

The status of notifications regarding business combinations and the results  
of reviews of major business combinations in fiscal year 2021

<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 referred to as the “business combination”) would substantially restrain competition in any particular field of trade, the business combination is prohibited based on 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, in line with “Guidelines to Application of the Antimonopoly Act concerning Review of Business Combination” (May 31, 2004, the JFTC) (hereinafter referred to as the “Business Combination Guidelines”).

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.

Overview of the status of notifications regarding business combinations and the results of reviews of major business combinations in fiscal year 2021 are as follows (Please refer to Appendix 1 and 2 in details.).

I . The status of notifications regarding business combinations in fiscal year 2021 (Appendix 1)

1. The status of notifications regarding business combinations

In fiscal year 2021, the JFTC received 337 notifications (26.7% 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 under the Antimonopoly Act based on the result of the primary review” (328 cases),

“a 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” (8 cases).

Also, among the cases where the JFTC finished the review in fiscal year 2021, 14 cases were business combination plans that did not require notifications (a company consulted with the JFTC; or, the JFTC reviewed the business combinations voluntarily), and in 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.

## 2. Approaches to the recent reviews of business combinations in the digital market (Reference 2 (only in Japanese))

The JFTC summarized approaches to the recent reviews of business combination plans in the digital market in light of the progress of digitalization of the economy and "The JFTC's Practice on Submission of Internal Documents for Review of Business Combination"

## II. The results of reviews of major business combinations in fiscal year 2021 (Appendix 2)

In order to provide guidance information for companies planning business combinations, the JFTC publishes the contents of its reviews on 10 cases that were reviewed in fiscal year 2021.

These 10 cases include (1) 1 case where 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. 3) and (2) 3 cases where a result of economic analysis conducted by the JFTC is referred in its explanation (case No. 2, 3, and 6).

### Links

(Appendix 1) The status of notifications regarding business combinations in fiscal year 2021

(Appendix 2) The results of reviews of major business combinations in fiscal year 2021

\* Both of these Appendices are only available in Japanese, so far; English version will be available later.