



## press release

*For immediate release*

### **ACCJ Releases Specific FDI Policy Recommendation on Cash Mergers**

**February 20, 2004 (Tokyo)**—Following the October 2003 release of the Fukao Report (Foreign Direct Investment and the Japanese Economy) and the policy piece "From Goals to Reality: FDI Policy in Japan," the American Chamber of Commerce in Japan (ACCJ) has released a specific policy recommendation on the topic of cash mergers (to view the full text, please see <http://www.accj.or.jp/content/advocacy/FDI/SPP>). This is the second in a series of policy recommendations on foreign direct investment the ACCJ will be offering over the next few months. The first specific policy recommendation, on corporate governance and transparency, was released on February 16, 2004.

In the cash mergers paper, the ACCJ recommends that the Commercial Code of Japan be amended to create a short-form merger process to permit a shareholder with a supermajority holding in a public company to cash out minority shareholders quickly and in accordance with clear standards of fairness. The Commercial Code should also recognize the general legitimacy of mergers using all-cash consideration. These changes would promote new investment in public companies in Japan and protect the interests of minority shareholders in public companies in a transparent manner.

The ACCJ acknowledges that the Ministry of Justice has recently supported these reforms in its Draft Proposals for Modernization of Corporate Laws. The ACCJ encourages the Japanese government to implement these reforms expeditiously, while taking into account the comments of those concerned with promoting foreign direct investment.

Over the next few months the ACCJ will issue more specific policy recommendations related to foreign direct investment, covering topics such as pharmaceuticals, education, and medical devices.

### **ACCJ FDI Task Force**

In 2003 the ACCJ chose to focus on foreign direct investment into Japan in response to Prime Minister Koizumi's January speech to the Diet, in which he announced the government's goal of doubling FDI in five years. A task force engaged the services of Japan's most authoritative experts on FDI, Professor Kyoji Fukao of Hitotsubashi University and Tomofumi Amano of Toyo University, to conduct objective analysis and write a report illuminating the facts concerning FDI in Japan, including the kinds of benefits that it brings and suggesting policy implications. This report was issued in Japanese on October 29, 2003, under the title "Foreign Direct Investment and the Japanese



Economy.” In addition, the task force prepared a companion policy document, “From Goals to Reality: FDI Policy in Japan.” This report builds on the facts and empirical analysis presented by Professors Fukao and Amano to dispel a number of myths and fears about FDI in Japan and offers a number of ACCJ policy recommendations for achieving the government’s goal of doubling FDI into Japan by 2008. To learn more about the ACCJ FDI Task Force, please visit <http://www.accj.or.jp/content/advocacy/FDI>.

### **About the ACCJ**

Established in 1948, the American Chamber of Commerce in Japan (ACCJ) has grown into Japan’s most influential organization representing the interests of international businesses in Japan, with close to 3,200 individual members representing more than 40 countries and 1,300 companies. The ACCJ promotes commerce between the United States and Japan, supports measures to benefit and protect the interests of U.S. companies, and presents a variety of programs that keep Chamber members abreast of current business practices and trends. For more information, visit the ACCJ public website, <http://www.accj.or.jp>.

ACCJ PRESS CONTACT: Media Relations Officer Emi Ogawa (phone: 3433 6542; email: [eogawa@accj.or.jp](mailto:eogawa@accj.or.jp)).