THE INSOLVENCY REVIEW

TENTH EDITION

Editor
Donald S Bernstein

THE LAWREVIEWS

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JAPAN

Dai Katagiri, Ryo Kawabata and Takashi Harada[1]

I INSOLVENCY LAW, POLICY AND PROCEDURE

i Overview

Japan has two categories of in-court insolvency proceedings:

a restructuring-type insolvency proceedings, which are processes for restructuring the debtor's business without extinguishing its juridical personality, based on a restructuring plan that includes changes to the rights of creditors; and

b liquidation-type insolvency proceedings, where all of the debtor's assets are liquidated and, if it is a legal entity, the entity itself is extinguished upon completion of the proceedings.

Civil rehabilitation proceedings and corporate reorganisation proceedings fall within restructuring-type insolvency proceedings, whereas liquidation-type insolvency proceedings consist of bankruptcy proceedings and special liquidation. The core features of these proceedings are addressed in Section I.ii.

Out-of-court workouts are becoming more commonly used to restructure the debtor's financial debts without starting the above-mentioned in-court insolvency proceedings, which usually damage the company's going concern value. Generally, such out-of-court workouts involve only financial creditors, while claims held by trade creditors are paid in full, thus preventing the deterioration of the debtor's business value. We have seen some successful out-of-court corporate workout cases where the debtors are large, world-wide companies with subsidiaries worldwide. The core features of these proceedings are addressed in Section I.iii.

However, it has long been pointed out that out-of-court workout proceedings have a high hurdle to overcome; the unanimous consent of participating creditors is required and, if this cannot be achieved, the debtor's business value may be severely damaged by the shift to in-court insolvency proceedings. Although unanimous consent from all participating creditors is still required, a majority rule principle may be introduced in out-of-court workouts subject to future discussions (see Section V.i).

1 Dai Katagiri is a partner, Ryo Kawabata is a senior associate and Takashi Harada is an associate at Mori Hamada & Matsumoto.

ii Main features of each type of in-court insolvency proceedings

Civil rehabilitation proceedings

Civil rehabilitation proceedings, governed by the Civil Rehabilitation Act, are the most common form of in-court restructuring-type insolvency proceedings in Japan and these proceedings can be used for any type of company.

In general, civil rehabilitation proceedings are a DIP (debtor-in-possession) process; the debtor's management remains in control of the debtor and its assets throughout the process unless there are exceptional circumstances to take over the management's control. Having said that, this does not mean the management's control is completely unaffected by the commencement of civil rehabilitation proceedings. Courts may and usually do require the debtor to obtain their prior permission before it engages in certain types of activities, typical examples of which include disposal of property and accepting the transfer of property that is out of the ordinary course of the debtor's business, borrowing money, filing an action, settling a dispute and waiving a legal right. In addition, courts usually appoint a supervisor who monitors the debtor's activities throughout the process and gives consent to the debtor to engage in the above-mentioned permission-required activities on behalf of the court.

In terms of how voting for the restructuring plan works, there is only one class that can vote consisting of holders of rehabilitation claims, which are, roughly speaking, claims that existed before the commencement of the proceedings. The rehabilitation plan must be approved by:

a a majority in number of rehabilitation claims holders voting at the meeting (or in writing); and

b a majority by value of all rehabilitation claims, the holders of which have voting rights.

Under the standard schedule of the Tokyo District Court, the entire process of civil rehabilitation proceedings takes approximately five months; however, the actual length may vary depending on the complexity and circumstances of each case.

Corporate reorganisation proceedings

Corporate reorganisation proceedings, another form of in-court restructuring-type insolvency proceedings governed by the Corporate Reorganization Act, have a similar process to civil rehabilitation proceedings, although there are some key differences, such as:

a corporate reorganisation proceedings are available only for stock corporations – various other corporate forms, such as unlimited partnerships, limited partnerships and LLCs cannot use these proceedings;

b a trustee takes over possession and control of the debtor's business and assets; and

c secured creditors cannot exercise their security interests outside the proceedings.

Corporate reorganisation proceedings are mainly used in complex cases with large debts. Although the trustee, who is appointed by the court with the exclusive right and authority to manage the debtor's business and to administer and dispose of the debtor's assets throughout the process, is usually an attorney who has expertise in insolvency cases (administrative corporate reorganisation), there have been some cases in which the court appoints trustees from the current management (DIP-type corporate reorganisation).

As for voting, unlike civil rehabilitation proceedings, classes are separated in corporate reorganisation proceedings for each type of creditor, such as secured claims, general unsecured claims and shares. Plans need to be approved by each class (with different thresholds) and cramdown is available only in limited cases.

In the Tokyo District Court's standard schedule, administrative corporate reorganisation takes approximately eight to 11 months, whereas DIP-type corporate reorganisation typically takes around five months.

Bankruptcy proceedings

Bankruptcy proceedings, governed by the Bankruptcy Act, are the most commonly used form of liquidation for insolvent companies. Broadly speaking, the main purpose of bankruptcy proceedings is to liquidate the debtor's assets (including sales of its businesses) into cash to be distributed equitably to creditors.

Upon commencement of bankruptcy proceedings, a trustee is appointed by the court and takes over control and possession of the debtor's property, unless the debtor does not have enough assets to fund the expenses of the process (in which case, the bankruptcy procedure is closed immediately with the juridical personality of the corporate debtor being diminished). In light of the above-mentioned main purpose of bankruptcy proceedings, the primary task of the trustee is to convert the debtor's assets into as much cash as possible and distribute it equitably to creditors, and the trustee may operate the debtor's businesses to the extent necessary and appropriate to sell its assets at maximum value.

Special liquidation

Special liquidation, governed by the Companies Act, is a form of liquidation that is only available to stock corporations that have been placed into a voluntary liquidation process by their shareholders. It is a simpler, less onerous and more expeditious form of liquidation than bankruptcy, which is frequently used by parent companies to liquidate loss-making subsidiaries.

The liquidator who has been appointed by the debtor continues to have control and possession of the debtor's property. The liquidator's activities are subject to the court's supervision and it must obtain the court's permission if it plans to, inter alia, dispose of any assets, borrow money, file an action, enter into a settlement or an arbitration agreement, or waive the rights of the corporation.

iii Out-of-court corporate workouts

Unlike in-court insolvency proceedings, out-of-court workouts involve only financial creditors, while claims held by trade creditors are paid in full, thus preventing the deterioration of the debtor's business value. In Japan, for this reason, out-of-court workouts are becoming more commonly used to restructure the debtor's business. Against a backdrop of the increasing popularity of out-of-court corporate workouts in this country, there are a variety of out-of-court corporate workout schemes ranging from purely consensual, ad hoc negotiations with financial creditors to more standardised processes with prescribed procedures to ensure the fairness and reasonableness of each process.

Among the variety of schemes, the turnaround alternative dispute resolution (ADR) process, one of the standardised forms of corporate workouts, is the most popularly used in recent years, especially for large companies. Turnaround ADR is a process in which the debtor tries to restructure its debts owed to financial creditors based on their unanimous consent. The entire process is carried out in accordance with a prescribed manner and schedule and

facilitated by impartial mediators (usually consisting of two lawyers and one accountant) appointed by the Japanese Association of Turnaround Professionals (JATP) to ensure the fairness and reasonableness of the workout process.

The turnaround ADR process starts when the debtor files an application with JATP and sends a notice of standstill to the financial creditors. A notice of standstill is merely a request for the financial creditors to refrain from exercising their rights on the debts, and is not legally binding. After the commencement of the turnaround ADR process, three types of creditors' meetings are held:

a first creditors' meeting (usually within two weeks of issuance of the notice of standstill), at which generally:
- the standstill requested in the notice is approved by unanimous consent of the participating creditors;
- the mediators are appointed by a majority vote of the participating creditors; and
- an outline of the debtor's restructuring plan is explained to the participating creditors;

b second creditors' meeting (usually two to three months after the first meeting), at which the debtor's restructuring plan is formally proposed to the participating creditors, and the appointed mediators report on the fairness, economic rationality and legal compliance of the debtor's restructuring plan at this meeting; and

c third creditors' meeting (usually one month after the second meeting), at which the proposed restructuring is to be approved by all of the participating creditors at this meeting, and the debtor will execute it accordingly.

There are also cases where rescue financing (pre-DIP financing) is necessary to secure the debtor's cash flow during the turnaround ADR process. In such cases, the debtor may request the participating creditors to consent to the prioritisation of rescue financing at the creditors' meetings. Under the Industrial Competitiveness Enhancement Act (ICEA), turnaround ADR provides the mechanism for the mediators to confirm:

a the necessity of the pre-DIP financing; and

b that the participating creditors have consented to the prioritisation of such financing.

Thereafter, even if the turnaround ADR fails and in-court insolvency proceedings are subsequently started, the court would likely accept a proposed rehabilitation plan prioritising a pre-DIP financing over other debts based on the mediators' confirmation at the turnaround ADR stage.

iv Transition to simplified rehabilitation proceedings from turnaround ADR

Although the success rate of turnaround ADR is generally high and debtors in many cases successfully restructure their debts without shifting to in-court insolvency proceedings, there are cases where the debtor cannot obtain unanimous consent to its restructuring plan. In such cases, the debtor must consider initiating in-court insolvency proceedings. Recently, the ICEA provides specific measures that facilitate a smooth transition from turnaround ADR to simplified rehabilitation proceedings (SRP), which are a form of in-court insolvency proceedings that simplify and speed up the ordinary civil rehabilitation proceedings. By using these measures provided by the ICEA, the restructuring plan proposed in turnaround ADR may be approved by a majority vote (not unanimous consent) and carried out in SRP much more smoothly and quickly than in ordinary in-court insolvency cases. Under SRP, trade

claims may be paid in full outside of the rehabilitation plan pursuant to the court's permission (which will be provided considering the preceding confirmation by the mediators at the turnaround ADR stage), thus preventing the deterioration of the debtor's business value.

As a result, the debtor will be able to cram down minority lenders who opposed its restructuring plan in turnaround ADR by using SRP, namely, the debtor may be able:

a to effectuate the rehabilitation plan quickly;

b to avoid a cash shortage;

c to minimise the damage to its corporate value due to the failure of the turnaround ADR; and

d to quickly and steadily execute the restructuring plan.

There is a recent case where the debtor used SRP to cram down minority lenders and execute a rehabilitation plan in a short period of time after the turnaround ADR (see Section III.i for details).

II INSOLVENCY METRICS

i Market overview

Vaccine rollouts and other factors have eased restrictions on economic activity, and economic measures have stimulated economic recovery worldwide, but the future is likely to remain uncertain. Not only is there the risk of future waves of the coronavirus but also the conflict in Ukraine continues to have a negative impact on the global supply chain, which has already caused an immediate cash crunch for companies with manufacturing facilities around the world. As far as Japan is concerned, the repeated declarations of states of emergency and quasi-emergency issued by the government to prevent the spread of the coronavirus (covid-19) have again restricted economic activities that were just beginning to normalise. As there is no indication of how long the financial support provided by the government and financial institutions will continue, there is still no prospect for the normalisation of economic activity in Japan.

According to recent statistics, there were 6,015 in-court insolvency cases involving debts of 10 million yen or more in 2021, the lowest number since 2000.[2] However, this is the result of the government's various support measures for businesses in response to the impact of the covid-19 pandemic, such as interest-free and unsecured loans provided by financial institutions or tax deferment. These statistics can only be interpreted to indicate that the timing of bankruptcies is being postponed due to such temporary support, and thus the number of insolvency cases is expected to increase in the future. Especially in Japan, where most electricity is generated by thermal power, electricity prices, which are already high, are likely to rise even further, and the number of insolvency cases of electricity retailers like F-Power Co Ltd (see Section III.iii for details) is also expected to increase.

2 Out of the 6,015 in-court insolvency proceedings during the period from January to December 2021, 195 were civil rehabilitation proceedings, two were corporate reorganisation proceedings, 5,518 were bankruptcy proceedings, and 300 were special liquidations. For more information, refer to 'Japan's Business Failures during January to December 2021' published on the Teikoku Databank's website (https://www.tdb-en.jp/news_reports/backnumber/brr21nen.html).

ii Characteristics of insolvency cases in 2021

The number of insolvency proceedings in the retail electricity industry has been increasing, and this includes the corporate reorganisation proceedings of F-Power, one of the largest power producers and suppliers in Japan. Fourteen bankruptcies of new power companies occurred from April 2021 to March 2022 (a sharp increase from the two cases in the previous fiscal year). There was also a string of withdrawals from the industry and suspensions of new applications, with 31 companies, or approximately 4 per cent of the approximately 700 new power companies confirmed to be operating in April 2021, having gone bankrupt, closed their businesses or withdrawn from operations in recent years.[3]

In Japan, since the full liberalisation of new entries into the retail electricity industry in April 2016, the number of new power producers and suppliers has steadily increased. Many of the new power companies do not own their own power plants but instead procure the power they need from the Japan Electric Power Exchange (JEPX). However, fuel prices have risen and the cost of procuring electricity has increased significantly with the addition of international risks such as the conflict in Ukraine. The situation has had a major impact on the operations of many new power companies that are relying on JEPX for electricity procurement, and they have needed to take action such as raising their prices. However, because most of the new power companies have differentiated themselves by offering low prices to attract customers, it is difficult for them to pass the higher prices on to those customers sufficiently. As a result, more new power companies are withdrawing their businesses or going bankrupt.

III PLENARY INSOLVENCY PROCEEDINGS

i Marelli

The *Marelli* case is without a doubt one of the most important turnaround cases in the past few decades, not only because of the company's size and its importance in the industry but also because it was the first case in history where the debtor used SRP as a tool to cram down minority lenders who opposed the debtor's restructuring plan in an out-of-court corporate workout.

The Marelli group is one of the world's leading independent suppliers to the automotive industry with around 150 subsidiaries in more than 20 countries. While the group's performance is declining due to a combination of various external factors – such as a decline in automobile production due to the pandemic, the severe shortage of semiconductors, and soaring prices of aluminium and other raw materials – the highly leveraged capital structure of Marelli has been putting pressure on its cash flow.

Marelli chose to use turnaround ADR in Japan in order to drastically improve and restructure its financial structure with the support of banks while avoiding a serious deterioration in its corporate value by involving suppliers and customers in the in-court insolvency proceedings. After a series of creditors' meetings in the turnaround ADR, Marelli submitted its restructuring plan to the banks, including a substantial amount of debt forgiveness and a new equity injection from its existing shareholder, KKR. At the final creditors' meeting held in late June 2022, although approximately 95 per cent (in value) of

3 For more information, refer to 'Survey of New Electric Power Company Bankruptcy Trends' published on the Teikoku Databank's website (https://www.tdb.co.jp/report/watching/press/pdf/p220310.pdf).

the banks, including non-Japanese banks, agreed to the plan, Marelli's turnaround ADR, which requires unanimous consent to the plan, was not successfully concluded due to a few non-Japanese banks not giving their consent.

Upon the failure of the turnaround ADR, Marelli immediately switched to SRP because they are a quick version of civil rehabilitation proceedings with some of the proceedings being omitted and only requiring 60 per cent approval to commence the process and only 50 per cent approval to pass the plan. Given the approval rate in the turnaround ADR, it was certain that Marelli would effectively cram down the opposing non-Japanese banks by using SRP.

In addition to these cramdown functions, there are a few more key factors that make this case unique and prominent in Japanese turnaround history. The first and most important of these is that Marelli's SRP did not affect any creditors other than the banks that participated in the turnaround ADR despite being in-court insolvency proceedings where, in principle, all of the debtors' creditors were involved. This arrangement had a tremendous impact on Marelli's business because it would have been severely damaged had the group stopped payments to its suppliers and other business partners as is usual for debtors in in-court insolvency proceedings. The second important factor would be the extraordinarily short duration of SRP. Marelli's restructuring plan was approved by the banks and the court as early as 25 days after the filing for the proceedings, which is considerably faster than ordinary civil rehabilitation proceedings that usually take around five months to pass a plan. Clearly, the shorter duration of in-court insolvency proceedings causes less damage to corporate value. The introduction of such special arrangements for SRP was envisaged in the recent amendments to the Act on Strengthening Industrial Competitiveness, with Marelli's SRP being the first practical example.

With these key characteristics, the Marelli case has become a critical precedent demonstrating that SRP can function as a very short, extra turnround ADR process where the debtor can cram down the opposing creditors without the severe deterioration of corporate value that is usually caused by shifting to in-court insolvency proceedings.

ii Nichi-Iko

The turnaround ADR case of *Nichi-Iko Pharmaceutical Co, Ltd* is among the best examples of how debt restructuring through turnaround ADR is becoming more common in Japan.

Nichi-Iko is one of the largest generic drug manufacturers in Japan and listed on the Prime Market of the Tokyo Stock Exchange. The company has been facing a serious decline in profits arising out of, among other things, its manufacturing quality issues, which eventually led to a temporary suspension of its main plant, as well as the annual reductions of pharmaceutical prices ordered by the government. Furthermore, Nichi-Iko incurred a huge loss from the business of its American subsidiary, Sagent Pharmaceuticals, Inc, which the company bought to tap into the markets for biosimilars (follow-up products to biopharmaceuticals) and orphan drugs (for rare diseases).

To extricate itself from this predicament and drastically improve its financial position, Nichi-Iko filed for turnaround ADR on 13 May 2022 and sent a standstill notice to its banks requesting them to approve, among other things, the suspension of principal payments on its debts throughout the ADR process. This standstill was approved by the banks at the first creditors' meeting held two weeks later on May 26, where pre-DIP financing from Nichi-Iko's main bank was also approved. Similar to many other turnaround ADR cases,

Nichi-Iko is expected to develop a business revitalisation plan and try to select a sponsor to inject money into the company, while maintaining its cash flow with the approved standstill and bridge financing.

iii F-Power[4]

As mentioned in section III, F-Power filed an application for corporate reorganisation proceedings with the Tokyo District Court on 24 March 2021. It had 315 creditors and a total debt of 46.485 billion yen.

As the aforementioned liberalisation of electricity retailing in April 2016 provided a tailwind, F-Power's electricity sales volume ranked first among new power companies in April 2018, generating sales of approximately 160.613 billion yen in the fiscal year ending June 2019. However, due to deteriorating profitability caused by intensifying competition and soaring energy procurement prices, F-Power posted a loss of approximately 18.462 billion yen and fell into excess liabilities in 2019. In 2020, the company worked to restore profitability, but the amount of electricity supplied declined and sales slumped to approximately 72.7 billion yen. However, in 2021, the wholesale market price of electricity skyrocketed even higher, which triggered F-Power to file for corporate reorganisation proceedings.

After the filing, F-Power's business value and cash flow further deteriorated due to increased electricity demand during the winter and soaring fuel prices caused by the conflict in Ukraine, but the trustee promptly and successfully sold the company's business. The proceeds will be used to repay debts and thus successfully complete the corporate reorganisation proceedings.

iv UMC

UMC Electronics Co, Ltd an electronics company specialising in the manufacture of automotive parts, such as AC inverters and motor drivers, listed on the First Section (now the Prime Market) of the Tokyo Stock Exchange, applied for turnaround ADR with JATP on 27 November 2020.

In 2019, UMC shares were designated as 'security on alert' by the Tokyo Stock Exchange due to the company's inappropriate accounting and, since then, it has been trying to reorganise its governance structure. Meanwhile, the company has faced a decline in orders due to the covid-19 pandemic, which has led it to seek financial support to restructure. After approximately a year of negotiations with its business partners and banks, UMC decided to formulate a restructuring plan that included, among other things, investment in the company by its main customers and a debt-equity swap conducted by its largest provider of bank loans.

The proposed business restructuring plan prepared by UMC was approved by all financial institutions at a creditors' meeting held on 18 January 2021, and turnaround ADR procedures were subsequently concluded. The company was able to eliminate its liabilities in excess of assets through the turnaround ADR procedures and to avoid being delisted from the Tokyo Stock Exchange.

4 For more information, refer to 'January-December 2021: This is how they went bankrupt' published on Tokyo Shoko Research, Ltd's website (https://www.tsr-net.co.jp/news/process/yearly/2021.html).

IV ANCILLARY INSOLVENCY PROCEEDINGS

Japan adopted a territoriality principle in the past, under which the validity of domestic insolvency proceedings was denied outside the country and, correspondingly, the validity of foreign insolvency proceedings was also denied inside the country. However, in 1997, the United Nations Commission on International Trade Law (UNCITRAL) enacted the UNCITRAL Model Law on International Insolvency. Then, in 2001, Japan enacted the Act on Recognition of and Assistance for Foreign Insolvency Proceedings (ARAFP), which adopts the extra-territoriality principle under which the country has since established a legal system to address international bankruptcy.

The purpose of the ARAFP is as follows:

a to ensure that foreign insolvency proceedings are properly effected in Japan with respect to any corporations, whether domestic or foreign, that have insolvency proceedings pending in foreign countries; and

b to achieve internationally harmonised liquidation of assets or economic turnaround.

The law provides procedures for the recognition of foreign insolvency proceedings and for making dispositions for various types of assistance.

Under the ARAFP, since the decision to recognise insolvency proceedings pending in foreign countries has no specific effect, the court shall, upon petition by the foreign trustee or on its own authority, make the necessary dispositions on a case-by-case basis. Specific dispositions include:

a suspension or revocation of compulsory execution of court proceedings already conducted with respect to debtor's property in Japan;

b suspension of execution of security interests or other such proceedings already conducted with respect to debtor's property;

c prohibition of disposition and payment with respect to debtor's businesses and property in Japan;

d general prohibition of compulsory execution or other such proceedings with respect to debtor's property; and

e issuance of administration orders exclusively conferring the right to dispose of businesses and property in Japan on to the recognised trustee (note that court permission is additionally required for the appointed trustee to dispose of property or take it out of Japan).

Despite the enactment of the ARAFP and the establishment of a legal system to address international insolvency, there have been relatively few cases in which this system has been used. According to a related published article,[5] the system was not used in 2018 or 2019, and used only twice in 2020, even when the covid-19 pandemic forced various companies into bankruptcy.

5 Hiromi Takahashi, 'Overview of Commercial Cases in the Tokyo District Court (Part 2)' (Shojihomu No. 2273, 2021).

V TRENDS

i Introduction of majority rule principle in out-of-court workouts

As mentioned in Section I.iii, in out-of-court workouts in Japan, the unanimous consent of creditors is required for amending their rights. The Headquarters for the Realisation of New Capitalism established by the Japanese government on 15 October 2021 indicates that while European countries have certain systems (e.g., the Scheme of Arrangement in the United Kingdom and StaRUG in Germany) to restructure businesses by amending certain rights of creditors, including debt forgiveness by a majority vote with court approval and without requiring the consent of all lenders, there is no such system in Japan. Depending on future discussions, a new system may be established in this country whereby creditors' rights can be amended based on the principle of majority rule.

ii Introduction of comprehensive collateral system

In the Japanese collateral system, comprehensive security interests over entire businesses of the debtors essentially do not exist. On 25 December 2020 and 30 November 2021, the Study Group on the Loan and Rehabilitation Practices Supporting Businesses established by the Financial Services Agency (FSA), referring to the UNCITRAL Model Law on Secured Transactions and the US Uniform Commercial Code (UCC) among other laws, discussed the introduction of comprehensive security interests over entire businesses, including intangible assets such as know-how and customer bases, to compensate for the current security interests that are limited to tangible assets such as real estate or movable properties. The discussion is ongoing and thus needs to be closely monitored.

iii Digitisation of in-court insolvency proceedings

The digitisation of all civil procedures is currently underway in Japan with the aim of speeding up and streamlining court proceedings. With regard to in-court insolvency proceedings, the Study Group on Digitalisation for Insolvency Proceedings, whose members are insolvency practitioners and scholars, was established in November 2018 and has since been studying the digitisation of those proceedings. The group released interim discussion summaries twice, in September 2019 and October 2021, and it has made the following three recommendations for in-court insolvency proceedings:

a the use of a new procedure where creditors' meetings are not convened;
b the use of e-mail or other online means to conduct proceedings; and
c the use of a new procedure where claims investigations are not held.

Appendix 1

ABOUT THE AUTHORS

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Dai Katagiri is a partner at Mori Hamada & Matsumoto. He is admitted to practise in Japan and New York. He has broad experience in cross-border restructuring and bankruptcy and has represented domestic and foreign clients and trustees in many large insolvency cases for global businesses. He also specialises in litigation, M&A and corporate law, including litigation in multiple jurisdictions and cross-border transactions. He earned his LLM from the University of Pennsylvania Law School in 2016 and gained experience working at the New York office of Pillsbury Winthrop Shaw Pittman LLP in 2016–2017. He is a member of various associations for restructuring practitioners such as EAAIR (East Asian Association of Insolvency and Restructuring). He has authored numerous publications, including *Getting the Deal Through – Insolvency Litigation 2021*, 'Japan Chapter', *Legal Practice of Corporate Revitalization* – 3rd Edition (KINZAI Institute for Financial Affairs, Inc, May 2021) and *International Comparative Legal Guide – Restructuring & Insolvency 2020*, 'Japan Chapter'.

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Takashi Harada is an associate at Mori Hamada & Matsumoto. He works primarily in the practice areas of restructuring and insolvency, tax and M&A. In relation to restructuring and insolvency practice, he provides comprehensive advice on legal and tax matters for financially distressed companies, particularly those overseas. He also advises foreign companies on labour law, taking advantage of his extensive experience in handling overseas matters. He has authored numerous publications, including *M&A Strategies from Both a Tax and Legal Perspective* – Third Edition (Chuokeizai-sha, Inc, March 2022), *M&A Legislation in Emerging Asian Countries* – Third Edition' (Shojihomu Co, Ltd, October 2020) and *The Labour and Employment Disputes Review* (Fourth Edition), 'Japan Chapter' (Law Business Research Limited, May 2021). He also conducted research on double taxation adjustment for dividends and taxation on capital gains and losses from transfers of shares in Europe, the United States and Asia as part of a research project commissioned by the Ministry of Finance of Japan, submitting a report that summarised the results of his research in April 2021.

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