

Japan's Panasonic wins control of ailing Sanyo

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A recycling worker at Panasonic's Eco Technology Center checks a separated cathode ray tube TV set at a plant in Kato city, Japan. The electronics giant has announced it has secured a controlling stake in smaller rival Sanyo Electric in a 4.6-billion-dollar takeover that revamps the troubled sector in the east Asian nation.

Panasonic Corp. announced Thursday it had secured a controlling stake in smaller rival Sanyo Electric Co. in a 4.6-billion-dollar takeover that revamps Japan's troubled electronics industry.

The deal gives [Panasonic](#) Sanyo's coveted environmental technologies such as rechargeable batteries -- seen as a promising sector given growing concerns about [global warming](#).

Panasonic said it would buy a stake of 50.19 percent in Sanyo for 403.78

billion yen (4.59 billion dollars), successfully wrapping up a tender offer of 131 yen per share that was launched last month.

Sanyo is now set to become a subsidiary of Panasonic, creating Japan's number two electronics maker, behind Hitachi Ltd.

Panasonic first announced in December 2008 that it had struck a deal with heavyweight investors, including Goldman Sachs, to buy a controlling stake in Sanyo and form an industry heavyweight amid the global [economic downturn](#).

The takeover offer was delayed by regulatory issues and was launched on November 5.

Sanyo has agreed to sell some of its [rechargeable battery](#) manufacturing operations to address the concerns of competition authorities in Japan, China, Europe and the United States.

The deal comes as Japan's high-tech giants streamline their operations in an effort to recover from a severe industry slump sparked by the global economic downturn.

Panasonic is cutting 15,000 jobs and closing dozens of plants as it struggles to recover from its first annual loss for six years. Sanyo has also cut thousands of jobs as it attempts to return to profit.

Sanyo was forced to raise cash by issuing several billion dollars' worth of stock in 2006 to shore up its capital base, effectively handing over control to Goldman Sachs and other financial firms.

Sanyo's [share price](#) has risen sharply since the deal with major investors was first announced, ending Thursday at 176 yen, up 10.7 percent from the previous close.

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