – 2019 Election of Chairman and Members of various Committees

Reports under SEC form 17-C, as amended during the last six (6) months:

N ONE

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in Taytay, Rizal on July 5, 2018.

PANASONIC MANUFACTURING PHILIPPINES CORPORATION REGISTRANT

Pursuant to the requirements of the Securities Regulation Code, this Annual Report has been signed by the following persons in their capabilities and on the date indicated.

By:



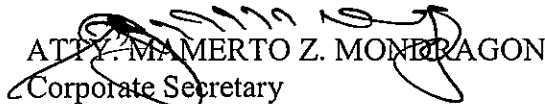
SHINICHI HAYASHI
President & Chairman



YOSHIYUKI TAKAHASHI
Treasurer & Vice – Chairman
Executive Director



MASARU TOYOTA
Executive Director &
VP – Sales & Marketing



ATTY. MAMERTO Z. MONDRAGON
Corporate Secretary

Signed on this 5th day of July 2018

SUBSCRIBED AND SWORN to before me this JUL 05 2018, affiants exhibiting to me their passport numbers as follows:

NAMES	PASSPORT NO.	DATE ISSUED	PLACE ISSUED
Shinichi Hayashi	TH9641280	July 08, 2009	Japan
Yoshiyuki Takahashi	TZ1094063	December 15, 2015	Japan
Masaru Toyota	TZ1179940	January 19, 2017	Japan
Mamerto Z. Mondragon	EC1383417	June 11, 2015	Philippines

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Book No. X
Series of 2018

ATTY JOHN KENNETH T. MORENO
NOTARY PUBLIC
NOTARY PUBLIC
Roll No. 35640
IBP No. 02277 - 3 Jan. 2018
PTR No. 02576019 - 3 Jan. 2018
MCLE No. V-17886 - 03 March 2016
Appt. No. 18-34-Jan. 2018
Until Dec. 31, 2019
For Antipolo City, Taytay, Cainta
Province of Rizal

Annex “A”

Annual Report Management’s Discussions & Analysis of Operation

Panasonic

Panasonic Manufacturing
Philippines Corporation

ANNUAL
STOCKHOLDERS'
MEETING **2018**

For FY 2017 ended March 31, 2018

A Better Life, A Better World

Our Company, Our Commitment...

Panasonic Manufacturing Philippines Corporation (PMPC) is a manufacturer, importer and distributor of electronic, electrical, mechanical, electro-mechanical appliances, other types of machines, parts and components, battery and related products bearing the brand name, "Panasonic". PMPC, which is a subsidiary of Panasonic Corporation (PC), Japan is the first Filipino-Japanese joint venture operation in the area of consumer electronics in the country.

The primary products manufactured by the Company are refrigerators, air conditioners, washing machines, and electric fans.

In October 2003, the Company ceased using "National" brand and unified the branding of all its products under the Panasonic brand.

PMPC has a wide base of sales and service distribution centers strategically located at key municipalities, cities, and provinces all over the Philippines.

In 2011, PC made Panasonic Electric Works Co., Ltd. (PEW) and SANYO Electric Co., Ltd. wholly owned subsidiaries. Consequently, with the said integration, PEW-Philippines and SANYO-Philippines ceased their existence as independent companies in the country. However, some of PEW operations with products under Eco Solutions like solar panel business and other devices, as well as SANYO's

commercial refrigeration businesses among others were integrated into the business operation of PMPC's Sales Division, Panasonic Philippines (PPH) effective April 1, 2012.

On March 19, 2013, the Securities and Exchange Commission (SEC) approved the extension of PMPC's corporate life for another 50 years or until May 15, 2063.

In 2016, PMPC marked the initial year of its business operation under the umbrella of Panasonic Appliances (AP) Company.

Now, having reached its golden anniversary as a joint-venture in 2017, PMPC renews its commitment to operate with dedication along with its corporate mission as a gesture of its gratitude to the continuing support of its loyal customers, business partners, and the communities where it operates, looking forward to the future with confidence, and focusing its efforts and resources

in serving both the customers and society.

PMPC recognizes that the primary role of its business is to serve society in return for the use of its resources, and thus devoting its business activities to the progress and development of society and the well-being of the people. This commitment serves as guidance for the Company in carrying out its operation and corporate activities.



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Message to Shareholders	4
FY2017 Highlights of Operation	5

FINANCIAL HIGHLIGHTS

Fiscal Years 2017, 2016 and 2015

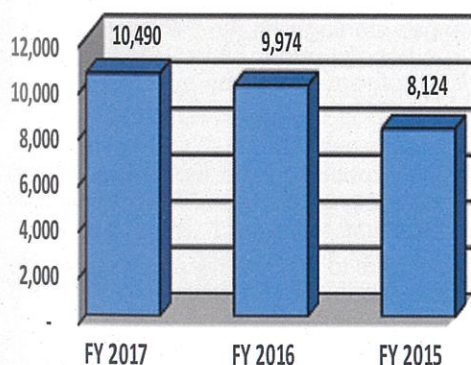
TOTAL OPERATIONS	FY2017	FY2016	FY2015
NET SALES	10,490,076,674	9,974,276,992	8,124,341,497
NET INCOME AFTER TAX	264,032,362	535,834,543	250,975,471
Attributable to:			
Equity Holders of the Parent Company	262,726,845	534,334,251	254,111,531
Minority Interest	1,305,517	1,500,292	(3,136,060)
EARNINGS PER SHARE	0.62	1.26	0.60
TOTAL EQUITY	4,591,099,806	4,269,856,920	3,991,496,463
Book Value Per Share	10.86	10.10	9.44
WORKING CAPITAL (EOY) (Current Assets - Current Liabilities)	3,856,905,771	3,651,575,064	3,483,995,142
CURRENT ASSETS RATIO	2.80	2.79	3.28

CASH DIVIDENDS

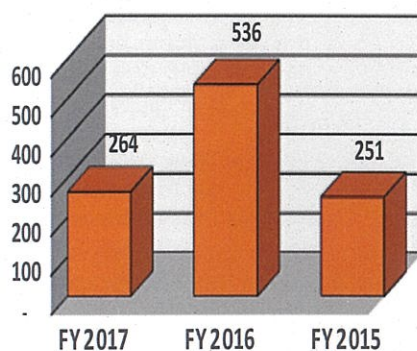
2016 - 20% regular and 50% special cash dividend. Declaration date March 31, 2017

2015 - 20% cash dividend. Declaration date March 22, 2016

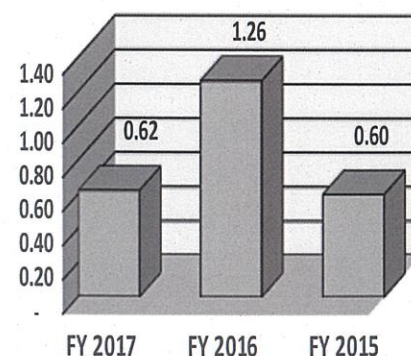
Total Sales (in millions)



Net Income (in millions)



Net Earnings per Share



MESSAGE TO SHAREHOLDERS



Dear Shareholders,

I am so thankful for your continued trust and confidence, which served once again as our encouragement in executing our corporate plans and programs along with our determination to overcome all the challenges that we had in fiscal year 2017, the year PMPC celebrated its golden anniversary. Indeed, a lot of things happened over the last five decades, particularly the traces of our continuing partnership with the Philippine society, which enabled us also to deliver long-term value to our shareholders. Behind each year of our business operation, we keep on renewing our collective commitment to make PMPC a continuously high performing company by way of making our business initiatives relevant, responding to our customers' needs, and "following the laws of nature" as professed by our Panasonic founder Konosuke Matsushita.

In fiscal year 2017, together with the dynamic men and women of our PMPC Family, we executed a lot of activities in all the areas of our business operation, from product conceptualization, production, sales, and down to corporate citizenship activities, unswerving in our determination to have a more meaningful celebration of our 50th anniversary. As a result, although we had shortcomings in some areas due to the detrimental impacts of currency fluctuations and higher cost of raw materials, we had also gains to be thankful for, particularly our achievement of a total sales of 10.5 billion pesos, which is 105 percent of last year's 9.9 billion pesos.

As to the performance of our domestic products versus last year: Refrigerator achieved sales of 109 percent; Washing Machine, 114 percent; and Electric Fan, 106 percent. However, our Window Airconditioner registered a low sales performance of only 87 percent, and our Freezer at 97 percent of last year.

Moreover, the sales of imported consumer goods registered a good performance at 133 percent against last year due to the continued demand for higher capacity refrigerators, fully auto washers, split type airconditioners, and LED TV sets. All in all, our consumer goods products account for 85 percent of our Company's sales, which posted the same ratio last year.

On the other hand, our export sales of window-type airconditioners registered a performance of 107 percent versus last year.

For our B2B operations, we were able to achieve only 87 percent of last year. On a per sales category of B2B Group, System Sales achieved only 80 percent of its target, due particularly to the bulk of the special project with a business partner last year. Likewise, Eco Solutions, with products such as solar panels, V-fan, and lighting, achieved 113 percent, and Cold Chain, for the combined sales of showcase chillers and commercial microwave ovens to mass merchandise dealers, achieved 109 percent.

Reflecting on the result of our performance in terms of profitability, I would like to apologize that we were not able to generate an improved profit despite our sales growth of 5 percent last year. We only generated a profit after tax of 264 million pesos representing 2.5 percent of our sales. Actually, this is lower by 272 million pesos of last year's 536 million pesos achievement. The said result was aggravated by the increase in the market price of our major components such as chemicals, copper, and resins in addition to the unfavorable effects of the exchange rate fluctuation, specifically the Philippine peso depreciation against the US dollar. For chemicals, particularly the urethane for our Refrigerator, price went up almost 200 percent versus last year, primarily due to the strict implementation of the China environmental policy. As for copper, with 136 percent price increase versus last year, this was affected by the demand in Chinese market and the scarcity of stocks with the inability of existing refineries to increase output. For resins, the 118 percent price up was due to the global crude oil price increases. These factors affected much our importation cost, and eventually our cost of sales.

Given these unfavorable circumstances, our main focus now is to overcome our challenges and continue to operate along with our commitment to realize a double-digit sales growth, and a much improved profitability through the development and expansion of local inverter products, and the generation of higher sales for premium imported products.

We all know that in fiscal year 2018, we will continue to experience a lot of challenges starting with the trend in global oil prices, which stands as one of the biggest sources of risks in doing business. But we are hopeful of our future, especially that consumer spending would likely to rise at a healthy pace in 2018 due to the steady inflows of remittances by overseas Filipino workers, firm labor market, and the sustained government spending on infrastructures that could boost domestic activities, which will eventually contribute to the country's economic growth.

Rest assured that we shall carry out all our responsibilities bearing in mind the many expectations on us in creating and implementing strategies for our products and services not only to comply with changing market requirements, but also to stay ahead proactively with new customer demand and put things into concrete actions.

Looking forward for a better performance in FY2018, and on behalf of the Board, I would like to express my utmost gratitude to all our loyal customers, business partners, shareholders, the management of AP Company, and all the members of our PMPC Family for their continued support, cooperation, and understanding.

Let us realize our key initiatives through high execution ability!

Sincerely,


Shinichi Hayashi
Chairman and President

HIGHLIGHTS OF FY2017 OPERATION:

Taking fiscal year 2017 as an opportunity to reconfirm the Company's partnership with Philippine society and loyal customers, along with its commitment to mark its 50th anniversary with successful accomplishments, the members of PMPC Family worked with utmost determination, exerting their best efforts and enthusiasm in promoting and carrying out the Company's key initiatives and programs.

Promoting innovative products for the betterment of society

Considering its aspiration to continuously promote innovative products for the betterment of society and well-being of people, PMPC held various events all throughout the fiscal year in review.

PMPC held a TV Convention on June 21, 2017 launching new models of TV and subcategory of AV products: urban audio and GH5 Lumix camera. The event was graced by Panasonic Appliances Marketing in Asia-Pacific Director for AV Merchandising Nobuhide Saito. The new OLED TV is expected to allow customers to level up their viewing experience as the new product offers remarkable brightness, contrast and color quality.

Panasonic Philippines announced its 2018 product lineup and launched its New Air Conditioner Models, which promote "Quality Air for Life" during the Company's business meeting and press conference on February 12-14, 2018. "Making life better" is Panasonic's commitment to consumers. The Company's Air Conditioner Business Division introduced the newest air conditioner models with Nano-e technology and inverter technology.

In November 2017, PMPC through Eco Solutions Group showcased its electrical and construction material products at a couple of major events: Institute of Integrated Electrical Engineers of the Philippines Annual Conference; and BCI Equinox Manila. The products featured during the said events included LED lighting fixtures, solar panels, ventilating fans, fire alarm, and full 2-way lighting control system. The new lineup of SlimArt switches and outlets were also unveiled.



Promoting responsible management for the betterment of society

PMPC was blessed with a lot of guests and visitors in fiscal year 2017 sharing its activities and programs as an affirmation of its responsible management and transparent operation: Panasonic Systems Solutions Asia Pacific Finance Director Kenichiro Kawaguchi and Mr. Masahiro Yamaki; Panasonic Corporation Executive Director Hiroyuki Tagishi; Panasonic Appliances Asia Pacific Deputy Managing Director and Appliances Company Vice President Yasuo Tonooka; PAPRDSG Director Masahiro Suzuki and Ryouhei Tokunaga; PPAP Managing Director Mitsuru Nishimura; PAPAP Washing Machine Director Yasushi Kondo; Washing Machine Asia BU General Manager Kazuhisa Morishita; Panasonic Appliance Air-Conditioning Malaysia (PAPAMY) Managing Director Hiroyuki Iwaki; PESAP Managing Director Akihiko Ochi; Panasonic Asia Pacific Pte. Ltd. Brand Management Department (BMD) Director Yuichi Takatoku and Miss Sachiko Ohara; Panasonic Corporation Global Communications Group Joe Tsuchiya; Visitors from Abenson; PC Senior Audit & Supervisory Board Member Mamoru Yoshida; Visitors from Anson's Merchandising; Appliances Company Senior Vice President & Panasonic Corporation Executive Officer Yukio Nakashima; Appliances Company Managing Officer Tadashi Nagumo; Panasonic Corporation Auditors Messrs. Hiroshi Kishimoto, Fumio Ozaki and Keishi Funayose; Visitors from Robinsons Appliances Corporation; The Bank of Tokyo-Mitsubishi

UFI Deputy President Hidekazu Fukumoto, Manila Branch Senior Vice President Yutaka Monjushiro, Manila Branch Department Head Satoshi Sugioka, Manila Branch General Manager Tatsuto Ishida; Panasonic Appliances Vietnam Co. Ltd. (PAPVN) President Akio Ota and company: from Refrigerator Factory Messrs. Kurihara Kiyoshi, Nguyen Trong, Nguyun Cong; from Washing Machine Factory, Messrs. Ueta Hidehiko, Vuong Thanh, Hohng Minh Chuyen; Laundry Systems & Vacuum Cleaner Business Division, Mr. Kawai Masaki; Members from San Miguel Corporation EVP Takashi Hayashi and EVP Fumiaki Ozawa, Executive Finance Adviser Tomori Yamauchi, Senior Consultant for Finance Takao Fujiwara, Senior Consultant for Technical Makoto Kawasaki, Senior Consultant for Sales Daiki Sato; PA GMC Director Kohei Fukui; from Tokyo Marine Asia Pte. Ltd. Mr. Hiroaki Suganuma Asia Pte. Ltd., Mr. Hiroaki Suganuma; from Malayan Insurance Mr. Toshiaki Kezuka; Panasonic Corporation Professional Business Support Center General Manager Masanobu Matsuda and Manager Tsuyoshi Misawa; Appliances Company Human Resources & General Affairs Center Chief Taichi Ueno; Panasonic Corporation Senior Audit & Supervisory Officer Masakazu Hasegawa; Panasonic Asia Pacific Pte. Ltd. Chief Financial Officer Yoichi Takemoto, Director Board Member Gan Siew Hua, and



members Mr. Daniel Chai, Mr. Shinobu Shibata and Miss Kho Lee Shan; Appliances Design Center Director Shigeo Usui; Panasonic Appliances Design Center Director Takehiko Kihara; Panasonic Appliances Asia Pacific Head of Global HR Platform Center Kentaro Kakihana, HR System Planning Group Shogo Ukai and Global HR Group Appliances Company Tetsuhiko Haruna; Laundry Systems and Vacuum Cleaner Business Division (LVBD) Shizuoka Plant Superintendent Ryoji Hirota and Production Technology Manager Toshimitsu Takahashi; Members from Panasonic Corporation Japan HQ Facilities Management Department; Representatives from various Panasonic factories attending the Aircon Global Procurement Meeting; Appliances Company Vice President Junichiro Kitagawa and General Manager Hironobu Shibukawa.

The Information Security Management System (ISO 27001:2013) recertification audit was held on April 3-7, 2017. The company has proved that an adequate and effective system is in place to adhere to policies and objectives. TUV Rheinland awarded the new ISMS certificate.

PMPC President Shinichi Hayashi set the direction of the Company's business operation for FY2017 during the announcement policy meeting held on April 11, 2017 at PMPC-Taytay Auditorium via video conferencing for PMPC employees in area offices.

TUV Rheinland issued a Certificate of Compliance to PMPC on July 6, 2017 after the Company met the requirements of ISO/IEC 27001:2013. The certification is valid from July 4, 2017 until April 21, 2020.

Effective October 1, 2017, the improved Quality Management System (QMS) aligned with AP Quality Standards has started

its implementation at PMPC. Among the significant changes in the aligned QMS was the Quality Policy, which seeks to fulfill customers' expectations for product quality through the supply of products and services that enhance the safety and security of their lives and earn a sense of affection from them. Most importantly, QMS enhancement led to compliance with the requirements of ISO 9001:2015 which is a risk-based quality management system.

Quality Month is celebrated at Panasonic Group of Companies every November to raise awareness on the significant contribution of quality towards the success and progress of the company with the theme, "Challenge to Achieve Zero Defects". Showing their commitment and leadership, PMPC President Shinichi Hayashi and PMPC Executive Director Hiroshi Yamada, checked the actual process of manufacturing parts checking, assembly and finished goods inspection.

The Company celebrated its Christmas party with the theme "Pusuan Mo Ang Pasko sa PMPC" on December 15, 2017 at the Company's multi-purpose covered court.

More than 50 executives from APAC-ISEMEA region attended the FY2017 2nd Manufacturing Managing Directors (MD) Meeting held on January 19, 2018 at PMPC Taytay. The meeting highlighted Panasonic's fundamentals, particularly on human resources development and manufacturing enhancement. The activity was graced by Panasonic Corporation Managing Executive Officer Yoshiyuki Miyabe.

PMPC Management and Workers Union continues to express their unity for a harmonious relationship within the workplace as they signed the new collective bargaining agreement on March 2, 2018 at PMPC Head Office Taytay.

Promoting environment, health and safety for the betterment of society

As part of its corporate DNA, PMPC held a lot of activities that have something to do not only on safe, healthy, and environmental friendly workplace in compliance with the government regulations on environment, but also for the benefit of everyone and the community where Panasonic operates.

On April 23, 2017, PMPC joined the annual fun run "SILAKBO" (Sikad, Lakad, Takbo). Through PMPC's sponsorship,

the Company secured 100 trees to be planted within Laguna area.

To understand the role of forklift operators including their abilities and responsibilities involving elimination and reduction of unnecessary/unexpected repair of units due to negligence or misuse, Toyota Handling Material Philippines conducted a Forklift Safety Awareness Training at PMPC Taytay on April 29, 2017, on July 15, 2017 and on March 24, 2018.

Along with the commemoration of World Environment Day aimed at raising people's awareness of environmental issues, PMPC organized a tree-planting activity on June 17, 2017, as part of its 50th anniversary celebration. Also slated were a cooking fest, an eco-academy, and a mountain biking activities which were designed to improve environmental awareness.

Panasonic Corporation (PC) Environment Division Chief Seiichiro Goda and Panasonic Asia Pacific Pte. Ltd. (PA) Quality and Environment Group Manager Yeo Shir Ling and Executive Joelle Chin conducted the Environment Compliance Assessment Training together with the members of PPRDPH on July 27-28, 2017. Country Environmental Committee Meeting was held on the same day.

A one-day training for EMS14001:2015 Awareness Orientation was conducted on July 31, 2017 at PMPC Taytay, to provide PMPC members a clear understanding of the ISO requirements, its application and benefits, and to comply with Panasonic APAC Cross Company Compliance Assessment.

In August 2017, PMPC constructed its Safety Dojo at HDC Building, Technical and Safety Training Room.

Appliances Company (AP) conducted AP A Rank Risk Assessment at PMPC Taytay and Sta. Rosa on October 12-13, 2017 to create a visualize a "Safety-first" risk management system and ensure the promotion of a safe and sound workplace.

A total of 4,334 students on three separate occasions received eco-learning programs from PMPC (Taytay Elementary School, Muzon Elementary School and San Juan Elementary School Unit 1).

On January 16-17, 2018, PMPC participated in the FY2017 APAC Environmental Conference Report held at Panasonic Thailand via HDVC. The event, tackled the Environment Vision for 2050, review of the effectiveness of country-based activities and development through sharing of good environmental activities.

Members of Appliances Company and Refrigerator Japan headed the two-day Appliances Company Machine Safety Standard and Assessment on March 1-2, 2018 at PMPC Taytay.

In compliance with Rule No. 1948 of the Philippine Occupational Health and Safety Standard, PMPC conducted drills at Taytay and Sta. Rosa Plants for the Earthquake (Oct. 27) and Fire Evacuation (Mar. 27) drills on two-separate occasions. A Fire Safety Seminar was also conducted on March 27, 2018.



Promoting corporate citizenship for the betterment of society

As our Panasonic Founder Konosuke Matsushita once said: "In managing a business, think of all the members of society as your customers, and the company as existing for their benefit. We make things, supply them to society and enrich people's lives, thereby contributing to the advancement of society and culture". Thus, PMPC actively promotes and carries out its corporate citizenship programs and activities with utmost commitment.

On April 21, 2017, PMPC cemented its support to former President Fidel V. Ramos' Peace and Development Foundation, Inc. (RPDEV) in a book launch which highlighted the foundation's 15th year anniversary.

Panasonic continuous to provide a better life, a better world as it renewed its scholarship program for undergraduate and

vocational categories through PMPC and PPRDPH (Panasonic Precision Devices Philippines Corporation).

In the Philippines, Panasonic Corporation (PC) held its 5th year of 100 Thousand solar lanterns donation ceremony on December 12, 2017 at PMPC Taytay, thus bringing its donated solar lanterns in the country to a total of 12,264 units. The 100 Thousand Solar Lanterns Project, launched by PC in 2013 is one of the corporate citizenship activities of Panasonic Group aimed at delivering a total of 100,000 solar lanterns by 2018 to mark Panasonic's 100th anniversary, to contribute in improving the lives of people around the world and realize a world in which "no one will be left behind", using Panasonic products (solar lanterns) and technologies.



The “Munting Handog, Laking Tuwa ang Dulot Project” in FY 2017 served as channel for the Company to contribute in generating fund for the benefit of the children affected by the conflict in Marawi by matching the charitable contributions mustered by PMPC employees for the project, which was turned over by PMPC President Shinichi Hayashi to UNICEF Philippines through the Agency’s Individual Fundraising Programmes Officer Dennis Cruz.



Promoting co-existence and co-prosperity for the betterment of society

Fiscal year 2017 served as an opportunity for PMPC to renew and reconfirm its solid partnership with its business partners.

PMPC Chairman of the Board and President Shinichi Hayashi presided over the Company’s Stockholders’ Meeting on June 16, 2017. In his report, Mr. Hayashi mentioned that in fiscal year 2016 ending March 31, 2017, PMPC confronted many challenges without fear along with the Company’s commitment to build a stronger foundation for further growth by carrying out its various initiatives and activities along with the management slogan, “Ride the new wave-Be No.1.”

In December, PMPC held its Thanksgiving Night with business partners as part of its activities marking the Company’s 50th anniversary. The company presented its achievements, initiatives and targets.

PMPC welcomed plant tours from various organizations, such as Clinic Systems, Inc. Japanese exchange students from JENESYS Programme and Department of Trade and Industry-Camarines Sur toured PMPC Taytay. The Company’s cleanliness and systematic process left a good impression on the visitors.

PMPC President Shinichi Hayashi together with Executive Director Masaru Toyota and Assistant Director Kunihiko Nimura accepted the Platinum Award for PMPC from HVAC/R Philippines during HVAC/R Philippines 20th anniversary on January 8, 2018.



Promoting people before products for the betterment of society

Anchored on the belief that the measure of a company is the people who worked for it, that no enterprise could succeed if its employees do not grow as human beings, and that business, first and foremost is about cultivating human potential, various learning enhancement programs were offered in fiscal year 2017.

VRF specialist Mr. Nurul Mubarak Hasbullah conducted a VRF Training for PMPC engineers, dealers, installers and specialists at PMPC Taytay on May 10-11, 2017. The participants gained knowledge and technical information on the latest commercial air-conditioning product of Panasonic, the FSV system or known as the VRF (Variable Refrigerant Flow).

Appliances Company (AP) Senior Vice President and Panasonic Corporation (PC) Managing Executive Officer Yukio Nakashima conducted the Creating Profitable & Sustainable Growth Seminar for PMPC employees on July 3, 2017 at PMPC-Taytay. The lecture was shared to area offices via video conferencing.

Panasonic Corporation, Quality & Environment Division, Product Safety Section, led by Mr. Kazufumi Nishida, conducted the Panasonic Corporation Safety Standard (PCSS) training for PMPC engineers on July 13, 2017 at PMPC-Taytay. Topics covered were history of product safety initiatives and safety design standards.

Representatives from Panasonic Asia Pacific, AP-Asia ISM Regional Office, Information Management conducted the ISM Internal Auditor and Lead Auditor Training on June 14-15, 2017 at PMPC Taytay which led to the awarding of certification to Division ISM Internal Auditors and Lead Auditors.

On July 28-29, PMPC Assistant Director Marlon Molano conducted the Accounting Training Camp & Strategic Planning for PMPC Accounting Group.

To assist PMPC employees in developing the mind-set, habits and heart of a sincere customer-centric professional, a Customer Service Excellence Training Workshop was offered on August 8, 2017 at PMPC Taytay.

Panasonic Asia Pacific Pte. Ltd. Quality & Environment Group, Mr. Richard Tan Yong Jin and Mr. Bean Sin Khor, conducted a Technical Regulation and PCSS training on September 19-21, 2017.

Panasonic Financial & Accounting Professional Partners Co., Ltd. Senior Adviser, Yoichi Takarada visited PMPC Taytay on October 16-17, 2017 to conduct the Panasonic Seminar for Local Accountants (PSLA) for PMPC and PPRDPH.

Panasonic Procurement Asia Pacific (PPAP) Asia Planning Center held the Cost Basic Course and CSR Level 2 at PMPC Taytay on October 16-17, 2017 and on November 6, 2017 for the Global Procurement Level 2 and on November 7, 2017, Basic Moulding and MRO.

In order to deepen the understanding of management systems to comply with product regulations for manufacturing companies, Panasonic Asia Pacific Pte. Ltd. (PA) Quality and Environment Group (QEG) and Quality and Environment Division conducted the Product Regulations Management Seminar on October 26, 2017 at PMPC Taytay.

PMPC's Customer Service Group provided training programs to Panasonic Authorized Service Center (PASC) staffs to improve their product know-how and provide customer-oriented approach in November and December 2017.



Members from Panasonic Asia Pacific Pte. Ltd. headed the two-day FY2017 APAC Internal Control Training on November 13-14, 2017.

PMPC conducted the Salesmanship for Better Results on November 16, 2017 to provide a much better understanding of the customers' profile, selling proves, approaches and strategies.

On December 7, 2017 PMPC managers attended a one-day training to heighten their skills in responding to the management slogan "High Execution Ability is more than any Excellent Strategy."

Ensuring that all PMPC members are complying to

Panasonic code of conduct, PA Legal members conducted the Clean Business Monitoring & Compliance on December 12-15, 2017.

Pre-requisite training programs for candidates for promotion were conducted on February 26-28, 2018 at PMPC Taytay by Former Panasonic Regional Training Center (Singapore) General Manager Lim Chee Hoo. Mr. Lim facilitated the Panasonic Global Competencies (PGC) Train-the-Trainer Program; Quality Plus Consultant Genelyn Macaya shared her expertise on Internal Audit and PMPC Training Manager Lorenzo Magsingit presented the Leadership Challenge Module.

PMPC 50 solid years of partnership with Philippine society



Panasonic Manufacturing Philippines Corporation (PMPC) held a thanksgiving party for its business partners, one of the highlights of the Company's 50th year anniversary celebration at Shangri-La the Fort on September 14, 2017. A press conference was also held on the same day.

On September 15, 2017, PMPC marked the company's 20 years of solid partnership with Philippine society at its headquarters in Taytay and via video conferencing for its area offices. Making the occasion momentous were Panasonic Corporation Executives Mr. Tetsuro Homma, Senior Managing Executive Officer of Panasonic Corporation and President of Panasonic Appliances Company; Mr. Toru Nishida, Executive Officer of Panasonic Corporation and Managing Director of Panasonic Asia Pacific Pte. Ltd. Regional Headquarters; Mr. Hiroyuki Tagishi, Executive Officer of Panasonic Corporation, Vice President of Panasonic Appliances Company and Managing Director of Panasonic Appliances-Asia Pacific; Mr. Hirokazu Umeda, Executive Officer, Member of the Board and Chief Financial Officer of Panasonic Corporation (former PMPC Executive); and Mr. Nobuo Yasuhira (former PMPC President).

In line with PMPC's 50th anniversary celebration, the company offered various Employee Enrichment Programs to PMPC employees.

PMPC members, who have the knack to belt out difficult numbers and passed the rigors of audition, turned the PMPC





50th Anniversary Chorale truly competitive. In their production numbers, members of the group performed at their best, rendering different twists to all-time regional favorites.

Developing creative minds among employees was the inspiration behind the revival of PMPC's indoor games during the 2017 PMPC Sportsfest.

In partnership with the Department of Education, PMPC also served schools in poor communities by donating Eneloop battery storage which stores solar energy to power LED lights, improving people's lives.

Panasonic also held a contest for its loyal customers. Aptly titled, "Panasonic Turns Gold," the contest allowed consumers to upload photos of their oldest Panasonic products. Winners were able to replace their old National Panasonic products with new ones.

To help family members appreciate their parents' hardwork, PMPC staged a Family Day Activity in Taytay, Rizal and Sta. Rosa, Laguna factories. Apart from bringing families together in the workplace, the event showed parents' sacrifice for their families.

A thanksgiving party for current and selected former PMPC employees lived up to expectation of providing opportunities to share laughter, food and memories. The gathering brought out the

best among the old and new employees as they enjoyed the night partying and sharing wisdom acquired through the years in the company.

Fiscal year 2017 has been the last year for PMPC's half-century of commitment to serve society, continuously embracing changes coupled with innovation and the desire for sustainable progress. These and more, PMPC renews its dedicated effort to contribute in improving people's lives and to the progress and development of society along with the essence of Panasonic Group's slogan, "A Better Life, A Better World" and enters its next half-century of meaningful existence....

Panasonic

Panasonic Manufacturing Philippines Corporation

Ortigas Avenue Extension, Taytay, Rizal

To learn more about Panasonic products please visit:

www.panasonic.com/ph