

Overview of M&A in Japan in 2020_vol 2

In the previous article, we explained that although the number and value of cross-border M&A decreased, the number and value of M&A by Japanese companies in 2020 decreased only by 8.8% and 17.2% respectively, to 91.2% and 82.8% compared to the previous year. Let's take a look at the major large-scale M&A by Japanese companies in FY2020.

1 Major M&A by Japanese companies in FY2020 (Resource: RECOF research)

Ranking	Size (JPY Million)	Parties (buyer / target company) ※For simplicity, some company names are given as the names of the parent company, etc.	Market	Date (2020)
1	4,200,000	NVIDIA / Arm (sold by Softbank)	Out-In	9/14
2	2,217,600	Seven & i / Speedway (American convenience store)	In-Out	8/3
3	1,285,139	Wuthelam (Singapore) / Nippon Paint	Out-In	8/21
4	299,816	Mitsubishi UFJ Lease & Hitachi Capital	In-In	9/25
5	242,000	Blackstone / Takeda Consumer Healthcare	Out-In	8/25
6	238,000	NEC / Avaloq (financial software company in Switzerland)	In-Out	10/5
7	214,861	Nitori / Shimachu	In-In	10/30
8	200,000	Toyota Motor / NTT (cross-shareholding)	In-In	3/24
9	132,471	JRF Investment Corporation / MMI Investment Corporation	In-In	8/29
10	132,267	SMFL Mirai Partners / Kenedix	In-In	11/24
11	122,200	Sony / Ellation Holdings (animation creator in USA)	In-Out	12/10
12	120,844	Mitsui Fudosan / Tokyo Dome	In-In	11/27
13	110,800	Ichigo Trust (Singapore) / Japan Display	Out-In	2/1
14	110,166	Nichii Gakkan MBO	Out-In	5/11
15	108,643	Arcland Sakamoto / LIXIL Viva	In-In	6/10

Of the top 15 deals, seven were domestic In-In deals, five were cross-border Out-In deals (acquisition of a Japanese company by a foreign company), and three were In-Out deals (acquisition of a foreign company by a Japanese company).

It is noteworthy that except for the cross-shareholdings of Toyota Motor Corporation and NTT, which ranked 8th, the manufacturing deals (1st, 3rd, 5th and 13th) were all Out-In deals. In terms of timing, 11 deals were implemented in the second half of the year from July onward, suggesting that many deals scheduled for the first half of the year in particular had to be rescheduled for the second half of the year due to the effects of the Cov-19 infection.

2 Major Acquisition of Subsidiary Shares by Japanese Companies in FY2020

Ranking	Size (JPY Million)	Parties (buyer / target company)
1	4,257,794	NTT / NTT DoCoMo
2	581,556	ITOCHU / FamilyMart
3	531,817	Hitachi / Hitachi High-Tech Corp
4	396,034	Sony / Sony Financial Holdings

As there are negative effects of parent-subsidary listings, 13 of the 57 TOB (tender offer for shares) cases filed were for the dissolution of parent-subsidary listings, such as the four cases mentioned above; the total number of TOB cases increased by nine from 48 in 2019.