

Japan's Toshiba gives Canon preference for medical unit sale

March 9 2016

Japan's Toshiba on Wednesday offered camera maker Canon exclusive rights to buy its medical devices unit, as the engineering giant sells businesses to recover from a major accounting scandal.

The announcement comes as Toshiba expects a whopping loss of about \$6.0 billion for the year to March due to sagging global demand and a spectacular profit-padding scandal, in which high-handed bosses for years systematically pushed their subordinates to cover-up weak financial figures.

In the wake of the scandal, Toshiba—a vast conglomerate that makes everything from rice cookers to nuclear plants—has ushered in thousands of job cuts and plans to sell various business units in a bid to revive itself.

Toshiba said in a release that it has given Canon, which also makes printers and other office equipment, the exclusive right to negotiate for a majority share in Toshiba Medical Systems, a major producer of medical imaging tools such as MRI and CT scans.

Canon has reportedly offered 700 billion yen (\$6.2 billion) for the unit, which enjoys roughly a 30 percent share in the Japanese market, the Nikkei newspaper reported.

Tokyo-based Canon hopes to acquire Toshiba Medical Systems to make it a third business pillar along with cameras and office equipment, the

Nikkei said.

Toshiba said it "determined that the proposal from Canon Inc is superior to that of the other companies", and that negotiations will last until March 18.

Many Japanese high-tech companies are rushing to enter the medical field, as a greying population boosts demand for healthcare services and tools.

Sony launched a [medical](#) joint venture with endoscope maker Olympus, which also went through a massive loss-hiding scandal and required a strong partner to rebuild itself.

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Citation: Japan's Toshiba gives Canon preference for medical unit sale (2016, March 9) retrieved 26 April 2024 from <https://phys.org/news/2016-03-japan-toshiba-canon-medical-sale.html>

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