

Toshiba to weigh buyout offer from UK fund

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Reports said UK private equity fund CVC was considering a 30 percent premium over Toshiba's current share price

Toshiba is considering a buyout offer from a British private equity fund, it said Wednesday, with reports suggesting the deal could be worth about \$20 billion.

Trading of Toshiba shares was halted on Tokyo's [stock exchange](#) at the open, after the Japanese firm confirmed the offer in a statement.

Toshiba said it "received an initial proposal yesterday" by CVC Capital Partners for a buyout.

"We will request detailed information and carefully discuss" the offer, the firm added.

The Nikkei newspaper said CVC was considering a 30 percent premium over the Japanese industrial group's current share price, valuing the deal at nearly 2.3 trillion yen (\$20.8 billion) based on Tuesday's close.

The financial daily said CVC would consider recruiting other investors to participate in the buyout. CVC declined to comment on the matter.

The proposal would take Toshiba private, with delisting intended to produce faster decision-making by Toshiba's management, which has clashed with shareholders recently, reports said.

The move, if successful, would allow the firm to concentrate resources on renewable energies and other core businesses, the reports added.

The two firms are not strangers—Toshiba's CEO and President Nobuaki Kurumatani was head of CVC's Japanese operations between 2017 and 2018, before he took the top job at the conglomerate.

And a senior executive at CVC Japan is currently an outside director on Toshiba's board.

Turbulent times

Kurumatani told reporters that "we received the proposal but we'll

discuss it in a board meeting".

Reports suggested the discussions would begin on Wednesday, though Toshiba did not immediately specify.

Toshiba has been hit by false accounting scandals and huge losses linked to its US nuclear unit. It was forced to sell its profit-making chip business to make up for huge losses.

Following painful restructuring, its earnings rebounded and the company in January returned to the prestigious first section of the Tokyo Stock Exchange.

Justin Tang, head of Asian research at United First Partners, said CVC's representation on Toshiba's board meant the fund was already "familiar with Toshiba's assets as well as its inner workings".

"Given the turbulence in Toshiba, the favourable interest-rate environment and supportive investors, the situation is right up CVC's alley with their expertise in restructuring and turnarounds," he told AFP.

"They will, however, have their work cut out for them in regards to regulatory approvals," Tang warned.

Japan's chief government spokesman Katsunobu Kato emphasised the importance of due diligence given Toshiba's large presence in Japan.

"Regarding companies that are important to our country's society and economy, we think it's crucial they can build and maintain a management system that allows them to continue stable operations," he said.

The news sent Toshiba stocks soaring on Wednesday and they finished

up 18.3 percent at 4,530 yen.

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