

FY 2016 Japan Fair Trade Commission Performance Evaluation Report (Standard Format)

(The Japan Fair Trade Commission 28-(1))

Name of Activity	Measures against violations of the Antimonopoly Act, etc Prompt and appropriate merger reviews					
Outline of Activity	For business combinations (stock acquisitions, mergers, splits, joint stock transfers, business acquisitions, etc.), a prompt and appropriate merger review shall be conducted based on notifications. If any violation of the provisions of the Antimonopoly Act is identified, the appropriate actions shall be taken, and major business combinations shall be publicly announced to prevent business combinations that substantially restrain competition in any particular field of trade.					
Goal	For business combinations (stock acquisitions, mergers, splits, joint stock transfers, business acquisitions, etc.), a prompt and appropriate merger review shall be conducted to prevent business combinations that substantially restrain competition in any particular field of trade, thereby maintaining and promoting fair and free competition.					
Budget-Related Activity	Breakdown of Budget	FY 2014	FY 2015	FY 2016	Amount requested for FY2017	
	Amount Allocated (thousand yen)	Initial budget (a)	8,081	7,366	8,279	10,444
		Supplementary budget (b)	0	0	0	0
		Budget Carried (c)	0	0	/	
		Total (a+b+c)	8,081	7,366		
Executed amount (thousand yen)	6,808	7,377				
Important Cabinet Policy Related to the Activity (Main Administrative Policy Speeches, etc.)	—					

Evaluation Index	State of processing cases for which notification of a business combination plan is received (first review) [See Note 1]	/	Actual Results					Year in this evaluation	Target achievement
			FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2013 – FY 2015	Achieved
			100%	100%	100%	100%	100%		
			Target Figures for Each Fiscal Year					Within thirty (30) days from receipt of notification	
	State of processing cases for which notification of a business combination plan is received (transferred to the second review) [See Note 1]	/	Actual Results					Year in this	Target achieveme
			FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2013 – FY 2015	Achieved
			100%	100%	100%	100%	100%		
			Target Figures for Each Fiscal Year					Within ninety (90) days from receipt of all reports, etc.	
	State of appropriate merger review, prevention of business combinations that substantially restrain competition in any particular field of trade	/	State of progress of the activity (actual results)					Year in this	Target achieveme
			FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2013 – FY 2015	Considerable progress has been made
			See Attachment						
			Target Figures for Each Fiscal Year						

Note 1: The ratio of cases for which notification is received within the relevant fiscal year and which are processed within thirty (30) days from acceptance, irrespective of the fiscal year when processing is completed, is calculated.

Note 2: The ratio of cases for which notification is received within the relevant fiscal year and which are processed within ninety (90) days from receipt of all reports, etc., irrespective of the fiscal year when processing is completed, is calculated.

Evaluation results	Measurements of target achievement rates	Administrative organization common classification	Considerable progress has been made
		Basis of judgment	All cases for which notification of a business combination plan is received other than cases for which notification of a business combination plan is withdrawn due to the reasons of the company making the notification are processed within the target period of processing, and thus specific numerical targets are achieved. Looking at other indexes, "number of pages per case of collections of business combination cases for announcement," "number of accesses to collections of business combination cases for announcement published on the website of the Japan Fair Trade Commission" and "interests of consumers protected by merger review" generally remain at a high level, with differences from year to year. A prompt and appropriate merger review is considered to contribute to the maintenance and promotion of fair and free competition to a considerable degree.
	Analysis of activity		Upon evaluation based on the overall measurements, this activity is judged to be necessary and effective for and in preventing business combinations that substantially restrain competition in any particular field of trade and maintenance and for promoting fair and free competition and being efficient. The increased number of cases for which the period of prohibition is shortened is considered to show the prompt implementation of a merger review by the Japan Fair Trade Commission. Because of high needs for promptness in merger reviews among the companies that conduct business combinations, emphasis should continue to be placed on the prompt implementation of merger review. In addition, the business combination cases for which expertise in economics and other areas should continue to be utilized shall be appropriately handled, and reference information for business operators should be actively provided.
	Directions to be reflected in next-term targets	Policy	For business combinations, prompt and appropriate merger reviews shall continue to be conducted to prevent business combinations that substantially restrain competition in any particular field of trade, thereby maintaining and promoting fair and free competition.
		Evaluation Index	This activity is necessary for preventing business combinations that substantially restrain competition in any particular field of trade and maintenance, and for promoting fair and free competition, and it is judged to have a certain degree of effectiveness and efficiency. Accordingly, the current policy for setting targets of individual indexes shall be maintained, and this activity shall be continue to be undertaken. The collections of cases shall be improved in terms of contents by including cases with a substantial impact on the general public, cases for which actions to solve problems are taken and other cases that attract significant attention.

Use of Expert Knowledge	<ul style="list-style-type: none"> - In addition, explain any other reasons for greater access to cases announced for FY2015 than for FY2014. (Based on opinions, the necessary revisions were made to the performance evaluation report.) - Should the results of an individual merger review be examined? (An answer was provided stating that the ex post facto examination of merger review has been conducted in joint research, etc. of the Competition Policy Research Center, and the ex post facto examination will be considered as necessary.) - As for the measurements for prompt merger review, how about adding the average processing time of cases to the current measurement, the ratio of cases processed within the statutory period? (An answer was provided stating that the necessary period of processing varies according to the difficulty of individual cases, and thus such measurement cannot be added.)
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Materials and Other Information Used During Policy Evaluation	<p>“Major Business Combination Cases in FY 2013”(Announcement made on June 11, 2014) “Major Business Combination Cases in FY 2014”(Announcement made on June 10, 2015) “Major Business Combination Cases in FY 2015”(Announcement made on June 8, 2016)</p> <p>These documents are held by the General Affairs Division, Secretariat, JFTC.</p>
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Responsible Department	Mergers and Acquisitions Division, Economic Affairs	Responsible Person	Takeshi Shinagawa, Director of Decision and	Year/Month for Policy Evaluation	April – July, 2016
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		State of progress of the activity (actual results)				
		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Evaluation results	State of appropriate merger review, prevention of business combinations that substantially restrain competition in any particular field of trade	Efforts are made to undertake appropriate merger reviews, including the following, and to prevent business combinations that substantially restrain competition in any particular field of trade.	Efforts are made to undertake appropriate merger reviews, including the following, and to prevent business combinations that substantially restrain competition in any particular field of trade.	Efforts are made to undertake appropriate merger reviews, including the following, and to prevent business combinations that substantially restrain competition in any particular field of trade.	Efforts are made to undertake appropriate merger reviews, including the following, and to prevent business combinations that substantially restrain competition in any particular field of trade.	Efforts are made to undertake appropriate merger reviews, including the following, and to prevent business combinations that substantially restrain competition in any particular field of trade.
		(1) Number of accepted notifications of business combinations [275][See Note 1]	(1) As on the left [349]	(1) As on the left [264]	(1) As on the left [289]	(1) As on the left [295]
		(2) The number of results of reviews in the Major Business Combination Cases published on the JFTC website[9]	(2) As on the left [11]	(2) As on the left [10]	(2) As on the left [10]	(2) As on the left [11]
		(3) The average number of pages per case example published on the JFTC website[8.9]	(3) As on the left [9.5]	(3) As on the left [6.2]	(3) As on the left [7.9]	(3) As on the left [8.1]
		(4) Number of public accesses to the Major Business Combination Cases published on the JFTC website[See Note 2][—]	(4) As on the left [—]	(4) As on the left [15,483]	(4) As on the left [6,938]	(4) As on the left [9,676]
		(5) Amount of consumer benefits protected by merger reviews [See Note 3] [Approx. 106300 million yen]	(5) As on the left [Approx. 7300 million yen]	(5) As on the left [Approx. 45600 million yen]	(5) As on the left [Approx. 200 million yen]	(5) As on the left [Approx. 6300 million yen]
Target Figures for Each Fiscal Year	Appropriate merger reviews shall be conducted to prevent business combinations that substantially restrain competition in any particular field of trade.					

Note 1: Including the number of cases for which notification of a business combination plan is withdrawn because of any reasons of the company that made the notification in the end.

Note 2: Totalization of the number of accesses to the collections of business combination cases published in the past two years, including the the relevant fiscal year, for the relevant fiscal year. There are blanks for FY2011 and FY2012 because there was no totalization undertaken according to the said method.

Note 3: The Japan Fair Trade Commission has announced the estimated interests of consumers that will be protected by merger reviews in future based on the assumption that a 10% price increase will continue for a year if the actions to solve the problems are not taken since 2009.