

July 23, 2015
Nikkei Inc.

Nikkei acquires the Financial Times
Will strengthen global and digital coverage

Nikkei Inc. announced Thursday it has agreed to acquire all the shares in Financial Times Group from U.K. education company Pearson for 844 million pounds (\$1.3 billion). By integrating the time-honored FT brand into the group, Nikkei aims to advance its global and digital growth strategy.

Pearson's board agreed to the deal Thursday. The price includes FT's cash holdings of 19 million pounds, so Nikkei will pay 825 million pounds. It will be one of the largest-ever acquisitions by a Japanese media company.

The FT was established in 1888. It is one of the most influential business media companies in the world. The Nikkei, established in 1876, is strengthening its global coverage, with a heavy focus on Asia, through the Nikkei Asian Review. By sharing personnel, knowledge and their long histories, the companies aim to become an unprecedented global economic media player.

The FT is a pioneer in digital reporting and has more than 500,000 digital subscribers -- more than 70% of its total subscription base. The Nikkei has 430,000 digital subscribers. Economic and business news is expected to gain more prominence in the digital age. By making use of their strengths in digital media, the two companies intend to undertake a range of major projects.

Tsuneo Kita, chairman of Nikkei, said: "I am extremely proud of teaming up with the Financial Times, one of the most prestigious news organizations in the world. Our motto of providing high-quality reporting on economic and other news, while maintaining fairness and impartiality, is very close to that of the FT. We share the same journalistic values. Together, we will strive to contribute to the development of the global economy."

John Fallon, Pearson's chief executive, said: "Pearson has been a proud proprietor of the FT for nearly 60 years. But we've reached an inflection point in media, driven by the explosive growth of mobile and social. In this new environment, the best way to ensure the FT's journalistic and commercial success is for it to be part of a global, digital news company.

"Pearson will now be 100% focused on our global education strategy. The world of education is changing profoundly and we see huge opportunity to grow our business through increasing access to high-quality education globally.

"Nikkei has a long and distinguished track record of quality, impartiality and reliability in its journalism and global viewpoint. The board and I are confident that the FT will continue to flourish under Nikkei's ownership."

Rothschild Group acted as financial adviser and Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates acted as legal adviser to Nikkei on this transaction.