



Employees of Toshiba Mitsubishi-Electric Industrial Systems Corporation conduct product checks at the assembly area of the power electronics factory in Tumakuru situated about 100 kilometres from Bangalore in India.

PHOTO: AFP/FILE

Toshiba unveils new plan to split into two companies

AFP, Tokyo

Japan's Toshiba on Monday announced plans to split into two companies, revising a controversial proposal to divide into three following a tumultuous period for the storied industrial conglomerate.

The group said it plans to spin off its device segment, including its semiconductor business, in a bid to speed up decision-making and boost stock performance.

Shareholders, who have clashed with management on the best way forward for the troubled company, must still approve the proposal in a vote expected in March.

The original spin-off plan faced stiff opposition from some key investors.

The firm also said it will unload its stake in air-conditioning business Toshiba Carrier and seek to sell its elevator and lighting units.

"We believe a spin-off is optimal," president and CEO Satoshi Tsunakawa told investors, promising it would "enable more agile and flexible

operations."

He said the sprawling business "struggled with the conglomerate discount and slowness in decision-making" in the past, and streamlining operations would allow investors to choose the portion of the business that interested them.

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Toshiba initially unveiled a plan to split into three last November, in what analysts called a test case for other Japanese giants.

But it said Monday that "since this is the first large-scale spin-off transaction in Japan... it turned out there were obstacles which were not initially

expected". Among those were higher-than-expected costs, and an extensive process to list the two new entities.

A two-way split instead "can significantly reduce separation costs, secure financial soundness for each company, and significantly reduce spin-off uncertainty", the company said.

The spin-off is expected to cost 20 billion yen (\$173 million) over two years, with running costs also increasing by 13 billion yen a year.

But Tsunakawa said that would be offset by plans to reduce operating costs by 30 billion yen annually.

The Japanese giant wants the split finalised by the second half of the 2022-23 financial year, but it could yet face shareholder opposition.

General Electric and Johnson & Johnson have announced spin-offs in recent months – a move analysts say is in large part forced on them by financial markets.

Spin-offs can be a way for large corporations to create more value and

rationalise operations, but they can also limit coordination between sectors, experts say.

Toshiba dates back to 1875 and was once a symbol of Japan's advanced technological and economic power, but it has been mired in turmoil for several years.

Last year, shareholders voted to oust the board's chairman after a series of scandals and losses, in a rare victory for activist investors in corporate Japan.

As part of the overhaul, the company on Monday declared Toshiba Tec and its air-conditioning, elevator and lighting units "non-core businesses".

It has already agreed to the sale of Toshiba Carrier to the US-based Carrier Corporation in a deal reportedly worth some 100 billion yen.

The conglomerate currently owns 60 per cent of the air-con company's shares and will retain only five per cent when the sale is completed later this year.

It said it hoped to reach deals to offload the elevator and lighting units within the next two months.

Lessons learned to reshape

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footprint in the market. That is, such a business opportunity didn't really have a demand or market in Bangladesh. Hence, it was upon me to go out there and create the market and I was able to achieve this by constantly interacting with my clients and senior colleagues abroad, while educating myself on the financial or business product which I needed to create the market for and how it would create value for all stakeholders.

Being able to plan and create strategies is essential in such circumstances. Strategic thinking is not something that is only required by high-level business leaders, but it is something a business professional must acquire and develop as early as possible because some sort of strategy or other is always required when dealing with new situations.

Again, commitment is vital because one must truly believe in what they are trying to get their customers to embrace otherwise it will be impossible to convince others of the same.

Constantly being engaged in new and never done engagements will make a business professional a trendsetter and a natural leader in the market and others will begin to follow them.

WORKING WITH REGULATORS

Since Bangladesh is still at an early stage of its development journey, the regulators always have

and will continue to play a crucial role in shaping and guiding businesses and their objectives for a long time to come. Thus, it is important to also have a very close and mutually beneficial relationship with the key regulators in one's profession.

If the regulators are on your side and if they value your input and opinion then they will also respond to your professional needs in a favourable manner. Therefore, I would advise any new young business manager to start growing and developing relationships with the regulators in their profession.

One must also treat the regulators with the same level of respect and dignity as one's own business clients. In my case, I was able to create great relationships with various regulators starting from the very early stages of my career and what I noted was that as I was being promoted, so were my regulator friends.

Therefore, later in my career, I was able to leverage those precious relationships which I created early on, into mutually beneficial circumstances. I have also noted that most of my clients always wanted to determine how my own relationship and connection with applicable regulators are before they decided to proceed.

DON'T BE AFRAID OF A CHALLENGE

My career included many "firsts". That is, I was able to accomplish

something which was never done in Bangladesh before. The only reason I was able to do this is because I have learned to embrace challenges instead of resisting them.

One must look upon challenges in a favourable manner because it is only when faced with challenges, we grow and develop the most. Our adaptive capabilities are further strengthened and our ability to deal with difficult situations by employing creative problem solving skills are boosted.

The better you are at facing challenges the better you will be at solving the problems of your clients and stakeholders. My own nature is to never say no to any challenge because I believe that in challenging times is when I do some of my best work.

Furthermore, as one rises in their career path, risk and crises management will become more and more prevalent because all businesses face crises and these directly correlate to how well equipped one is at being able to handle challenges.

BE DEPENDABLE

Very often just pure talent isn't enough. Just because a professional is highly talented does not also make them dependable. I have come across plenty of highly talented individuals throughout my career but some of them were not always dependable.

I personally value a person who is dependable

The author is a partner at PwC Bangladesh.

Airbus, Quebec reach \$1.2b investment agreement

REUTERS, Montreal

Europe's Airbus and Quebec on Friday said they have agreed to a \$1.2 billion investment deal that would allow the Canadian province to remain in the loss-making A220 jet program until the venture is likely to turn profitable.

Airbus would invest \$900 million, while Quebec would put \$300 million into the program, according to a statement from the province's government.

The investment would help the A220 program globally to support an increase in production, Benoit Schultz, chief executive of Airbus' Canadian unit, told a press briefing. The A220 is built both at an Airbus plant in the Montreal area and at the Mobile facility in Alabama.

The A220, previously known as the CSeries, is a 110- to 130-seater aircraft, a little smaller than Airbus's mainstay A320 jet. Reuters reported on the deal earlier, citing sources.

The province has faced criticism for repeated investments in the programme. Airbus Chief Executive Guillaume Faury said the program should be profitable by the middle of the decade.

Faury told reporters that Covid-19 weighed on cost-cutting efforts because it impeded production increases.



Khondoker Rashed Maqsood, managing director of Standard Bank Ltd, virtually presides over the bank's Town Hall Meeting-2022 recently. Mohammad Rafiqul Islam and M Latif Hasan, deputy managing directors, Md Mohon Miah, coordinator of SBL Islami Bank Conversion Project, and Md Ali Reza, acting company secretary, were present.



Matiur Rahman, chairman of Uttara Group, presided over the company's Annual Dealers' Conference-2021 in Cox's Bazar recently. A total of 321 authorised motorcycle and CNG auto-rickshaw dealers across the country attended the event. Kazi Imdad Hossain, executive director, ABM Humayun Kabir, director for finance and administration, Nayeemur Rahman, head of business planning, Mashfiqur Rahman, planning and development engineer, and Dileep Banerjee, chief executive officer of Bajaj division, were present.

Nihad Kabir joins BUILD as chairperson

STAR BUSINESS DESK

Nihad Kabir, a senior advocate and a former president of the Metropolitan Chamber of Commerce and Industry (MCCI), has taken over as the chairperson of the trustee board of the Business Initiative Leading Development (BUILD) for 2022-23.

She succeeded Abul Kasem Khan, a former president of the Dhaka Chamber of Commerce and Industry (DCCI), according to a press release.

The BUILD is a public-private dialogue platform formed by the DCCI, the MCCI and the Chittagong Chamber of Commerce and Industry (CCCI). It has been providing secretarial support to the Private Sector Development Policy Coordination Committee headed by the principal secretary of the Prime Minister's Office since 2011.

Kabir is a senior partner of Syed Ishtiaq Ahmad and Associates, one of the country's most prominent law firms. She was also the chairperson of the BUILD for 2017. Abul Kasem Khan will continue as a nominated trustee board member from the DCCI, while Syed Mohammad Tanvir, a director of the CCCI, is a nominated trustee board member from the CCCI.

In addition to the new trustees, the trustee board for 2022 includes Md Saiful Islam, president of the MCCI, Rizwan Rahman, president of the DCCI, Mahbubul Alam, president of the CCCI, Farooq Ahmed, secretary-general of the MCCI, Afzal Arifeen, secretary-general of the DCCI, and Mohd Faruque, secretary of the CCCI.

Ferdaus Ara Begum, CEO of the BUILD, is on the trustee board as the member secretary.

Chip crisis not ending this year: Volkswagen

REUTERS, Berlin

Volkswagen does not expect the global shortage of semiconductors to end this year although it should further ease slightly in the second half, a board member was quoted as saying by industry magazine Automobilwoche.

"The volatile situation will affect us at least beyond the first half of this year," Murat Aksel, the head of procurement on the Volkswagen board said in an interview with Automobilwoche.

Carmakers around the world have been hit by a shortage of semiconductors caused by Covid-19 supply chain disruptions as well as soaring semiconductor demand at consumer electronic companies. Aksel said there were clearly structural issues at play, with demand set to continue to rise in the car making industry.