

The JFTC Opens Secondary Review Concerning the Proposed Transactions including Establishment of a Joint Selling Company for Containerboards etc by Nippon Paper Industries Co., Ltd. and Tokushu Tokai Paper Co., Ltd. and Solicits Comments from Third Parties

October 16, 2015
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) received the notification pursuant to the provision of the Antimonopoly Act (AMA) from Nippon Paper Industries Co., Ltd. (NPI) and Tokushu Tokai Paper Co., Ltd. (TTP) concerning the proposed transactions including establishment of a joint selling company for containerboards etc (see reference below), and has reviewed possible impacts on competition from the proposed transactions. With the knowledge that a more in-depth review is necessary, today, the JFTC requested NPI and TTP to submit further reports, information or materials, pursuant to the provision of Article 10(9) and Article 15-2(4) of the AMA. The JFTC also starts seeking comments from third parties concerning possible impacts on competition that would arise from the proposed transactions in the manner shown below.

The request by the JFTC for reports, etc. does not mean that the proposed transactions would pose any concerns with respect to the AMA.

Note: To execute the proposed transactions, (i) NPI plans to acquire the shares of the new subsidiary established under TTP which produces writing and drawing paper, other specialty printing paper, sack kraft paper, general purpose kraft paper, other converted paper base stock, linerboard and corrugating medium and (ii) NPI and TTP plan to combine each sales department of sack kraft paper, general purpose kraft paper, linerboard and corrugating medium into a new company in the form of a joint incorporation-type company split. The JFTC received a notification from NPI with respect to the transaction in above (i), pursuant to the provision of Article 10(2) of the AMA and a notification by NPI and TTP with respect to the transaction in above (ii), pursuant to the provision of Article 15-2(2) of the AMA.

1. Submission of comments

Please submit your comments by postal mail, e-mail or facsimile, identifying your name, address and contact information (telephone number, facsimile number or e-mail address). If you submit as a corporation or an association, please identify the location of the main office, name of a corporation or an association and name of a liaison person. Please describe, in Japanese, possible impacts on competition that you consider which the proposed transactions would have, with details as possible as you can specify. Submitting a comment by phone

can't be accepted.

(1) Address:

Mergers and Acquisitions Division, Economic Affairs Bureau,

Japan Fair Trade Commission

1-1-1 Kasumigaseki, Chiyoda-ku, Tokyo 100-8987

FAX: +81-3-3581-5771

E-mail: nippon-tokai_atstsign_jftc.go.jp

(Please replace “_atstsign_” with “@”, when you send an e-mail.)

(2) Due date

November 16th, 2015, no later than 6 p.m. (GMT+9)

2. Privacy policy

Comments received will be used only for the purpose of reviewing the proposed transactions, and will not be disclosed to others including the parties in the form of containing any identifiable information. Please note that the JFTC will not make individual responses to the comments.

The JFTC asks for your identification and contact information, for the communication purpose where any clarifications may be needed on your comments. The information provided will not be used for any other purposes.

(Reference)

Both NPI, including all subsidiaries under its ultimate parent company of the group, and TTP, including its subsidiaries mainly operate in the business of manufacturing and selling paper and pulp products.

(Footnote)

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 AMA. 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 AMA, 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 a 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 a 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 AMA, it shall give a notification to the effect that it will not issue a cease and desist order, same as the case of (1).