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SoftBank to sell $12.5 bln shares of its Japan telecoms unit

August 28 2020

SoftBank Group is selling shares of its Japan telecoms unit SoftBank Group Corp worth about $12.5 billion as part of a massive fundraising programme

SoftBank Group said Friday it will sell shares of its Japan telecoms unit SoftBank Group Corp worth approximately $12.5 billion as it pursues a

push to increase cash reserves.

The sale, which was announced after Friday's trading close, is expected to take place in late September and involves more than 927 million shares in the Japanese telecoms unit.

SoftBank Group Corp ended Friday's session at 1,431.5 yen.

The stock sale comes as part of a massive fundraising programme by SoftBank Group that was initially expected to raise 4.5 trillion yen ($41 billion).

In a statement, SoftBank Group cited "the ongoing uncertainty in the market environment due to concerns about a potential second or even third wave of COVID-19."

In light of those fears it said it was "necessary to expand cash reserves beyond the JPY 4.5 Trillion Program to ensure flexible options to respond to changes in the market environment."

It said the offering replaced no change in its relationship with SoftBank Group Corp and that the firm's "strategic importance to the entire SoftBank Group remains unchanged."

The sale will reduce SoftBank Group's stake in the telecoms firm from 62.1 percent to 40.4 percent, according to the statement.

The stock offering will be divided between Japanese and international offerings, it added.

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Citation: SoftBank to sell $12.5 bln shares of its Japan telecoms unit (2020, August 28) retrieved

26 April 2024 from https://techxplore.com/news/2020-08-softbank-bln-japan-telecoms.html

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