Hisense acquires Toshiba television business

Hisense Electric, the publicly listed subsidiary of Hisense Group, has agreed to purchase 95% of the shares of Toshiba Visual Solutions Corporation (TVS), a wholly owned subsidiary of Toshiba Corporation, for 12.9 billion Japanese Yen (R1,6 billion). Toshiba holds its 5% stock rights.



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Hisense will obtain the TV businesses, including production, research and development, and sales functions. Meanwhile, TVS will acquire a worldwide license to use the Toshiba brand in connection with its visual solutions products and services for a period of 40 years, including in connection with TVS's existing business partners operating in Europe, South East Asia, and elsewhere.

With the benefit of this acquisition, Hisense says it will develop and enlarge its international strategy for its TV business in the areas of R&D and branding and marketing, by operating under multiple brands. The cooperation between Hisense and Toshiba will drive changes to the new picture of TV business.

Market leadership

Within its 142 year history, Toshiba has been a leader in display technology in Japan, as well as in other parts of the world, with the brand being top-ranked in the Global Technology Brand List. TVS will primarily operate as Toshiba TV and various ancillary products, including commercial display and, advertisement display products. TVS has two factories in Japan and hundreds of R&D employees, and has a significant IP portfolio related to TV business, including patents related to TV image quality and acoustics.

Liu Hongxin, the CEO of Hisense Group who attended the ceremony, said that Hisense will optimize TVS's resources on R&D, supply chain or global sales channels, and cooperate with and support each other in display technology. This is in order to provide competitive content operation services for smart TVs for the global market and to accomplish continuing and fast growth in the Japanese market.

According to the IHS, Toshiba TV sales ranked No.3 in the Japanese market in 2016. At present, Hisense TV's market share in the Japanese market is the highest among all the foreign brands. The market share of the Toshiba and Hisense brands amounts to 20% of the TV market in Japan, and will target second place in the Japanese market once the transaction has taken effect. Hisense's colour TV business ranked third in the world in 2016, according to IHS. It has been ranked first place in China for 13 consecutive years, has sponsored the 2016 European Cup, among other large sports events, and has been named sponsor of the 2018 Fifa World Cup.

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