

**The Status of Notifications Regarding Business Combinations and
the Results of Reviews of Major Business Combinations in the Fiscal Year
2023**

<Tentative translation>

July 5, 2024

Japan Fair Trade Commission

When shareholding, interlocking directorates, mergers, splits, joint share transfers, and acceptance of assignment 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”).

The Japan Fair Trade Commission (hereinafter referred to as the “JFTC”) establishes requirements for business combinations that require prior notification to the JFTC. If a business combination plan meets these requisites, the parties involved must notify the JFTC before implementing the plan (obligation of prior notification).

The JFTC reviews a business combination plan to ensure that users have sufficient choices in their trades. In other words, the JFTC does not permit a business combination which would substantially restrain competition in any particular field of trade, based on the idea described in “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 (For the detail of business combination, please refer to Reference 1 in Appendix 1).

Overview of the status of notifications regarding business combinations and the results of reviews of major business combinations in FY 2023 is as follows

(Please refer to Appendix 1 and 2 for details).

I. The Status of Notifications Regarding Business Combinations in the Fiscal Year 2023 (Appendix 1)

In FY2023, the JFTC received 345 notifications of business combination plans (12.7% 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 in light of the Antimonopoly Act based on the result of the primary review” (335 notifications) and “cases where the parties withdrew the notifications” (10 notifications). There is no “case where the JFTC judged that more detailed review was necessary and initiated the secondary review.”

Also, 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 13 in FY2023.

Of the cases notified and the cases of completed reviews regarding business combination plans that did not require notification in FY2023, one case was judged to be not problematic in light of the Antimonopoly Act based on the remedial measures proposed by the parties.

II. The Results of Reviews of Major Business Combinations in the Fiscal Year 2023 (Appendix 2)

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 FY2023.

Of these 10 cases, there is one case each (all of which are case No.9) in which (1) the JFTC judged that the business combination is not problematic in light of the Antimonopoly Act based on the remedial measures proposed by the parties, (2) the JFTC required to submit internal documents in its review, (3) a result of economic analysis conducted by the JFTC is referred in its explanation and (4) the JFTC exchanged information with overseas authorities in its review.