

The Status of Notifications Regarding Business Combinations in the Fiscal Year 2024

June 18, 2025

The Japan Fair Trade Commission

1. Notification Process and Status of Review of Share Acquisition, etc.

In FY 2024, the Japan Fair Trade Commission (hereinafter referred to as the “JFTC”) received 437 notifications of business combination plans¹ (26.7% increase from the previous year) for share acquisitions, mergers, splits, joint share transfers, acceptance of assignment of business. Of these, 384 were for share acquisitions, 11 for mergers, 20 for splits, 2 for joint share transfers, and 20 for acceptance of assignment of business.

Of the 437 notifications received in FY2024, 423 were notifications that “the JFTC would not issue a cease and desist order because the business contributions are not problematic in light of the Antimonopoly Act based on the result of the primary review,” 14 were “cases where the parties withdraw the notification,” and there was no “case where the JFTC judged that more detailed review was necessary and initiated the secondary review.”²

The number of completed reviews regarding business combination plans that did not require notification (cases in which the parties consulted the JFTC or the JFTC initiated the review ex officio) was 7 in FY2024.³

Of the cases completed reviews in FY2024, three cases were judged to be not problematic in light of the Antimonopoly Act based on the remedial measures proposed by the parties.

The status of notifications received and reviewed for the past three fiscal years is shown in Tables 1, 2, and 3.

¹ When a company that meets certain conditions enters into a business combination, it must file a notification with the JFTC in advance in accordance with Article 10(2), Article 15(2), Article 15-2(2) and (3), Article 15-3(2) or Article 16(2).

² See 1(1) of Reference 1 regarding the review process of business combination plans that require notification.

³ See 1(2) of Reference 1 regarding the review process of business combination plans that do not require notification.

Table 1: Processing of Notifications Received in the Past Three Fiscal Years

	FY2022	FY2023	FY2024
Number of notifications	306	345	437
Those completed in the primary review ^(Note)	299	335	423
Of which, the waiting period was shortened	(243)	(262)	(368)
Those withdrawn before the end of the primary review	7	10	14
Those moved to the secondary review	0	0	0

(Note) As a result of the primary review, 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.

Table 2: Processing Status of Secondary Review in the Past Three Fiscal Years ^(Note 1)

	FY2022	FY2023	FY2024
Those completed in the secondary review ^(Note 2)	0	0	0
Those without problems based on the remedial measures offered by the parties	0	0	0
Withdrawals received before the end of the secondary review	0	0	0
Those for which a cease and desist order was issued	0	0	0

(Note 1) The figures represent items processed during the fiscal year, regardless of whether these were received during the fiscal year.

(Note 2) As a result of the secondary review, 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.

Table 3: Changes in Notifications Concerning Business Combination Plans Involving Foreign Companies as Parties ^(Note)

	FY 2022	FY 2023	FY 2024
Notification of integration plans between Japanese and foreign companies	9	4	7
Notification of integration plans between foreign companies	28	30	37
Total amount	37	34	44

(Note) Of the number of notifications listed in Table 1, this table shows changes in notifications relating to business combination plans that include foreign companies as the parties.

(Reference Table 1) Status of Review of Business Combination Plans that Do Not Require Notification for the Past Three Fiscal Years

	FY 2022	FY 2023	FY 2024
Reviewed business combination plans that do not require notification during the fiscal year	15	13	7

(Reference Table 2) Changes in the Number of Business Combination Plans Judged to Be Not Problematic in Light of the Antimonopoly Act Based on the Remedial Measures Proposed by the Parties for the Past Three Fiscal Years ^(Note)

	FY 2022	FY 2023	FY 2024
Those judged not problematic under the Antimonopoly Act based on the remedial measures proposed by the parties	1	1	3

(Note) The figures represent items completed during the fiscal year, regardless of whether these were received during the fiscal year.

2. Trends in Share Acquisitions, Mergers, Splits, Joint Share Transfers, and Acceptance of Assignment of Business, etc.

Tables 4 through 13 show the business combinations for which notifications were received in FY2024, categorized by total domestic sales, percentage of voting rights held, type of industry, and type of transaction.

Table 4: Number of Share Acquisition Notifications Received by Total Domestic Sales

Total domestic sales of the share-issuing company \ Total domestic sales of the share-acquiring company	More than 5 billion yen Less than 20 billion yen	More than 20 billion yen Less than 50 billion yen	More than 50 billion yen Less than 100 billion yen	More than 100 billion yen Less than 500 billion yen	More than 500 billion yen	Total
More than 20 billion yen Less than 50 billion yen	45	8	0	0	0	53
More than 50 billion yen Less than 100 billion yen	35	7	3	0	0	45
More than 100 billion yen Less than 500 billion yen	87	29	11	7	0	134
More than 500 billion yen Less than 1 trillion yen	32	16	4	9	0	61
More than 1 trillion yen Less than 5 trillion yen	31	12	7	10	2	62
More than 5 trillion yen	14	5	5	2	3	29
Total	244	77	30	28	5	384

Table 5: Number of Share Acquisition Notifications Received by Percentage of Voting Rights Acquired ^(Note)

More than 20% 50% or less	More than 50%	Total
82	302	384

(Note) The ratio of acquisition of voting rights refers to the ratio of the number of voting rights pertaining to shares held in a share-issuing company by a share-acquiring company after acquiring shares in the said share-issuing company, and the ratio of the number of voting rights of all shareholders of the share-issuing company adding the number of voting rights in the share-issuing company held by companies, etc. other than the acquiring company that belongs to the group of combined companies to which the acquiring company belongs.

Table 6: Number of Merger Notifications Received by Total Domestic Sales ^(Note)

<div> <div>Total domestic sales of the dissolving company</div> <div>Total domestic sales of the surviving company</div> </div>	More than 5 billion yen Less than 20 billion yen	More than 20 billion yen Less than 50 billion yen	More than 50 billion yen Less than 100 billion yen	More than 100 billion yen Less than 500 billion yen	More than 500 billion yen	Total
More than 5 billion yen Less than 20 billion yen	0	0	0	2	1	3
More than 20 billion yen Less than 50 billion yen	1	0	2	2	0	5
More than 50 billion yen Less than 100 billion yen	0	0	0	0	0	0
More than 100 billion yen Less than 500 billion yen	1	0	1	0	0	2
More than 500 billion yen Less than 1 trillion yen	0	0	0	0	0	0
More than 1 trillion yen Less than 5 trillion yen	0	0	0	0	0	0
More than 5 trillion yen	0	0	0	0	1	1
Total	2	0	3	4	2	11

(Note) In the case of a merger involving three or more companies, i.e., two or more dissolving companies, the dissolving company with the largest total domestic sales is considered the reference company.

Table 7: Number of Joint Incorporation-Type Split Notifications Received
by Total Domestic Sales, etc. (Note)

Total domestic sales of Split Company 1 (or domestic sales relating to part to be divided)	Total domestic sales of Split Company 2 (or domestic sales relating to part to be divided)	More than 3 billion yen Less than 20 billion yen	More than 20 billion yen Less than 50 billion yen	More than 50 billion yen Less than 100 billion yen	More than 100 billion yen Less than 500 billion yen	More than 500 billion yen	Total
More than 5 billion yen Less than 20 billion yen		0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
More than 20 billion yen Less than 50 billion yen		0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
More than 50 billion yen Less than 100 billion yen		0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
More than 100 billion yen Less than 500 billion yen		0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
More than 500 billion yen Less than 1 trillion yen		0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
More than 1 trillion yen Less than 5 trillion yen		0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
More than 5 trillion yen		0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
Total		0(0)	0(0)	0(0)	0(0)	0(0)	0(0)

(Note) Of the companies that will be subject to a joint incorporation-type split, the company with the largest total domestic sales or domestic sales related to the portion subject to the split is designated as "Split Company 1" and the company with the next largest total domestic sales is designated as "Split Company 2." The figures outside the parentheses represent the number of notifications received based on the total domestic sales of the company that intends to succeed the entire business, while the figures inside the parentheses represent the number of notifications received based on the domestic sales of the part of the company to be split that intends to succeed a substantial part of the business (not included in the number of notifications).

Table 8: Number of Accepted Absorption-Type Split Notifications Received
by Total Domestic Sales, etc. ^(Note)

Domestic sales of the split company (or domestic sales relating to part to be split) Domestic sales of the succeeding company	More than 3 billion yen Less than 20 billion yen	More than 20 billion yen Less than 50 billion yen	More than 50 billion yen Less than 100 billion yen	More than 100 billion yen Less than 500 billion yen	More than 500 billion yen	Total
More than 5 billion yen Less than 20 billion yen	0(0)	0(0)	0(0)	0(0)	0(0)	0(0)
More than 20 billion yen Less than 50 billion yen	1(3)	0(0)	0(0)	0(0)	0(0)	1(3)
More than 50 billion yen Less than 100 billion yen	1(0)	0(0)	0(0)	0(0)	0(0)	1(0)
More than 100 billion yen Less than 500 billion yen	1(2)	0(2)	0(2)	0(0)	0(0)	1(6)
More than 500 billion yen Less than 1 trillion yen	0(2)	0(2)	0(0)	0(0)	0(0)	0(4)
More than 1 trillion yen Less than 5 trillion yen	1(1)	0(0)	0(0)	0(0)	0(0)	1(1)
More than 5 trillion yen	0(0)	0(1)	1(0)	0(0)	0(0)	1(1)
Total	4(8)	0(5)	1(2)	0(0)	0(0)	5(15)

(Note) The figures outside the parentheses represent the number of notifications received based on the total domestic sales of the company that intends to succeed the entire business, while the figures inside the parentheses represent the number of notifications received based on the domestic sales of the part of the company to be split that intends to succeed a substantial part of the business (not included in the number of notifications).

Table 9: Number of Joint Share Transfer Notifications Received
by Total Domestic Sales ^(Note)

Total domestic sales of Share Transfer Company 1 \ Total domestic sales of Share Transfer Company 2	More than 5 billion yen Less than 20 billion yen	More than 20 billion yen Less than 50 billion yen	More than 50 billion yen Less than 100 billion yen	More than 100 billion yen Less than 500 billion yen	More than 500 billion yen	Total
More than 20 billion yen Less than 50 billion yen	1	0	0	0	0	1
More than 50 billion yen Less than 100 billion yen	0	0	0	0	0	0
More than 100 billion yen Less than 500 billion yen	0	0	0	0	0	0
More than 500 billion yen Less than 1 trillion yen	0	0	0	1	0	1
More than 1 trillion yen Less than 5 trillion yen	0	0	0	0	0	0
More than 5 trillion yen	0	0	0	0	0	0
Total	1	0	0	1	0	2

(Note) The company with the largest total domestic sales among the companies that will jointly transfer shares is designated as "Share Transfer Company 1" and the company with the next largest total domestic sales is designated as "Share Transfer Company 2."

Table 10: Number of Notifications of Acceptance of Assignment of Business, etc. by Total Domestic Sales, etc. ^(Note)

<div> <div>Total domestic sales relating to the part subject to the assignment</div> <div>Total domestic sales of the transferee company</div> </div>	More than 3 billion yen Less than 20 billion yen	More than 20 billion yen Less than 50 billion yen	More than 50 billion yen Less than 100 billion yen	More than 100 billion yen Less than 500 billion yen	More than 500 billion yen	Total
More than 20 billion yen Less than 50 billion yen	2	0	0	0	0	2
More than 50 billion yen Less than 100 billion yen	2	0	0	0	0	2
More than 100 billion yen Less than 500 billion yen	9	2	0	0	0	11
More than 500 billion yen Less than 1 trillion yen	0	0	0	0	0	0
More than 1 trillion yen Less than 5 trillion yen	4	1	0	0	0	5
More than 5 trillion yen	0	0	0	0	0	0
Total	17	3	0	0	0	20

(Note) In the case of acceptance of assignment of business from two or more companies, i.e., two or more transferring companies, the transferring company with the largest domestic sales relating to the portion to be transferred shall be considered as the base company.

Table 11: Number of Notifications Received by Industry ^(Note)

Type of Industry	Share acquisition	Merger	Joint incorporation-type Split	Absorption-type split	Joint share transfer	Acceptance of assignment of business	Total
Agriculture, Forestry and Fisheries	0	0	0	0	0	0	0
Mining	1	0	0	0	0	1	2
Construction	15	0	0	2	0	0	17
Manufacturing	45	4	0	4	0	8	61
Wholesale and retail	51	1	0	5	1	5	63
Real estate	13	0	0	0	0	0	13
Transportation, communication, and warehousing	28	4	0	1	1	1	35
Services	19	1	0	0	0	1	21
Finance and insurance	26	0	0	2	0	0	28
Electricity, Gas, Heat supply, and water supply	3	1	0	0	0	0	4
Other	183	0	0	6	0	4	193
Total	384	11	0	20	2	20	437

(Note) The classification of industry is based on the industry of share acquiring company in the case of share acquisition, the industry of the surviving company after the merger in the case of a merger, the industry of the split company in the case of a joint incorporation-type company split, the industry of the succeeding company in the case of an absorption-type company split, the industry of the newly incorporated company in the case of a joint share transfer, or the industry of the transferee company in the case of acceptance of assignment of business.

Table 12: Number of Notifications Received by Type (Note 1) (Note 2)

Type		Share acquisition	Merger	Joint incorporation-type Split	Absorption-type split	Joint share transfer	Acceptance of assignment of business
Horizontal relationship		255	7	0	10	2	12
Vertical relationship	Forward	121	0	0	7	0	2
	Backward	112	1	0	6	0	3
Conglomerate relationship	Territory expansion	68	2	0	4	1	5
	Product expansion	81	3	0	3	0	3
	Pure	45	2	0	2	0	2
Number of notifications received		384	11	0	20	2	20

(Note 1) Types are based on the following classification.

(i) Horizontal relationship: When the relevant company groups are in a competitive relationship in any particular field of trade.

(ii) Vertical relationship: When the company groups are at different stages of transaction.

Forward: Business combination with a company in which the share-acquiring company, the surviving company, the successor company, or the transferee company is the end user.

Backward: Business combination with a company that is in a position opposite to the forward direction

(iii) Conglomerate relationship: Neither horizontal nor vertical.

Territory expansion: Supplying the same type of goods or services to different markets.

Product expansion: Supplying different goods or services that are related in terms of production or sales.

Pure: If none of the above apply

(Note 2) In the case of a business combination that falls under more than one type, all applicable types are counted. Therefore, the total number of cases by type does not necessarily equal the number of notifications received.

Table 13: Notifications of Horizontal, Vertical, and Conglomerate Types of Business Combinations in the Past Three Fiscal Years

	FY2022	FY2023	FY2024
Horizontal business combination	192 (63%)	219 (63%)	286 (65%)
Vertical business combination	158 (52%)	160 (46%)	203 (46%)
Conglomerate business combination	106 (35%)	143 (41%)	200 (46%)
Number of notifications received	306 (100%)	345 (100%)	436 (100%)

(Note) In the case of business combinations that fall under more than one type, all applicable items are aggregated. Therefore, the total percentages may not equal 100%, and the total does not necessarily equal the number of notifications received.

3. Trends in Business Reporting and Notification of Incorporation under Article 9 of the Antimonopoly Act

The number of business reports submitted pursuant to Article 9, Paragraph 4 of the Antimonopoly Act was 123 (Table 14). In addition, there was no notifications of incorporation submitted in accordance with Article 9, Paragraph 7.

(Note) Companies whose total assets exceed a certain size are required to submit a report on their business to the JFTC within three months of the end of each fiscal year. In addition, newly incorporated companies that meet certain requirements are required to notify the JFTC of their incorporation within 30 days of the date of incorporation.

Table 14: Sum of Total Assets of Reporting Companies and their Subsidiaries by Size and Company Type based on Article 9, Paragraph 4 of the Antimonopoly Act

By company type By total asset size	Holding company (Total asset standard amount: 600 billion yen) Article 9, Paragraph 4, Item 1	Finance company (Total asset standard amount: 8 trillion yen) Article 9, Paragraph 4, Item 2	General business company (Total asset standard amount: 2 trillion yen) Article 9, Paragraph 4, Item 3	Total
More than 8 trillion yen	25	9	37	71
More than 5 trillion yen but less than 8 trillion yen	9	0	14	23
More than 2 trillion yen but less than 5 trillion yen	5	0	18	23
More than 1 trillion yen but less than 2 trillion yen	6	0	0	6
More than 600 billion yen but less than 1 trillion yen	0	0	0	0
Total	45	9	69	123

4. Trends in Authorization relating to the Ownership of the Voting Rights of Banks or Insurance Companies

The number of authorizations granted under Article 11 of the Antimonopoly Act was 20, of which 18 were granted under Paragraph 1 of the same Article (13 pertaining to banks and 5 pertaining to insurance companies) and 2 were granted under Paragraph 2 of the same Article (pertaining to banks). As of the end of FY2024, there were 110 cases in which ownership of voting rights was recognized as a result of authorization (Table 15).

Table 15: Number of Authorizations under Article 11 of the Antimonopoly Act

	As of the end of FY2024	
	Number of approvals for ownership of voting rights based on authorization	Of which, number of approvals in FY2024
Bank	97	15
Insurance company	13	5
Total	110	20

(Reference) Changes in the Number of Notifications and Reports Related to Business

Combinations (Note 1)

Fiscal Year	Article 9 Business report (Note 2)	Article 9 Notification of incorporation (Note 2)	Notification of Share acquisition (Note 3)	Notification of Interlocking officers (Note 4)	Report of Share acquisition by a party other than the company (Note 5)	Notification of Merger notification (Note 6)	Notification of Split (Note 7)	Notification of Joint share transfer (Note 8)	Notification of Acceptance of assignment of business (Note 9)
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	268	0	344			126
1954			2,827	328	0	325			167
1955			3,033	268	0	338			143
1956			3,080	457	0	381			209
1957			3,069	375	0	398			140
1958			3,316	557	0	381			118
1959			3,170	466	0	413			139
1960			2,991	644	0	440			144
1961			3,211	675	1	591			162
1962			3,231	804	0	715			193
1963			3,844	758	0	997			223
1964			3,921	527	4	864			195
1965			4,534	487	1	894			202
1966			4,325	462	0	871			264
1967			4,075	458	2	995			299
1968			4,069	480	3	1,020			354
1969			4,907	647	0	1,163			391
1970			4,247	543	2	1,147			413
1971			5,832	552	0	1,178			449
1972			5,841	501	1	1,184			452
1973			6,002	874	0	1,028			443
1974			5,738	794	0	995			420
1975			5,108	754	9	957			429
1976			5,229	925	6	941			511
1977			5,085	916	1	1,011			646
1978			5,372	1,394	0	898			595
1979			5,359	3,365	0	871			611
1980			5,759	2,556	2	961			680
1981			5,505	2,958	1	1,044			771

Fiscal Year	Article 9 Business report (Note 2)	Article 9 Notification of incorporation (Note 2)	Notification of Share acquisition (Note 3)	Notification of Interlocking officers (Note 4)	Report of Share acquisition by a party other than the company (Note 5)	Notification of Merger notification (Note 6)	Notification of Split (Note 7)	Notification of Joint share transfer (Note 8)	Notification of Acceptance of assignment of business (Note 9)
1982			6,167	2,477	1	1,040			815
1983			6,033	3,389	4	1,020			702
1984			6,604	3,159	2	1,096			790
1985			6,640	3,504	6	1,113			807
1986			7,202	2,944	1	1,147			936
1987			7,573	3,776	1	1,215			1,084
1988			6,351	3,450	0	1,336			1,028
1989			8,193	4,420	0	1,450			988
1990			8,075	4,312	0	1,751			1,050
1991			8,034	6,124	2	2,091			1,266
1992			8,776	5,675	0	2,002			1,079
1993			8,036	6,330	3	1,917			1,153
1994			8,954	5,137	18	2,000			1,255
1995			8,281	5,897	1	2,520			1,467
1996			9,379	5,042	0	2,271			1,476
1997	0	0	8,615	5,955	7	2,174			1,546
1998	2	0	7,518	447	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
2002	16	7	899			112	21		197
2003	76	4	959			103	21		175
2004	79	1	778			70	23		166
2005	80	5	825			88	17		141
2006	87	2	960			74	19		136
2007	93	2	1,052			76	33		123
2008	92	4	829			69	21		89
2009	93	5	840			48	15	3	79
2010	92	2	184			11	11	5	54
2011	100	0	224			15	10	6	20
2012	99	1	285			14	15	5	30
2013	100	0	218			8	14	3	21
2014	103	0	231			12	20	7	19
2015	104	2	222			23	17	6	27
2016	108	2	250			26	16	3	24
2017	105	0	259			9	13	3	22
2018	107	2	259			16	15	2	29
2019	112	0	264			12	12	3	19
2020	114	1	223			16	7	0	20

Fiscal Year	Article 9 Business report (Note 2)	Article 9 Notification of incorporation (Note 2)	Notification of Share acquisition (Note 3)	Notification of Interlocking officers (Note 4)	Report of Share acquisition by a party other than the company (Note 5)	Notification of Merger notification (Note 6)	Notification of Split (Note 7)	Notification of Joint share transfer (Note 8)	Notification of Acceptance of assignment of business (Note 9)
2021	114	3	288			10	17	3	19
2022	116	5	270			11	7	3	15
2023	121	1	290			12	17	5	21
2024	123	0	384			11	20	2	20

(Note 1) Figures in parentheses represent the number of authorizations.

(Note 2) The system of filing business reports and notification of incorporation under Article 9 of the Antimonopoly Act was newly incorporated by the Act Amending the Antimonopoly Act of 1997. There were no cases before that time. Under the Antimonopoly Act before its amendment in the 2002 Act Amending the Antimonopoly Act, holding companies that exceeded a certain threshold of total assets were required to file business reports and notification of incorporation. However, under the amendment of the Antimonopoly Act, in addition to holding companies, financial companies and general business companies that exceed certain total asset thresholds are also required to file business reports and notification of incorporation.

(Note 3) The amendment to the exemption requirements (total assets) for share ownership reporting is as follows.

Year of amendment	Exemption requirement (total assets)
1949	Over 5 million yen
1953	Over 100 million yen
1965	Over 500 million yen
1977	Over 2 billion yen

Under the Antimonopoly Act before its amendment by the 1998 Act Amending the Antimonopoly Act, any domestic company (excluding companies engaged in the financial business) or foreign company (excluding companies engaged in financial services) with total assets exceeding 2 billion yen was required to submit a stockholding report within three months of the end of each business year if it owned shares in a domestic company. However, under the Antimonopoly Act following the amendment, a company with total assets exceeding 2 billion yen and a sum of total assets of 10 billion yen is required to submit a stockholding report in the case that it acquires or owns more than 10%, 25%, or 50% of the shares of a domestic company with total assets of more than 1 billion yen or a foreign company with total domestic sales exceeding 1 billion yen.

In addition, revisions were made to the notification criteria in the Act Amending the Antimonopoly Act of 2009, setting a requirement for a company with total domestic sales exceeding 20 billion yen to make notification in advance in the same manner as for mergers, etc. in the case that it holds voting rights in excess of 20% or 50% (two levels) when acquiring shares in a company with domestic sales exceeding 5 billion yen including domestic sales of its subsidiaries.

(Note 4) Under the Antimonopoly Act prior to its revision in the Act Amending the Antimonopoly Act of 1998, a director or employee of a company was required to issue a notification if he or she concurrently held the position of director or employee of a domestic company in a competitive relationship in Japan and if the total assets of either company exceeded 2 billion yen. However, this requirement was abolished in the amended Antimonopoly Act.

(Note 5) Under the Antimonopoly Act prior to its revision by the Act Amending the Antimonopoly Act of 1998, a party other than a company was required to submit a share acquisition report if it came to hold more than 10% of the total number of issued shares of two or more domestic companies in a mutually competitive relationship. However, this requirement was abolished in the amended Antimonopoly Act.

(Note 6) Under the Antimonopoly Act prior to its revision by the Act Amending the Antimonopoly Act of 1998, it was necessary to make advance notification of any and all company mergers. Under the amended Antimonopoly Act, however, the requirement for notification now only applies in cases in which a company has total assets exceeding 10 billion yen and the other company has total assets exceeding 1 billion yen, for example.

In addition, in the 2009 Act Amending the Antimonopoly Act, the notification criteria were revised again, requiring notification in the case of a merger between a company with total domestic sales exceeding 20 billion yen and a company with total domestic sales exceeding 5 billion yen.

(Note 7) Notification of splits was newly incorporated in accordance with the 2000 amendment to the Commercial Code. There were no cases before FY 2000.

In addition, the notification standards were revised in accordance with the Act Amending the Antimonopoly Act of 2009. The obligation is for a notification of a plan for a company split to be issued in the case that an entire business succession company (i.e., a company that intends to succeed in the entire business) that exceeds total domestic sales of 20 billion yen intends to succeed to a business with total domestic sales in excess of 5 billion yen.

(Note 8) The notification of joint share transfer was newly incorporated by the Act Amending the Antimonopoly Act of 2009. There were no cases until FY 2008.

(Note 9) Under the Antimonopoly Act prior to its revision by the Act Amending the Antimonopoly Act of 1998, a company was required to issue advance notification in all cases in which it intended to acquire all or a significant portion of a business. Under the amended Antimonopoly Act, however, notification is now required when a company with total assets exceeding 10 billion yen acquires the entire business of a domestic company with total assets exceeding 1 billion yen.

In addition, an amendment to the notification criteria was made in accordance with the 2009 Act Amending the Antimonopoly Act, which requires a company with total domestic sales exceeding 20 billion yen to issue notification of a plan for acceptance of assignment of business, etc. when it acquires the entire business of a company with total domestic sales exceeding 3 billion yen.

Business Combination Review

If competition is substantially restricted by a business combination (shareholding, interlocking officers, mergers, splits, joint share transfers, acceptance of assignment of business, etc.), (1) not only will users be disadvantaged because their choices are narrowed but also (2) the incentive of the companies concerned to respond appropriately to demand will be lost, resulting in the companies concerned missing opportunities for further growth, and thereby hindering economic vitality.

For this reason, business combinations that would substantially restrain competition in a particular field of trade are prohibited in the Antimonopoly Act and the JFTC conducts business combination reviews in accordance with the provisions of the Antimonopoly Act.

1 Business Combination Review Process

(1) Business Combination Plans for which Notification is Required

When a company that meets certain conditions as shown in Table 1 below enters into a business combination, it must file a notification with the JFTC in advance.

If the JFTC determines that there is no problem with the notified business combination in light of the provisions of the Antimonopoly Act within 30 days from the date of acceptance of the notification, the review will be completed within this period (preliminary review).

If the JFTC deems it necessary to conduct a detailed review, it will request the notifying company to submit the necessary reports, etc. (secondary review). Within 90 days from the date of receipt of all reports, etc., the JFTC will determine whether there is a problem with this business combination under the provisions of the Antimonopoly Act.

Even if it is determined that a business combination will substantially restrict competition in a particular field of trade, if the parties can eliminate the problem by taking certain appropriate remedial measures (remedy), it may be determined that there is no problem with the business combination under the Antimonopoly Act (the parties may conduct this business combination).

(2) Business Combination Plans that Do Not Require Notification

If a company planning a business combination that does not require notification consults the JFTC with respect to such a business combination plan in which the specific details of the plan are indicated, the JFTC shall respond in the same manner as when a notification is filed with respect to a business combination plan that requires notification.

In the case of a business combination plan that does not require notification based only on the fact that the amount of domestic sales of the company to be substantially acquired out of the companies concerned does not meet the notification criteria, if the

total consideration for the acquisition is large and is expected to affect domestic consumers, the JFTC may conduct a business combination review. including requesting the submission of materials, etc. from the parties.

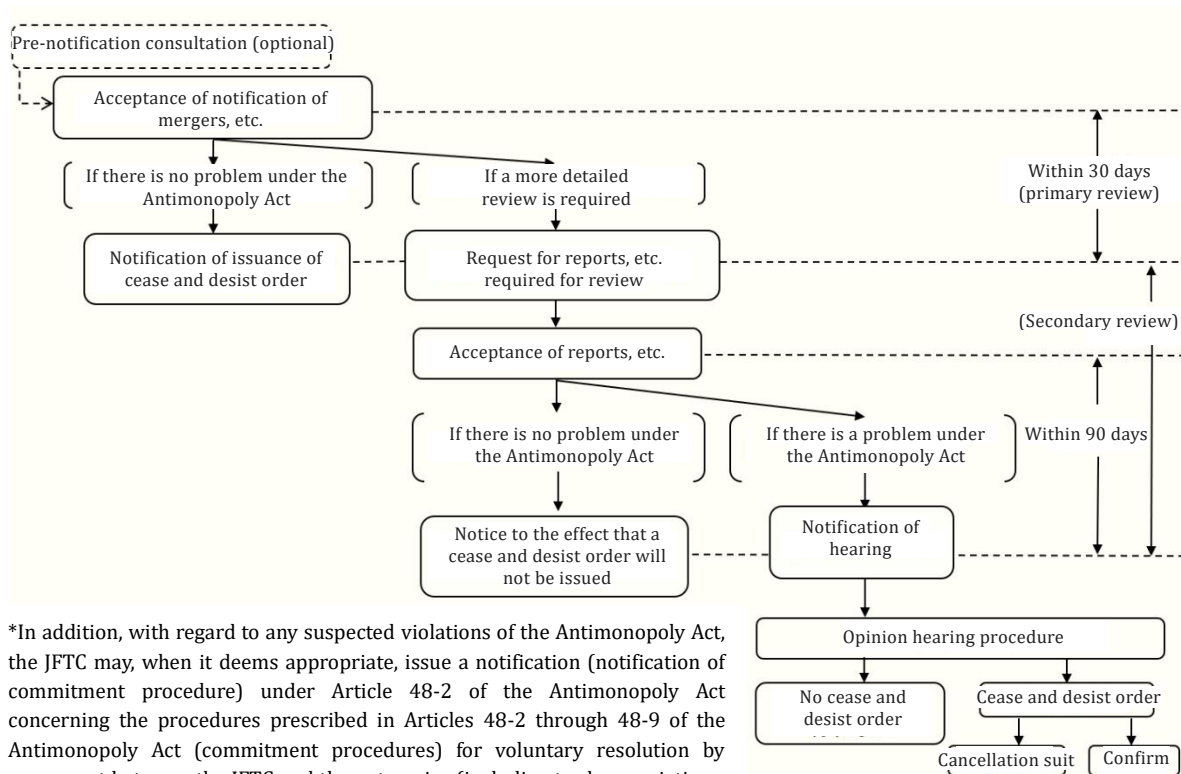
Table 1: Summary of Cases Requiring Notification by Type

Type (Applicable provisions)		Summary of cases requiring notification
Share acquisition (Article 10)		(i) When a company with total domestic sales ^(Note 1) exceeding 20 billion yen (ii) Acquires stock of a share issuing company for which the total domestic sales of the share issuing company and its subsidiaries exceed 5 billion yen, and (iii) the percentage of voting rights held ^(Note 2) will exceed 20% or 50%.
Merger (Article 15) and joint share transfer (Article 15-3)		(i) When a company with total domestic sales exceeding 20 billion yen and (ii) a company with total domestic sales of more than 5 billion yen (iii) conduct a merger (or joint share transfer)
Split (Article 15-2)	Joint incorporation-type split	(i) When a company with total domestic sales exceeding 20 billion yen and (ii) a company with total domestic sales of more than 5 billion yen (iii) succeed the entire business to a company to be incorporated through a joint incorporation-type split, etc.
	Absorption-type split	(i) When a company with total domestic sales of more than 20 billion yen (ii) succeeds the entire business to (iii) a company with total domestic sales in excess of 5 billion yen, etc.
Acceptance of assignment of business, etc. (Article 16)		(i) When a company with total domestic sales of more than 20 billion yen (ii) acquires the entire business from a company with domestic sales exceeding 3 billion yen, or (i) When a company with total domestic sales of more than 20 billion yen (ii) acquires a substantial part of the business (or all or a substantial part of fixed assets in the business) with domestic sales exceeding 3 billion yen

(Note 1) Total domestic sales refers to the total domestic sales of the companies, etc., in the group of combined companies (a group consisting of the "ultimate parent company" of the notifying company and its subsidiaries).

(Note 2) The percentage of voting rights held refers to the percentage of voting rights held by companies, etc. belonging to the group of combined companies.

Table 2: Flowchart of Business Combination Review



2 Basic Approach to Business Combination Review

The approach of the JFTC to the review of business combinations is published in the "Guidelines to Application of the Antimonopoly Act Concerning Review of Business Combination" (Business Combination Guidelines) (JFTC, May 31, 2004).

First, based on the definition of the scope of a particular field of trade (market) from the viewpoint of the range of suppliers from which users can procure goods and services, a review of whether there is a problem based on the Antimonopoly Act is made as to whether the business combination will substantially restrict competition, in other words, whether it will create a situation where users will not have sufficient choice.

(1) A Particular Field of Trade Represents the Scope ("scope of goods" and "geographic scope") for Determining Whether a Business Combination will Result in a Restriction of Competition

This particular field of trade is basically delineated in terms of substitutability for the user and, if necessary, for the supplier.

Substitutability for users is determined with consideration for the extent to which users would switch their purchase of the product or service to another product or service or to another region based on the assumption that a certain enterprise is a monopoly supplier of a certain good or service in a certain region, and, if the monopoly operator raises the price of the good or service in a "small but significant and non-

transitory increase" for the purpose of maximizing profit.

- The above approach in defining a particular field of trade (market) is called the SSNIP (Small but Significant and Non-transitory Increase in Price) test.
- The SSNIP test is a concept used in Europe and the United States.
- The term "small but substantial and non-transitory price increase" usually refers to an increase of 5% to 10% and a period of about one year in duration.

(2) Substantial Restriction of Competition

A. Safe Harbor Criteria

(a) Safe Harbor Criteria for Horizontal Business Combinations

In markets where the HHI ^(Note 3) after the business combination falls under any of (i) through (iii) below, it is not usually considered that a horizontal business combination will substantially restrict competition in a particular field of trade.

- (i) If the HHI after the business combination is less than or equal to 1,500
- (ii) If the HHI after the business combination is more than 1,500 but less than or equal to 2,500 and the incremental HHI ^(Note 4) is less than or equal to 250
- (iii) If the HHI after the business combination exceeds 2,500 and the incremental HHI is 150 or less

(Note 3) HHI is calculated based on a calculation of the square sum of the market shares of each operator in this particular field of trade.

(Note 4) The incremental HHI from a business combination can be calculated by multiplying the market share of each of the parties by two if there are two companies involved.

(b) Safe Harbor Criteria for Vertical and Conglomerate Business Combinations

If the group of companies involved after the business combination falls under (i) or (ii) below, it is not usually considered that a vertical business combination or a conglomerate business combination will substantially restrict competition in a particular field of trade.

- (i) In the case where the market share of the group of the parties after the business combination is 10% or less in all particular fields of trade in which the parties are involved.
- (ii) If the HHI after the business combination is 2,500 or less in all particular fields of trade involving the parties, and the market share of the company group after the business combination is 25% or less.

B. If the Safe Harbor Criteria Are Not Met

If the safe harbor criteria are not met, the JFTC will consider (1) whether the unilateral conduct of the group of companies would effectively restrict competition in a particular field of trade and (2) whether the coordinated conduct of the group of

companies and its competitors would effectively restrict competition in a particular field of trade.

In this consideration, (1) a decision will be made based on considerations regarding "whether price increases, etc. by the group of companies after the business combination will be facilitated by the enhancement of the market position of the Parties, etc." with respect to the effective restriction of competition by the unilateral conduct of the group of the companies concerned based on the actual conditions of the market and transactions identified through interviews and questionnaire surveys, and, with regard to the increase in prices by the Parties, "whether there will be competitive pressure from competitors," "whether there will be competitive pressure from imports or entrants," "whether there will be competitive pressure based on the competing bargaining power of consumers," "whether there will be competitive pressure based on the countervailing bargaining power of users," and "whether there will be competitive pressure from competing goods from adjacent markets."

Similarly, (2) a decision will be made based on considerations with respect to "whether it will become easier for the group of the companies concerned and their competitors to raise prices, etc. in concert after the business combination" in connection to any substantial restriction of competition through concerted conduct by the group of the companies concerned and their competitors, and, with regard to any increase in prices by the Parties, "whether there will be competitive pressure from imports or entrants," "whether there will be competitive pressure based on users countervailing bargaining power," and "whether there will be competitive pressure from competing products in adjacent markets."

(3) Remedies

Even when a business combination results in a substantial restriction of competition in a particular field of trade, it may be possible to remedy the problem by taking certain appropriate measures (remedies) by the Parties.

Specific individual considerations of appropriate remedial measures to be taken as remedies will be made for each business combination.

Remedies are, in principle, structural remedial measures including business transfers based on being capable of restoring competition lost through the business combination. However, in markets where market structure changes rapidly due to technological innovation, etc., it may be more appropriate to adopt remedial measures related to certain conduct.

Recent Public Relations Activities Regarding Business Combination Review

1 Publication of Individual Cases

The JFTC publishes summaries of individual cases it has reviewed, in cases where it considers that doing so may be useful as a reference for other business operators.

In FY2024, the JFTC separately published information on three cases that were also listed as major business combinations: the acquisition of shares in Nippon Cargo Airlines Co., Ltd. by ANA HOLDINGS INC.; the acquisition of ANSYS Inc. by SYNOPSIS, INC.; and the acquisition of shares in a newly established manufacturing subsidiary of NIPPON CHUTETSUKAN K. K. by Kubota Corporation.

In addition, in FY2025, the results of the review of the following cases have been published.

(1) Management Integration of AEON Co., LTD. and TSURUHA HOLDINGS INC. (published on April 30, 2025)

The JFTC concluded that the proposed management integration of AEON Co., LTD. and TSURUHA HOLDINGS INC. would not substantially restrain competition in any particular fields of trade, based on the premise that the parties would implement their proposed remedies. Therefore, the JFTC notified the parties that it would not issue a cease and desist order and published the results of the review on April 30, 2025.

(2) Integration of the Pharmaceutical Businesses of Shionogi & Co., Ltd and TORII PHARMACEUTICAL CO., LTD., etc. (published on May 28, 2025)

The JFTC concluded that the proposed integration of the pharmaceutical businesses of Shionogi & Co., Ltd and Torii Pharmaceutical Co., Ltd., etc. would not substantially restrain competition in any particular fields of trade, based on the premise that the parties would implement their proposed remedies. Therefore, the JFTC notified the parties that it would not issue a cease and desist order and published the results of the review on May 28, 2025.

2 Revision of the Instructions for Completing the Notification Form for a Business Combination Plan

On April 4, 2025, the JFTC revised the instructions for completing the notification form for a business combination plan.

This revision is practically the first substantial revision since the changes and additions to the notification form following the 2009 amendment of the Antimonopoly Act. Specifically, in order to make it easier for parties to understand and use, the revision integrates the instructions that had previously been published separately for each notification form, clarifies existing practices (e.g., by adding explanations regarding the timing of execution of the business combination plan), and reflects the latest filing practices, such as eliminating the requirement for stamps on the notification form and digitizing the notification procedures.

3 Publication of "Merger Review Guidebook"

In order to promote the sound development of business activities and fair and free competition, the JFTC prepared the "Merger Review Guidebook" and published it on its website on June 11, 2025.

This guidebook provides an overview of the business combination review and explains the review criteria and procedural flow using illustrations and plain language.