

Panasonic to Acquire Blue Yonder

Frequently Asked Questions

What was announced?

On April 23, Panasonic Corporation announced that it has agreed to acquire Blue Yonder, the leading end-to-end, intelligent digital fulfillment platform and supply chain software provider. Panasonic, which acquired 20% of shares of Blue Yonder in July 2020, will purchase the remaining 80% of shares for USD5.6 billion. Including repayment of outstanding debt the additional investment totals USD7.1 billion, valuing Blue Yonder at USD8.5 billion. An agreement between shareholders was finalized today and is pending regulatory approval anticipated in the second half of the fiscal year 2021. Blue Yonder will be a standalone subsidiary within Panasonic, aligned with Panasonic's Connected Solutions Company, which is led by Mr. Yasu Higuchi.

Who is Panasonic?

Panasonic is the worldwide leader in the development of diverse electronics technologies and solutions. Panasonic operates 528 subsidiaries and 72 associated companies worldwide and reported consolidated net sales of 7.49 trillion yen (more than \$68B USD) for the year ended March 31, 2020. Panasonic Connected Solutions Company (CNS)* has approx 25,000 employees and Panasonic has approx 259,000 total employees.

CNS was established on April 1, 2017. Its aim is to build a customer-oriented business structure that leads the expansion of the B2B solutions business for the entire Panasonic Group. The word "Connected" in the company name conveys its desire to contribute to customers' businesses, by connecting with them and by providing solutions that connect products and people using IoT technology.

CNS works closely with customers to solve actual on-site problems, bringing innovation to customers' frontline operations to resolve the business challenges they face. Through this, CNS seeks to help customers realize their own visions and solve their operational challenges with a sense of urgency, and together aim to create a better society.

* Pursuant to the Panasonic Group transition to a holding company system CNS to become Panasonic Connect Co., Ltd. on April 1, 2022

When is the deal expected to close?

The deal is expected to close in the second half of the fiscal year 2021.

When did collaboration start between the two companies?

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. Panasonic is also a Blue Yonder customer and recently spoke at ICON 2021 about how they are successfully

deploying our solutions. 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.

When Panasonic invested 20% in Blue Yonder, Panasonic said they had no plans to invest wholly. Why the change?

It became clear that the supply chain challenges companies have experienced during the COVID-19 pandemic require mission-critical solutions for now and beyond. Panasonic recognized that coming together with Blue Yonder would allow the combined companies to make a greater contribution to the world and address customers' supply chain challenges with the power of AI/ML technologies from Blue Yonder and IoT/edge capabilities from Panasonic.

Your two companies have had a joint venture relationship for the last year. What kind of success have you had? Can you provide some examples?

We are getting great response to our joint venture, co-innovating on new solutions that address customers' use cases and challenges.

Some early wins since embarking on the joint venture include:

- Co-sell customer opportunities in play
- Co-Innovation use cases have been developed such as:
 - Leveraging insights from Panasonic IoT sensors to develop Blue Yonder planogram status and probabilistic inventory to create autonomous store operations
 - Developed Panasonic IoT platform that senses, analyzes and develops events to trigger alerts and predictive analytics into Blue Yonder Luminate Control Tower
 - Market opportunity for Blue Yonder's Workforce Management solution to complement Panasonic's ClearView QSR solutions

What is the strategy and rationale behind the acquisition?

This acquisition gives Blue Yonder an opportunity to scale to new heights. To overcome today's volatility, uncertainty, complexity and ambiguity (VUCA), customers need the "power of three" – edge, cloud and AI/ML. This acquisition combines all three with complementary technologies: Blue Yonder's AI/ML-powered and cloud-based supply chain solutions and Panasonic's edge and IoT devices and technologies. Together, Panasonic and Blue Yonder can accelerate Autonomous Supply Chains for customers, which enables them to access intelligence and insights to automate more profitable decisions. Uniting Panasonic's strength in IoT and edge with Blue Yonder's expertise in applying AI and ML technologies, customers can use real-time insights across their enterprise to drive competitive differentiation and advantage.

Just like Apple, where the iPhone works with iTunes and the iCloud, enterprises are, seeking to marry IoT with enterprise intelligence. Moving forward, the combined strength of Panasonic and Blue Yonder will deliver this seamless capability that provides for more timely, accurate business insights and actions.

Blue Yonder just filed an S-1 with the intent to file an initial public offering (IPO); what changed with that strategy?

Blue Yonder had indicated its intention to explore the public markets and the S-1 filing was part of that process. However, it is not unusual for companies pursuing a public offering to have a potential buyer emerge with a viable bid to acquire it during the process. Panasonic already owned a 20% minority ownership stake in Blue Yonder and as part of their ownership agreement had the opportunity to purchase the other outstanding 80%. The combined synergies and strength of the two companies made an acquisition a very attractive proposition for Panasonic to accelerate Blue Yonder's - and the larger company's - strategic growth plans.

What are the benefits to Blue Yonder and Panasonic customers?

Increasingly digital fulfillment solutions will rely on IoT/edge feeds from the manufacturing floor, warehouse shelves, transportation fleets, retail stores, and last-mile delivery. Panasonic has industrial automation capabilities at the edge. Together, the two companies will synchronize connections between Blue Yonder's digital fulfillment platform and Panasonic's edge to deliver more autonomous, successful business outcomes for retailers, manufacturers and logistics providers. This will lead to a unique competitive advantage for customers while ~~also~~ minimizing wasted time and resources thus creating a more sustainable world.

This need for more intelligent, edge-aware supply chains has been dramatically heightened by COVID-19, supply chain disruptions and e-commerce growth. Bringing supply chain to the frontlines (such as the warehouse picker, truck driver, store associate) and uniting the supply chain with the critical data necessary to tackle complexities, being more responsive and driving real-time actions is key to delivering an autonomous supply chain. This acquisition accelerates both companies' abilities to meet that demand in the market, at a time when supply chain decisions have become critical and key to future growth.

Are any Blue Yonder customers competitors of Panasonic and what will this mean to them?

A very small number of Blue Yonder's customers are competitors to Panasonic. There will be no change to how Blue Yonder and Panasonic serves and supports these existing customers, as we do all customers, in focusing every day on ensuring their success and helping them to fulfill their potential.

What are the benefits to Blue Yonder and Panasonic's partners?

There are a number of benefits to partners:

- Increased scale – this acquisition increases the reach and scale of Blue Yonder and its solutions.
- Accelerated platform and automation - This acquisition accelerates Blue Yonder's Autonomous Supply Chain platform – and yields opportunities for the Blue Yonder partner ecosystem to build new API-driven applications on top of Blue Yonder's open Luminate™ Platform – just as Panasonic has done, specifically around warehouse automation, in-store out-of-stock detection and automated electronic price updates.
- Expanded partner opportunities - We will also continue to seek to expand our partnership opportunities with partners of all types in propagating Blue Yonder's value proposition in the

market, conducting joint sales opportunities and deploying our solutions swiftly and effectively for maximum customer success.

Do Panasonic and Blue Yonder have any common partners?

Yes, joint partners include Accenture, BCG, EY, Microsoft, IBM and PwC.

What does a combined product portfolio look like? Is there any solution overlap?

There is no solution overlap between the two companies. The acquisition unifies and bolsters development of AI/ML-driven supply chain and IoT-led edge applications. Going forward, as part of Panasonic's Connected Solutions Company, Blue Yonder and Panasonic will continue to also work with other IoT/sensor ecosystem providers to further their edge offerings.

The acquisition also further deepens and enriches the industry vertical offerings across both companies' key markets – retail, manufacturing and logistics – and to sub-industries like auto/industrial, grocery, softlines/hardlines consumer products and high-tech. Blue Yonder's solutions and Luminate Platform sit on top of Panasonic's for a unified, end-to-end supply chain aligned with IoT/edge devices.

Does this acquisition affect Blue Yonder's product roadmap?

Existing roadmaps remain intact. We believe the acquisition will accelerate future scale and innovations in current and new solutions for Blue Yonder.

Will this change our customer support?

We will continue to serve our customers in the same way we do today.

What happens to the Blue Yonder management team?

Blue Yonder's senior management team will be part of the company going forward in their respective roles.

Will Blue Yonder change its name?

No. As a standalone part of Panasonic's Connected Solutions Company, we will go to market as Blue Yonder, a Panasonic Company upon deal closing.

Where can I learn more?

You can read the acquisition announcement press release [here](#) or visit our information site [here](#).