Softbank update

The Associated Press

TOKYO, Jan. 12 (Kyodo) — Softbank Corp. is considering selling about a 67 percent stake in smaller Japanese mobile phone service provider eAccess Ltd. to Samsung Electronics Co. of South Korea and 10 other companies as early as this month, sources familiar with the situation said Saturday.

The plan to reduce its stake with voting rights in eAccess to less than a third comes in line with the Ministry of Internal Affairs and Communications' guidelines on allocating frequency bands to mobile phone service providers.

Softbank, whose business has grown over the past years on the back of selling Apple Inc's iPhone, turned eAccess into a wholly owned subsidiary through an equity swap on Jan. 1.

But the ministry has viewed the acquisition as running counter to its policy of allocating frequency bands fairly to cellphone carriers.

Under the guidelines, the ministry allocates a frequency band to a mobile phone service provider if the company does not have affiliates in which it holds over a third of shares.

Softbank is planning to sell the stake to five foreign telecom-related companies and six domestic leasing companies, including Sweden's Ericsson and Japan's Orix Corp., by dividing the number of shares to each buyer almost equally, the sources said.

Most of the eAccess shares that Softbank will continue to hold will be without voting rights, the sources said.

Softbank, which last year struck a deal to acquire U.S. cellular phone company Sprint Nextel Corp., is expected to receive several billion yen from the sale of the stake.

Despite the purchase, Softbank and eAccess will work closely together, sharing each other's frequency band as early as this spring, according to the sources.

Source URL (retrieved on *12/22/2014 - 1:09am*):
http://www.ecnmag.com/news/2013/01/softbank-update