

The JFTC Reviewed the Proposed Transactions including Establishment of Joint Selling Company for Containerboards etc by Nippon Paper Industries Co., Ltd. and Tokushu Tokai Paper Co., Ltd.

(Tentative Translation)

March 18, 2016
Japan Fair Trade Commission

Receiving notification regarding the proposed transactions including Establishment of joint selling company for containerboards etc by Nippon Paper Industries Co., Ltd. (JCN8011501009422) (hereinafter referred to as “NPI”) and Tokushu Tokai Paper Co., Ltd. (JCN3080001014336) (hereinafter referred to as “TTP”) (hereinafter referred to as “the Transactions”), the Japan Fair Trade Commission (JFTC) reviewed the Transactions and reached the conclusion that competition in any particular fields of trade is unlikely to be substantially restrained. Accordingly, the JFTC has notified NPI and TTP that it will not issue a cease and desist order, resulting in the completion of its review.

(※) JCN : Japan Corporate Number

I. Overview of the Transactions

(i) NPI plans to acquire the shares of the new subsidiary established under TTP and thereby to obtain more than 20 percent of the new subsidiary’s voting rights.

(ii) NPI and TTP plans to combine each sales department of containerboards etc 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.

II. Reviewing Process

Receipt of the notification regarding the Transactions on September 18th, 2015 (the start of the primary review)

Request for reports, etc. by the JFTC on October 16th, 2015 (the start of the secondary review)

Receipt of all requested reports, etc. on December 25th, 2015 (the due date for a prior notice was set on March 25th, 2016)

Clearance notification on March 18th, 2016

III. Conclusion

As a result of its review, the JFTC concludes that the Transactions would not substantially restrain competition in the particular fields of trade.

(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 Antimonopoly Act (hereinafter referred to as the "AMA"). When a notifying corporation submits a notification form to the JFTC and the JFTC receives it, the notifying corporation is prohibited from effecting the planned business combination in question by 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 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 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, within this extended period, that the business combination plan in question is not problematic in light of the AMA, it shall give notification to the effect that it will not issue a cease and desist order, same as the case of (1).