

The status of notifications regarding business combinations and the results of reviews of major business combinations in fiscal year 2017

<Tentative translation>

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Japan Fair Trade Commission

When acquisitions of shares, interlocking directorates, mergers, splits, joint share transfers, and acquisitions of business, etc.(hereinafter the “business combination”) would substantially restrain competition in any particular field of trade, the business combination is prohibited based on the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (hereinafter the “Antimonopoly Act”). Regarding a business combination plan which meets the requirements, a company has to notify the plan to the JFTC before the business combination is implemented (requirement of prior notification).

The JFTC reviews a business combination plan to ensure sufficient choices for users in their trades, in other words, not to permit a business combination which would substantially restrain competition in any particular field of trade, based on the idea described in “the Guidelines to Application of the Antimonopoly Act concerning Review of Business Combination (Business Combination Guidelines)” (May 31, 2004, JFTC).

When a business combination is initially judged by the JFTC that it would substantially restrain competition in any particular field of trade, the business combination may be permitted if the parties propose an appropriate measure to the JFTC and implement it to remedy a problem.

Overview of the status of notifications regarding business combinations and the results of reviews of major business combinations in fiscal year 2017 is as follows (Please refer to Appendix 1 and 2 in details.).

1. The status of notifications regarding business combinations in fiscal year 2017 (Appendix 1)

In fiscal year 2017, the JFTC received 306 notifications (4.1% decrease from the last year.). These include “cases where the JFTC gave notification to the effect that it would not issue a cease and desist order because the business combinations are not problematic in light of the Antimonopoly Act based on the result of the primary review” (299 notifications), “case where the JFTC judged

that more detailed review was necessary and initiated the secondary review” (1 case) and “cases where the parties withdrew the notifications” (6 notifications).

Also, among the cases of which the JFTC finished the review in fiscal year 2017, in 6 cases*, the JFTC judged that the business combinations did not raise concerns under the Antimonopoly Act subject to the implementation of some measures proposed by the parties.

* All these 6 cases were concluded in the primary review.

2. The results of reviews of major business combinations in fiscal year 2017 (Appendix 2)

In order to provide guidance information for companies planning business combinations, the JFTC published the contents of its reviews on 12 cases that were reviewed in fiscal year 2017.

These 12 cases include (1) 3 cases: the JFTC judged that the business combinations do not raise concerns under the Antimonopoly Act subject to the implementation of some measures proposed by the parties (case No. 2, 3 and 4), (2) 3 cases: the JFTC exchanged information with foreign competition authorities in its reviews (case No. 3, 4 and 10) and (3) 1 case: a result of economic analysis conducted by the JFTC is referred in its explanation.

Links

(Appendix 1) The status of notifications regarding business combinations in fiscal year 2017

(Appendix 2) The results of reviews of major business combinations in fiscal year 2017

* Only available in Japanese language.

* English version will be available later.