

# Hedge Fund Oasis Urges Better Alps-Alpine Electronics Deal

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By Tom Redmond and Takako Taniguchi

- Oasis CIO Seth Fischer says the merger process is 'biased'
- Fund previously called for sweeter terms at Panasonic-PanaHome

(Bloomberg) --

Oasis Management Co.'s Seth Fischer announced a new activism target in Japan, calling on Alps Electric Co. and affiliated company Alpine Electronics Inc. to sweeten the terms of their merger.

Oasis owns more than 9 percent of Alpine Electronics, making it the largest minority shareholder, and is calling on fellow stock owners to vote against the proposed merger with Alps Electric, which owns more than 40 percent of Alpine Electronics shares, Fischer said. The chief investment officer of the Hong Kong-based hedge fund said the process for deciding the merger terms was designed to achieve a low price, and said his fund has made a better offer for Alpine. He said he's been investing in Alpine on and off for the last 15 years.

"We have a long history here with Alpine," Fischer said in an interview during a visit to Tokyo. "There is a biased process to achieve a biased result, in terms of Alps taking over Alpine at too cheap a price."

Alpine Electronics shares rose as much as 4.6 percent in afternoon trading in Tokyo, heading for their highest close since July 2015. Alps added as much as 2.3 percent.

Alps Electric [said](#) in July that it would make Alpine Electronics a wholly owned subsidiary through a share exchange, offering 0.68 of an Alps share for each share of Alpine, which at Friday's close represented a price of 2,227 yen. (Alpine Electronics closed Friday at 2,284 yen.) Oasis has sent a letter to Alpine offering 2,400 yen a share and has received no response from the company, Fischer said, while calling for use of a tender offer method instead of a share exchange.

A spokesman for Alps declined to comment. A representative for Alpine Electronics wasn't immediately available to comment.

Oasis is a longtime champion of improved corporate governance in Japan. Its campaign at Alps and Alpine [echoes](#) its efforts earlier this year to get Panasonic Corp. to improve its offer for listed subsidiary PanaHome Corp. Panasonic sweetened its terms and switched from a share exchange to a tender offer, but Fischer continued to campaign for an improved price.

“This is very similar,” Fischer said of the Alps and Alpine Electronics case. PanaHome was “a successful investment for Oasis. We are glad we achieved a better result for all minority shareholders. It’s not as good a result as we had wanted for all minority shareholders, but still we achieved a good result.”

Fischer said the three methods used by Alps and Alpine Electronics to value the deal are all biased. He said his fund has set up a [website](#) to appeal to all shareholders of Alpine to vote against the deal. The merger itself makes sense, he said, but the terms aren’t fair.

“I don’t have a philosophical problem with the merger,” Fischer said. “I actually think there is an enormous amount of synergies for both companies. We just want it to be done at the right price, a fair price.”

(Updates with share action, Alps response beginning in fourth paragraph.)

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