

Japan's Rakuten to buy Canada's Kobo e-reader firm

November 9 2011



Japan's top online retailer Rakuten on Wednesday said it had agreed to pay \$315 million in cash for Kobo Inc., the maker of a popular e-reader in Canada whose majority shareholder is book retailer Indigo.

Japan's top online retailer Rakuten on Wednesday said it had agreed to pay \$315 million in cash for Kobo Inc., the maker of a popular e-reader in Canada whose majority shareholder is book retailer Indigo.

The deal marks a new step for the Japanese firm as more companies look to position themselves in the highly competitive tablet and e-reader markets in the wake of the success of Apple's iPad and Amazon's Kindle.

Rakuten will pay cash for a 100 percent stake in Kobo, which has positioned its technology as a platform that allows readers to connect with each other through integration with sites such as [Facebook](#) and

Twitter.

"We share a common vision of creating a content experience that is both global and social," said Kobo CEO Michael Serbinis in a statement.

The firm also makes applications for the Blackberry, [iPad](#), [iPhone](#) and Android devices. Its service boasts more than 2.5 million eBooks, magazines and newspapers.

The global [eBook market](#) is one of the fastest growing segments of the consumer technology industry.

The deal is expected to close early 2012.

The move comes as Japan's leading Internet retailer has rapidly widened its global reach, having last year launched an online shopping mall in China with partner [Baidu](#) after it bought French e-commerce dealer PriceMinister.

Rakuten has also bought Buy.com, one of the largest e-commerce sites in the United States.

"Rakuten's international expansion has picked up speed since last year," it said on Tuesday, having also opened an Internet shopping mall in Indonesia while turning a Brazilian e-commerce operator into a subsidiary.

In addition, Rakuten also plans to enter the German and British markets.

The company reported a net loss of 18.57 billion yen (\$238 million) in the nine months to September as a result of posting a special loss before reorganising its credit card business.

But it reported a record high operating income of 48.17 billion yen (\$620 million), up nine percent from the same period a year ago, out of record net sales of 270.46 billion yen, up seven percent on-year.

(c) 2011 AFP

Citation: Japan's Rakuten to buy Canada's Kobo e-reader firm (2011, November 9) retrieved 19 April 2024 from <https://phys.org/news/2011-11-japan-rakuten-canada-kobo-e-reader.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.