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**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

is a wholly-owned subsidiary of Sanyo Electric Co., Ltd., with its principal place of business at 2055 Sanyo Ave., San Diego, CA 92145.

3. Respondents are engaged in, among other things, the production and sale of rechargeable batteries, including, but not limited to, portable nickel metal hydride batteries.

4. Respondents are, and at all times relevant herein have been, engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. §12, and are corporations whose business is in or affects commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

II. THE PROPOSED ACQUISITION

5. Pursuant to a Capital and Business Alliance Agreement (the “Agreement”) concluded on December 19, 2008, Panasonic announced its intention to commence a cash tender offer to acquire 100 percent of the voting securities of Sanyo for an aggregate purchase price of approximately \$9 billion (the “Acquisition”).

III. THE RELEVANT MARKET

6. For the purposes of this Complaint, the relevant line of commerce in which to analyze the effects of the acquisition is portable nickel metal hydride batteries (“portable NiMH”).

7. For the purposes of this Complaint, the relevant geographic area in which to analyze the effects of the acquisition on the portable NiMH battery market is worldwide.

IV. THE STRUCTURE OF THE MARKET

8. The worldwide market for portable NiMH batteries is highly concentrated as measured by the Herfindahl-Hirschman Index (“HHI”) with significant differentiation among suppliers based on quality and reputation. The combination of Respondents’ portable NiMH battery businesses would consolidate the only two portable NiMH battery suppliers that produce high-quality, reliable products. Post acquisition, a combined Panasonic and Sanyo will have a market share in excess of 65 percent. The post-merger HHI would be 4,675 and the acquisition will increase the HHI level by 2,028. This market concentration level far exceed the thresholds set out in the *Horizontal Merger Guidelines* and thus creates a presumption that the proposed acquisition will create or enhanceAR

