

Japan semiconductor company Renesas to buy US firm IDT for \$6.7bn

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Japanese semiconductor firm Renesas on Tuesday announced a deal to buy California-based IDT in a cash deal valued at \$6.7 billion.

Shares in Renesas spiked 5.54 percent on the news, before dropping back slightly in the late morning.

The [deal](#) is expected to be closed in the first half of next year, following approval by IDT shareholders and the relevant regulatory authorities, Renesas said in a statement.

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The Japanese firm said the deal with IDT, also a [semiconductor manufacturer](#), should "strengthen its presence in the industrial and automotive segments."

Renesas Electronics, the world's biggest supplier of automotive microcontroller chips, was created through a merger of the chip units of Hitachi, Mitsubishi Electric and NEC.

The firm suffered from fierce competition from low-cost rivals and in 2013 was bailed out by a government-backed fund.

The loss-making company was forced into sweeping job cuts, including more than 1,000 in Europe but recovered after restructuring and embarked on an acquisition drive.

In 2016, it bought smaller US chipmaker Intersil for \$3.2 billion.

"The Intersil acquisition brought diverse talent and management capabilities to accelerate Renesas' global operations. The transaction announced today extends this effort and will provide Renesas with further proficiency to execute global strategy," the statement said.

IDT, or Integrated Device Technology, has 1,700 employees worldwide

and generated turnover of \$842.8 million in 2017-18.

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