

State of notifications related to business combinations in fiscal year 2017

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The Japan Fair Trade Commission

Part I State of acceptance and investigation of notifications of acquisition of stock

In FY2017, the JFTC received 306 notifications of business combination plans (down 4.1% from the previous fiscal year), of which notifications of acquisition of stock numbered 259, notifications of merger 9, notifications of demerger 13, notifications of joint share transfer 3, and notifications of business acquisition, etc. 22.

Of the 306 notifications received in FY2017, the “number of cases where the JFTC issued a notice to the effect that the JFTC would not issue a cease and desist order on the grounds that the preliminary investigation found no issues in terms of the Antimonopoly Act (hereinafter referred to as AMA)” was 299, the “number of cases sent to the secondary investigation on the grounds that more detailed investigation would be necessary” was 1, and the “number of cases withdrawn during the preliminary investigation” was 6.

As well, with regard to 6 cases^(Note 1) of the cases closed in FY2017, the JFTC determined that there would be no issues in terms of the AMA, given the implementation of remedies proposed by the Parties.

(Note 1) All cases were closed at the preliminary investigation.

The state of acceptance and investigation of notifications in the past three years is shown in Table 1, Table 2, and Table 3.

Table 1. Processing status of notifications received in the past three fiscal years

| | FY2015 | FY2016 | FY2017 |
|---|--------|--------|--------|
| Cases closed at the preliminary investigation (Note 2) | 281 | 308 | 299 |
| Cases where the waiting period was shortened among above | (145) | (171) | (193) |
| Cases withdrawn prior to the conclusion of the preliminary investigation | 8 | 8 | 6 |
| Cases which were sent to the secondary investigation | 6 | 3 | 1 |
| Total | 295 | 319 | 306 |

(Note 2) Cases where the JFTC issued a notice to the effect that the JFTC would not issue a cease and desist order on the grounds that the preliminary investigation found no issues in terms of the AMA.

Table 2. Processing status of the secondary investigation in the past three fiscal years

| | FY2015 | FY2016 | FY2017 |
|---|--------|--------|--------|
| Cases closed at the secondary investigation (Note 4) | 4 | 3 | 1 |
| Cases found to have no issues given the implementation of remedies | 1 | 3 | 0 |
| Cases in which a cease and desist order was issued | 0 | 0 | 0 |

(Note 3) The above table shows the number of notifications processed in each fiscal year regardless of whether they were received during the same fiscal year.

(Note 4) Cases where the JFTC issued a notice to the effect that the JFTC would not issue a cease and desist order on the grounds that the secondary investigation found no issues in terms of the AMA.

Table 3. Changes in the number of notifications concerning business combination plans that include a foreign enterprise in the Parties

| | FY2015 | FY2016 | FY2017 |
|--|--------|--------|--------|
| Integration plans between Japanese enterprises and foreign enterprises | 8 | 12 | 12 |
| Integration plans between foreign enterprises | 45 | 47 | 31 |
| Total | 53 | 59 | 43 |

Part II Number of cases by type of business combination

1. Acquisition of stock

(1) Number of cases by total domestic sales (Table 4)

Table 4. Number of notifications of acquisition of stock by total domestic sales

| <div> <div>Total domestic sales of a share certificate-issuing company and its subsidiaries</div> <div>Total domestic sales of a share-acquiring company</div> </div> | 5B yen or more and less than 20B yen | 20B yen or more and less than 50B yen | 50B yen or more and less than 100B yen | 100B yen or more and less than 500B yen | 500B yen or more | Total |
|---|--------------------------------------|---------------------------------------|--|---|------------------|-------|
| 20B yen or more and less than 50B yen | 28 | 9 | 1 | 0 | 0 | 38 |
| 50B yen or more and less than 100B yen | 32 | 5 | 1 | 2 | 0 | 40 |
| 100B yen or more and less than 500B yen | 49 | 16 | 8 | 6 | 0 | 79 |
| 500B yen or more and less than 1T yen | 15 | 9 | 7 | 1 | 2 | 34 |
| 1T yen or more and less than 5T yen | 30 | 10 | 5 | 14 | 1 | 60 |
| 5T yen or more | 4 | 2 | 0 | 2 | 0 | 8 |
| Total | 158 | 51 | 22 | 25 | 3 | 259 |

(2) Number of cases by percentage of acquired voting rights (Table 5)

Table 5. Number of notifications of acquisition of stock by percentage of acquired voting rights

| More than 20% up to 50% | More than 50% | Total |
|-------------------------|---------------|-------|
| 66 | 193 | 259 |

(Note 5) A percentage of acquired voting rights is calculated by dividing the sum of the number of voting rights concerning a share certificate-issuing company which will be owned by a notifying company after acquisition and by corporations, other than the notifying company, which belong to a group of combined companies which the notifying company is part of, by the total number of voting rights of the share issuing-company owned by all stockholders.

2. Mergers

(1) Number of cases by merger type

By type of merger, nine notifications were about mergers (absorption-type mergers) and there was no notification of consolidation.

(2) Number of cases by total domestic sales (Table 6)

Table 6. Number of notifications of merger by total domestic sales

| Total domestic sales of a dissolving company \ Total domestic sales of a surviving company | 5B yen or more and less than 20B yen | 20B yen or more and less than 50B yen | 50B yen or more and less than 100B yen | 100B yen or more and less than 500B yen | 500B yen or more | Total |
|--|--------------------------------------|---------------------------------------|--|---|------------------|-------|
| 5B yen or more and less than 20B yen | 0 | 0 | 0 | 2 | 2 | 4 |
| 20B yen or more and less than 50B yen | 0 | 1 | 0 | 0 | 0 | 1 |
| 50B yen or more and less than 100B yen | 0 | 1 | 0 | 0 | 1 | 2 |
| 100B yen or more and less than 500B yen | 0 | 0 | 0 | 0 | 0 | 0 |
| 500B yen or more and less than 1T yen | 0 | 0 | 0 | 0 | 0 | 0 |
| 1T yen or more and less than 5T yen | 0 | 0 | 0 | 1 | 1 | 2 |
| 5T yen or more | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 2 | 0 | 3 | 4 | 9 |

(Note 6) The above table only includes a dissolving company with the largest domestic sales if a merger is among three or more companies, in other words, if there are two or more dissolving companies.

3. Demergers

(1) Number of cases by demerger type

By type of demerger, 13 notifications were about absorption-type demergers and there was no notification of joint incorporation-type demerger.

(2) Number of cases by total domestic sales (Table 7)

Table 7. Number of notifications of demerger by total domestic sales

| Total domestic sales of a company which is split (or domestic sales concerning the business which is transferred) | 3B yen or more and less than 20B yen | 20B yen or more and less than 50B yen | 50B yen or more and less than 100B yen | 100B yen or more and less than 500B yen | 500B yen or more | Total |
|---|--------------------------------------|---------------------------------------|--|---|------------------|-------|
| Total domestic sales of a succeeding company | | | | | | |
| 5B yen or more and less than 20B yen | 0(0) | 0(0) | 0(0) | 0(0) | 0(0) | 0(0) |
| 20B yen or more and less than 50B yen | 0(2) | 0(0) | 0(0) | 0(0) | 0(0) | 0(2) |
| 50B yen or more and less than 100B yen | 0(0) | 0(0) | 0(0) | 0(0) | 0(0) | 0(0) |
| 100B yen or more and less than 500B yen | 1(3) | 0(0) | 0(2) | 0(0) | 0(1) | 1(6) |
| 500B yen or more and less than 1T yen | 0(1) | 0(0) | 0(1) | 0(0) | 0(0) | 0(2) |
| 1T yen or more and less than 5T yen | 0(2) | 0(0) | 0(0) | 0(0) | 0(0) | 0(2) |
| 5T yen or more | 0(0) | 0(0) | 0(0) | 0(0) | 0(0) | 0(0) |
| Total | 1(8) | 0(0) | 0(3) | 0(0) | 0(1) | 1(12) |

(Note 7) The number of received notifications by total domestic sales of an alienating company which transfers all its business is shown outside of brackets and the number of received notifications by domestic sales of the business to be split which is an important part of an alienating company is shown in brackets.
(Neither number is included in the other in any set of two numbers, one inside and the other outside of brackets.)

4. Number of cases of joint share transfer by total domestic sales (Table 8)

Table 8. Number of notifications of joint share transfer by total domestic sales

| Total domestic sales of share-transferring company 1 \ Total domestic sales of share-transferring company 2 | 5B yen or more and less than 20B yen | 20B yen or more and less than 50B yen | 50B yen or more and less than 100B yen | 100B yen or more and less than 500B yen | 500B yen or more | Total |
|---|--------------------------------------|---------------------------------------|--|---|------------------|-------|
| 20B yen or more and less than 50B yen | 0 | 1 | 0 | 0 | 0 | 1 |
| 50B yen or more and less than 100B yen | 0 | 0 | 1 | 0 | 0 | 1 |
| 100B yen or more and less than 500B yen | 0 | 0 | 0 | 0 | 0 | 0 |
| 500B yen or more and less than 1T yen | 0 | 0 | 0 | 0 | 0 | 0 |
| 1T yen or more and less than 5T yen | 0 | 0 | 0 | 0 | 1 | 1 |
| 5T yen or more | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 1 | 1 | 0 | 1 | 3 |

(Note 8) In the above table, “share-transferring company 1” refers to the company which has the largest total domestic sales and “share-transferring company 2” the company with the second largest total domestic sales among companies which jointly transfer shares.

5. Acquisition of business, etc.

(1) Number of cases by type of acquisition of business, etc.

By type of acquisition of business, etc. 16 notifications were about acquisition of business and 6 notifications were about acquisition of fixed assets for business.

(2) Number of cases by total domestic sales (Table 9)

Table 9. Number of notifications of acquisition of business, etc. by total domestic sales

| Domestic sales concerning acquired business, etc. | 3B yen or more and less than 20B yen | 20B yen or more and less than 50B yen | 50B yen or more and less than 100B yen | 100B yen or more and less than 500B yen | 500B yen or more | Total |
|---|--------------------------------------|---------------------------------------|--|---|------------------|-------|
| Total domestic sales of an acquiring corporation | | | | | | |
| 20B yen or more and less than 50B yen | 6 | 0 | 0 | 0 | 0 | 6 |
| 50B yen or more and less than 100B yen | 1 | 0 | 0 | 0 | 0 | 1 |
| 100B yen or more and less than 500B yen | 11 | 0 | 1 | 1 | 0 | 13 |
| 500B yen or more and less than 1T yen | 0 | 0 | 0 | 0 | 0 | 0 |
| 1T yen or more and less than 5T yen | 1 | 0 | 1 | 0 | 0 | 2 |
| 5T yen or more | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 19 | 0 | 2 | 1 | 0 | 22 |

Part III Number of notifications by industry (Table 10)

1. Acquisition of stock

Of 259 notifications of acquisition of stock, “Wholesale and retail trade” accounted for the largest part, 56 notifications, apart from “Others”, followed by “Manufacturing” with 39 and “Transportation/communication/warehousing” with 28.

2. Mergers

Of 9 notifications of merger, “Manufacturing” and “Wholesale and retail trade” accounted for the largest part, 3 notifications respectively, followed by “Finance and insurance” with 2 and “Others” with 1.

3. Demergers

There was no notification of joint incorporation-type demerger

Of 13 notifications of absorption-type demerger, “Wholesale and retail trade” accounted for the largest part, 5 notifications, followed by “Electricity, gas, heat supply and water” and “Others” with 2 respectively.

4. Joint share transfer

All 3 notifications of joint share transfer were made from “Finance and insurance”.

5. Acquisition of business, etc.

Of 22 notifications of acquisition of business, etc., “Wholesale and retail trade” accounted for the largest part, 5 notifications, apart from “Others”, followed by “Manufacturing” with 4 and “Transportation/communication/warehousing” with 3.

Table 10. Number of notifications by industry

| By industry | Acquisition of stock | Merger | Joint incorporation-type demerger | Absorption-type demerger | Joint share transfer | Acquisition of business, etc. | Total |
|--|----------------------|--------|-----------------------------------|--------------------------|----------------------|-------------------------------|-------|
| Agriculture, forestry, and fisheries | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Mining | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| Manufacturing | 39 | 3 | 0 | 1 | 0 | 4 | 47 |
| Wholesale and retail trade | 56 | 3 | 0 | 5 | 0 | 5 | 69 |
| Real estate | 2 | 0 | 0 | 1 | 0 | 0 | 3 |
| Transportation, communication, warehousing | 28 | 0 | 0 | 1 | 0 | 3 | 32 |
| Services | 20 | 0 | 0 | 1 | 0 | 2 | 23 |
| Finance and insurance | 19 | 2 | 0 | 0 | 3 | 0 | 24 |
| Electricity, gas, heat supply and water | 2 | 0 | 0 | 2 | 0 | 0 | 4 |
| Others | 83 | 1 | 0 | 2 | 0 | 8 | 94 |
| Total | 259 | 9 | 0 | 13 | 3 | 22 | 306 |

(Note 9) Notifications were classified by the industry of the share-acquiring company in acquisition of stock, the industry of the surviving company after merger in merger, the industry of the succeeding company in joint incorporation-type demerger and absorption-type demerger, the industry of the newly established company in joint share transfer, and the industry of the company which acquires business, etc. in acquisition of business, etc.

Part IV Number of notifications by type of relationship (Table 11)

1. Acquisition of stock

Of 259 notifications of acquisition of stock, horizontal relationship was the most prevalent, involved in 146 notifications, followed by vertical relationship (forward) in 78 and conglomerate relationship (territory expansion) in 62.

(Note 10) Types of relationship are detailed below. The same shall apply hereinafter.

(1) Horizontal relationship: Cases where parties constituting the company group are competing with each other in the same particular field of trade.

(2) Vertical relationship: Cases where parties constituting the company group do not share the same transaction stage.

Forward: Cases where a share-acquiring company, surviving company, succeeding company or acquiring corporation combines with a corporation which is closer to end-users

Backward: Cases where a business combination is made with a corporation which is farther from end-users.

(3) Conglomerate relationship: Cases where neither horizontal nor vertical relationship applies

Territory expansion: Cases where parties constituting the company group are supplying the same kind of goods or services in different markets

Product extension: Cases where parties constituting the company group are supplying different kinds of goods or services that are related in terms of production or sales

Pure: Cases where none of the above applies

(Note 11) Notifications involving multiple types of relationship are counted towards their respective type. Therefore, the sum of the number of notifications of each type does not always match the number of notifications in total. The same shall apply hereinafter.

2. Mergers

Of 9 notifications of merger, horizontal relationship was the most prevalent, involved in 7 notifications, followed by vertical relationship (forward) in 3, and vertical relationship (backward) and conglomerate relationship (product extension) in 1 respectively.

3. Demergers

There was no notification of joint incorporation-type demerger.

Of 13 notifications of absorption-type demerger, horizontal relationship was the most prevalent, involved in 6 notifications, followed by vertical relationship (forward) in 4, and vertical relationship (backward) and conglomerate relationship (territory expansion) in 3 respectively.

4. Joint share transfer

Horizontal relationship was involved in all 3 notifications of joint share transfer.

5. Acquisition of business, etc.

Of 22 notifications of acquisition of business, etc., horizontal relationship was the most prevalent, involved in 17 notifications, followed by vertical relationship (backward) in 5, and vertical relationship (forward) and conglomerate relationship (territory expansion) in 4 respectively.

Table 11. Number of notifications by type of relationship

| By type | | Acquisition of stock | Merger | Joint incorporation-type demerger | Absorption-type demerger | Joint share transfer | Acquisition of business, etc. |
|---------------------------|---------------------|----------------------|--------|-----------------------------------|--------------------------|----------------------|-------------------------------|
| Horizontal relationship | | 146 | 7 | 0 | 6 | 3 | 17 |
| Vertical relationship | Forward | 78 | 3 | 0 | 4 | 0 | 4 |
| | Backward | 47 | 1 | 0 | 3 | 0 | 5 |
| Conglomerate relationship | Territory expansion | 62 | 0 | 0 | 3 | 0 | 4 |
| | Product extension | 38 | 1 | 0 | 1 | 0 | 0 |
| | Pure | 33 | 0 | 0 | 2 | 0 | 0 |
| Number of notifications | | 259 | 9 | 0 | 13 | 3 | 22 |

(Note 12) Notifications involving multiple types of relationship are counted towards their respective type. Therefore, the sum of the number of notifications of each type does not always match the number of notifications in total.

Table 12. Changes in the number of notifications in the past three years by type of business combination

| | FY2015 | FY2016 | FY2017 |
|-----------------------------------|------------|------------|------------|
| Horizontal business combination | 200 (68%) | 197 (62%) | 179 (58%) |
| Vertical business combination | 91 (31%) | 120 (38%) | 121 (40%) |
| Conglomerate business combination | 118 (40%) | 167 (52%) | 132 (43%) |
| Total | 295 (100%) | 319 (100%) | 306 (100%) |

(Note 13) Notifications involving multiple types of business combination are counted towards their respective type. Therefore, the sum of the number of notifications of each type does not always match the number of notifications in total.

Data: Changes in the number of notifications/reports related to business combinations

(Note 1)

| Fiscal year | Business report pursuant to Article 9 (Note 2) | Notification of incorporation pursuant to Article 9 (Note 2) | Notification of acquisition of stock (Note 3) | Notification of interlocking directorate (Note 4) | Report of shareholding by other than company (Note 5) | Notification of merger (Note 6) | Notification of demerger (Note 7) | Notification of joint share transfer (Note 8) | Notification of acquisition of business, etc. (Note 9) |
|-------------|--|--|---|---|---|---------------------------------|-----------------------------------|---|--|
| 1947 | | | (2) | | (0) | (23) | | | (22) |
| 1948 | | | (31) | | (0) | (309) | | | (192) |
| 1949 | | | (13) | | (0) | (123) | | | (53) |
| | | | 2,373 | | 0 | 448 | | | 143 |
| 1950 | | | 3,840 | | 0 | 420 | | | 207 |
| 1951 | | | 4,546 | | 0 | 331 | | | 182 |
| 1952 | | | 4,795 | | 0 | 385 | | | 124 |
| 1953 | | | 3,863 | 268 | 0 | 344 | | | 126 |
| 1954 | | | 2,827 | 328 | 0 | 325 | | | 167 |
| 1955 | | | 3,033 | 268 | 0 | 338 | | | 143 |
| 1956 | | | 3,080 | 457 | 0 | 381 | | | 209 |
| 1957 | | | 3,069 | 375 | 0 | 398 | | | 140 |
| 1958 | | | 3,316 | 557 | 0 | 381 | | | 118 |
| 1959 | | | 3,170 | 466 | 0 | 413 | | | 139 |
| 1960 | | | 2,991 | 644 | 0 | 440 | | | 144 |
| 1961 | | | 3,211 | 675 | 1 | 591 | | | 162 |
| 1962 | | | 3,231 | 804 | 0 | 715 | | | 193 |
| 1963 | | | 3,844 | 758 | 0 | 997 | | | 223 |
| 1964 | | | 3,921 | 527 | 4 | 864 | | | 195 |
| 1965 | | | 4,534 | 487 | 1 | 894 | | | 202 |
| 1966 | | | 4,325 | 462 | 0 | 871 | | | 264 |
| 1967 | | | 4,075 | 458 | 2 | 995 | | | 299 |
| 1968 | | | 4,069 | 480 | 3 | 1,020 | | | 354 |
| 1969 | | | 4,907 | 647 | 0 | 1,163 | | | 391 |
| 1970 | | | 4,247 | 543 | 2 | 1,147 | | | 413 |
| 1971 | | | 5,832 | 552 | 0 | 1,178 | | | 449 |
| 1972 | | | 5,841 | 501 | 1 | 1,184 | | | 452 |
| 1973 | | | 6,002 | 874 | 0 | 1,028 | | | 443 |
| 1974 | | | 5,738 | 794 | 0 | 995 | | | 420 |
| 1975 | | | 5,108 | 754 | 9 | 957 | | | 429 |
| 1976 | | | 5,229 | 925 | 6 | 941 | | | 511 |
| 1977 | | | 5,085 | 916 | 1 | 1,011 | | | 646 |
| 1978 | | | 5,372 | 1,394 | 0 | 898 | | | 595 |
| 1979 | | | 5,359 | 3,365 | 0 | 871 | | | 611 |
| 1980 | | | 5,759 | 2,556 | 2 | 961 | | | 680 |
| 1981 | | | 5,505 | 2,958 | 1 | 1,044 | | | 771 |
| 1982 | | | 6,167 | 2,477 | 1 | 1,040 | | | 815 |
| 1983 | | | 6,033 | 3,389 | 4 | 1,020 | | | 702 |
| 1984 | | | 6,604 | 3,159 | 2 | 1,096 | | | 790 |
| 1985 | | | 6,640 | 3,504 | 6 | 1,113 | | | 807 |
| 1986 | | | 7,202 | 2,944 | 1 | 1,147 | | | 936 |
| 1987 | | | 7,573 | 3,776 | 1 | 1,215 | | | 1,084 |
| 1988 | | | 6,351 | 3,450 | 0 | 1,336 | | | 1,028 |
| 1989 | | | 8,193 | 4,420 | 0 | 1,450 | | | 988 |
| 1990 | | | 8,075 | 4,312 | 0 | 1,751 | | | 1,050 |

| Fiscal year | Business report pursuant to Article 9 (Note 2) | Notification of incorporation pursuant to Article 9 (Note 2) | Notification of acquisition of stock (Note 3) | Notification of interlocking directorate (Note 4) | Report of shareholding by other than company (Note 5) | Notification of merger (Note 6) | Notification of demerger (Note 7) | Notification of joint share transfer (Note 8) | Notification of acquisition of business, etc. (Note 9) |
|-------------|--|--|---|---|---|---------------------------------|-----------------------------------|---|--|
| 1991 | | | 8,034 | 6,124 | 2 | 2,091 | | | 1,266 |
| 1992 | | | 8,776 | 5,675 | 0 | 2,002 | | | 1,079 |
| 1993 | | | 8,036 | 6,330 | 3 | 1,917 | | | 1,153 |
| 1994 | | | 8,954 | 5,137 | 18 | 2,000 | | | 1,255 |
| 1995 | | | 8,281 | 5,897 | 1 | 2,520 | | | 1,467 |
| 1996 | | | 9,379 | 5,042 | 0 | 2,271 | | | 1,476 |
| 1997 | 0 | 0 | 8,615 | 5,955 | 7 | 2,174 | | | 1,546 |
| 1998 | 2 | 0 | 7,518 | 447 | 0 | 1,514 | | | 1,176 |
| 1999 | 1 | 1 | 1,029 | | | 151 | | | 179 |
| 2000 | 5 | 1 | 804 | | | 170 | | | 213 |
| 2001 | 7 | 7 | 898 | | | 127 | 20 | | 195 |
| 2002 | 16 | 7 | 899 | | | 112 | 21 | | 197 |
| 2003 | 76 | 4 | 959 | | | 103 | 21 | | 175 |
| 2004 | 79 | 1 | 778 | | | 70 | 23 | | 166 |
| 2005 | 80 | 5 | 825 | | | 88 | 17 | | 141 |
| 2006 | 87 | 2 | 960 | | | 74 | 19 | | 136 |
| 2007 | 93 | 2 | 1,052 | | | 76 | 33 | | 123 |
| 2008 | 92 | 4 | 829 | | | 69 | 21 | | 89 |
| 2009 | 93 | 5 | 840 | | | 48 | 15 | 3 | 79 |
| 2010 | 92 | 2 | 184 | | | 11 | 11 | 5 | 54 |
| 2011 | 100 | 0 | 224 | | | 15 | 10 | 6 | 20 |
| 2012 | 99 | 1 | 285 | | | 14 | 15 | 5 | 30 |
| 2013 | 100 | 0 | 218 | | | 8 | 14 | 3 | 21 |
| 2014 | 103 | 0 | 231 | | | 12 | 20 | 7 | 19 |
| 2015 | 104 | 2 | 222 | | | 23 | 17 | 6 | 27 |
| 2016 | 108 | 2 | 250 | | | 26 | 16 | 3 | 24 |
| 2017 | 105 | 0 | 259 | | | 9 | 13 | 3 | 22 |

(Note 1) Numbers in brackets are numbers of authorized cases.

(Note 2) As the provisions for business report and notification of incorporation of Article 9 of the AMA were established in the 1997 revision of the Act, no data is available for years prior.

In addition, before the 2002 revision of the AMA, business reports and notifications of incorporation were required for holding companies with total amounts of assets exceeding a certain level. Since the 2002 revision, however, financial companies and non-financial companies with total amounts of assets exceeding a certain level in addition to holding companies have been required to submit business reports and notifications of incorporation.

(Note 3) The (total asset) threshold requiring reports of shareholding has been revised as follows:

| Revised year | (Total asset) threshold |
|--------------|-------------------------|
| 1949 | Over 5 million yen |
| 1953 | Over 100 million yen |
| 1965 | Over 500 million yen |
| 1977 | Over 2 billion yen |

Before the 1998 revision of the AMA, domestic corporations (excluding those engaged in financial business) with total assets of over 2 billion yen as well as foreign corporations (excluding those engaged in financial business) were required to submit a report of shareholding within three months of the end of every business year, if they had shares of domestic corporations. Under the 1998 revision of the AMA, a corporation which had total assets exceeding 2 billion yen and belonged to a group of combined companies which had a sum of total assets exceeding 10 billion yen was required to submit a report of shareholding if it acquired or held more than 10%, 25%, or 50% of stocks of a domestic corporation with total assets exceeding 1 billion yen or a foreign corporation with domestic sales exceeding 1 billion yen.

In addition, notification standards have been changed since the revision of the AMA in 2009 and a corporation with total domestic sales exceeding 20 billion yen has been required to submit a notification in advance just as in the case of a merger, etc., if it plans to acquire stocks of another corporation with total domestic sales, including those of subsidiaries, exceeding 5 billion yen, and to hold more than 20% or 50% of voting rights (notification at two stages).

(Note 4) Before the 1998 revision of the AMA, officers and employees of a corporation were required to notify the JFTC if they also held positions as officers of another corporation which was in competition with the first corporation in Japan and a total amount of assets of one of the two corporations exceeded 2

billion yen. This requirement was removed in the 1998 revision.

(Note 5) Before the 1998 revision of the AMA, a person other than a company was required to submit a report of shareholding, if he was to hold more than 10% of all issued stocks of each of two or more domestic corporations which were in competition with each other in Japan. This requirement was removed in the 1998 revision.

(Note 6) Before the 1998 revision of the AMA, a corporation was required to notify the JFTC in advance without exception, if it planned to merge with another. Under the 1998 revision, however, notification was required if the Parties included a corporation which belonged to a group of combined companies which had a sum of total assets exceeding 10 billion yen and another corporation which belonged to a group of combined companies which had a sum of total assets exceeding 1 billion yen.

In addition, notification standards have been changed since the revision of the AMA in 2009 and now the JFTC must be notified if a corporation with total domestic sales exceeding 20 billion and another corporation with total domestic sales exceeding 5 billion yen plan to merge.

(Note 7) As notification of demerger was introduced in the 2000 revision of the Commercial Code, no data is available for years up to FY2000.

In addition, notification standards have been changed since the revision of the AMA in 2009 and now the JFTC must be notified of a plan of demerger in cases where the Parties include a total succession company (a corporation which intends to alienate all of its business) whose total domestic sales exceed 20 billion yen and a corporation with total domestic sales exceeding 5 billion yen which intends to succeed to the business.

(Note 8) As notification of joint share transfer was introduced in the 2009 revision of the

AMA, no data is available for years up to FY2008.

(Note 9) Before the 1998 revision of the AMA, a corporation was required to notify the JFTC in advance without exception, if it planned to acquire the whole or a substantial part of the business of another company. Under the 1998 revision, however, notification was required if a corporation which belonged to a group of combined companies which had a sum of total assets exceeding 10 billion yen planned to acquire the whole business of another domestic corporation whose total assets were over 1 billion yen.

In addition, notification standards have been changed since the revision of the AMA in 2009 and now the JFTC must be notified of a plan to acquire a business if a corporation with total domestic sales exceeding 20 billion plans to acquire the whole business of another corporation with domestic sales exceeding 3 billion yen.