

Panasonic to buy 50.2 pct stake in Sanyo for \$4.6B

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Panasonic Corp. said Thursday it will take majority control of Sanyo Electric Co. in a \$4.6 billion deal that would forge one of the biggest electronics makers in the world.

Panasonic said it will buy 50.2 percent of Sanyo for 403.78 billion yen (\$4.6 billion) after closing its five-week tender offer that began on Nov. 5. The world's biggest plasma TV maker will pay 131 yen per Sanyo share.

With the purchase, Panasonic can draw upon Sanyo's expertise in solar panels and rechargeable batteries, bolstering its resources in the race to develop environmental technologies.

Sanyo's three major shareholders — Goldman Sachs, Daiwa Securities SMBC and Sumitomo Mitsui Banking Corp. — had earlier agreed to sell at least a combined 3.07 billion shares to Panasonic at that per-share price. The three shareholders together control about 70 percent of Sanyo's total outstanding shares.

Panasonic had reportedly hoped to take a larger stake in Sanyo, but the company had to settle with a minimum controlling stake. Other shareholders were likely reluctant to sell with the tender offer price lower than market level.

In trading Thursday, shares of Sanyo jumped on high hopes for its future. The issue added more than 10 percent to 176 yen, while Panasonic fell 1.9 percent to 1,226 yen.

The tender offer had been delayed by several months while Panasonic awaited clearance from anti-monopoly authorities in the U.S., China and the European Union before going ahead with the takeover.

Sanyo, founded by a brother-in-law of Panasonic founder Konosuke Matsushita, is a popular brand but in recent years has been seen as a relative loser in Japan's competitive electronics sector.

The deal will be settled Dec. 16, Panasonic said.

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