

Japan Buy-out Market Review 2008

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Title: **Japan Buy-out Market Review 2008**

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This book clearly describes and analyzes the recent Japanese buy-out market. Part One describes trends in fundraising and buy-out deals. Part Two analyzes the results of four surveys on: (a) investment behavior of Japanese buy-out firms (b) management behavior of portfolio companies (c) LBO finance in Japan and (d) trends of public to private buy-outs in Japan. This publication will prove useful for players in the buy-out sector: e.g., buy-out firms, debt providers, M&A advisory firms, law firms, accounting firms, consulting firms, executive search firms and other professional service firms.

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PART 2 Survey Results

Questionnaire Survey on Investment Criteria of Japanese Buy-out Funds 83
—Survey Results Report—
(Author: Keiichi Sugiura, Representative Director, Japan Buy-out Research Institute, Inc.)

【Summary】

This survey was carried out in June 2005 under the title "Questionnaire Survey on Investment Criteria of Japanese Buy-out Funds" to determine the investment principles of buy-out funds engaged in investment activities in Japan. Questionnaires were mailed to 100 investment companies, centered on "Investment companies with a record of at least one buy-out investment in Japan" and "Investment companies that may make buy-out investments in the future," and 51 companies responded. The survey consisted of 30 questions in four categories: deal sourcing, deal structuring, management support for portfolio companies, and exit strategies.

Questionnaire Survey on the Management Behavior of Investee Companies in Japan 111
(Companies Receiving Equity Contributions from Buy-out Funds)
—Survey Results Report—
(Author: Keiichi Sugiura, Representative Director, Japan Buy-out Research Institute, Inc.)

【Summary】

This survey was carried out in November 2005 under the title "Questionnaire Survey on the Management Behavior of Bought-out Companies in Japan" to explore management behavior of portfolio companies in Japan. The questionnaire was mailed to 221 bought-out companies that received equity contributions from buy-out funds when the buy-out deal was consummated, and 179 bought-out companies that did not. Responses were received from 85 of the 400 companies surveyed. The respondents broke down into 49 companies that received equity contributions from funds (response rate 22.2%) and 36 companies that did not (20.1%). This report analyzes the results of the responses from the 49 companies that received equity contributions from funds. The questionnaire for companies receiving equity contributions from funds consisted of 30 questions in four categories: profiles of buy-out deals, post-buy-out management, post-buy-out performance; and other matters.

Questionnaire Survey on LBO Finance in Japan 147
—Survey Results Report—
(Author: Keiichi Sugiura, Representative Director, Japan Buy-out Research Institute, Inc.)

【Summary】

This survey was carried out in February 2007 under the title "Questionnaire Survey on LBO Finance in Japan" in order to better understand approaches to LBO finance in Japan. Survey questionnaires were mailed to 100 banks, investment banks, investment companies (including mezzanine funds), insurance companies (life and non-life) and non-banks (leasing companies and credit companies) engaged in the investment and loan business (offering senior loans and mezzanine finance) for LBO deals in Japan; there were 43 responses. The survey did not cover departments that are engaged in LBO finance at regional banks or financial departments of trading companies and the like. The survey consisted of 28 questions in three categories: LBO finance implementation frameworks, LBO finance investment and loan policies, and the issues facing the leveraged finance market in Japan and the outlook for the market.

Trends in Public-to-Private Buy-out Deals in Japan 175
(Author: Keiichi Sugiura, Representative Director, Japan Buy-out Research Institute, Inc.)

【Summary】

This paper examines 41 cases of public-to-private buy-outs in Japan. Many public-to-private deals have taken place in recent years. Particularly the number of larger deals concluded has increased significantly since 2005, to the extent that they now account for a considerable proportion of the total value of buy-out deals transacted in Japan. Typical examples include World, Pokka Corporation, Skylark, QSAI, Toshiba Ceramics and Rex Holdings.

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Keiichi Sugiura

Mr. Keiichi Sugiura founded The Japan Buy-out Research Institute in 2006. He began to study the Japanese buy-out market at Toyo University Graduate School Doctoral Course of Business Administration in 2002. His research interests primarily center on public to private buy-outs (PTP), private investment in public equities (PIPEs), management buy-outs of family-owned firms, and leveraged finance transactions. He is a member of the Business Analysis Association, the Forum for Entrepreneurial Studies, and the Japanese Association of Turnaround Professionals. Mr. Sugiura is a part-time instructor at Faculty of Business Administration Toyo University.

Japan Buy-out Research Institute, Inc.

The Japan Buy-out Research Institute (JBORI) was founded in May 2006 to survey and analyze the Japanese buy-out market. The JBORI issues regular reports on market trends.