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May 26, 2017

For immediate release

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Announcement of Receipt of Letter from a PanaHome Shareholder and PanaHome Maintains its Opinion in Favor of the Tender Offer for the PanaHome Shares by Panasonic Corporation and Recommendation to Tender Shares

As announced in our press release dated April 21, 2017 titled “Announcement of Termination by Mutual Agreement of the Share Exchange Agreement with Panasonic Corporation, the Controlling Shareholder of PanaHome, and PanaHome’s Opinion in Favor of the Tender Offer for PanaHome’s Shares by Panasonic Corporation and Recommendation to Tender Shares” (the “**Press Release dated April 21, 2017**”), PanaHome resolved at its Board of Directors meeting held on that date to express an opinion in favor of the tender offer (the “**Tender Offer**”) for PanaHome’s common stock (the “**PanaHome Shares**”) to be conducted by Panasonic Corporation (“**Panasonic**”) and to recommend that the shareholders of PanaHome accept the Tender Offer.

Further, as announced in the Press Release dated April 21, 2017 that we received a notice dated February 22, 2017 from Oasis Management Company Ltd. (“**Oasis**”), which manages Oasis Investments II Master Fund Ltd., one of our shareholders, regarding the purchase of the PanaHome Shares. We recently received a letter dated April 28, 2017 from Oasis in which Oasis changed the content of notice (the “**Oasis Letter dated April 28, 2017**”).

There being many unclear points in the proposal made in the Oasis Letter dated April 28, 2017, and because we doubt the feasibility of the proposal, we asked Oasis about the details with Oasis and requested the Special Committee to review the proposal from Oasis. We received a response from the Special Committee and reviewed the proposal carefully. As a result, we resolved at the Board of Directors meeting held today to maintain our opinion in favor of the Tender Offer for the PanaHome Shares by Panasonic and recommendation to tender shares at this point, and hereby makes the following announcement.

1. Oasis’ Proposal and Our Review

Oasis proposed an offer to purchase the PanaHome Shares with cash consideration of JPY 1,050 per share (the “**Initial Oasis Proposal**”), as we announced in the Press Release dated April 21, 2017. Following the press release, we received the Oasis Letter dated April 28, 2017 from Oasis.

In the Oasis Letter dated April 28, 2017, Oasis changed the Initial Oasis Proposal, offering the revised purchase price of JPY 1,300, for a minimum of 33.5% of PanaHome’s outstanding shares and for a maximum of 100% of PanaHome’s outstanding shares, subject to

the fulfillment of several conditions, including the completion of due diligence satisfactory to Oasis, the completion of financing to Oasis, and the execution of shareholder and employment agreements (the “**Revised Oasis Proposal**”).

There being many unclear points regarding the details of the conditions and others in the Revised Oasis Proposal and because we doubt the feasibility of the Revised Oasis Proposal in terms of the satisfaction of the conditions and the purchase funds, we sent a letter dated May 2, 2017 to Oasis with questions regarding the details of the Revised Oasis Proposal, and we received a response from Oasis to some of our questions on May 9, 2017 (the “**Oasis Response dated May 9, 2017**”).

However, the Oasis Response dated May 9, 2017 still does not clarify the terms and conditions and details of the Revised Oasis Proposal; rather it implies the possibility of a partial tender offer, which was not stated in the Oasis Letter dated April 28, 2017, and includes other matters that are different from what was initially stated in the Oasis Letter dated April 28, 2017, and for these reasons, we believed we should meet with Oasis in person to review the Revised Oasis Proposal (including the Oasis Response of May 9, 2017; hereinafter the same) and confirm the details of the Revised Oasis Proposal. The Special Committee met with Oasis on May 19, 2017, and the management of PanaHome met with Oasis on May 23, 2017. In each of these meetings, Oasis explained about the Revised Oasis Proposal, and question-and-answer sessions were held. In addition, at the meeting between our management and Oasis, our management provided certain information to Oasis, including responses to Oasis’ questions to PanaHome.

PanaHome’s understanding based on the letters we have received and our meetings is that the Revised Oasis Proposal is generally to make a purchase offer at JPY 1,300 per share with respect to (i) all of PanaHome’s outstanding stock, if Panasonic sells all of the PanaHome Shares that it owns (or if it is uncertain whether Panasonic will sell its PanaHome Shares) or (ii) for a maximum of the remaining amount of the PanaHome Shares and a minimum of 33.5% of the PanaHome Shares, if Panasonic does not sell the PanaHome Shares that it owns, conditional on receiving support from PanaHome’s management, receiving financing from financial institutions in the case of a buyout of all of the PanaHome Shares, completion of due diligence satisfactory to Oasis, and other conditions to be separately determined based on the results of due diligence. We think that, however, the details of, and the conditions required for the implementation of, the Revised Oasis Proposal remain unclear, and there may be conditions that are difficult to satisfy.

After receiving the Oasis Letter dated April 28, 2017, PanaHome asked the Special Committee for its opinion on whether the Response to Referral dated April 21, 2017 with respect to the Tender Offer should be revised in any way in light of the Revised Oasis Proposal. The Special Committee met with Oasis in person and today submitted the following supplementary opinion to the Board of Directors of PanaHome in connection with the Response to Referral.

- (1) As of the preparation of this supplementary opinion, there is no evidence that Oasis has or is able to secure the finances necessary to conduct a purchase offer, and it is highly likely that other preparations for the purchase offer remain in the initial stages; thus, it is difficult for the Special Committee to confirm that Oasis can implement the purchase offer for the PanaHome Shares, which was proposed after the announcement of the Tender Offer.
- (2) As of the preparation of this supplementary opinion, there is neither any evidence that the measures asserted by Oasis is feasible or possible, nor that it is superior to PanaHome’s existing measures; but rather in fact, possibility of reduction of the corporate value due to the loss or reduction of the capital and business

relationship with Panasonic may not be denied; therefore, the Special Committee does not find there is evidence that the proposed purchase offer would increase corporate value any more than would the acquisition of PanaHome as a wholly-owned subsidiary by Panasonic.

- (3) In light of the foregoing, as of the preparation of this supplementary opinion, the Special Committee does not believe there is any reason to revise the Response to Referral.

Having received the above opinion from the Special Committee with respect to the Revised Oasis Proposal, PanaHome resolved at the Board of Directors meeting held today to maintain its opinion in favor of Panasonic's Tender Offer and recommendation that shareholders accept the Tender Offer, for the reasons given in "2. Reasons for PanaHome Maintaining Its Opinion in Favor of the Tender Offer and Recommendation to Tender Shares" below.

2. Reasons for PanaHome Maintaining Its Opinion in Favor of the Tender Offer and Recommendation to Tender Shares

PanaHome has analyzed and deliberated the result of the meeting between PanaHome's management and Oasis, the letters received from Oasis and the information independently gathered by PanaHome, and carefully considered how to handle the Revised Oasis Proposal based on the Special Committee's supplementary opinion above. PanaHome resolved, at the meeting of Board of Directors held today, to maintain the resolution dated April 21, 2017 with respect to "expressing an opinion in favor of Panasonic's Tender Offer and recommending that PanaHome's shareholders accept the Tender Offer," which was announced that same day. Based on the details and conditions of the Revised Oasis Proposal as we understand them, in making that resolution, PanaHome's board of directors comprehensively considered various factors including (i) the fact that there are concerns about whether the Revised Oasis Proposal is feasible when given (a) that the conditions required for the Revised Oasis Proposal to be conducted are unclear and it is likely that some may be difficult to meet, (b) that there is no proof of the financing required to conduct the Revised Oasis Proposal, and (c) that it is likely that Oasis's preparations for conducting the Revised Oasis Proposal are still in the early stages considering the history of changes to the details of Oasis's purchase offer proposal, the status of Oasis's discussions with relevant parties regarding the Revised Oasis Proposal, and status of Oasis's preparation of the required documents, and (ii) the acquisition of PanaHome as a wholly-owned subsidiary by Panasonic would be more beneficial for enhancing PanaHome's corporate value than the Revised Oasis Proposal considering the fact that the acquisition of PanaHome as a wholly-owned subsidiary by Panasonic, which has significant human and material resources, would create more synergies with PanaHome than the Revised Oasis Proposal, the fact that the Revised Oasis Proposal, if conducted, would be detrimental to relationships with PanaHome's stakeholders, including Panasonic, the fact that Oasis's proposal with respect to enhancing PanaHome's corporate value is not specific, and the fact that, comprehensively considering Oasis's understanding of the Japanese and overseas housing markets of which PanaHome is part and Oasis's past record of investments in Japan.

Four of the nine directors of PanaHome who concurrently serve as officers of Panasonic (Mr. Ryuji Matsushita, Mr. Nobuhiko Teranishi, Mr. Hideyo Hamatani and Mr. Shinichi Watabe) did not participate in the deliberations with respect to the proposal regarding the Revised Oasis Proposal at the meeting of the Board of Directors held today. The remaining five directors unanimously passed the resolution and PanaHome's three company auditors expressed the opinion that they had no objections with respect to the Board of Directors of

PanaHome maintaining its opinion in favor of the Tender Offer and recommendation that the shareholders of PanaHome accept the Tender Offer.

End.

This press release includes forward-looking statements about PanaHome. To the extent that statements in this press release do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of PanaHome in light of the information currently available to it and involve known and unknown risks, uncertainties and other factors, and may be affected by those factors. Such risks, uncertainties and other factors may cause PanaHome's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. PanaHome undertakes no obligation to publicly update any forward-looking statements after the date of this press release. Investors are advised to consult any further disclosures by PanaHome in their subsequent filings under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents.

The risks, uncertainties and other factors referred to above are also included (but not limited) in the PanaHome's securities reports.