

Trends in the Notifications Related to Chapter Four of the Antimonopoly Act in Fiscal Year 2001

May 29, 2002

Fair Trade Commission

The Trends in Mergers, Divisions and Business Acquisitions, etc., in Fiscal Year 2001

A. The Trends in the Number of Notifications received

(1) Mergers

The number of notified mergers was 127 cases (all of them are mergers among Japanese companies and none of them is among foreign companies).

(2) Divisions

The number of notified divisions was 20 cases (all of them are divisions among Japanese companies and none of them is among foreign companies). Notification System concerning Divisions came into effect in fiscal year 2001.

(3) Business acquisitions, etc.

The number of notified business acquisitions, etc. was 195 cases (the notifications of business acquisitions from Japanese companies was 193 cases and from foreign companies was 2 cases).

- Note 1 The notifications (Merger, division and business acquisition, etc) have to be submitted to the JFTC in the case of the certain conditions (for example, in the case of domestic party's transaction,
- a) one of the parties to transaction has sum of total assets more than ten billion yen including the company's parent and subsidiary companies,
 - and
 - b) any other party to the transaction has sum of total assets more than one billion yen including the company's parent and subsidiary companies.)
- 2 The Notification System concerning Divisions (Joint Establishment Divisions and Acquisition Divisions) was newly established by the amendments of the Antimonopoly Act in may 2000, and came into effect in fiscal year 2001.

B. Classification by Formation

All of the mergers were absorption mergers and no mergers through establishment of a new company was notified. Of the 20 cases of divisions, 5 cases were joint establishment divisions, and 15 cases were acquisition divisions. Of the 195 cases of business acquisitions, etc., 181 cases were business acquisitions, and 14 cases were acquisition of fixed assets.

C. Classification by Value of Total Assets

The following is the classification of mergers, divisions and business acquisitions, etc. by value

of total assets after transactions.

(1) Mergers

Mergers between 10 billion yen and 50 billion yen were 56 cases (44.1% of the cases), comprising the largest number, followed by 24 mergers over 100 billion yen (18.9%), 20 mergers between 1 billion yen and 5 billion yen (15.7%) (See Table 1).

Table 1: Number of Notifications of Mergers Classified by Total Assets

Unit: cases; (%)

Total Assets FY	Under 1 billion yen	1-5 billion yen	5-10 billion yen	10-50 billion yen	50-100 billion yen	100 billion yen and more	Total
2000	7 (4.1)	24 (14.1)	10 (5.9)	67 (39.4)	22 (13.0)	40 (23.5)	170 (100.0)
2001	9 (7.1)	20 (15.7)	6 (4.8)	56 (44.1)	12 (9.4)	24 (18.9)	127 (100.0)

Notes:

1. Total Assets is calculated after the merger.
2. Because the sum of total assets including the company's parent and subsidiaries has been adopted as a based of threshold of the notification requirements as a result of the amendments of the Antimonopoly Act in FY 1998, total assets of the merged company itself might be under 1 billion yen.

Table 2: Number of Mergers Classified by Total Assets (FY 2001)

Acquiring Company Dissolving Company	Under 1 billion yen	1 - 5 billion yen	5 - 10 billion yen	10 - 50 billion yen	50 - 100 billion yen	100 - 500 billion yen	Over 500 billion yen	Total
Under 1 billion yen	9	3	0	0	0	0	0	12
1 - 5 billion yen	8	13	1	4	0	0	0	26
5 - 10 billion yen	1	4	3	4	0	1	0	13
10 - 50 billion yen	4	15	16	14	1	0	0	50
50 - 100 billion yen	0	1	2	2	0	0	0	5
100 - 500 billion yen	0	2	3	1	3	5	0	14
Over 500 billion yen	0	0	0	2	2	0	3	7
Total	22	38	25	27	6	6	3	127

Note: For mergers of three or more companies (in other words, when there are two or more dissolving companies), the figures are based on the dissolving company with the greatest amount of assets.

(2) Divisions

a. Joint Established Divisions

Both of joint established divisions over 100 billion yen and between 5 billion yen and 10 billion yen were 2 cases (40.0% of the cases respectively), comprising the largest number, followed by 1 joint established division between 10 billion yen and 50 billion yen (20.0%) (See Table 3).

Table 3: Number of Notifications of Joint Established Divisions Classified by Total Assets

Unit: cases; (%)

Total Assets FY	Under 1 billion yen	1-5 billion yen	5-10 billion yen	10-50 billion yen	50-100 billion yen	100 billion yen and more	Total
2001	0 (0.0)	0 (0.0)	2 (40.0)	1 (20.0)	0 (0.0)	2 (40.0)	5 (100.0)

Notes:

1. Total Assets is of the newly established company after the joint established division.
2. Because the sum of total assets including the company's parent and subsidiaries has been adopted as a based of threshold of the notification requirements, total assets of the newly established company itself might be under 1 billion yen as in the case of mergers.

Table 4: Number of Joint Establishment Division Classified by Total Assets (FY 2001)

Alienating Company Newly Established Company	Under 1 billion yen	1 - 5 billion yen	5 - 10 billion yen	10 - 50 billion yen	50 - 100 billion yen	100 - 500 billion yen	Over 500 billion yen	Total
Under 1 billion yen	0	0	0	0	0	0	0	0
1 - 5 billion yen	0	0	0	0	0	0	0	0
5 - 10 billion yen	0	0	0	0	0	1	1	2
10 - 50 billion yen	0	0	0	0	0	1	0	1
50 - 100 billion yen	0	0	0	0	0	0	0	0
100 - 500 billion yen	0	0	0	0	0	0	2	2
Over 500 billion yen	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	2	3	5

Note: For joint establishment division, the figures are based on the alienating company (which is to alienate whole part of the business or substantial part of the business) with the greatest amount of assets.

b. Acquisition Divisions

Acquisition divisions over 100 billion yen were 5 cases (33.3% of the cases), comprising the largest number, followed by 4 acquisition divisions 10 billion yen and 50 billion yen (26.7%), 3 acquisition divisions between 50 billion yen and 100 billion yen (20.0%) (See Table 5).

Table 5: Number of Notifications of Acquisition Divisions Classified by Total Assets

Unit: cases; (%)

Total Assets FY	Under 1 billion yen	1-5 billion yen	5-10 billion yen	10-50 billion yen	50-100 billion yen	100 billion yen and more	Total
2001	1 (6.7)	2 (13.3)	0 (0.0)	4 (26.7)	3 (20.0)	5 (33.3)	15 (100.0)

Notes:

1. Total assets is of the acquiring company after the acquisition division.
2. Because the sum of total assets including the company's parent and subsidiaries has been adopted as a based of threshold of the notification requirements, total assets of the acquiring company itself might be under 1 billion yen as in the case of mergers.

Table 6: Number of Acquisition Division Classified by Total Assets (FY 2001)

Acquiring Company \ Alienating Company	Under 1 billion yen	1 - 5 billion yen	5 - 10 billion yen	10 - 50 billion yen	50 - 100 billion yen	100 - 500 billion yen	Over 500 billion yen	Total
Under 1 billion yen	0	0	0	0	0	1	0	1
1 - 5 billion yen	0	0	1	1	0	0	0	2
5 - 10 billion yen	0	0	0	0	0	0	0	0
10 - 50 billion yen	0	0	0	2	0	1	1	4
50 - 100 billion yen	0	1	0	0	1	0	1	3
100 - 500 billion yen	0	0	0	0	0	1	2	3
Over 500 billion yen	0	0	0	1	0	1	0	2
Total	0	1	1	4	1	4	4	15

Note: For acquisition division, from two or more companies (in other words, when there are two or more alienating companies), the figures are based on the alienating company with the greatest amount of assets.

(3) Business Acquisitions, etc.

Business acquisitions, etc. over 100 billion yen were 59 cases (30.3% of cases), comprising the largest number, followed by 52 the business acquisitions, etc. between 10 billion yen and 50 billion yen (26.6%), and 31 the business acquisitions, etc. under 1 billion yen (15.9%) (See Table 7).

Table 7: Number of Notifications of Business Acquisitions, etc. Classified by Total Assets

Unit: cases; (%)

Total Assets FY	Under 1 billion yen	1 - 5 billion yen	5 - 10 billion yen	10 - 50 billion yen	50 - 100 billion yen	Over 100 billion yen	Total
2000	23 (10.8)	30 (14.1)	5 (2.3)	65 (30.5)	20 (9.4)	70 (32.9)	213 (100.0)
2001	31 (15.9)	29 (14.9)	10 (5.1)	52 (26.6)	14 (7.2)	59 (30.3)	195 (100.0)

Notes:

1. Total assets is of the acquiring company after the acquisition.
2. Because the sum of total assets including the company's parent and subsidiaries has been adopted as a based of threshold of the notification requirements, total assets of the acquiring company itself might be under 1 billion yen as in the case of mergers.

Table 8: Number of Business Acquisitions, etc. Classified by Total Assets before the amendment

Acquired Company Acquiring Company	Under 1 billion yen	1 - 5 billion yen	5 - 10 billion yen	10 - 50 billion yen	50 - 100 billion yen	100 - 500 billion yen	Over 500 billion yen	Total
Under 1 billion yen	3	17	8	11	4	0	6	49
1 - 5 billion yen	0	6	3	5	0	1	0	15
5 - 10 billion yen	1	5	4	1	0	1	0	12
10 - 50 billion yen	2	16	3	11	2	7	4	45
50 - 100 billion yen	0	5	3	2	0	4	3	17
100 - 500 billion yen	2	4	3	6	3	7	5	30
Over 500 billion yen	0	6	3	7	2	4	5	27
Total	8	59	27	43	11	24	23	195

Note: For business acquisitions, etc. from two or more companies (in other words, when there are two or more acquired companies), the figures are based on the acquired company with the greatest amount of assets.

D. Classification by sector

The following is a classification of notifications of mergers, divisions and business acquisition, etc. by sector.

(1) Mergers

Mergers, by wholesalers or retailers occupy the largest portion of total, numbering 32 cases (25.2% of the total). It is followed by the service sector (25 cases, 19.7% of the total), manufacturing (23 cases, 18.1% of the total), finance/insurance sector (21 cases, 16.5% of the total) (See table 9).

Within the manufacturing sector, machinery manufactures comprised 6 cases, chemicals/petroleum/coal manufactures comprised 5 cases.

Table 9: Trends in Notifications of Mergers, Classified by Industry

Unit: cases; (%)

Industrial Classification	FY			
	20 00		20 01	
Agriculture/Forestry/Fishery	0	(0.0)	0	(0.0)
Mining	0	(0.0)	0	(0.0)
Construction	10	(5.8)	5	(3.9)
Manufacturing	37	(21.8)	23	(18.1)
Food Products	2	(1.2)	2	(1.6)
Textiles	0	(0.0)	0	(0.0)
Lumber/Wood products	3	(1.8)	0	(0.0)
Paper/Pulp	0	(0.0)	0	(0.0)
Publishing/Printing	3	(1.8)	2	(1.6)
Chemicals/Petroleum/Coal	7	(4.1)	5	(3.9)
Rubber/Leather	0	(0.0)	1	(0.8)
Ceramics/Cement	5	(3.0)	0	(0.0)
Steel	0	(0.0)	1	(0.8)
Nonferrous Metals	1	(0.6)	2	(1.6)
Metal Goods	3	(1.8)	3	(2.4)
Machinery	13	(7.6)	6	(4.6)
Other Manufacturing Businesses	0	(0.0)	1	(0.8)
Wholesaling/Retailing	37	(21.8)	32	(25.2)
Real Estate	17	(10.0)	8	(6.3)
Transportation/Communications/Warehousing	13	(7.7)	10	(7.9)
Service	26	(15.3)	25	(19.7)
Finance/Insurance	27	(15.8)	21	(16.5)
Electric/Gas	0	(0.0)	1	(0.8)
Other	3	(1.8)	2	(1.6)
Total	170	(100.0)	127	(100.0)

Notes:

1. Business types are based on the types of newly established companies or remaining companies.
2. "Other" refers to newly established companies or remaining companies which have not begun

operations or have suspended business operations.

[Reference]

In FY 2001, the number of notified mergers whose value of total assets after transactions were over 100 billion yen, were 24 cases. And within the mergers, the finance/insurance sector occupied the largest portion of the Total, numbering 12 cases

Table: Notifications of Mergers over 100 billion yen value of total assets after transactions,
Classified by Industry

FY Industrial Classification		Unit: cases; (%)	
		2000	2001
Agriculture/Forestry/Fishery	0 (0.0)	0 (0.0)	
Mining	0 (0.0)	0 (0.0)	
Construction	5 (12.5)	0 (0.0)	
Manufacturing	8 (20.0)	4 (16.7)	
Food Products	0 (0.0)	0 (0.0)	
Textiles	0 (0.0)	0 (0.0)	
Lumber/Wood products	1 (2.5)	0 (0.0)	
Paper/Pulp	0 (0.0)	0 (0.0)	
Publishing/Printing	1 (2.5)	0 (0.0)	
Chemicals/Petroleum/Coal	2 (5.0)	1 (4.2)	
Rubber/Leather	0 (0.0)	0 (0.0)	
Ceramics/Cement	0 (0.0)	0 (0.0)	
Steel	0 (0.0)	0 (0.0)	
Nonferrous Metals	0 (0.0)	0 (0.0)	
Metal Goods	0 (0.0)	2 (8.3)	
Machinery	4 (10.0)	1 (4.2)	
Other Manufacturing Businesses	0 (0.0)	0 (0.0)	
Wholesaling/Retailing	5 (12.5)	4 (16.7)	
Real Estate	1 (2.5)	2 (8.3)	
Transportation/Communications/Warehousing	2 (5.0)	0 (0.0)	
Service	5 (12.5)	2 (8.3)	
Finance/Insurance	14 (35.0)	12 (50.0)	
Electric/Gas	0 (0.0)	0 (0.0)	
Other	0 (0.0)	0 (0.0)	
Total	40 (100.0)	24 (100.0)	

(2) Divisions

Divisions, by manufacturing occupy the largest portion of total, numbering 6 cases (30.0% of the total). It is followed by both finance/insurance sector and Transportation/Communications/Warehousing sector (4 cases respectively, 20.0% of the total), Wholesaling/Retailing (3 cases, 15.0% of the total) (See table 10).

Within the manufacturing sector, machinery manufactures comprised 4 cases, chemicals/petroleum/coal manufactures comprised 2 cases.

Table 10: Trends in Notifications of Divisions, Classified by Industry

Unit: cases; (%)

Industrial Classification / Formation	Divisions		Joint establishment Divisions		Acquisition Divisions	
Agriculture/Forestry/Fishery	0	(0.0)	0	(0.0)	0	(0.0)
Mining	0	(0.0)	0	(0.0)	0	(0.0)
Construction	1	(5.0)	0	(0.0)	1	(6.7)
Manufacturing	6	(30.0)	4	(80.0)	2	(13.3)
Food Products	0	(0.0)	0	(0.0)	0	(0.0)
Textiles	0	(0.0)	0	(0.0)	0	(0.0)
Lumber/Wood products	0	(0.0)	0	(0.0)	0	(0.0)
Paper/Pulp	0	(0.0)	0	(0.0)	0	(0.0)
Publishing/Printing	0	(0.0)	0	(0.0)	0	(0.0)
Chemicals/Petroleum/Coal	2	(10.0)	2	(40.0)	0	(0.0)
Rubber/Leather	0	(0.0)	0	(0.0)	0	(0.0)
Ceramics/Cement	0	(0.0)	0	(0.0)	0	(0.0)
Steel	0	(0.0)	0	(0.0)	0	(0.0)
Nonferrous Metals	0	(0.0)	0	(0.0)	0	(0.0)
Metal Goods	0	(0.0)	0	(0.0)	0	(0.0)
Machinery	4	(20.0)	2	(40.0)	2	(13.3)
Other Manufacturing Businesses	0	(0.0)	0	(0.0)	0	(0.0)
Wholesaling/Retailing	3	(15.0)	1	(20.0)	2	(13.3)
Real Estate	2	(10.0)	0	(0.0)	2	(13.3)
Transportation/Communications/Warehousing	4	(20.0)	0	(0.0)	4	(26.7)
Service	0	(0.0)	0	(0.0)	0	(0.0)
Finance/Insurance	4	(20.0)	0	(0.0)	4	(26.7)
Electric/Gas	0	(0.0)	0	(0.0)	0	(0.0)
Other	0	(0.0)	0	(0.0)	0	(0.0)
Total	20	(100.0)	5	(100.0)	15	(100.0)

Note: Business types are based on the types of newly established company or acquiring company.

[Reference]

In FY 2001, the number of notified divisions whose value of total assets after transactions were over 100 billion yen, were 7 cases. And within the divisions, the finance/insurance sector occupied the largest portion of the Total, numbering 3 cases

Table: Notifications of Divisions over 100 billion yen value of total assets after transactions, Classified by Industry

Unit: cases; (%)

Industrial Classification	Formation		Divisions		Joint establishment divisions	Acquisition divisions
Agriculture/Forestry/Fishery	0	(0.0)	0	(0.0)	0	(0.0)
Mining	0	(0.0)	0	(0.0)	0	(0.0)
Construction	0	(0.0)	0	(0.0)	0	(0.0)
Manufacturing	2	(28.6)	1	(50.0)	1	(20.0)
Food Products	0	(0.0)	0	(0.0)	0	(0.0)
Textiles	0	(0.0)	0	(0.0)	0	(0.0)
Lumber/Wood products	0	(0.0)	0	(0.0)	0	(0.0)
Paper/Pulp	0	(0.0)	0	(0.0)	0	(0.0)
Publishing/Printing	0	(0.0)	0	(0.0)	0	(0.0)
Chemicals/Petroleum/Coal	0	(0.0)	0	(0.0)	0	(0.0)
Rubber/Leather	0	(0.0)	0	(0.0)	0	(0.0)
Ceramics/Cement	0	(0.0)	0	(0.0)	0	(0.0)
Steel	0	(0.0)	0	(0.0)	0	(0.0)
Nonferrous Metals	0	(0.0)	0	(0.0)	0	(0.0)
Metal Goods	0	(0.0)	0	(0.0)	0	(0.0)
Machinery	2	(28.6)	1	(50.0)	1	(20.0)
Other Manufacturing Businesses	0	(0.0)	0	(0.0)	0	(0.0)
Wholesaling/Retailing	2	(28.6)	1	(50.0)	1	(20.0)
Real Estate	0	(0.0)	0	(0.0)	0	(0.0)
Transportation/Communications/Warehousing	0	(0.0)	0	(0.0)	0	(0.0)
Service	0	(0.0)	0	(0.0)	0	(0.0)
Finance/Insurance	3	(42.8)	0	(0.0)	3	(60.0)
Electric/Gas	0	(0.0)	0	(0.0)	0	(0.0)
Other	0	(0.0)	0	(0.0)	0	(0.0)
Total	7	(100.0)	2	(100.0)	5	(100.0)

(3) Business acquisitions, etc.

Business acquisitions, etc. by wholesalers or retailers occupy the largest portion of total, numbering 58 cases (29.7% of the total). It is followed by manufacturing (53 cases, 27.2% of the total), service sector (30 cases, 15.4% of the total), the finance/insurance sector (15 cases 7.7% of the total) (See table 11).

Within the manufacturing sector, a large number of cases involved machinery manufactures or chemicals/petroleum/coal manufactures (21 cases and 13 cases, respectively).

Table 11: Trends in Notifications Received of Business Acquisitions, etc., Classified by Sector

Unit: cases; (%)

Industrial Classification	FY	20 00	20 01
Agriculture/Forestry/Fishery		0 (0.0)	0 (0.0)
Mining		0 (0.0)	0 (0.0)
Construction		2 (1.0)	4 (2.1)
Manufacturing		48 (22.5)	53 (27.2)
Food Products		6 (2.8)	6 (3.1)
Textiles		1 (0.5)	0 (0.0)
Lumber/Wood products		0 (0.0)	1 (0.5)
Paper/Pulp		0 (0.0)	1 (0.5)
Publishing/Printing		0 (0.0)	1 (0.5)
Chemicals/Petroleum/Coal		17 (8.0)	13 (6.7)
Rubber/Leather		0 (0.0)	2 (1.0)
Ceramics/Cement		1 (0.5)	2 (1.0)
Steel		4 (1.9)	1 (0.5)
Nonferrous Metals		1 (0.5)	3 (1.6)
Metal Goods		0 (0.0)	1 (0.5)
Machinery		16 (7.5)	21 (10.8)
Other Manufacturing Businesses		2 (1.0)	1 (0.5)
Wholesaling/Retailing		65 (30.5)	58 (29.7)
Real Estate		6 (2.8)	3 (1.5)
Transportation/Communications/Warehousing		8 (3.8)	10 (5.1)
Service		26 (12.2)	30 (15.4)
Finance/Insurance		38 (17.8)	15 (7.7)
Electric/Gas		1 (0.5)	0 (0.0)
Other		19 (8.9)	22 (11.3)
Total		213 (100.0)	195 (100.0)

Notes:

1. Business types are based on the types of the acquiring company.
2. "Other" refers to the acquiring company which have not yet been established, have not begun operations, or have suspended business operations.

[Reference]

In FY 2001, the number of notified business acquisitions, etc. whose value of total assets after transactions were over 100 billion yen, were 60. And within the business acquisitions, etc. , Manufacturing sector occupied the largest portion of the Total, numbering 17 cases

Table: Notifications of Business Acquisitions, etc. over 100 billion yen value of total assets after transactions, Classified by Industry

FY Industrial Classification		Unit: cases; (%)	
		2000	2001
Agriculture/Forestry/Fishery	0 (0.0)	0 (0.0)	
Mining	0 (0.0)	0 (0.0)	
Construction	1 (1.4)	2 (3.3)	
Manufacturing	15 (21.4)	17 (28.3)	
Food Products	2 (2.9)	1 (1.6)	
Textiles	0 (0.0)	0 (0.0)	
Lumber/Wood products	0 (0.0)	1 (1.6)	
Paper/Pulp	0 (0.0)	0 (0.0)	
Publishing/Printing	0 (0.0)	0 (0.0)	
Chemicals/Petroleum/Coal	4 (5.7)	4 (6.7)	
Rubber/Leather	0 (0.0)	1 (1.6)	
Ceramics/Cement	0 (0.0)	0 (0.0)	
Steel	0 (0.0)	0 (0.0)	
Nonferrous Metals	1 (1.4)	0 (0.0)	
Metal Goods	0 (0.0)	0 (0.0)	
Machinery	8 (11.4)	10 (16.7)	
Other Manufacturing Businesses	0 (0.0)	0 (0.0)	
Wholesaling/Retailing	11 (15.7)	12 (20.0)	
Real Estate	0 (0.0)	2 (3.3)	
Transportation/Communications/Warehousing	3 (4.3)	4 (6.7)	
Service	10 (14.3)	10 (14.3)	
Finance/Insurance	27 (38.6)	12 (20.0)	
Electric/Gas	0 (0.0)	0 (0.0)	
Other	3 (4.3)	1 (1.7)	
Total	70 (100.0)	60 (100.0)	

E. Classification by Type

The notification of mergers, divisions and business acquisitions, etc. in 2001 classified by type is as follows.

(1) Mergers

The total number of mergers classified by type in FY 2001, calculated as the number of dissolving companies, was 196 cases. Of this total, horizontal mergers comprised the largest number with 126 cases (64.3% of the total), followed 54 conglomerate mergers cases (27.5% of the total), and 16 vertical mergers (8.2% of the total) (See Table 12).

Note: Cases are calculated based on the number of dissolving companies. Thus, for example, in a three-company merger, we assume that a merger between two companies has occurred twice.

Table 12: Mergers Classified by Type (Calculated as the Number of Dissolving Companies)

Unit: cases; (%)

FY \ Type	Horizontal	Vertical	Conglomerate				Other	Total
			Regional expansion	Article range expansion	Outright	Subtotal		
2000	141 (63.0)	16 (7.1)	16 (7.1)	39 (17.4)	12 (5.5)	67 (30.0)	0 (0.0)	224 (100.0)
2001	126 (64.3)	16 (8.2)	11 (5.6)	28 (14.3)	15 (7.6)	54 (27.5)	0 (0.0)	196 (100.0)

Notes: The type of mergers is as follows.

a) Horizontal: The companies concerned are in the same market and supply the same type of goods or services.

b) Vertical: The companies concerned have a supplier-purchaser relationship.

c) Conglomerate: All other types of mergers other than horizontal and vertical mergers.

Regional expansion: Mergers, divisions or acquisitions between businesses which supply the same type of goods or services to different markets.

Commodity expansion: Mergers, divisions or acquisitions between which have a connection in the aspects of manufacturing or sales, but do not have a direct competitive relationship in the goods or service that they provide.

Outright: Mergers, divisions or acquisitions between firms which do not have any business relationship

d) Others

Reorganization: Mergers, divisions or acquisitions exclusively devoted to either:

(1) transferring general partnerships, limited partnerships, or limited companies into incorporations; or

(2) transferring the incorporations structure to a limited company.

Face value changes: Mergers conducted exclusively to change the face value of a par value stock issued by the incorporation.

Spin off: The applicable transfer, etc., of business which is conducted when a company purchase all of its own issued stocks exclusively for the purpose of

spinning off a part of its business and establishes a domestic business.

(2) Divisions

The total number of divisions classified by type in FY 2001, calculated as the number of notifying companies, was 37 cases. Of this total, horizontal divisions comprised the largest number with 30 cases (81.1% of the total), followed 4 conglomerate divisions cases (10.8% of the total), and 3 vertical divisions (8.1% of the total) (See Table 13).

Note: Cases are calculated based on the number of notifying companies. Thus, for example, in a three-notifying companies, we assume that a division between two companies has occurred twice.

Table 13: Divisions Classified by Type (Calculated as the Number of Notifying Companies)

Unit: cases; (%)

FY \ Type	Horizontal	Vertical	Conglomerate				Other	Total
			Regional expansion	Article range expansion	Outright	Subtotal		
2001	30 (81.1)	3 (8.1)	4 (10.8)	0 (0.0)	0 (0.0)	4 (10.8)	0 (0.0)	37 (100.0)
Joint establishment division	5 (71.4)	2 (28.6)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	7 (100.0)
acquisition division	25 (83.4)	1 (3.3)	4 (13.3)	0 (0.0)	0 (0.0)	4 (13.3)	0 (0.0)	30 (100.0)

Note: The types of divisions are same as those in Table 12, based on relationship of alienating part of the companies.

(3) Business acquisitions, etc.

The total number of business acquisitions classified by type of business acquisitions in FY 2001, calculated as the number of acquired companies, was 199 cases. Of this total, horizontal acquisitions comprised the largest number with 138 cases (69.4% of the total), followed 46 conglomerate acquisitions cases (23.1% of the total), and 15 vertical acquisitions (7.5% of the total) (See Table 14).

Note: Cases are calculated based on the number of acquired companies. Thus, for example, we assume that if one company acquires businesses from two companies, then the number of business acquisitions are calculated as occurring twice.

Table 14: Business Acquisitions, etc. Classified by Type (calculated as the Number of Acquired Companies)

Unit: cases; (%)

Type FY	Horizontal	Vertical	Conglomerate				Other	Total
			Regional expansion	Article range expansion	Outright	Subtotal		
2000	1 5 0 (66.7)	1 3 (5.8)	2 5 (11.1)	1 5 (6.6)	2 2 (9.8)	6 2 (27.5)	0 (0.0)	2 2 5 (100.0)
2001	1 3 8 (69.4)	1 5 (7.5)	1 6 (8.0)	1 3 (6.5)	1 7 (8.5)	4 6 (23.1)	0 (0.0)	1 9 9 (100.0)

Note: The types of business acquisitions, etc. are same as those in Table 12.

• The Trends in Stockholding in FY 2001

A. The Trends in Reports of Stockholding by companies etc.

In FY 2001, the number of the submitted stockholding reports under Section 10(2) of the Antimonopoly Act was 898 cases and increased by 11.7% compared with that of the previous fiscal year (804 cases). Of these 51 reports were submitted by foreign companies.

Note: A report on the proposed stockholding has to be submitted to JFTC if it is under the following three conditions.

- a) A company with total assets more than two billion yen, and with sum of total assets more than ten billion yen including the company's parent and subsidiary companies acquires or holds
- b) stock of a domestic company with total assets more than one billion ten, or of a foreign company with sales in Japan more than ten billion yen.

And, as a result,

- c) the ratio of the stocks the acquiring company has to the total outstanding stocks of the acquired company (stockholding ratio) exceeds 10 percent, 25 percent or 50 percent.

B. Classification by total assets

The number of submitted reports of stockholding classified by total assets in FY 2001 is as follows(See Table 15).

Table 15: Number of submissions of a report of stockholding classified by total assets

Unit: cases; (%)

Total Assets FY	2 - 5 billion yen	5 - 10 billion yen	10 - 50 billion yen	50 - 100 billion yen	Over 100 billion yen	Total	by foreign companies
2000	7 (0.9)	19 (2.5)	167 (21.9)	58 (7.6)	511 (67.1)	762 (100.0)	42
2001	16 (1.9)	29 (3.4)	199 (23.5)	74 (8.7)	529 (62.5)	847 (100.0)	51

Note: Total assets is of the stockholding companies before transactions.

[Reference]

In FY 2001, the number of the submitted reports of stockholding whose value of total assets before transactions were over 100 billion yen, were 529 cases and about 40% of that cases were in the manufacturing sector(218 cases).

Table: The number of the submitted reports of stockholding over 100 billion yen value of total assets before transactions, Classified by Industry

Unit: cases; (%)

Industrial Classification	FY			
	2000		2001	
Agriculture/Forestry/Fishery	0	(0.0)	3	(0.6)
Mining	0	(0.0)	1	(0.2)
Construction	21	(4.1)	10	(1.9)
Manufacturing	264	(51.7)	218	(41.2)
Food Products	15	(2.9)	13	(2.5)
Textiles	3	(0.6)	0	(0.0)
Lumber/Wood products	10	(2.0)	5	(0.9)
Paper/Pulp	8	(1.6)	13	(2.4)
Publishing/Printing	4	(0.8)	2	(0.4)
Chemicals/Petroleum/Coal	34	(6.7)	45	(8.5)
Rubber/Leather	4	(0.8)	0	(0.0)
Ceramics/Cement	7	(1.4)	7	(1.3)
Steel	13	(2.5)	12	(2.3)
Nonferrous Metals	9	(1.8)	4	(0.8)
Metal Goods	0	(0.0)	2	(0.4)
Machinery	143	(27.9)	97	(18.3)
Other Manufacturing Businesses	14	(2.7)	18	(3.4)
Wholesaling/Retailing	84	(16.4)	135	(25.5)
Real Estate	17	(3.3)	30	(5.7)
Transportation/Communications/Warehousing	49	(9.6)	53	(10.0)
Service	20	(3.9)	22	(4.2)
Finance/Insurance	17	(3.3)	19	(3.6)
Electric/Gas	10	(2.0)	6	(1.1)
Other	29	(5.7)	32	(6.0)
Total	511	(100.0)	529	(100.0)

The Trends in Establishment of Holding Companies, etc. in FY 2001

A holding company whose value of total assets is greater than 300 billion yen shall,

- a) submit a report for business of the said holding company and its subsidiaries within three month from the end of each business year (Section 9(6)),
- b) notify new establishment of a holding company within 30 days from the date of establishment (Section 9(7)) in accordance with the provision of Antimonopoly Act.

In FY 2001, the number of submitted holding company business report under the Antimonopoly Act 9(6) were 7 cases (see Table 16). And there were 7 notifications of new establishment of holding companies under the AMA 9(7) (see Table 17).

Table 16: Company that Submitted A Report Pursuant AMA 9(6)

Company Name
Daiei Holding Corporation
Nippon Telegraph and Telephone Corporation
AXA Insurance Holding Co., Ltd.
Tawa S.A.
Pfizer Holding, Ireland.
Mizuho Holdings, Inc.
Nippon Unipac Holding

Table 17: Company that Notified Pursuant AMA 9(7)

Company Name
Sapporo Hokuyo Holdings, Inc.
Nippon Unipac Holding
UFJ Holdings, Inc.
Mitsubishi Tokyo Financial Group, Inc.
Momiji Holdings, Inc.
Daiwa Bank Holdings, Inc.
Mitsui Trust Holdings, Inc.

Note: Because of the settlement of their first accounting period in six month, Nippon Unipac Holding submitted both notification of the new establishment of a holding company and their holding company business report in fiscal 2001.

[Reference Data] Trends in the number of Notification Concerning Mergers and Acquisitions, etc.

	Reports of business activities of the holding companies	Notifications of new establishment of the holding companies	Reports of stockholding	Reports of stockholding of other than company	Notifications of mergers	Notifications of divisions	Notifications of business acquisitions
1947			(2)	(0)	(23)		(22)
1948			(31)	(0)	(309)		(192)
1949			(13)	(0)	(123)		(53)
			2,373	0	448		143
1950			3,840	0	420		207
1951			4,546	0	331		182
1952			4,795	0	385		124
1953			3,863	0	344		126
1954			2,827	0	325		167
1955			3,033	0	338		143
1956			3,080	0	381		209
1957			3,069	0	398		140
1958			3,316	0	381		118
1959			3,170	0	413		139
1960			2,991	0	440		144
1961			3,211	1	591		162
1962			3,231	0	715		193
1963			3,844	0	997		223
1964			3,921	4	864		195
1965			4,534	1	894		202
1966			4,325	0	871		264
1967			4,075	2	995		299
1968			4,069	3	1,020		354
1969			4,907	0	1,163		391
1970			4,247	2	1,147		413
1971			5,832	0	1,178		449
1972			5,841	1	1,184		452
1973			6,002	0	1,028		443
1974			5,738	0	995		420
1975			5,108	9	957		429
1976			5,229	6	941		511
1977			5,085	1	1,011		646
1978			5,372	0	898		595
1979			5,359	0	871		611
1980			5,759	2	961		680
1981			5,505	1	1,044		771
1982			6,167	1	1,040		815
1983			6,033	4	1,020		702
1984			6,604	2	1,096		790
1985			6,640	6	1,113		807
1986			7,202	1	1,147		936
1987			7,573	1	1,215		1,084
1988			6,351	0	1,336		1,028
1989			8,193	0	1,450		988
1990			8,075	0	1,751		1,050
1991			8,034	2	2,091		1,266
1992			8,776	0	2,002		1,079
1993			8,036	3	1,917		1,153
1994			8,954	18	2,000		1,255
1995			8,281	1	2,520		1,467
1996			9,379	0	2,271		1,476
1997	0	0	8,615	7	2,174		1,546
1998	2	0	7,518	0	1,514		1,176
1999	1	1	1,029		151		179
2000	5	1	804		170		213
2001	7	7	898		127	20	195

Notes:

1. Number in parenthesis are authorized cases.
2. Holding company business report and holding company established notification were newly implemented in 1997 so there are no numbers of cases recorded up to 1996.
3. The threshold (the value of total assets)of requirements for stockholding and interlocking directorate have been revised as follows

	Stockholding Report
1949	Over 5 million yen
1953	Over 100 million yen
1965	Over 500 million yen
1977	Over 2 billion yen
1998	Over 10 billion yen

4. The scope of notification requirement for mergers and business acquisition, etc. was reduced on January 1, 1999, when the amendments of the Antimonopoly Act came into effect.
5. The Notification System concerning Divisions was newly established by the amendments of the Antimonopoly Act in may 2000, and came into effect in fiscal year 2001, so there are no numbers of cases recorded up to 2000.

[Reference]

The Trends in Permissions and Approvals

. Stockholding by a large-scale Non-financial Company

In FY 2001, there were no cases in which stockholding by large-scale non-financial companies was permitted under Section 9-2(1)() of the Antimonopoly Act, nor approved under Section 9-2(1)().

. Stockholding by Financial Companies

There were 351 cases in FY 2001 of stockholdings by financial companies which were authorized under Section 11 of the Antimonopoly Act. Of these 333 cases were subject to the proviso of Section 11(1) (233 cases involving banks, 31 cases involving securities companies, 63 cases involving insurance companies, and 6 cases involving foreign financial companies). 18 cases were subject to Section 11(2) (14 cases involving banks, 4 cases involving securities companies).