

Japan's troubled Toshiba to delist after takeover by Japanese consortium succeeds

September 21 2023, by Yuri Kageyama



The logo of Toshiba Corp. is seen at a company's building in Kawasaki near Tokyo, on Feb. 19, 2022. A 2 trillion yen (\$14 billion) tender offer for troubled electronics and energy giant Toshiba by a Japanese consortium has been completed, clearing the way for it to be delisted, the company said Thursday, Sept. 21, 2023. Credit: AP Photo/Shuji Kajiyama, File

A 2 trillion yen (\$14 billion) tender offer for troubled electronics and energy giant Toshiba by a Japanese consortium has been completed, clearing the way for it to be delisted, the company said Thursday.

In the tender offer, announced last month and ended Wednesday, the number of shares purchased exceeded the minimum needed, at 78.65%, it said.

The switch to Toshiba's new parent company and largest shareholder, called TBJH Inc. will take place on Sept. 27. The move still needs shareholders' approval, and a meeting has been set for November, according to Toshiba.

Toshiba will then delist from the Tokyo Stock Exchange within about a month. That will end its more than seven-decade history as a listed company. The purchase price was at 4,620 yen (\$31).

"Toshiba Group will now take a major step toward a new future with a new shareholder," said its chief executive, Taro Shimada.

Even after privatization, the company will "do the right thing" to try boost its value, he added.

A sprawling accounting scandal, which surfaced in 2015 and involved books being doctored for years added to woes related to Toshiba's nuclear energy business. It faces the daunting and costly task of decommissioning the [nuclear power plant](#) in Fukushima, northern Japan, where a tsunami set off three meltdowns in 2011.

A leading brand behind rice cookers, TVs, laptops and other products once symbolic of Japan's technological prowess, Toshiba had billed the takeover led by the consortium of Japanese banks and major companies, known as Japan Industrial Partners, as its last chance for a turnaround.

Toshiba's board accepted the deal in March.

Toshiba has spun off parts of its operations, including its prized flash-memory business, now known as Kioxia. Toshiba is a major stakeholder in Kioxia.

Overseas activist investors, who own a significant number of Toshiba's shares, had initially expressed some dissatisfaction about the bid.

Analysts say it's unclear whether Toshiba can return to profitability, even with the delisting.

Toshiba's shares were up 0.2% at 4,604 yen (\$31) Thursday in Tokyo.

The [company](#) racked up 25 billion yen (\$169 million) of red ink for the April-June quarter on 704 billion yen (\$5 billion) in sales, down nearly 5% from the year before.

The decommissioning effort at the Fukushima Dai-ichi [nuclear plant](#) is expected to take decades.

Toshiba's U.S. nuclear arm Westinghouse filed for bankruptcy in 2017 after years of deep losses as safety costs soared.

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