

The status of notifications regarding business combinations and the results  
of reviews of major business combinations in fiscal year 2019

<Tentative translation>

July 22, 2020

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).

Even though a business combination as originally planned is 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 (Please refer to Appendix 1 in details.).

Overview of the status of notifications regarding business combinations and the results of reviews of major business combinations in fiscal year 2019 is as follows (Please refer to Appendix 2 and 3 in details.).

1. The status of notifications regarding business combinations in fiscal year 2019 (Appendix 2)

In fiscal year 2019, the JFTC received 310 notifications (3.4% increase 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” (300 notifications), “case where the JFTC judged that more detailed review was necessary and initiated the secondary review” (1 cases) and “cases where the parties withdrew the notifications” (9 notifications).

Also, among the cases of which the JFTC finished the review in fiscal year 2019, in 4 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, and 6 cases were business combination plans that did not require notifications (a corporation consulted with the JFTC or the JFTC reviewed the business combinations voluntarily).

## 2. The results of reviews of major business combinations in fiscal year 2019 (Appendix 3)

In order to provide guidance information for companies planning business combinations, the JFTC published the contents of its reviews on 10 cases that were reviewed in fiscal year 2019.

These 10 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, 6 and 8) and (2) 2 case: a result of economic analysis conducted by the JFTC is referred in its explanation(case No. 3 and 9).

### Links

(Appendix 1) About review of business combination

(Appendix 2) The status of notifications regarding business combinations in fiscal year 2019

(Appendix 3) The results of reviews of major business combinations in fiscal year 2019

\* Only available in Japanese language.

\* English version will be available later.