



MEDIA RELEASE

27 April 2023

Clearance of proposed acquisition by Oki Electric Co., Ltd. of the aviation equipment business of Yokogawa Electric Corporation

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has cleared the proposed acquisition by Oki Electric Co., Ltd. (“**Oki**”) of the aviation equipment business (the “**Target Business**”) of Yokogawa Electric Corporation (“**YE**”) and its subsidiaries, Yokogawa Manufacturing Corporation and Yokogawa Electric Asia Pte. Ltd. (“**YEA**”) (the “**Proposed Transaction**”).
2. Having completed its assessment, CCCS has concluded that the Proposed Transaction, if carried into effect, will not infringe the section 54 prohibition of the Competition Act 2004 (the “**Act**”), which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition (“**SLC**”) within any market in Singapore.

Background

3. CCCS accepted a joint application from Oki and YE (the “**Parties**”) on 8 November 2022 for a decision on whether the Proposed Transaction would infringe section 54 of the Act.

Oki

4. Oki is a Japanese information and communications technology company headquartered in Tokyo and listed on the Tokyo Stock Exchange. Globally, Oki is active in the following business segments: (a) information and communications technology; (b) mechatronics systems; (c) printers; and (d) electronics manufacturing services and others.
5. In Singapore, Oki operates through Oki Data (Singapore) Pte. Ltd., which supports distributors in Singapore and Southeast Asia in respect of Oki’s printers and spare parts.

YE

6. YE is headquartered in Tokyo and listed on the Tokyo Stock Exchange. Globally, YE provides advanced technologies and services in the areas of measurement, control and information to customers across a broad range of industries including energy, chemicals, materials, pharmaceuticals, food and water.

7. In Singapore, YE's subsidiaries, Yokogawa Engineering Asia Pte Ltd, YEA and Yokogawa Electric International Pte. Ltd. (collectively, "**Yokogawa Singapore**") are the global manufacturing centre for distributed control and safety systems, measuring instrumentation and avionics. Yokogawa Singapore is also YE's global engineering centre. As the regional headquarters, Yokogawa Singapore works closely with the local country offices to serve clients across Southeast Asia, Taiwan and Oceania regions.

Target Business

8. The Target Business includes YEA's commercial aviation business, which is involved in developing flat panel displays with Thales Avionics and manufacturing other aviation equipment. In Singapore, the Target Business is involved in manufacturing flat panel displays for commercial aircraft cockpit systems ("**Flat Panel Displays**").

CCCS's Assessment

9. CCCS sought feedback from competitors and customers of Oki and YE via a public consultation from 11 November to 25 November 2022.

Relevant Markets Affected by the Proposed Transaction

10. CCCS noted that Oki, through its wholly-owned subsidiary Oki Circuit Technology Co., Ltd. ("**OTC**"), supplies multilayer rigid circuit boards ("**MRCBs**") to YEA in Singapore for use in relation to the Target Business. Consequently, CCCS is of the view that the relevant markets comprise the upstream market for the global supply of MRCBs and the downstream market for the global supply of Flat Panel Displays (collectively referred to as the "**Relevant Markets**").

Competition Assessment

11. CCCS found that the Proposed Transaction is unlikely to lead to an SLC in the Relevant Markets for the following reasons:

- i. Oki is unlikely to have the ability and incentive to foreclose competitors of the Target Business in the downstream market because it is not a major supplier in the upstream market and does not currently supply competitors of the Target Business in the downstream market.
 - ii. MRCBs are generic products used in many other industries and even though Oki may have significant market shares in the downstream market after the Proposed Transaction is completed, its demand for MRCBs is unlikely to be large or significant enough (considering the multitude of industries that also procure MRCBs) for Oki to be considered a major customer of suppliers of MRCBs.
 - iii. Coordination between competitors in either the upstream or downstream market is unlikely to arise as the number of existing players in each of these markets is unlikely to be reduced (such that coordination amongst competitors becomes easier) as a result of the Proposed Transaction.
12. Further information on the notification and CCCS's Grounds of Decision will be made available in due course on [CCCS's Public Register](#) at www.cccs.gov.sg.

- End -

About The Competition and Consumer Commission of Singapore (CCCS)

The Competition and Consumer Commission of Singapore (“CCCS”) is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act 2004 which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act 2003, which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for businesses and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

For media clarifications, please contact:

Ms. Grace Suen

Senior Assistant Director (Communications)

Competition and Consumer Commission of Singapore

Email: grace_suen@cccs.gov.sg

DID: 6325 8216

Mr. Ng Swee Kang

Assistant Director (Communications)

Competition and Consumer Commission of Singapore

Email: ng_swee_kang@cccs.gov.sg

DID: 6991 7050