

April 23, 2021

FOR IMMEDIATE RELEASE

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**Panasonic Announces the Acquisition of Blue Yonder,
a Specialized Supply Chain Software Provider,
Making it as a Wholly-owned Subsidiary**

Osaka, April 23, 2021 --- Panasonic Corporation (TSE:6752, “the Company” or “Panasonic”) today announced that the Board of Directors of Panasonic has resolved the additional acquisition of 80% shares of Blue Yonder Holding, Inc. (“Blue Yonder”), the leading end-to-end, digital fulfillment platform provider headquartered in Arizona, U.S., and making it as a wholly-owned subsidiary (“the Transaction”). An agreement to acquire the remaining shares of Blue Yonder was reached among Panasonic, Blue Yonder, New Mountain Capital and Blackstone Group Inc., the substantial existing shareholders of Blue Yonder. Adding to the 20% shares which Panasonic acquired in July 2020, Panasonic will acquire all the shares of Blue Yonder.

The closing of the Transaction is subject to the completion of procedures related to antitrust clearance and regulatory authorities in the U.S. and other required countries, as well as other customary closing conditions.

For further details, please see the attached press release “Panasonic Accelerates the Autonomous Supply Chain with Acquisition of Blue Yonder”

1. Reasons for the Transaction

On April 1, 2022, the Panasonic Group will shift to a holding company system as a part of its efforts on corporate transformation, concentrating management resources on strategic businesses of key areas. With over 100 years of knowledge and expertise gained from the manufacturing industry, combined with Panasonic’s strength in industrial engineering, Panasonic’s Gemba* Process of SCM, one of strategic businesses of key areas, is designed to address issues which customers are facing by bringing in new values created by collecting and digitally analyzing the data of the movements of people, things and machinery.

*Gemba meaning frontline operations, i.e., the place where value is created; where Panasonic focuses on providing supply chain innovation and automation.

In order to enable us to tackle with global challenges and provide more value added services, business transformation, including shift to solution business, expansion of recurring businesses and acceleration of software business, as well as deepening of hardware products available, is regarded as the most imminent challenge the Company need to face. Strategic partnership with a company who has expertise in software

business in SCM areas is considered to be imperative to accelerate this business transformation.

Supply chain management (“SCM”) has become increasingly important, on the back of COVID-19-induced issues such as drastic shifts in supply demand, issues on logistics to deal with, responding to changing consumer needs, labor shortage, resource saving and decarbonization are all the issues.

Blue Yonder is a global leader of digital supply chain and omni-channel commerce fulfillment in the expanding SCM software market, providing an end-to-end platform driven by AI/ML (machine learning) that serves for more than 3,000 customers globally, many of which are global top tier corporates. Panasonic and Blue Yonder have built a strategic relationship, including adoption of Blue Yonder’s Sales & Operations Planning (S&OP) in October 2020 and a roll-out of co-marketing activities, followed by the creation of a joint venture company in Japan in November 2019 and acquisition of 20% shares in July 2020.

This Transaction would enable Panasonic to integrate capabilities of Blue Yonder in various cyber fields, further accelerating Panasonic’s Gemba Process Innovation.

Further, Panasonic plans on gaining expertise of AI/ML state-of-the-art technology, supply chain packaging software business, recurring business so as to strengthen operations of its supply chain (including increasing cost competitiveness, etc.); combined our knowledge and Blue Yonder’s flexible, agile corporate culture, Panasonic should be able to accelerate its transformation.

2. Transaction Details

The Transaction will be conducted through a merger* between a special purpose company (“SPC”) in Delaware, the U.S., which was established by Panasonic for the Transaction, and Blue Yonder pursuant to the Delaware General Corporation Law. Panasonic and its U.S. subsidiary will pay cash to the existing shareholders of Blue Yonder, and the shares held by the existing shareholders will be canceled. All shares of SPC owned by Panasonic and its U.S. subsidiary will be converted into common shares of Blue Yonder, the surviving company. As a result, Panasonic and its U.S. subsidiary will own all shares of Blue Yonder upon the merger and Blue Yonder will become a wholly-owned subsidiary of Panasonic.

*This merger will be conducted with the way of reverse triangular merger as Blue Yonder as a surviving company and SPC as a dissolving company.

Enterprise value of Blue Yonder was agreed as USD 8.5 billion among Panasonic, Blue Yonder, and Blackstone Group Inc. and New Mountain Capital, both are substantial existing shareholders of Blue Yonder. Panasonic’s valuation estimate is based on Blue Yonder’s profitability using DCF calculation, listed comparables analysis, etc. and the agreed acquisition price falls within the pricing range calculated by Panasonic. Adjusted EBITDA* multiple (EV/adjusted EBITDA) is equivalent to 33 times for calendar year 2021 estimates and 29 times for calendar year 2022 estimates. Acquisition value is estimated to be USD 7.1 billion, including share acquisition price of USD 5.6 billion and outstanding debts of Blue Yonder.

* EBITDA (Earnings before interest, taxes, depreciation and amortization) after subtracting one-off expenses including strategic expenses, and stock-based compensation, etc.

Financing Plan for the Transaction is as follows.

1) Financing plan for the acquisition

Capital for the acquisition (USD7.1 billion) will be funded by reserved cash (approx. USD3.5 billion) as well as a bridge loan for the remaining amount which will be refinanced with hybrid financing* (subordinated bonds, etc.) expected to be eligible for certain equity credit from rating agencies.

*A financing method that is recognized as a liability from accounting perspective but has a certain degree of equity credit in terms of credit rating

2) Capital allocation policy

Panasonic is advancing mid-term strategy initiatives with emphasis on return on invested capital and awareness of financial disciplines under our capital allocation policy. To be more specific, the funds needed for mid-term strategy will, in principle, come from cash flow (operating cash flow, divestitures) generated by businesses, while responding flexibly to one-off demand of funds when investment opportunities arise before sufficient cash flow is generated from business, so that we can aptly respond to growth opportunities. This acquisition is regarded as a response to our growth opportunity, based on the capital allocation policy of the mid-term strategy.

With respect to the capital allocation (forecast) for two years ended March 2021, sources of cash are expected to exceed by approx. 1 trillion yen, as a result of the generation of operating cash flow as well as proceeds from business portfolio reform and sale of assets, after covering the capital demand for investment, dividend, and restructuring, etc. It is possible to deal with the acquisition within the framework of the capital allocation. While complementing adequacy of equity by the aforementioned hybrid financing (subordinated bonds, etc.) in the course of financing of the acquisition, Panasonic will continuously promote the creation of cash flow.

3. Outline of the Subsidiary to be Acquired (Blue Yonder)

(1) Corporate name	Blue Yonder Holding, Inc.
(2) Location	15059 N Scottsdale Rd, Ste 400, Scottsdale, AZ 85254-2666, United States of America
(3) Title and name of representative	Girish Rishi, Chief Executive Officer
(4) Business description	Offers solutions for supply chain management, merchandizing, pricing and revenue management for manufacturers, retailers and logistics and consulting services to support adoption and maintenance
(5) Stated capital	USD15,133 (as of April 14, 2021)
(6) Date established	April 8, 2005 JDA Software, Inc., a former company of Blue Yonder was established in 1985.

(7) Major shareholders and shareholding ratios	BCP CONCERT HOLDING L.P.	27.0%	Class B 4,089,519.0 shares
	BTO CONCERT HOLDINGS L.P.	21.8%	Class B 3,310,388.1 shares
	Panasonic Corporation	21.0%	Common 1,328,611.2 shares Class B 1,856,751.7 shares
	RP Holding, L.L.C.	18.7%	Common 2,835,538.4 shares
	RP Co-Invest Holding, L.L.C.	10.2%	Common 1,549,328.5 shares
	Blackstone Family Investment Partnership VII – ESC L.P.	0.1%	Class B 17,388.6 shares
	Blackstone Family Tactical Opportunities Investment Partnership ESC L.P.	0.0%	Class B 9,711.2 shares
	(as of March 31, 2021) (Note 1, 2)		
(8) Relationship between Panasonic and Blue Yonder	Capital	Panasonic holds strategic equity investment (20%) in Blue Yonder	
	Personnel	Panasonic assumes office as an outside director of Blue Yonder	
	Business relationship	Panasonic has transaction relationship with Blue Yonder in respect of product offering; transaction volume is not significant. Panasonic and Blue Yonder Japan have jointly formed a joint venture company in Japan.	
(9) Operating results and financial conditions for the recent three fiscal years			
Fiscal year ended	December 2018	December 2019	December 2020
Consolidated net assets	USD 173.4 million	USD 112.3 million	USD 60.3 million
Consolidated total assets	USD 2,117.5 million	USD 2,151.0 million	USD 2,287.6 million
Consolidated net sales	USD 967.0 million	USD 1,042.5 million	USD 1,012.7 million
Consolidated operating income	USD 96.7 million	USD 71.2 million	USD 17.5 million
Adjusted EBITDA ^(Note 3)	USD 246.7 million	USD 232.8 million	USD 245.5 million

Note 1: Remaining 1.2% shares are held by funds run by New Mountain Capital and minority shareholders.

Note 2: Shareholding ratio (%) is based on non-diluted basis. Disregard any numbers beyond two decimal places.

Note 3: EBITDA (Earnings before interest, taxes, depreciation and amortization) after subtracting one-off expenses including strategic expenses, and stock-based compensation, etc.

4. Outline of Key Sellers of the Shares

(1) Corporate name	BCP Concert Holdings L.P.
(2) Location	345 Park Avenue, New York, NY 10154, United States of America
(3) Legal form of establishment	Established pursuant to the Delaware General Corporation Law
(4) Business description	Established by Blackstone Group Inc. for the sole purpose of investment in Blue Yonder

(5) Date established	August 15, 2016	
(6) Total investment	Not disclosed due to the decision made by the seller	
(7) Fund members, Ratio, Outline of fund members	Fund managed by Blackstone Group Inc.; other information will not be disclosed due to the decision made by the seller	
(8) Overview of operating partners	Name	The Blackstone Group Inc.
	Location	345 Park Avenue, New York, NY 10154, United States of America
	Name and title of representative	Martin Brand, Senior Managing Director
	Business description	Investment management
	Stated capital	Not disclosed due to the decision made by the seller
(9) Overview of domestic agent	Name	Not applicable
(10) Relationship between Panasonic and the fund	Relationship between Panasonic and this fund	No capital, personnel or business relationship to disclose
	Relationship between Panasonic and operating partners	No capital, personnel or business relationship to disclose
	Relationship between Panasonic and domestic Agent	Not applicable

(1) Corporate name	BTO CONCERT HOLDINGS L.P.
(2) Location	345 Park Avenue, New York, NY 10154, United States of America
(3) Legal form of establishment	Established pursuant to the Delaware General Corporation Law
(4) Business description	Established by Blackstone Group Inc. for the sole purpose of investment in Blue Yonder
(5) Date established	August 16, 2016
(6) Total investment	Not disclosed due to the decision made by the seller
(7) Fund members, Ratio, Outline of fund members	Fund managed by Blackstone Group Inc.; other information will not be disclosed due to the decision made by the seller

(8) Overview of operating partners	Name	The Blackstone Group Inc.
	Location	345 Park Avenue, New York, NY 10154, United States of America
	Name and title of representative	Christopher James, Senior Managing Director
	Business description	Investment management
	Stated capital	Not disclosed due to the decision made by the seller
(9) Overview of domestic agent	Name	Not applicable
(10) Relationship between Panasonic and the fund	Relationship between Panasonic and this fund	No capital, personnel or business relationship to disclose
	Relationship between Panasonic and operating partners	No capital, personnel or business relationship to disclose
	Relationship between Panasonic and domestic Agent	Not applicable

(1) Corporate name	Blackstone Family Investment Partnership VII – ESC L.P.
(2) Location	345 Park Avenue, New York, NY 10154, United States of America
(3) Legal form of establishment	Established pursuant to the Delaware General Corporation Law
(4) Business description	Established by funds affiliated with or managed by The Blackstone Group Inc. or affiliates thereof to make investments
(5) Date established	January 16, 2015
(6) Total investment	Not disclosed due to the decision made by the seller
(7) Fund members, Ratio, Outline of fund members	Fund managed by Blackstone Group Inc.; other information will not be disclosed due to the decision made by the seller

(8) Overview of operating partners	Name	The Blackstone Group Inc.
	Location	345 Park Avenue, New York, NY 10154, United States of America
	Name and title of representative	Martin Brand, Senior Managing Director
	Business description	Investment management
	Stated capital	Not disclosed due to the decision made by the seller
(9) Overview of domestic agent	Name	Not applicable
(10) Relationship between Panasonic and the fund	Relationship between Panasonic and this fund	No capital, personnel or business relationship to disclose
	Relationship between Panasonic and operating partners	No capital, personnel or business relationship to disclose
	Relationship between Panasonic and domestic Agent	Not applicable

(1) Corporate name	Blackstone Family Tactical Opportunities Investment Partnership ESC L.P.
(2) Location	345 Park Avenue, New York, NY 10154, United States of America
(3) Legal form of establishment	Established pursuant to the Delaware General Corporation Law
(4) Business description	Established by funds affiliated with or managed by The Blackstone Group Inc. or affiliates thereof to make investments
(5) Date established	April 2, 2012
(6) Total investment	Not disclosed due to the decision made by the seller
(7) Fund members, Ratio, Outline of fund members	Fund managed by Blackstone Group Inc.; other information will not be disclosed due to the decision made by the seller

(8) Overview of operating partners	Name	The Blackstone Group Inc.
	Location	345 Park Avenue, New York, NY 10154, United States of America
	Name and title of representative	Christopher James, Senior Managing Director
	Business description	Investment management
	Stated capital	Not disclosed due to the decision made by the seller
(9) Overview of domestic agent	Name	Not applicable
(10) Relationship between Panasonic and the fund	Relationship between Panasonic and this fund	No capital, personnel or business relationship to disclose
	Relationship between Panasonic and operating partners	No capital, personnel or business relationship to disclose
	Relationship between Panasonic and domestic Agent	Not applicable

(1) Corporate name	RP Co-Invest Holding, L.L.C.	
(2) Location	1633 Broadway, Floor 47, New York, NY 10019, United States of America	
(3) Legal form of establishment	Established pursuant to the Delaware General Corporation Law	
(4) Business description	Established by New Mountain Capital, L.L.C. to invest in Blue Yonder	
(5) Date established	November 20, 2012	
(6) Total investment	Not disclosed due to the decision made by the seller	
(7) Fund members, Ratio, Outline of fund members	Fund managed by New Mountain Capital, L.L.C.; other information will not be disclosed due to the decision made by the seller	
(8) Overview of operating partners	Name	New Mountain Capital, L.L.C.
	Location	1633 Broadway, Floor 47, New York, NY 10019, United States of America
	Name and title of representative	Pete Masucci, Senior Managing Director
	Business description	Investment management
	Stated capital	Not disclosed due to the decision made by the seller

(9) Overview of domestic agent	Name	Not applicable
(10) Relationship between Panasonic and the fund	Relationship between Panasonic and this fund	No capital, personnel or business relationship to disclose
	Relationship between Panasonic and operating partners	No capital, personnel or business relationship to disclose
	Relationship between Panasonic and domestic Agent	Not applicable

(1) Corporate name	RP Holding, L.L.C.	
(2) Location	1633 Broadway, Floor 47, New York, NY 10019, United States of America	
(3) Legal form of establishment	Established pursuant to the Delaware General Corporation Law	
(4) Business description	Established by New Mountain Capital, L.L.C. to invest in Blue Yonder	
(5) Date established	February 5, 2010	
(6) Total investment	Not disclosed due to the decision made by the seller	
(7) Fund members, Ratio, Outline of fund members	Fund managed by New Mountain Capital, L.L.C.; other information will not be disclosed due to the decision made by the seller	
(8) Overview of operating partners	Name	New Mountain Capital, L.L.C.
	Location	1633 Broadway, Floor 47, New York, NY 10019, United States of America
	Name and title of representative	Pete Masucci, Senior Managing Director
	Business description	Investment management
	Stated capital	Not disclosed due to the decision made by the seller
(9) Overview of domestic agent	Name	Not applicable

(10) Relationship between Panasonic and the fund	Relationship between Panasonic and this fund	No capital, personnel or business relationship to disclose
	Relationship between Panasonic and operating partners	No capital, personnel or business relationship to disclose
	Relationship between Panasonic and domestic Agent	Not applicable

5. Number of Shares to be Acquired, Acquisition Costs, and Shares of Blue Yonder Held by Panasonic Before and After the Transaction

(1) Number of shares held before the Transaction	Common shares: 1,328,611.2031 shares Class B shares: 1,856,751.77667 shares (Number of voting rights: 3,185,362.98) (Ratio of voting rights held : 21.1% ^(Note 1) Note 1: Ratio of voting rights held is based on non-diluted basis. (as of March 31, 2021)
(2) Number of shares to be acquired	13,188,995.53042 shares ^(Note 3)
(3) Acquisition costs	Acquisition price: USD7.1 billion (approx. 780 billion yen) (1USD = 110 yen) ^(Note 2) Acquisition price includes share acquisition price of USD 5.6 billion of Blue Yonder. Advisory fee, etc. (Estimated):3 billion yen
(4) Number of shares held after the Transaction	16,374,358.51019 shares ^(Note 3) (Number of voting rights: 15,692,961.41) (Ratio of voting rights held: 100.0%)

Note 2: Total value of the Transaction is subject to customary price adjustment as of the closing date

Note 3: The figure is based on fully-diluted bases as of March 31, 2021.

6. Schedule

(1) Resolution by the Board of Directors	April 23, 2021
(2) Contract date	April 23, 2021
(3) Closing of the Transaction	By the end of the third quarter of fiscal year 2022, ending March 31, 2022 (planned)

Note: The closing of the Transaction is subject to approval from the competition of procedures related to antitrust clearance and regulatory authorities in the U.S. and other required countries

7. Outlook for the Future

There shall be no material impact due to the Transaction on the consolidated financial outlook of Panasonic for fiscal 2021 (from April 1, 2020 to March 31, 2021). The impact for fiscal 2022 is under consideration and will be announced if there would be a material impact. Financial outlook for fiscal 2022 is planned to be released on May 10, 2021 concurrently with the financial announcement for fiscal 2021.

(Attached) "Panasonic Accelerates the Autonomous Supply Chain with Acquisition of Blue Yonder"

(Reference)

Panasonic's consolidated financial forecasts for fiscal 2021 (from April 1, 2020 to March 31, 2021) announced on February 2, 2021 and the consolidated financial results for fiscal 2020 (from April 1, 2019 to March 31, 2020), prepared in conformity with IFRS.

					Yen (millions)
	Net sales	Operating profit	Profit before income taxes	Net profit attributable to Panasonic Corporation stockholders	(Reference) Adjusted operating profit
Financial forecasts for fiscal 2021	6,600,000	230,000	230,000	150,000	300,000
Financial results for fiscal 2020	7,490,601	293,751	291,050	225,707	286,663

Note1: Amounts less than 1 million yen have been rounded to the nearest whole 1 million yen.

Note2: Adjusted operating profit is calculated by subtracting cost of sales and selling, general and administrative expenses from sales.

Disclaimer Regarding Forward-Looking Statements

This press release includes forward-looking statements about Panasonic and its Group companies (the Panasonic Group). 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 the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group'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. Panasonic 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 Panasonic in its 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 include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the Americas, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; the possibility that the spread of the novel coronavirus infections may adversely affect business activities of the Panasonic Group; the possibility that excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen may adversely affect costs and prices of Panasonic's products and services and certain other transactions that are denominated in these foreign currencies; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the possibility of the Panasonic Group not being able to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results or incurring unexpected losses in connection with the alliances or mergers and acquisitions; the possibility of not being able to achieve its business objectives through joint ventures and other collaborative agreements with other companies, including due to the pressure of price reduction exceeding that which can be achieved by its effort and decrease in demand for products from business partners which Panasonic highly depends on in BtoB business areas; the possibility of the Panasonic Group not being able to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; restrictions, costs or legal liability relating to laws and regulations or failures in internal controls; fluctuations in market prices of securities and other financial assets in which the Panasonic Group has holdings or changes in valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets; future changes or revisions to accounting policies or accounting rules; the possibility of incurring expenses resulting from a leakage of customers' or confidential information from Panasonic Group systems due to unauthorized access or a detection of vulnerability of network-connected products of the Panasonic Group; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world, disruption of supply chain and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in the most recent English translated version of Panasonic's securities reports under the FIEA and any other documents which are disclosed on its website.

PRESS RELEASE

Panasonic Corporation

Panasonic Accelerates the Autonomous Supply Chain with Acquisition of Blue Yonder

Acquisition will combine IoT/edge and AI/ML solutions to deliver new cloud capabilities and create a more sustainable world

Osaka – April 23, 2021 – [Panasonic Corporation](#) announced today that it has agreed to acquire [Blue Yonder](#), the leading end-to-end, digital fulfillment platform provider. Panasonic will purchase the remaining 80% of shares (for USD5.6 billion) of Blue Yonder, adding to the 20% which Panasonic acquired in July 2020. Including repayment of outstanding debt the additional investment totals USD7.1 billion, valuing Blue Yonder at USD8.5 billion. An agreement to purchase the remaining shares of Blue Yonder was reached today between Panasonic and the existing shareholders New Mountain Capital and funds managed by Blackstone.

Acquisition Accelerates Autonomous Supply Chain™

The need for more intelligent, autonomous and edge-aware supply chains has been dramatically heightened by the COVID-19 pandemic, the rise of e-commerce and the proliferation of data. This acquisition strengthens Panasonic's portfolio and accelerates the companies' shared Autonomous Supply Chain mission, empowering customers to optimize their supply chains using the combined power of AI/ML and IoT and edge devices. By unifying supply, demand and commerce solutions with IoT and edge technologies, companies can better utilize predictive business insights to pivot their operations in real-time.

Combining Panasonic's strength in industrial engineering, IoT and edge technologies with Blue Yonder's AI/ML-driven supply chain and commerce solutions greatly intensifies the customer value of Blue Yonder's leading digital fulfillment platform. Together, Panasonic and Blue Yonder will deliver a unique competitive advantage for customers to drive more automation and actionable, real-time business insights that reduce waste and improve operations, while creating a more sustainable world.

This acquisition builds on the Panasonic/Blue Yonder strategic relationship, established in January 2019 with a partnership, followed by the creation of a joint venture company in Japan in November 2019. In July 2020, Panasonic took a 20% minority ownership stake and one seat on the Board of Directors of Blue Yonder. This acquisition brings the strategic relationship full circle.

Blue Yonder: The Pioneer in AI/ML-Driven Supply Chain

Blue Yonder is a supply chain industry leader, providing an end-to-end platform driven by AI/ML that serves as a “system of intelligence” for its global retail, manufacturing and logistics customers. Its cloud-based Luminare™ platform seamlessly manages all nodes of the supply chain across planning, execution and commerce on one unified platform.

For the year ended December 31, 2020, total company revenue was over USD1 billion, 67% of which was recurring revenue. As of December 31, 2020, SaaS annual recurring revenue was USD343 million and SaaS net revenue retention rate was 120%.

The company counts more than 3,000 global customers including 65 of the top 100 retailers, 48 of the top manufacturers, and 9 of the top 10 global third-party logistics companies. Blue Yonder’s global customers include many of the world’s leading brands including Albertsons, Best Buy, BP, Caterpillar, Coca-Cola, DHL, Diageo, Lowe’s, Marks & Spencer, Mercedes Benz, PepsiCo, Procter & Gamble, Starbucks, Unilever and Walmart.

Blue Yonder has been named a leader in all three Gartner Magic Quadrants covering supply chain planning, transportation management and warehouse management. The company owns 400+ patents granted and pending across its extraordinary supply chain applications portfolio.

Acquisition Accelerates Panasonic’s Gemba Process Business

This acquisition enhances Panasonic’s own digital transformation and customer-centric focus. On April 1, 2022, the Panasonic Group will shift to a holding company system concentrating management resources on strategic businesses in key areas such as [Gemba Process Innovation](#) — ‘gemba’ meaning frontline operations, i.e., the place where value is created; where Panasonic focuses on providing supply chain innovation and automation.

Leading the Gemba Process business is Yasuyuki Higuchi, CEO of Panasonic’s Connected Solutions Company (to become Panasonic Connect Co., Ltd. on April 1, 2022). Blue Yonder CEO Girish Rishi and the extended leadership team will join the new organization and the Blue Yonder brand will be retained and business will function within the Panasonic Connected Solutions Company umbrella.

With over 100 years of knowledge and expertise gained from the manufacturing industry, Panasonic aims to solve vital societal issues caused by extreme fluctuations in demand and the logistics issues brought on by dynamics such as COVID-19, changing shopping trends, and labor shortages. With Blue Yonder, Panasonic will be better equipped to empower customers to optimize their supply chains using the combined power of AI/ML and IoT and edge devices.

Acquiring Blue Yonder significantly accelerates Panasonic's mission and its Gemba Process business.

Panasonic CEO Yuki Kusumi stated, "I'm extremely happy to welcome Blue Yonder and its associates to the Panasonic Group. Both companies have the same mission to support customers' frontline operations and we have a high affinity in our corporate cultures. By merging the two companies, we would like to realize a world where waste is autonomously eliminated from all supply chain operations and the cycle of sustainable improvement continues. There are still many such losses and stagnation in supply chain operations, so through the drastic reduction of wasted labor and resources, we would like to provide better ways of working, and contribute to customers' management reform and also to the realization of a sustainable society by carefully using limited global resources. I am confident that by combining the power of Blue Yonder and Panasonic, we can create innovation in global supply chains."

Girish Rishi, CEO of Blue Yonder stated, "I am thrilled to announce that Blue Yonder is joining Panasonic. This association came about as a result of three years of working together, first with Panasonic as a Blue Yonder customer and thereafter as joint venture partner. We have developed mutual trust and have a shared vision for an Autonomous Supply Chain that delivers a better life and a better world. As the essential platform for essential times, we are relentlessly focused in fulfilling our customers' potential."

Peter Masucci, Managing Director of New Mountain Capital stated, "We first began building Blue Yonder over 10 years ago, and the company has grown significantly since then. We're proud to have supported the company's transformation into the world's leading end-to-end, digital fulfillment platform provider. We thank Blue Yonder's management team and associates, Blackstone, and Panasonic for their partnership with New Mountain in this process."

Martin Brand, Senior Managing Director of Blackstone stated, "We are proud to have partnered with New Mountain Capital and Panasonic to support Girish and his team in their transformation of Blue Yonder into the supply chain SaaS leader through accelerated investment in innovation and machine learning capabilities. The company will have a bright future as part of the Panasonic Group."

The transaction has been approved by the Boards of Directors of both Panasonic and Blue Yonder. The deal is intended to close by the second half of this fiscal year and is subject to receipt of customary regulatory approvals.

Financing Plan

1.) Financing plan for the acquisition

Capital for the acquisition (USD7.1 billion) will be funded by reserved cash (approx. USD3.5 billion) as well as a bridge loan for the remaining amount which

will be refinanced with hybrid financing* (subordinated bonds, etc.) expected to be eligible for certain equity credit from rating agencies.

*A financing method that is recognized as a liability from accounting perspective but has a certain degree of equity credit in terms of credit rating

2.) Capital allocation policy

Panasonic is advancing mid-term strategy initiatives with emphasis on return on invested capital and awareness of financial disciplines under our capital allocation policy. To be more specific, the funds needed for mid-term strategy will, in principle, come from cash flow (operating cash flow, divestitures) generated by businesses, while responding flexibly to one-off demand of funds when investment opportunities arise before sufficient cash flow is generated from business, so that we can aptly respond to growth opportunities. This acquisition is regarded as a response to our growth opportunity, based on the capital allocation policy of the mid-term strategy.

With respect to the capital allocation (forecast) for two years ended March 2021, sources of cash are expected to exceed by approx. 1 trillion yen, as a result of the generation of operating cash flow as well as proceeds from business portfolio reform and sale of assets, after covering the capital demand for investment, dividend, and restructuring, etc. It is possible to deal with the acquisition within the framework of the capital allocation.

While Panasonic will complement adequacy of equity by the aforementioned hybrid financing (subordinated bonds, etc.) in the course of financing of the acquisition, we will continuously promote the creation of cash flow.

For related IR disclosure and presentation materials, please see:

<https://www.panasonic.com/global/corporate/ir/presentation.html>

About Panasonic

Panasonic Corporation is a global leader developing innovative technologies and solutions for wide-ranging applications in the consumer electronics, housing, automotive, and B2B sectors. The company, which celebrated its 100th anniversary in 2018, operates 528 subsidiaries and 72 associated companies worldwide and reported consolidated net sales of 7.49 trillion yen for the year ended March 31, 2020. Committed to pursuing new value through collaborative innovation, the company uses its technologies to create a better life and a better world for customers. Learn more about Panasonic:

<https://www.panasonic.com/global>

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