

Request for Public Comments on the Proposed Partial Amendment to the Notification Rules Concerning the Calculation of the Total Amount of Domestic Sales

March 4, 2011
Japan Fair Trade Commission

Accompanying the amendment of the Regulations for Terminology, Forms and Preparation of Financial Statements (Ministry of Finance Ordinance 59 of 1963, hereinafter, the “Financial Statement Regulation”), the Japan Fair Trade Commission (hereinafter, the “JFTC”) is planning to make amendments to the Rules on Applications for Approval, Reporting, Notification, etc. Pursuant to the Provisions of Articles 9 to 16 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Fair Trade Commission Rule No. 1, 1953, hereinafter, the “Notification Rules”).

Please see the following section for the summary of the amendment.

We hereby request for public comments from various interested parties regarding the proposed partial amendments to the Notification Rules (as attached) in the following manner:

1 Summary of the Amendment

1. Current Notification Rules Concerning the Calculation of the Total Amount of Domestic Sales (Summary)

The Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947) prohibits the acquisition of shares or a merger of companies where it creates a business combination that may substantially restrain competition in any particular field of trade, and requires the prior notification of the business combination plan to the JFTC for business combinations where the total amount of domestic sales exceeds a certain magnitude. The Notification Rules specifies the calculation of the domestic sales amount. In the rules, the total amount of domestic sales of a group of combined companies will be the total of its domestic sales amount, or domestic sales pertaining to mutual transactions between companies that belong to the group of combined companies may be offset. The total amount of domestic sales may also be represented by the amount after the deduction of the overseas sales amount (which must be clearly indicated in the notes of the consolidated financial statement.) from the total sales amount indicated in the consolidated financial statement.

2. Amendment of Notification Rules Concerning the Calculation of the Total Amount of Domestic Sales(Summary)

Following the amendment of the Regulation for Terminology, Forms and Preparation of Consolidated Financial Statements (Ministry of Finance Ordinance 28 of 1976, hereinafter, the “Consolidated Financial Statement Regulation”), in the consolidated financial statement, instead of the amount of overseas sales, the sales for each region must now be included in the notes.

Accompanying this change, the Notification Rules will be amended to stipulate that the total amount of sales for Japan (consolidated sales amount for Japan) included in the amount of sales for each region may now be used as the total amount of domestic sales of the group of combined companies.

Furthermore, accompanying the amendment of the Consolidated Financial Statement Regulation, the Financial Statement Regulation has also been amended, and the sales amount for each region must now be noted in the financial statement. Following this change, the Notification Rules will also be amended, and it has now been stipulated that the sales amount for Japan in the amount of regional sales can now be used as the amount of domestic sales.

3. Other

There will be cases, even after this amendment has come into force, where the disclosure of Financial and Consolidated Financial Statements will be made based on the Notification Rules and Consolidated Notification Rules before the amendment. An interim measure will be provided to allow the use of the calculation method of the amount of domestic sales before the Notification Rules prior to this amendment.

2 Request for Public Comments

1. How to obtain official documents:

- (1) From those listed on the e-Gov page of e-Government
- (2) From those listed on the website of the Japan Fair Trade Commission
- (3) The documents are available at the Head Office (Tokyo), Regional Offices (Sapporo, Sendai, Nagoya, Osaka and Fukuoka) and Branch Offices (Hiroshima and Takamatsu) of the Japan Fair Trade Commission and the Fair Trade Office of the Okinawa General Bureau, General Affairs Division, Cabinet Office (Naha)

2. How to submit comments

Please clearly state your address, full name (in kana), name of affiliation (organization or company), and contact details (e-mail address, fax or telephone number), and submit your comments in Japanese using either of the two following methods. Please note that no comments will be accepted by telephone.

<By e-mail>

The subject of the e-mail should be “Comments on the Proposed Amendment of the Amount of Domestic Sales” (*Kokunai uriagedaka-tou ni kakaru kaisei (an) ni taisuru iken*).

E-mail address: uriagedakai@jftc.go.jp

Note: Please submit your comments in either text format, as a Microsoft Word file, or as

a Just Systems Ichitaro file. In these cases, the file name should be ■.doc or ■.jtd (the ■part should be replaced by the name of party submitting the comment (the name of either the organization or the individual). If you wish to use any other file format, please contact the person in charge.

<By fax>

Clearly indicate “Person in Charge of Amendment of Amount of Domestic Sales, etc., Mergers and Acquisitions Division” as the addressee. It should also state “Comments on the Proposed Amendment of the Amount of Domestic Sales” (*Kokunai uriagedaka-to ni kakaru kaisei (an) ni taisuru iken*) in the subject column of the fax cover sheet. Please note that comments sent without an addressee will not be accepted.

Fax number: 81-(0)3-3581-5771

<By postal mail>

Send to:

Person in Charge of Amendment of Amount of Domestic Sales, etc.,
Mergers and Acquisitions Division, Economic Affairs Bureau, Secretariat,
Japan Fair Trade Commission,
Section B, No. 6 Central Joint Governmental Building,
1-1-1, Kasumigaseki, Chiyoda-ku, Tokyo 100-8987 Japan

3. Submission deadline

Comments must arrive by 18:00, April 4, 2011 (Monday).

4. Notes regarding the submission of comments

Comments that are submitted may be made public with the exception of the address, full name, affiliated group or company name and contact details (e-mail address, fax and telephone numbers). Please note that no individual responses will be provided to the submitted comments.

The address, full name, e-mail address, fax and phone numbers will only be used to contact the author of the comments to clarify the content, if it is ambiguous. The personal information that is submitted will not be used for any purposes other than for this contact or for clarification.