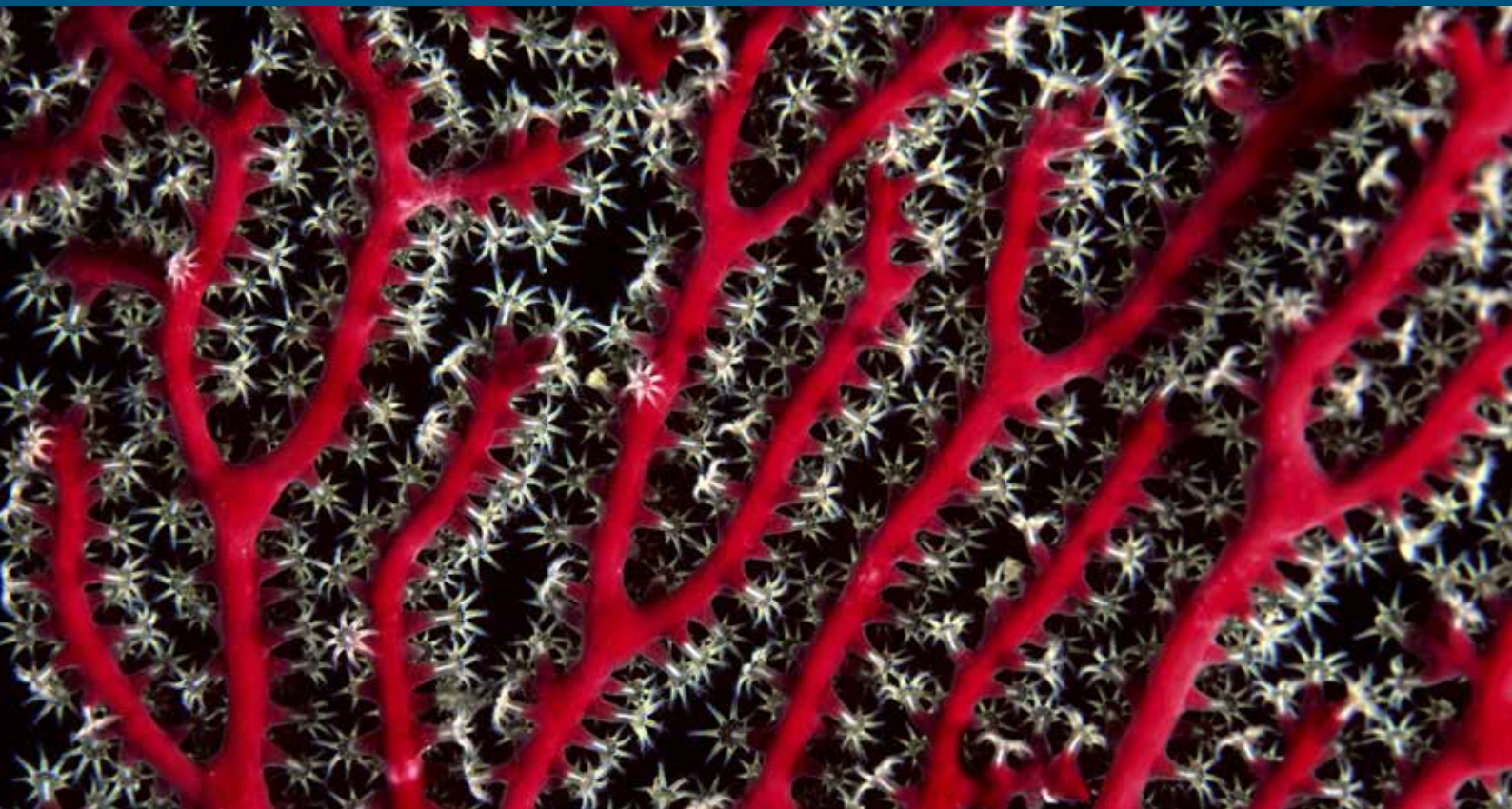




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JAPAN-AUSTRALIA M&A: REVIEW AND TRENDS (2017-2019)

MARCH 2019







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Summary

Japanese direct investment into Australia has increased markedly in its scale and diversity in the last 10 years. During the 2017-2018 period of this review, Japanese investment into Australia continued strongly in line with this trend with 68 announced or completed M&A deals involving a Japanese corporation, of which 53 were acquisitions and 15 were divestments.

In 2017, Japan overtook the United Kingdom to rank second behind the United States with cumulative investment of A\$93 billion, a 100% increase since 2009.¹ Driven by a combination of Australia's robust economic conditions and population growth (currently second in the G20), 29 Japanese companies entered the Australian market for the first time, and Australia ranked 6th for the number of Japanese outbound M&A deals in 2018 (it was the 12th ranked nation in 2000).

One of the noticeable trends during the review period is the number of mid-market deals in 'non-traditional' services sectors.

A large proportion of transactions were in the business-to-business and business-to-consumer (both products and services) sectors, reflecting a distinctive 'second trend' of direct investment into Australia that we first identified in our 2016 article "*Japanese Investment in Australia - Lessons Learnt*".² This movement into new sectors, which began in the late 2000s with the **Kirin** (acquiring Lion Nathan, National Foods and Dairy Farmers), **Asahi Group** (acquiring Schweppes) and **Dai-Ichi Life** (acquiring Tower Life (now TAL)) transactions, has been bolstered by *Abenomics*.

The 1957 Commerce Agreement laid the foundations for business cooperation between Australia and Japan. It heralded a flurry of Japanese investments aimed at securing minerals, energy and food supply. This was achieved through minority interests in natural resources and agriculture joint ventures, a trend which continues today in these sectors.

Over time, Japan's focus shifted from securing supply for a fast-growing, resource-poor nation to seeking a natural hedge against the country's ageing and declining population. From the mid-2000s, 100% acquisitions increased markedly across almost every sector of the Australian economy. This distinct 'second trend' has resulted in an unprecedented level of Japanese direct investment in Australia.

Japanese businesses are now bringing their own capabilities and know-how into Australian companies, in addition to capital. A pattern has emerged of acquisitions targeting overseas markets in order to chase revenue and profit growth. A recent change in Japan's corporate governance code, which now confers greater power on shareholders to push for high returns and growth strategies, has further motivated overseas M&A activity.

These trends bode well for the continued expansion of the Australia-Japan relationship, along with the recent acceleration in Japanese foreign investment generally, which is being driven by an accumulation of huge cash reserves; the shrinking Japanese domestic economy due to the continued decline and ageing of the domestic population; a renewed push from boards and shareholders to pursue growth; and historically low domestic interest rates set by the Bank of Japan.

Key trends

Australia reflects Japanese investment trends generally

Japan's increased investment in Australia reflects a general increase in Japanese M&A activity in 2017 and 2018:

- There was a record number of 777 outbound M&A deals in 2018, an increase of 16% from 2017, with an aggregate transaction value of approximately A\$250 billion, a 176.6% increase from 2017.³ Moreover, the number of outbound deals has hit a record high for five consecutive years between 2014 and 2018.⁴
- The total value of announced Japanese transactions globally was A\$369.6 billion in 2018, an increase of 145.9% from 2017 levels.⁵
- **Takeda's** December 2018 acquisition of Irish-headquartered Shire for US\$62 billion was the largest outbound M&A deal ever executed by a Japanese company.

1 Australian Bureau of Statistics, International Investment Position, Australia: Supplementary Statistics, 2017 (Cat. No. 5352.0).

2 'Japanese Investment in Australia - Lessons Learnt' <<https://www.herbertsmithfreehills.com/file/20696/download?token=oLQTFAG>>.

3 Thomson Reuters, 'Mergers & Acquisitions Review: Full year 2018' <http://dmi.thomsonreuters.com/Content/Files/4Q2018_MNA_Financial_Advisory_Review.pdf>.

4 Thomson Reuters, 'Mergers & Acquisitions Review: Full year 2018' <http://dmi.thomsonreuters.com/Content/Files/4Q2018_MNA_Financial_Advisory_Review.pdf>.

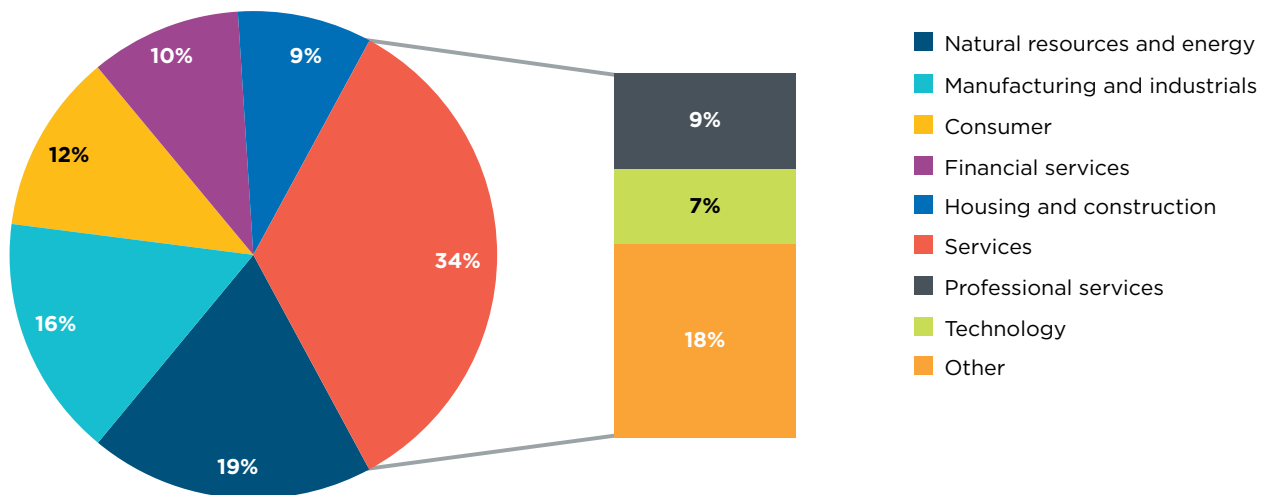
5 Jada Nagumo, 'Japan Inc. signed record 777 overseas M&A deals in 2018' (28 February 2019) *Nikkei Asian Review* <<https://asia.nikkei.com/Business/Business-trends/Japan-Inc-signed-record-777-overseas-M-A-deals-in-2018>>.

6 Thomson Reuters, 'Mergers & Acquisitions Review: Full year 2018' <http://dmi.thomsonreuters.com/Content/Files/4Q2018_MNA_Financial_Advisory_Review.pdf>.

Breadth of sectors and activity

Three sectors led the market in terms of total volume of M&A deals in 2017-18: natural resources and energy (19%), manufacturing and industrials (16%) and consumer (12%). However, the financial services, housing and construction, professional services and technology sectors, which all exhibited continued growth, were close behind, ranging from 7% to 10% of total volume. M&A activity was therefore relatively spread across the economy over the two year period.

Breakdown of volume by sector



Risk appetite increasing at the upper end of the market

There were nine transactions with a disclosed deal value exceeding A\$500 million, of which the largest was **Mitsubishi UFJ Trust and Banking Corporation's** A\$4.1 billion acquisition of Commonwealth Bank of Australia's asset management business, Colonial First State. These transactions confirm that some Japanese companies are moving away from conservative minority-interest investments towards riskier but higher value acquisitions.

Six of these transactions involved an acquisition of 30% to 100% of the target company. Of the remaining three transactions, two were sales of mining/power assets owned by Japanese investors (**Mitsui** and **Engie's** sale of the coal-fired Loy Yang B Power Station; **Mitsubishi Development's** sale of its interests in the Clermont Coal Mine and Ulan Coal Mine) and only one was a minority-interest acquisition (**MS&AD Insurance Group Holdings'** acquisition of a 6.26% stake in Challenger Limited).

Takeover bids and 'cornerstone' shareholdings

A number of transactions constituted takeovers of ASX-listed companies (**Persol** re Programmed Maintenance, **Mitsui** re AWE, **Hitachi Construction Machinery** re Bradken, **Nomura Research Institute** re SMS Management and Technology) or the acquisition of 15% shareholdings in ASX-listed companies (**Toyota Tsusho** re Orocobre, **Nippon Suisan Kaisha** re Seafarms Group).

In each of these transactions, the explicit aim was to expand the Japanese business into the wider Asia Pacific region. Many of the target companies already possessed established global networks, which formed a critical part of their value proposition.

Strength of the mid-market

The large majority of disclosed deals were in the mid-market (value between A\$10 million and A\$250 million) – and mostly at the lower end:

Proportion of mid-market deals, sorted by value range

Value range (A\$ million)	Proportion (%)
1-25	39%
25-100	32%
100-250	29%

High activity in the mid-market range suggests that a more diverse range of medium-sized companies are increasingly recognising Australia as a growing and profitable market to pursue overseas business expansion.

Analysis by sector

There were five noteworthy sector-specific trends in 2017-18:

Natural resources & energy – Deal traction, asset recycling and new directions

Natural resources and energy saw the largest volume of transactions out of the identified sectors. Although divestments dominated activity in this sector, Japanese companies continued to show interest in coking coal, LNG and iron ore assets. Moreover, the widespread adoption among major trading houses of asset recycling policies (requiring the sale of underperforming or non-strategic assets before a new acquisition can be approved) suggests that these divestments may signal future acquisitive behaviour.

The sale of Japanese-owned Australian assets has been relatively rare since the burst of the Bubble economy in the 1990s, but a recovery in commodity prices coupled with a shift in focus from thermal coal to

other fuel sources and recycling of other mineral assets saw a number of sale processes eventually find buyers, including:

- **Mitsubishi's** sale of its interests in Rio Tinto Hunter Valley Operations and Warkworth coal assets to Yancoal; Clermont mine to Glencore and **Sumitomo Corporation**; and Ulan mine to Glencore;
- **Idemitsu** selling its 30% interest in the Tarrawonga coal mine to Whitehaven Coal;
- **Mitsui** selling: 1.37% of its shareholding in Sims Metal Management to a group of institutional buyers; its 30% interest in the Loy Yang B Power Station to Alinta Energy; and its 10% interest in the Bengalla Coal Joint Venture to New Hope Corporation;
- **Sumitomo Metal Mining** selling its 50% interest in the South Yamarna gold mine project to Gold Road Resources; and
- **ITOCHU** selling its 5% economic interest in the Worsley Alumina bauxite mining and alumina refinery to Press Metal Bintulu of Malaysia (**Sumitomo Corporation** is a 20% shareholder).

Continued interest in natural gas and coking coal was exemplified by two notable acquisitions in May 2018:

- **Mitsui**, together with AWE and Cooper Energy agreed to acquire a 90% stake in the Minerva Gas Plant from BHP.
- **Sojitz** acquired a 100% interest in the Gregory Crinum coking coal mine from BHP and **Mitsubishi**.

This was underlined by the successful delivery of the first LNG shipment from the Ichthys LNG project in November 2018. The project is operated by **INPEX** with minority interest holders including **Tokyo Gas, JERA, Osaka Gas, Kansai Gas** and **Toho Gas**.

The period also saw a distinct increase in Japanese investment in newer energy technology, led by the **Kawasaki Heavy Industries, J-Power, Iwatani Gas** and **Marubeni's** Japanese and Australian Government sponsored Hydrogen Energy Supply Chain project, which is due to commence construction this year.

Toyota Tsusho/TEPCO joint venture **Eurus Energy** partnered with local Australian developer Windlab on Australia's first combined wind, solar and battery storage farm, Kennedy Energy Park in Queensland, which ultimately aims to generate up to 1,200MW (approximately 400,000 households) of electricity. **Mitsui** sold its Bald Hills Windfarm to Infrastructure Capital Group, announcing plans to continue reinvesting in the renewable energy sector over coming years.

Housing, Property and Construction

Residential and commercial property – Significant new investors

Housing, Property and Construction deals made up 9% of the total volume of transactions in the last two years as the housing sector boomed. Notably, three of Japan's largest home builders acquired interests in local builders – **Asahi Kasei Homes** entered the market with a 40% shareholding in McDonald Jones Homes; **Daiwa House** built on its presence by wholly acquiring Rawson Group; and **Misawa Homes** acquired a 51% shareholding in Homecorp Constructions, a Queensland-based residential housing builder.

In addition to its Rawson Group acquisition, **Daiwa House** also expanded into the serviced apartment market, acquiring a majority shareholding in the Australian and New Zealand business of Waldorf Apartments, which owns 1,500 serviced apartments across the two countries.

Other existing investors such as **Sekisui House** and **Sumitomo Forestry** are continuing to develop new projects.

Beyond residential property, new investor **Prince Hotels Group** acquired the Australian portfolio of Staywell Hospitality Group, the operator of the Park Regis group of hotels. **Park24** acquired Secure Parking and **Daisho Group** acquired a 50% interest in the Hotel W development in Melbourne.

Finally, new entrant **Daibiru Corporation** acquired 275 George St, a premium commercial retail and office building due for completion in 2020, for \$240 million in August 2018.

Large scale construction – Anticipating the project pipeline

Buoyed by major public-private infrastructure programs led mainly by the New South Wales, Victorian and Australian governments, a healthy large scale construction sector also saw interest from Japan. The industry's biggest story in 2017 was **Kajima Corporation** taking a majority stake in Melbourne-based general contractor Cockram Construction, following its 2015 majority investment in property developer and general contractor ICON.

Towards the end of 2017, **GIKEN** completed their acquisition of a majority stake in J Steel Group, the Sydney-based supplier of steel materials and construction management services.

Similarly, in 2018, Japanese manufacturer of rolling shutters **Bunka Shutter** acquired ArcPac Garage Doors and Steel-Line Garage Doors, both Australian manufacturers, distributors and retailers of garage doors for construction projects.

Funds and financial services – Expanded targets

Japanese financial services firms showed significant interest in large-scale acquisitions in 2018, picking up non-core assets sold by Australia's major banks. This followed a flurry of mega-deals in the sector in 2015 and 2016 as the major Australian banks divested their insurance and wealth management divisions, ending the "Bancassurance" business model.

Suncorp Group completed the sale of its insurance arm, Suncorp Life & Superannuation, to **TAL Dai-ichi Life Australia** for A\$715 million. Commonwealth Bank of Australia announced it would be selling its global asset management business, Colonial First State Global Asset Management, to **Mitsubishi UFJ Trust and Banking Corporation**.

Other significant transactions included:

- **MS&AD Insurance Group's** acquisition of a 37.5% shareholding in BoCommLife Insurance from Colonial Mutual Life Assurance Society, a subsidiary of Commonwealth Bank of Australia;
- **Sony Life's** acquisition of a 15% shareholding in Clearview;
- **Daido Life Insurance's** acquisition of a 14.9% shareholding in Integrity Life Australia; and
- **Tokio Marine & Nichido Fire Insurance's** agreement to acquire a majority stake in various South East Asian insurance companies held by ASX-listed Insurance Australia Group.

Australia continued to attract strong interest from Japanese institutional investors as Westpac and National Australia Bank issued samurai bonds during 2018.

Japanese banks similarly showed a continued interest in funding Australian investments:

- **Nikko Asset Management** launched a \$300 million fund to finance private equity takeovers in December 2017;
- **Mizuho, MUFG and SMBC** (in alphabetical order) continued to lead the market as major financiers of large scale infrastructure and renewable energy power projects;
- **The Norinchukin Bank** participated in debt offerings for several projects following the establishment of its presence in Australia in 2017; and
- **Rakuten** established an Australian securities trading business.

B2B & B2C – Strengthening the value chain

B2B services

Acquisitions in the services sector were mostly small-scale, with an average disclosed value of A\$25.4 million. Targets were overwhelmingly in the business-to-business, rather than business-to-consumer space. The type of acquisition fell into broadly two categories:

- Japanese businesses building on their supply chains and distribution channels, highlighted by:
 - **Kokusai Pulp & Paper's** takeover of ASX-listed Spicers;
 - **Autobacs Seven's** acquisition of a 70% stake in AudioXtra International;
 - **Japan Pulp and Paper Company's** purchase of a 51% shareholding in BJ Ball, which it then used as the platform to acquire a further business in New Zealand, Aarke Group;
 - **Takara Holdings** taking a majority stake in Nippon Food Supplies Company;
 - **Oji Paper** opening a new fibre production facility in Queensland; and
 - **Sumitomo Chemical's** acquisition of Botanical Resources Australia.
- Japanese businesses expanding their services with adjacent, complementary businesses, as seen by:
 - equipment rental giant **Nishio Rent's** acquisition of majority stakes in forklift dealer and logistics services company, Fork Force Group, and forklift sale and rental company, Flinn Holdings;
 - air conditioner maker **Fujitsu General's** acquisition of Precise Air Group, a building maintenance service firm; and
 - **Daikin's** acquisition of Airmaster.

Within the B2B sector, a standout was human resourcing and recruitment, a sector that is becoming a mainstay for investments by Japanese companies looking to leverage their own expertise and know-how.

Resourcing giant **Recruit Holdings** entered the Australian market in 2015 with a string of acquisitions of ASX-listed Chandler Macleod, People bank and Advantage Professional. This has now been followed by similarly large-scale acquisitions in 2017 and 2018:

- **Persol**, one of Japan's largest labour hire companies, undertook a \$778 million acquisition of ASX-listed staffing business Programmed Maintenance;
- **Will Group**, a listed Japan-based holding company acquired a majority share in DFP Recruitment and Ethos BeathChapman in December 2017, and then agreed to acquire Quay Appointments in September 2018; and

- **Outsourcing Inc.**, a listed Japan-based recruitment company acquired Jigsaw Talent management, a procurement and supply chain recruitment services company in February 2018, and Project Management Partners, a management consulting company in August 2018.

B2C – Asia-Pacific footholds

M&A activity in the consumer sector increased in 2017-18, as companies looked to expand their operations rather than merely consolidate supply chains.

In the food and beverage sector, popular with Japanese investment in the past, there was a particular interest in manufacturers:

- **Megmilk Snow Brand's** acquisition of a 90% shareholding in Adelaide cheese manufacturer, Udder Delights Group;
- **Fuji Oil Holdings'** acquisition of Industrial Food Services, a manufacturer of industrial use chocolate products;
- **Nippon Suisan Kaisha's** acquisition of a 14.99% shareholding in Seafarms Group, an ASX-listed aquaculture company primarily engaged in producing prawns; and
- **Sumitomo Chemical's** acquisition of an 82.9% shareholding in Botanical Resources Australia.

In all four transactions, the Japanese investor cited a broader goal to leverage local Australian expertise to expand into other Asia-Pacific markets as a key motivation.

In the automotive sector, listed Japanese retailer, **IDOM**, followed up its 2015 acquisition of DVG Automotive Group, the second largest retail operation in Western Australia, with the acquisition of Andrew & Wallis Motor Group in Victoria.

New technology – Gaining momentum

The new technology sector has recently been a hot focus of Japanese FDI around the globe. Led by pioneers like unicorns Atlassian and Canva, as well as software solutions provider WiseTech Global, it is emerging as a fast growing sector in Australia:

- **Toshiba Mitsubishi-Electric Industrial Systems'** acquisition of Real Time Consultants;
- **Nomura Research Institute's** acquisition of SMS Management and Technology; and
- **WingArc1st's** acquisition of Space Time Research.

Demonstrating that every business is, in some form, a technology business, several acquisitions in 'old tech' sectors like mining and industrials had a new technology focus:

- **Hitachi Zosen** acquired Osmoflo Holdings, a water treatment technology business;
- **Komatsu** acquired MineWare, a mining solutions provider with a strong R&D background, in order to integrate MineWare technologies into its own Intelligent Mine vision and to cooperate on further research;
- **Eneco Holdings**, which develops tech solutions to assist with the production of more environmentally friendly fuel and gas products, agreed to acquire a shareholding in Refresh Group, an Australia-based distributor; and
- **LIFULL** acquired property search engine company, Mitula Group. The transaction is noteworthy as the first known example of a TSE-listed buyer issuing shares, rather than cash, as consideration.

2019 trends

Based on our assessment of these recent transactions and our own personal experiences as a specialist team that services a significant Japanese client base, we expect to see the following trends emerge in Japanese investment into Australia in the near future.



More listed transactions: The recent increase in takeovers and other investments in ASX-listed companies will continue, as Japanese investors get familiar with takeovers in Australia negotiated through a 'friendly' scheme of arrangement.



New technology: The expanding new technology landscape will produce opportunities for Japanese corporate venture capital looking for early stage investments. It is becoming easier for Japanese investors to identify opportunities in the Australian technology sector thanks to a rapidly growing network of incubators and launch-pads which are supporting start-ups.



Major infrastructure: Major government-led infrastructure projects like Sydney's second airport 'Aerotropolis' at Badgerys Creek, Westmead Medical Precinct, and a pipeline of other transport, hospital and education infrastructure projects across the country will attract interest from machinery, construction services, logistics and financial services investors. This will be fuelled in part by increased efforts of State Governments to attract investment from Japan. The recent New South Wales Government MOUs with **SMBC, Hitachi and Mitsubishi Heavy Industries** could be followed by others.



Asset recycling: Asset recycling by Japanese trading houses will continue, particularly in thermal coal, with subsequent acquisitions increasingly targeting more environmentally-friendly resources, and renewables generally.



Life Insurance and Wealth Management: Japanese life insurance companies will continue to expand into the Australian market and horizontally into the wealth management sector.



Housing and Commercial Property: There will be further small acquisitions to expand the geographical spread by Japanese companies with an existing presence and one or two new entrants.



'Migration' effect: Suppliers of goods and services to Japanese businesses will follow their business partners into the Australia market to maintain their relationships and look for growth opportunities.



Retail: Premium brands like **Fast Retailing (Uniqlo)** and **Ryohin Keikaku (Muji)** will benefit from growing inbound tourism from the Asia region and will consolidate their retail networks rather than continue to expand.



Energy & Resources: There will be continued investment in iron ore, LNG, metallurgical coal, and thermal coal by Japanese power utilities. In addition, investments in battery materials (lithium, cobalt, nickel) and hydrogen will continue to grow.



Real Estate: Following **Mitsubishi Estate** and **Daibiru**, there will be a series of new investments in development sites as part of a joint venture, as well as existing commercial properties.

Herbert Smith Freehills

Herbert Smith Freehills is a leading global law firm bringing together the best people across our 27 offices in Japan, Australia and worldwide, to meet clients' legal services needs globally. We are the largest law firm in Australia and consistently ranked No.1 in M&A, both in number of deals advised and value of deals.

The HSF Australia Japan Practice is a unique team of experienced bilingual lawyers, specialising in advising Japanese businesses on their investments and operations in Australia. HSF's team has more experience advising Japanese businesses on Australian investments than any other law firm.

Herbert Smith Freehills was involved in 21 of the 68 transactions surveyed for this article, with an aggregate disclosed deal value of A\$8.5 billion.



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Ian is a highly experienced M&A and joint venture specialist with a focus on the mining, industrials and infrastructure sectors. Ian was awarded the Japanese Foreign Minister's Commendation in October 2016 for his service to the Japan Australia relationship in business and sport.

Japanese Language Proficiency

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Experience

Natalie advises Japanese clients on M&A, joint ventures and commercial matters across a broad range of Australian sectors including energy, resources, infrastructure, agribusiness, and technology. She is a founding member of the Australia Japan Business Co-operation Committee's Future Leader Group.

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Experience

Hiroko is a finance lawyer who was previously a member of the Tokyo office of Herbert Smith Freehills. Prior to joining Herbert Smith Freehills, she gained experience working at the Ministry of Foreign Affairs of Japan and the Embassy of Japan in Australia as a diplomat.

Japanese Language Proficiency

Hiroko is a native Japanese speaker who was born in Japan and completed her law degrees in Japan and Sydney.

Details of transactions surveyed

Buyer	Target/Seller	Description of Transaction	Deal Value (\$ m)	Industry	Date Completed/Announced
LIFULL Co., Ltd.*	Mitula Group Limited	LIFULL, a Japan-based company engaged in the operation of a real-estate information portal site, acquired Mitula Group , a digital classifieds group operating classifieds vertical search and portals sites.	179.7641	Internet/ecommerce	Completed 8-Jan-19 (Announced 9-May-18)
GS Coal Pty Ltd, Glencore Coal Pty Ltd	Mitsubishi Development Pty Ltd	GS Coal (50% owned by Sumitomo Corporation and Glencore) acquired a 31.4% interest in Clermont Coal Mine and Glencore acquired a 10% interest in Ulan Coal Mine from Mitsubishi Development.	750	Natural resources and energy	18-Dec-18
Fujitsu General Ltd	Precise Air Group (Holdings) Pty Ltd	Fujitsu General , a Japan-based manufacturer of air conditioner and surveillance cameras, acquired Australia-based air conditioning company Precise Air Group .	Undisclosed	Industrials	12-Dec-18**
New Hope Corporation Ltd	Mitsui & Co., Ltd.	New Hope Corporation agreed to acquire Mitsui's 10% interest in the Bengalla Joint Venture.	215	Natural resources and energy	26-Nov-18
Misawa Homes Co., Ltd.*	Homecorp Constructions Pty Ltd	Misawa Homes , a listed Japan-based company engaged in manufacturing housing materials, agreed to acquire a 51% stake in Homecorp Constructions , an Australia-based residential builder.	Undisclosed	Construction	2-Nov-18**
Autobacs Seven Co., Ltd.*	David Winder Family	AB7 , a listed Japanese automotive products retailer, acquired a 70% stake in AudioXtra International Pty Ltd , a car electronics manufacturer and wholesaler.	Undisclosed	Consumer (Retail)	29-Oct-18
Mitsubishi UFJ Trust and Banking Corporation	Commonwealth Bank of Australia	CBA announced it would be selling its global asset management business, Colonial First State Global Asset Management , to MUFJ .	4130	Financial Services	31-Oct-18
Eneco Holdings, Inc.*	Refresh Group Limited	Eneco Holdings, Inc. , a Japan-based company engaged in fuel and gas technology business, agreed to acquire a 47.32% stake in Refresh Group Limited , an Australian-based company engaged in the distribution of bottled water, coolers and filtration systems.	6	Consumer (Other)	22-Oct-18
Press Metal Bintulu Sdn. Bhd.	ITOCHU Minerals & Energy of Australia Pty Ltd	Press Metal purchased a 50% stake in Japan Alumina Associates (Australia) Pty Ltd from ITOCHU Minerals & Energy of Australia Australia Pty Ltd .	250	Industrials	Completed 28-Feb-19 (Announced 17-Oct-18)

* indicates a new entrant or an entrant which had not previously been active in the Australian M&A market.

** indicates the date on which a transaction was announced and completed. Where no indication is given, the date displayed is the date of announcement.

Details of transactions surveyed continued

Buyer	Target/Seller	Description of Transaction	Deal Value (\$ m)	Industry	Date Completed/Announced
IDOM Inc.	Andrews & Wallis Group Pty Ltd; Airport Motor Group Pty Ltd; Wirraway Motor Company Pty Ltd; Fields Motor Company Pty Ltd; Montague Motor Company Pty Ltd	IDOM , a listed Japan-based company engaged in second-hand vehicles trading, acquired a group of Australia-based operators of automotive dealerships .	60.78	Consumer (Retail)	1-Oct-18**
Will Group, Inc.	Australia-based private investors	Will Group , a listed Japan-based holding company of subsidiaries engaged in staffing and human resources introduction, agreed to acquire Quay Appointments , an Australia-based recruitment and temporary staff services company, through its Australian subsidiary, Ethos BeathChapman Australia Pty Ltd , from two Australia-based private investors.	13.03	Professional services	19-Sep-18
Mitsubishi Corporation	Olam International	Mitsubishi Corporation acquired the remaining 20% shareholding in Agrex Australia , an Australia-based company engaged in storage, logistics, trading and marketing of food grains and nuts from Olam International.	11	Consumer (Foods)	4-Sep-18**
TAL Dai-ichi Life Australia Pty Ltd	Suncorp Group Ltd	Suncorp Group sold its insurance arm, Suncorp Life & Superannuation Ltd, to TAL Dai-ichi Life Australia .	725	Financial Services	Completed 28-Feb-19 (Announced 4-Sep-18)
Outsourcing Inc.	Init Investments Pty Ltd; other private investors	Outsourcing Inc. agreed to acquire Project Management Partners , an Australia-based provider of management consulting services, from Init Investments Pty Ltd.	41.42	Professional services	31-Aug-18
Hitachi Zosen	Marubeni Corporation	Hitachi Zosen announced it would acquire the remaining 30% of shares in Osmoflo Holdings , a global desalination and water treatment subsidiary based in Australia, from Marubeni Corporation .	Undisclosed	Industrials	21-Aug-18**
Daibiru Corporation*	John Holland	Daibiru Corporation acquired Sydney's 275 George Street office tower, a commercial development property, from John Holland .	240	Real estate	14-Aug-18**
Fuji Oil Holdings Inc.*	Industrial Food Services Pty Ltd	Fuji Oil Holdings Inc. , a listed Japan-based company which operates subsidiaries engaged in oil and fat, confectionery and soy protein processing businesses, acquired Industrial Food Services , an Australia-based manufacturer of chocolate and cocoa products.	Undisclosed	Consumer (Foods)	5-Jul-18**

* indicates a new entrant or an entrant which had not previously been active in the Australian M&A market.

** indicates the date on which a transaction was announced and completed. Where no indication is given, the date displayed is the date of announcement.

Details of transactions surveyed continued

Buyer	Target/Seller	Description of Transaction	Deal Value (\$ m)	Industry	Date Completed/Announced
Nishio Rent All Co., Ltd.	Flinn Holdings Pty Ltd	Nishio Rent All , a listed Japan-based company engaged in the leasing of urban and suburban construction equipment, acquired a 90% stake in Rathorn Pty Ltd , an Australia-based fork lift sales and rental company, through its subsidiary North Fork Pty Ltd, from Flinn Holdings Pty Ltd .	8.263	Financial Services	2-Jul-18**
Park24 Co., Ltd.	Secure Parking Pty Ltd	Park24 , a listed Japan-based parking facility operator, agreed to acquire the remaining 20% of shares in Secure Parking from Orion Development No 2.	47.1	Professional services	20-Jun-18
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Insurance Australia Group	Insurance Australia Group , a listed Australia-based insurance company, agreed to sell 98.6% of Thailand-based Safety Insurance, 80% of Indonesia-based PT Asuransi Parolamas, and 73.07% stake in Vietnam-based AAA Assurance Corporation, to Tokio Marine .	525	Financial Services	19-Jun-18
Daido Life Insurance Company*	Integrity Life Australia Ltd	Daido Life Insurance Company agreed to acquire a 14.9% shareholding in Integrity Life Australia Ltd .	13	Financial Services	5-Jun-18
Sojitz Corporation	Mitsubishi Corporation; BHP Billiton	Sojitz reached an agreement with BHP and Mitsubishi to acquire a 100% interest in the Gregory Crinum coking coal mine, which is currently jointly owned in a 50-50 split between subsidiaries of BHP and Mitsubishi.	100	Natural resources and energy	30-May-18
MS&AD Insurance Group Holdings, Inc.	Commonwealth Bank of Australia	MS&AD Insurance Group Holdings , through its subsidiary Mitsui Sumitomo Insurance Company Ltd , agreed to acquire a 37.5% stake in BoCommLife Insurance Company from Colonial Mutual Life Assurance Society Ltd , a subsidiary of Commonwealth Bank of Australia.	897.95	Financial Services	23-May-18
Nippon Suisan Kaisha, Ltd.*	Seafarms Group Ltd	Nissui announced its agreement to acquire a 14.99% shareholding in Seafarms Group Ltd , a listed Australia-based aquaculture company engaged in producing seafood.	24.99	Consumer (Foods)	22-May-18
Whitehaven Coal Limited	Idemitsu Australia Resources Pty Ltd	Idemitsu's sale of its 30% interest in the Tarrawonga Mine to Whitehaven Coal Limited .	Undisclosed	Natural resources and energy	15-May-18**
Mitsui & Co., Ltd.	AWE Limited	Mitsui acquired 100% of the shares in ASX-listed AWE Limited .	602	Natural resources and energy	2-May-18**
Mitsui & Co., Ltd.	BHP Billiton Ltd	Mitsui , together with AWE and Cooper Energy (listed Australia-based energy and oil companies) agreed to acquire a 90% stake in the Minerva Gas Plant located in Victoria, from BHP Billiton .	Undisclosed	Natural resources and energy	1-May-18
Idemitsu Kosan Co., Ltd.	Trinity Petroleum Services Pty Ltd	Idemitsu Kosan , through its wholly owned subsidiary Freedom Energy Holdings Pty Ltd, acquired Trinity Petroleum Services , an Australia-based petroleum products distributor.	Undisclosed	Utilities	9-Mar-18**

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Details of transactions surveyed continued

Buyer	Target/Seller	Description of Transaction	Deal Value (\$ m)	Industry	Date Completed/Announced
Yancoal	Mitsubishi Corporation	Mitsubishi's sale of its 28.9% interest in the Warkworth and 32.4% interest in the Hunter Valley Operation coal mines to Yancoal.	289	Natural resources and energy	7-Mar-18**
Bunka Shutter Co., Ltd.*	ArcPac Garage Doors Pty Ltd	Bunka Shutter acquired ArcPac Garage Doors Pty Ltd.	65.08	Construction	22-Feb-18
Daiwa House Industry*	Rawson Group	Daiwa House Industry's acquisition of Rawson Group.	413	Housing	14-Feb-18**
Outsourcing Inc.	Jigsaw Talent Management	Outsourcing Inc., a listed Japan-based recruitment company acquired Jigsaw Talent Management, an Australia-based procurement and supply chain recruitment services company.	Undisclosed	Professional services	7-Feb-18**
Gold Road Resources Ltd	Sumitomo Metal Mining Oceania Pty Ltd	Gold Road Resources, through its wholly-owned subsidiary, Gold Road (South Yamarna) Pty Ltd, agreed to acquire a 50% interest in the South Yamarna Project from Sumitomo Metal Mining Oceania.	7	Natural resources and energy	5-Feb-18
Toyota Tsusho Corporation	Orocobre Limited	Toyota acquired a 15% stake in Orocobre Limited under a private placement and an accelerated entitlement offering.	292	Natural resources and energy	16-Jan-18
Alinta Energy	Engie and Mitsui	Mitsui and Engie's sale of its Loy Yang B Power Station to Alinta Energy. Alinta purchased the total 100% interest for the power station, of which Mitsui owned 30%.	1100	Natural resources and energy	15-Jan-18
Will Group. Inc.	Briarfield Pty Ltd, van Stokrom Hill Pty Ltd and private investor	Will Group's Singapore based subsidiary WILL Group Asia Pacific Pte. Ltd's acquisition of 60% of DFP Recruitment from Australian sellers.	14.34	Professional services	5-Jan-18**
GIKEN LTD*	J Steel Group Pty Limited	GIKEN's acquisition of a 50.10% stake in J Steel Group Pty Limited.	11.02	Construction	13-Dec-17**
Mimaki Engineering Co., Ltd.*	Rimslow Global Pty Ltd	Mimaki's acquisition of Rimslow Global Pty Ltd.	Undisclosed	Industrials	1-Dec-17
Sumitomo Chemical	Botanical Resources Australia	Sumitomo Chemical's 82.9% acquisition of Botanical Resources Australia.	177.09	Chemicals	22-Nov-17**
Aniplex Inc.*	Madman Entertainment Pty Ltd	Japan-based anime and music production company (subsidiary of Sony Music Entertainment (Japan)) Aniplex Inc.'s acquisition of a 30% stake in Madman Entertainment.	10.5	Media & Communications	15-Nov-17
ZE Holdings Inc.*	Sydney College of English Pty Ltd and Australian Collect of Business Pty Ltd	ZE Holdings acquisition of 100% of each of Sydney College of English Pty Ltd and Australian Collect of Business Pty Ltd.	Undisclosed	Education	1-Nov-17
Mitsui and BHP Billiton	Peabody Energy Corporation	BHP Billiton's and Mitsui's acquisition of a 50% stake in the Red Mountain Joint Venture from Peabody Energy Corporation.	26	Natural resources and energy	27-Oct-17**

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Persol Holdings Co. Ltd*	Programmed Maintenance Services Limited	Persol Holdings' acquisition of Programmed Maintenance Services Limited.	978	Manufacturing	11-Oct-17**
Nishio Rent*	North Fork Pty Ltd	Nishio Rent's acquisition of an 80% majority stake in Fork Force Group.	33	Industrials	1-Oct-17**
Prince Hotels Inc.*	StayWell Hospitality Group Pty Ltd	Prince Hotels' acquisition of StayWell Hospitality Group.	50	Leisure / hotels	30-Sep-17**
Megmilk Snow Brand Co., Ltd*	Udder Delights Group Pty Ltd	Megmilk Snow Brand's acquisition of a 90% stake in Udder Delights Group.	14	Consumer (Foods)	29-Sep-17**
ASG / Nomura Research Institute	SMS Management and Technology Limited	Nomura Research Institute's subsidiary ASG's acquisition of SMS Management and Technology Limited.	124	Technology (IT services)	26-Sep-17**
Oji Fibre Solutions (AUS) Pty Ltd	Cardboard Cartons Pty Ltd	Oji Fibre Solutions' (a subsidiary of Oji Holdings) acquisition of Cardboard Cartons and established it as a new company, Oji Cardboard Carton Solutions.	Undisclosed	Manufacturing	25-Sep-17
Beijing Enterprises Water Group Limited	Mitsubishi Corporation (60%) Innovation Network Corporation (30%) JGC Corporation (10%)	Mitsubishi, Innovation Network and JGC sold their respective interests in the water plant operator Trility Group to Beijing Enterprises Water.	250	Utilities	13-Sep-17
I'rom Group Co., Ltd.*	CMAX Clinical Research Pty Ltd	I'rom Group Co., Ltd acquisition of CMAX Clinical Research Pty Ltd from IDT Australia Limited.	16.16	Health	23-Aug-17**
MS&AD Insurance Group Holdings Inc.*	Challenger Limited	MS&AD Insurance Group Holdings' acquisition of a 6.26% stake in Challenger Limited.	500	Financial services	23-Aug-17**
Blackstone Group LP	Astro Japan Property Group	Blackstone Group's acquisition of Japanese assets from Astro Japan Property Group.	430	Real estate	1-Aug-17
Asahi Kasei Homes*	McDonald Jones Homes Pty Ltd	Asahi Kasei's acquisition of a 40% shareholding in McDonald Jones Homes.	Undisclosed	Housing	31-Jul-17**
Japan Pulp and Paper Company Limited*	Maui Capital Limited	Japan Pulp and Paper Company's acquisition of a 51% stake in BJ Ball AU from private equity firm, Maui Capital Limited.	75	Manufacturing	3-Jul-17**
Toshiba Mitsubishi - Electric Industrial Systems Corp. (TMEIC)*	Real Time Consultants (Aust) Pty Ltd	TMEIC's acquisition of Real Time Consultants.	Undisclosed	Technology (industrials)	30-Jun-17**
Daikin Industries Ltd	Airmaster Australia Pty Ltd	Daikin Industries' acquisition of Airmaster Australia.	100	Manufacturing	21-Jun-17**

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WingArc1st Inc.*	Space Time Research Pty Ltd	WingArc1st Inc.'s acquisition of Space Time Research Pty Ltd from Starfish Ventures Pty Ltd, a business intelligence and enterprise analytics software provider.	Undisclosed	Technology (software)	5-May-17
Komatsu Ltd.	Mining3	Komatsu's acquisition of MineWare (a solutions provider for mining equipment) from Mining3.	Undisclosed	Technology (software)	31-Mar-17**
Hitachi Construction Machinery Co., Ltd.	Bradken Limited	Hitachi's acquisition of 100% of Bradken.	976	Manufacturing	9-Mar-17**
Kajima Corporation	Cockram Constructions	Kajima's acquisition of a majority stake in Cockram Constructions.	Undisclosed	Construction	2-Mar-17**
Infrastructure Capital Group	Mitsui & Co., Ltd.	Mitsui's sale of its renewable energy asset, Bald Hills Windfarm, to Infrastructure Capital Group.	Undisclosed	Natural resources and energy	28-Feb-17**
Institutional buyers	Mitsui & Co., Ltd.	Mitsui's sale of 1.37% of its interest in Sims Metal Management.	Undisclosed	Natural resources and energy	23-Feb-17**
Hitachi Zosen*	Shine Investments Pty Ltd; Shine Investments International Pty Ltd	Hitachi Zosen's acquisition of a 70% stake in Osmoflo Holdings.	Undisclosed	Industrials	14-Feb-17**
COSMOS INITIA Co Ltd and Daiwa Living Management Co. Ltd*	Waldorf Apartments Group	COSMOS INITIA's acquisition of a 75% stake in Waldorf Apartments Group.	35	Real estate	1-Feb-17**
Will Group. Inc.*	Ethos BeathChapman	Will Group's acquisition of a 71.43% stake in Ethos BeathChapman.	11	Professional services	25-Jan-17**
FujiFilm	Cynata Therapeutics Limited	FujiFilm's acquisition of a 10% stake in Cynata Therapeutics Limited.	3.97	Health	19-Jan-17
Park24*	Secure Parking	Park24's acquisition of an 80% stake in Secure Parking.	206	Real estate	18-Jan-17**
Takara Holdings Inc.*	Nippon Food Supplies Company Pty Ltd	Takara's acquisition of a 51% stake in Nippon Food Supplies.	16.5	Consumer (Foods)	17-Jan-17**

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