



सत्यमेव जयते



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/09/206)

27.10.2014

Notice under section 6(2) of the Competition Act, 2002 given by:

- **Fujitsu Limited**
- **Panasonic Corporation**
- **Development Bank of Japan Inc.**

Order under Section 31(1) of the Competition Act, 2002

1. On 1st September, 2014 the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) filed by Fujitsu Limited (**‘Fujitsu’**), Panasonic Corporation (**‘Panasonic’**) and Development Bank of Japan Inc. (**‘DBJ’**). (Hereinafter Fujitsu, Panasonic and DBJ are collectively referred to as the **‘Parties’**).
2. The proposed combination relates to the creation of a joint venture company (**‘NewCo’ or ‘JV’**) by Fujitsu, Panasonic, and DBJ which will specialize in system large-scale integration (**‘LSI’**) design and development of certain logic integrated circuit (**‘logic IC’**) products. The notice has been filed pursuant to execution of the System LSI Business Integration Agreement between Fujitsu, Fujitsu Semiconductor Limited (**‘FSL’**) and Panasonic; and Financing Agreement between Fujitsu, FSL, Panasonic and DBJ, as executed on 31st July 2014.
3. Fujitsu, headquartered in Japan, is a global information and communication technology company. Fujitsu offers a wide range of products, solutions and services including servers and storage systems, telecommunication and network infrastructure products, personal computers, mobile phones and communication



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equipments, car navigation systems, semi-conductor products, batteries and printed circuit boards etc. FSL is a subsidiary of Fujitsu and is engaged in the designing, manufacturing and sale of different types of LSI semiconductor products including memory integrated circuits, logic ICs and semiconductor package solutions. As stated in the notice, FSL will be contributing assets relating to its semiconductor business to the JV.

4. Panasonic, a global company, headquartered in Japan, is engaged in the development and engineering of electronic technologies and solutions for mobility and personal applications; and offers a variety of technology products including audio/visual and consumer electronic products. Panasonic also designs, manufactures and sells a variety of system LSI semiconductor products, including the logic ICs within its automotive and industrial solutions business. As stated in the notice, Panasonic will also be contributing assets relating to its system LSI business to the JV.
5. DBJ, owned by the Government of Japan, provides integrated investment/loan services to meet a range of funding requirements. As per the information provided in the notice, apart from the proposed investment in the JV, DBJ does not have any controlling interest in any other semiconductor company that designs, manufactures or sells logic IC semiconductor products. DBJ does not have any operations in India.
6. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (**‘Combination Regulations’**), vide letter dated 10th September, 2014, the Parties were required to remove defects and furnish certain information/document(s). The Parties filed their response on 22nd September, 2014 which was found to be incomplete. In continuation, therefore, another letter was sent on 25th September 2014, under Regulation 14 of the Combination Regulations. The Parties filed their final response on 7th October, 2014 after seeking extension in this regard.



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7. As stated, as per the information provided by the Parties, both Fujitsu and Panasonic are engaged, on a global basis in the design, manufacture and sale of a variety of system LSI semiconductor products including logic ICs, which are digital semiconductor devices. There are different types of logic ICs, like general purpose logic products, application-specific standard products and application-specific logic ICs. As stated in the notice, Panasonic and FSL have horizontal overlaps in relation to the global market in certain types of application-specific standard products and application-specific logic ICs, which are being contributed to the JV as a part of the proposed combination. However, as stated in the notice, Fujitsu and FSL have no sales of logic IC products in India in the last two financial years. As regards Panasonic, as per the information provided in the notice, the only affiliate that sells semiconductor/ logic IC products into India is Panasonic Asia Pacific Pte. Ltd., based in Singapore, which has insignificant sales of semiconductor/ logic IC products in India. It is, therefore, observed that there is no horizontal overlap between the Parties in India. Further, as stated in the notice, there is no vertical relationship between the Parties in India. It is also observed that there are various other major players present in the semiconductor/logic ICs product market in India. In view of the foregoing, the proposed combination is not likely to give rise to any competitive concern in India.
8. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and assessment of the proposed combination on the basis of factors stated in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that the proposed combination is not likely to have an appreciable adverse effect on competition in India and therefore, the Commission hereby approves the same under sub-section (1) of Section 31 of the Act.
9. This approval is without prejudice to any other legal/statutory obligations as applicable.
10. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.



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11. The Secretary is directed to communicate to the Parties accordingly.