

Japan's NEC buys Australian IT firms

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Japanese electronics giant NEC said Wednesday it will buy two IT firms from Australia's CSG, with a report pegging the price tag at about \$252 million.

The move is the latest by Japanese [firms](#) as they aggressively seek mergers and acquisitions abroad, taking advantage of the yen's strength to diversify their operations and make them globally competitive.

Struggling NEC, which posted a \$1.39 billion annual loss, said it is acquiring CSG Services and CSG Solutions, both of which have lucrative contracts with major companies and the [Australian government](#)

"The new organisation will have the capabilities and scale to successfully compete for some of Australia's largest (information and [communications technology](#)) contracts," NEC President Nobuhiro Endo said in a statement.

It said the purchase would be completed within a month or two using cash on hand, underscoring how NEC is accelerating its overseas exposure as a way to reinvigorate its business operations.

In March, it agreed to buy some of the operations of US back-office services provider Convergys for about \$450 million in cash.

The [Nikkei business](#) daily said the CSG deal was valued at 20 billion yen (\$252 million). [NEC](#), which has announced thousands of job cuts as it

looks to turn a profit, did not disclose the cost.

On Tuesday trading house Marubeni said it had agreed to buy US grain giant Gaviola LLC for about \$3.6 billion in the largest cross-border move by a Japanese company this year.

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