

The Hostile Takeover Regime in Japan: An Analysis of the Present Form and Outlook for Institutional Design

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With the advent of the second millennium, hostile takeovers came to Japan. Changes in the business environment in Japan provided the impetus for the hostile takeover regime and this is still in a state of development today.

Looking around the world, two seemingly diametrically different — not functionally, however — institutional models have already gained traction as potential global standards for hostile takeover regimes: one from the United States and the other, from Britain. The Japanese hostile takeover regime sits somewhere between these two models.

When discussing hostile takeover regimes, tender offer regulations and takeover defense regulations should be considered together. In this article, I consider these two regulations in correlation to each other, examine how Japan introduced global best practices with modifications attuned to domestic needs, and provide a perspective on the institutional design of the possible future hostile takeover regime.