

The JFTC Closed its Review on the Proposed Merger Between Furukawa-Sky Aluminum Corp. and Sumitomo Light Metal Industries, Ltd.

(tentative translation)

February 21, 2013
Japan Fair Trade Commission

Upon a notification regarding a proposed merger between Furukawa-Sky Aluminum Corp.(FSA) and Sumitomo Light Metal Industries, Ltd.(SLM), the Japan Fair Trade Commission (JFTC) had reviewed the notified merger and reached the conclusion that the deal would not substantially restrain competition in any particular fields of trade. Accordingly, the JFTC has notified the parties that a cease and desist order will not be issued by the JFTC, resulting in the completion of its review.

I. Outline of the transaction

FSA and SLM, both of which are manufacturers of rolled aluminum products, etc.* plan to merge on October 1, 2013.

Furthermore, the JFTC conducted another review regarding the field of trade of copper tube products since both Furukawa Electric Co., Ltd., the parent company of FSA and Sumikei Copper Tube Co., Ltd., a subsidiary of SLM engage in the manufacture of those products, although they are not subject to the business consolidation through the proposed merger at issue.

II. Reviewing process

Receipt of the notification regarding the proposed merger between FSA and SLM on August 31, 2012 (start of the primary review)

Request for reports, etc. by the JFTC on September 28, 2012 (start of the secondary review)

Receipt of all requested reports from the parties on January 31, 2013 (the due date for a prior notice was set on May 2, 2013)

Notification to the parties that a cease and desist order will not be issued on February 21, 2013.

III. Conclusion

As a result of its review, the JFTC concluded that the proposed merger would not substantially restrain competition in any particular fields of trade.

*FSA is the largest manufacturer of rolled aluminum products in Japan and SLM is the second largest manufacturer thereof in Japan.

(Foot Note)

The JFTC has been authorized to conduct reviews on whether business combination plans may be substantially to restrain competition in particular fields of trade by following procedures prescribed in the Antimonopoly Act. When a notifying corporation submits the notification form to the JFTC and the JFTC receives it, the notifying corporation is prohibited from effecting the planned business combination in question until the expiration of the 30-day waiting period from the date of receipt of the said notification. During the waiting period, concerning the business combination in question, the JFTC will normally either; (1) judge that the said business combination is not problematic in light of the Antimonopoly Act, or; (2) judge that more detailed review is necessary and request submission of the necessary reports, information or materials.

In the case of (1) above, to improve transparency of the review of business combination, the JFTC shall give notification to the effect that it will not issue a cease and desist order.

In the case of (2) above, the period when the JFTC may give notice prior to cease and desist order shall be extended until 120 days after the date of receipt of the notification or 90 days after the date of receipt of all reports etc., whichever is later. In case the JFTC judges in this extended period that the business combination plan in question is not problematic in light of the Antimonopoly Act, it shall give notification to the effect that it will not issue a cease and desist order, same as the case of (1).