



Panasonic and KKR Agree to Panasonic Healthcare Share Purchase

September 27, 2013

Companies to form joint holding company

TOKYO & NEW YORK--(BUSINESS WIRE)-- Panasonic Corporation ("Panasonic") and Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR") today announced the signing of a share purchase agreement and a shareholders' agreement under which Panasonic and KKR will become joint partners of Panasonic Healthcare Co., Ltd. ("Panasonic Healthcare").

Based on today's agreements, PHC Holdings Co, Ltd. ("PHCHD"), which is wholly-owned by KKR investment funds, will purchase all outstanding shares of Panasonic Healthcare, including its related intellectual property and assets, for an equity value of approximately JPY 165 billion (approximately US\$ 1.67 billion at the exchange rate of US\$1=JPY99). The transaction will be followed by a third party share allocation by PHCHD, after which KKR will own 80% of outstanding shares of PHCHD and Panasonic will own 20%. Panasonic and KKR will cooperate in the management of Panasonic Healthcare.

Panasonic Healthcare is a comprehensive healthcare company focusing on three core businesses—In Vitro Diagnostics, Medicom, and Biomedical. Panasonic Healthcare's In Vitro Diagnostics business has a leading global market share in the manufacture and sale of blood glucose monitoring meters and sensors for diabetics. Its Medicom business has the top share in Japan in medical receipt computers, electronic health record systems and other IT equipment for medical clinics, while its Biomedical business has a leading market share in Japan and overseas in biomedical laboratory equipment including CO₂ incubators and ultra-low temperature freezers.

Panasonic and KKR will leverage their respective business resources, including their healthcare industry knowledge, technology, and specialist expertise, as well as their global healthcare industry investment experience and network, to together aim for further growth of Panasonic Healthcare.

Panasonic President, Kazuhiro Tsuga, said, "As previously announced in Panasonic's New Midterm Management Plan, we have been seeking a partner who shares our vision for achieving a step change in the growth and evolution of Panasonic Healthcare. Today, we are pleased to have reached an agreement with KKR to acquire Panasonic Healthcare. We understand KKR has been actively investing in the expanding healthcare sector, and we highly respect KKR's industry expertise and its capability to provide the necessary growth capital and operational know-how, in preparation for the future development of Panasonic Healthcare in the global healthcare industry. Through our partnership, Panasonic will work with KKR to support the growth of Panasonic Healthcare, which will continue to be a member of the Panasonic Group. At the same time, we believe that partnering with KKR will also allow us to learn from KKR's global operational and business management expertise as we pursue the next stage in growth for Panasonic."

Commenting on the agreements, KKR's Co-Founder and Co-CEO [Henry Kravis](#) said, "Panasonic Healthcare has excellent market positions and high-level technical capabilities, and we believe it has significant growth potential. Panasonic Healthcare's experienced management team and employees, our equity partner Panasonic, and KKR all share a common goal of working together as partners over the long term to support further growth of Panasonic Healthcare. Japan is a very important and attractive market for KKR, and our experienced team on the ground in Japan looks forward to leveraging KKR's global expertise and experience to make this a highly successful partnership."

Panasonic Healthcare President Kenji Yamane said, "KKR has built long-term relationships with its portfolio companies around the world, and I am delighted for their support as Panasonic's new partner for Panasonic Healthcare. Looking ahead, we aim to accelerate growth by building out our global sales channels to major overseas healthcare facilities, aided by KKR's overseas network, and delivering to customers around the world an enhanced range of products and services. We also welcome the continued support of Panasonic as an important shareholder in this partnership."

Subject to approval by the relevant authorities and other customary closing conditions the above agreements are expected to be completed by the end of March 2014.

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About Panasonic Corporation

Panasonic Corporation is a worldwide leader in the development and engineering of electronic technologies and solutions for customers in residential, non-residential, mobility and personal applications. Since its founding in 1918, the company has expanded globally and now operates over 500 consolidated companies worldwide, recording consolidated net sales of 7.30 trillion yen for the year ended March 31, 2013. Committed to pursuing new value through innovation across divisional lines, the company strives to create a better life and a better world for its customers. For more information about Panasonic, please visit the company's website at <http://panasonic.net/>.

About Panasonic Healthcare

Established in 1969, Panasonic Healthcare is a Panasonic group company involved in developing, manufacturing, selling and servicing medical equipment. It seeks to strengthen its core businesses, In Vitro Diagnostics including self-monitoring of blood glucose systems, its Medicom businesses involved in medical IT businesses and its life sciences based Biomedical business and to continue to pursue an important role in the provision of optimal healthcare for all. For further information on Panasonic Healthcare please visit <http://panasonic.net/corporate/segments/phc/>.

About KKR

KKR was founded in 1976 and is led by [Henry Kravis](#) and [George Roberts](#). KKR is a leading global investment firm with \$83.5 billion in assets under management as of June 30, 2013. KKR has offices located worldwide and manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR & Co. L.P. is publicly traded on the New York Stock Exchange (NYSE: KKR), and "KKR," as used in this release, includes its subsidiaries, their managed investment funds and accounts, and/or their affiliated investment vehicles, as appropriate. For additional information on KKR, please visit KKR's website at www.kkr.com.

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