

# Japan

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## Revised prospectus requirements under the Financial Instruments and Exchange Act

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Baker & McKenzie GJBJ  
Tokyo

The Financial Instruments and Exchange Act of Japan and its related regulations were amended in 2009 (as amended, the New Regulations) in response to criticism that Japanese prospectuses for investment funds publicly offered in Japan were too lengthy and detailed to be useful to prospective investors in Japan.

The relevant portions of the New Regulations came into effect as of July 1 2010 and have simplified the requirements for the prospectuses to be delivered to investors in Japan where units of a contractual type investment fund are publicly offered and sold in Japan.

The issuer of an offshore investment fund must prepare the following types of prospectus which were, under the previous regulations (the Old Regulations), largely extracts from certain sections of the Japanese securities registration statement (the SRS):

- a Mandatory Prospectus, which must be delivered to investors in Japan on or prior to the actual subscription for units of the investment fund, regardless of whether such prospectus is requested by the investor; and
- an Optional Prospectus, the delivery of which is only required upon the request of an investor in Japan.

### Prospectuses in Japan prior to the New Regulations

Prior to the New Regulations coming into effect, the mandatory prospectus consisted mainly of Parts I (Information Concerning the Securities) and II (General Fund

Information) of the SRS, whereas the optional prospectus consisted mainly of Part III (Detailed Fund Information) of the SRS.

The mandatory prospectus under the New Regulations is a much more concise document. This article discusses the simplified prospectus requirements, the offerings to which they apply and the manner in which they should be prepared.

### New regulations

In order to make the mandatory prospectus shorter and easier to understand, the New Regulations require that it be prepared in a simplified form. The mandatory prospectus under the New Regulations is a summary of, or brief extract from, certain parts of the SRS, which must follow the form specified in the New Regulations.

An optional prospectus under the New Regulations, by contrast, will be substantially the same as Parts I through III, as described above, of the SRS itself (please note that Parts II and III of the SRS under the Old Regulations have been combined into Part II of the SRS under the New Regulations). As the optional prospectus will therefore be a very extensive, detailed document, it is expected that the optional prospectus will only be distributed in electronic form to investors in Japan who request it.

### Creating a mandatory prospectus under the New Regulations

The SRS for an offshore fund is currently prepared by translating various parts of the original English language prospectus (usually prepared by, for example, Luxembourg, Cayman or Irish counsel) into Japanese. The content of the SRS and the original English language prospectus should therefore be consistent in all material respects.

Under the New Regulations, the mandatory prospectus should summarise, briefly and precisely, the content of the SRS and be approximately 10 pages in length. Creating

the mandatory prospectus by summarising the SRS increases the risk that discrepancies may arise between the information in the mandatory prospectus and the original English language prospectus.

In order to minimise the risk of such discrepancies arising, we recommend that an initial English language draft of the mandatory prospectus be prepared for review by the manager of the fund and the fund's counsel. Upon approval of the draft prospectus, a Japanese translation thereof would then be prepared for printing and delivery to investors in Japan.

### Effective date and scope of application of the New Regulations

The New Regulations apply to public offerings in Japan of units of contractual type investment funds (e.g. *fond commun de placement* (FCP) or unit trusts) for which an SRS is filed on or after July 1 2010.

Accordingly, if a contractual type investment fund files an SRS with the Japanese authorities on or after July 1 2010 to publicly offer and sell its units in Japan on or after July 2 2010, a mandatory prospectus must be prepared in accordance with the requirements provided in the New Regulations and must be delivered to investors in Japan who subscribe for units of that contractual type investment fund on or prior to their subscription. All Japanese prospectuses prepared prior to the New Regulations taking effect that were filed prior to July 1 2010 will remain valid and effective until the next succeeding annually revised SRS is filed.

The New Regulations will not apply to public offerings of shares of corporate type investment funds (e.g. *société d'investissement à capital variable* (Sicav), US mutual funds, open-ended investment companies (OEIC) or investment companies with variable capital (ICVC)). For corporate type investment funds, there will be no change to the requirements from those applicable to the Japanese prospectuses currently being produced.

## Capital markets - debt and equity - foreign law

### Recommended firms

#### Tier 1

Davis Polk & Wardwell  
Linklaters  
Simpson Thacher & Bartlett  
Sullivan & Cromwell

#### Tier 2

Clifford Chance  
Morrison & Foerster  
Paul Weiss Rifkind Wharton & Garrison  
Shearman & Sterling

#### Tier 3

Allen & Overy  
Freshfields Bruckhaus Deringer  
Milbank Tweed Hadley & McCloy  
Skadden Arps Slate Meagher & Flom

## Capital markets - debt and equity - local law

### Recommended firms

#### Tier 1

Anderson Mori & Tomotsune  
Mori Hamada & Matsumoto  
Nagashima Ohno & Tsunematsu

#### Tier 2

Baker & McKenzie GJBJ  
Linklaters  
Morrison & Foerster  
Nishimura & Asahi

"2009 was a tragedy for equity capital markets lawyers," says one practitioner. Many deals were held back because of the financial crisis and the market was dead in the first half of 2009. There have been some signs of life since the second half of the year with some large transactions going ahead, most notably the global offerings of Mitsubishi UFJ Financial Group (MUFG) towards the end of 2009 and Dai-ichi Life insurance in April 2010. They were valued at \$11 billion and ¥1 trillion (\$11.5 billion) respectively.

However, commentators note that smaller-scale transactions are still rare and that it is hard to tell where the capital markets are heading. "It's a tough call because the market is still not so stable," says a partner. "It is less attractive to be a dealmaker now because the market is not so bad that people are desperate, nor do they have a positive outlook or are excited to do deals," agrees another. In particular, traditional offerings have slowed down

and many doubt they will be picking up again in the near future.

A brighter note to light up the dark is that financial institutions will likely continue to initiate transactions as they need more cash and a better balance sheet to meet tighter regulatory requirements implemented after the crisis.

Some activity in the debt market is also expected; 2005 was an active year for bond issuances and for those that will be reaching their maturity, they will need to find refinancing opportunities and this might bring a flow of new deals taking the formats of either pure exchange issuances or new offerings.

### Anderson Mori & Tomotsune

"It is one of the best law firms in Japan," says a client of Anderson Mori & Tomotsune. "We are satisfied with them for procedure issues on the Stock Exchange Market and for filings, etc."

The capital markets team is a strong arm of the firm and is well-regarded in Tokyo. It had another magnificent year making an appearance on many high-profile deals. Hironori Shibata and Yasuyuki Kuroda acted as the underwriter's counsel in Dai-ichi Life Insurance's global offering. This ¥995 billion offering (\$11.4 billion) was the largest IPO in Japan in 2010. The transaction involved an uncommon third-of-its-kind demutualisation of insurance companies, and the firm showcased its experience in the field as it was issuer's counsel in the previous two transactions.

Industry heavyweight Akiko Kimura advised Nomura Holdings in its global offering of ¥500 billion (\$5.75 billion) common shares in October 2009, following the team's representation of the same earlier in March. The aggregate value raised in the two offerings exceeded ¥700 billion (\$8.05 billion). Kimura was also recruited as counsel for the underwriters in the global offering of Hitachi which was the first time shares and convertible bonds were issued in simultaneous offerings in Japan.

Shibata is praised by a client as "a very high-quality professional" while Kimura is lauded by competitors as "by miles the leading lawyer in Tokyo". One banking counsel has kind words for the whole team: "We are very satisfied with its service mainly due to the lawyers' extensive knowledge on Japanese Laws, their timeliness and their bilingual communication skills."

#### Leading lawyers

Akiko Kimura  
Hironori Shibata

### Baker & McKenzie GJBJ

Although the big *four firms* dominate a considerable amount of work in Japan, Baker & McKenzie GJBJ Tokyo Aoyama Aoki Koma is also a dynamic presence in the capital markets with the capacity to act on various types of transactions. This allows the firm to land roles on some important mandates every year.

Hiroyoshi Kuromaru is one of the go-to names for *samurai* bond issuers, one of which last year was Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), a Dutch government institution. Kuromaru advised FMO in its first ¥40 billion (\$460 million) *samurai* bond offering as a sovereign issuer in July 2009. He represented Barclays Capital Japan as joint lead arrangers in Barclays Bank's *samurai* bond offering in the same month as well.

"Mr Kuromaru's legal advice has proved to be very reliable thanks to his profound knowledge of Japanese securities laws, which are not always explicit in terms of how certain provisions apply to issuers [of certain status]," says a client. "In this context, only a very experienced capital markets lawyer is able to find relevant, often unique legal solutions and Mr Kuromaru is without doubt one of such lawyers."

On the equity front, Baker & McKenzie featured in NEC Corporation's \$1.36 billion common stock offering, advising Daiwa Securities SMBC Europe and Morgan Stanley & Co International as managers.

#### Leading lawyers

Seishi Ikeda  
Hiroyoshi Kuromaru

### Clifford Chance

Following the high-profile hire of Reiko Sakimura from Linklaters in 2009, Clifford Chance continues to beef up its capital markets practice by promoting securitisation specialist Leng-Fong Lai to the partnership and bringing on board two *bengoshis*. Boasting many of the key industry players as clients, such as Nomura, UBS, HSBC Bank, BNP Paribas and Deutsche Bank, this magic circle firm is becoming a highly competitive contestant in the Tokyo arena.

Success cannot be built overnight nor by any person alone and the partners at Clifford Chance enjoy the support of sharp members on the team: "Reiko has had very good expertise and experience in capital market matters. It seems that she has already established a good team in Clifford Chance," says one financial client.

Sakimura features in many of the firm's transactions and is particularly active in MTN programmes and convertible bond issues.

One highlight saw the team advising Barclays Bank and HSBC as underwriters in the issue of guaranteed notes, structured as an MTN drawdown, by the Development Bank of Japan. Valued at \$1 billion, the issue is believed to be the largest by a Japanese issuer in the US dollar supra-sovereign agency market.

“Reiko is very hands-on and good at drafting disclosure documents,” says an investment banker. Another client delights in Sakimura’s “pragmatism and knowledge of the market”, and that she is “willing to take control of transactions and receptive towards clients”.

Eiichi Kanda heads the *bengoshi* side of the practice. The firm’s integrated Japanese and foreign law advice was essential to the debut issue of HSBC Bank in the Japanese *samurai* bond market as it advised on both the Japanese and English law aspects.

#### Leading lawyers

Peter Kilner  
Leng-Fong Lai  
Reiko Sakimura

### **Davis Polk & Wardwell**

“The firm is one of the best, if not the best, in Japan,” says a client of Davis Polk & Wardwell.

Market leaders Eugene Gregor and Theodore Paradise lead the Tokyo office of this Wall Street firm. It is recognised as one of the dominant players in large-scale cross-border and international transactions in Japan, and the team takes pride in providing cutting-edge advice to prestigious financial institutions and corporations.

A banker client offers praise for the duo and counsel Michael Dunn: “Ted is particularly good technically, while Eugene and Mike are very good at figuring out what the clients’ commercial needs are and balances that with technical side. Overall Davis Polk has a very well-balanced team.”

In a display of its leading status in the market, the firm featured as issuer’s counsel in three significant global offerings in the past year even though the capital markets were reportedly slow. Sumitomo Mitsui Financial Group (SMFG) engaged the team in its \$11.1 billion global offering of common stock which was split into a Rule 144A/Reg S international offering and a domestic one in Japan. The deal was complex as it was part of a larger capital restructuring by SMFG which included simultaneous self-tenders for two series of perpetual preferred securities and two series of perpetual subordinated bonds. Davis Polk was also counsel to Hitachi on its \$3.88 billion common stock and convertible bond

offering and to Orix Corporation on its SEC-registered global equity offering.

Paradise was found on the side of the international managers advising Morgan Stanley Japan Securities and Daiwa Securities SMBC Europe (now Daiwa Securities Capital Markets) in the \$1.36 billion common stock offering of NEC Corporation in November 2009. The offering occurred concurrently with restructurings of two NEC businesses and was the first international capital markets offering by the company since it was delisted by Nasdaq in October 2007.

Additionally, the Tokyo office handles a certain amount of transactions in the Asian region and some recent ones include an initial public offering (IPO) in Korea and a notes offering in Vietnam.

#### Leading lawyers

Eugene Gregor  
Theodore Paradise

### **Linklaters**

The market still chatters about the departures of key practitioners in recent years and their effect on the firm’s operations. One effect mentioned by a client was the gap between the partners and associates on the English law side and the relative inexperience of the Japanese law team. Yet, this has not stopped the firm from steaming ahead. While it may not get as much work in the equity markets compared to the trio of Wall Street firms in Tokyo, Linklaters still rules the debt markets.

“The firm is still ahead of everybody else in terms of UK law,” says a rival. One investment banking counsel shares the same view: “I have a very high regard for Linklaters. Peter Frost is nice and he is very good. If I have to do an offering with English law aspects, I would not hesitate to go to Linklaters and Peter.”

To further re-energise the team, Frost was promoted to the partnership in May 2010 and he now joins forces with Andrew Carmichael and *bengoshi* partner Kozo Sasaki to work on high-end and innovative transactions, which the firm considers its expertise.

One notable transaction showing the firm’s prowess was its representation of UBS as dealer manager and UBS Securities as lead manager in the global offering of shares of common stock of Kenedix and exchange offer of convertible bonds due 2011. Linklaters provided English, Japanese and US law advice in the deal and it was one of the first liability management exercises for a Japanese corporate in financial difficulties.

The firm’s capability in advising on precedent-setting transactions can be seen in the private placement of Kintetsu Corporation’s

convertible bonds, where the team structured the deal using a Japanese trust as the special purpose entity in the repackaging of a primary market offering.

Frost was the main contact in both transactions and one client has praise for the newly-made partner: “Peter has been here for a long time and he deserved to be made a partner. He is very good with the technical issues,” the client says.

On the Japanese law side, Sasaki counselled Nomura Securities as bookrunner on the IPO of American depository receipts (ADRs) representing Class A ordinary shares of Shanda Games, and featured in GDF Suez’s issuance of *samurai* bonds representing Mitsubishi UFJ Securities, Mizuho Securities and Nomura Securities as joint lead managers and Mizuho Corporate Bank as fiscal agent.

#### Leading lawyers

Andrew Carmichael  
Peter Frost  
Kozo Sasaki  
Akihiro Wani

### **Mori Hamada & Matsumoto**

“I would rate them as one of the highest among Japanese firms,” says a client of Mori Hamada & Matsumoto.

Housing a team of prominent lawyers like Toru Ishiguro, Kensuke Ambe and Satoshi Nakamura, the firm featured in a couple of big-ticket transactions in the past year, pushing it back up to a top-tier spot. Ishiguro is held in high esteem by many clients. “We recommend him for any single type of transaction. He is just exceptional,” says a counsel at a leading international bank.

One highlight saw the team act as underwriter’s counsel to Mitsubishi UFJ Securities in the global offering of Mitsubishi UFJ Financial Group (MUFG) towards the end of 2009. The value of the deal reached \$12 billion and was the largest common stock offering made by Japanese companies in history. A notable feature of this offering, apart from its value, was that it relied upon the exemption from the registration requirement under the US Securities Act while the American depository shares of MUFG are listed on the New York Stock Exchange.

Hitachi was another client to engage Mori Hamada in its \$4 billion global offering of shares and convertible bonds last December. The transaction was one of a few that contained a domestic offering of convertible bonds as part of the overall offering on a global scale.

“The firm has full knowledge on not only Japanese securities-related laws and regulations, but also any market practices peculiar to

Japan, and provides us with practical and valuable advices,” says a client.

#### Leading lawyers

Kensuke Ambe  
Toru Ishiguro

### Morrison & Foerster

Although Morrison & Foerster gives some observers the impression that it is more of a corporate firm, and some commentators say that the firm has not been landing as many big-ticket mandates as other players, this one-stop shop of Japanese, English and US law advice is still a strong pick for many clients. UBS, Daiwa Securities, Mizuho Securities and Goldman Sachs are some of the big names on its active client list.

“Both Japanese lawyers, English lawyers and US lawyers belong to the firm and they provide us with very useful support especially regarding cross-border transactions such as global public offering or other complicated transactions,” says one client on the strengths of the firm.

Big guns Fuyuo Mitomi, Robyn Nadler and Andrew Winden acted as the sole counsel to Deutsche Bank as lead manager on Pioneer Corporation’s \$321 million share offering, utilising the team’s tripartite offering to the fullest.

One client offers praise for Mitomi: “He has so rich experiences in equity and debt finance by Japanese issuers as a legal counsel to underwriters that a lot of investment bankers in Japan rely on him.”

Another noteworthy transaction saw Tony Grundy, Winden and Nadler team up to provide US and English law advice to Toshiba Corporation in its \$3 billion global offering in May 2009.

Grundy and Nadler bring a wealth of experience on English law to the table and clients highly appreciate their involvement in deals: “They are a good team to have on board. I like their maturity and knowledge of what it is in the market. They also understand the commercial context behind the deals,” says one investment banking counsel.

#### Leading lawyers

Tony Grundy  
Fuyuo Mitomi  
Saoki Nakamura  
Andrew Winden

### Nagashima Ohno & Tsunematsu

Looking at the firm’s outstanding record and an impressive deal list in this past year, it would be hard not to concur that Nagashima

Ohno & Tsunematsu is quite simply an unbeatable force in the capital markets space.

The firm’s all-star roster of partners is held in high regard from contemporaries and clients alike. “We like to work with Miyuki Ishiguro in big IPO transactions,” notes a peer. Fumihide Sugimoto as well receives special mention from a counterpart: “Sugimoto-sensei is someone we think very highly of.”

Clients are quick to recommend Masaki Konishi: “He has all the Japanese banks’ financial transactions,” says a banker. Hiroyuki Ishizuka and Hidetaka Mihara are singled out by commentators as notable practitioners in the market as well.

Pinpointed by a financial client as “strong at issuer’s counsel”, Nagashima Ohno took the lead in almost all top-drawer offerings in Japan last year. One example saw Mitsubishi UFJ Financial Group (MUFG) engage the team in its \$12 billion global offering made simultaneously in three jurisdictions.

Sugimoto and Masatsura Kadota starred in another headline deal representing Sumitomo Mitsui Financial Group (SMFG) on its global offering of common stock. The amount raised was approximately ¥863 billion (\$9.91 billion) and it was concurrent with the acquisition by SMFG of Nikko Cordial, adding to the significance of the transaction. The duo’s role was crucial as well in the first exchange offer for euro convertible bonds by a Japanese issuer conducted by Kenedix. The deal was innovative as it was financed by the concurrent global offering of the issuer’s shares.

#### Leading lawyers

Miyuki Ishiguro  
Hiroyuki Ishizuka  
Masaki Konishi  
Hidetaka Mihara  
Fumihide Sugimoto

### Nishimura & Asahi

Nishimura & Asahi is known more for its corporate practice traditionally, but the capital markets team has been in the spotlight since celebrated partner Mitsuhiro Yasuda joined. He is rapidly bolstering its offering and delivering “continual excellence in performance” according to a client.

The firm scored huge this April acting as issuer’s counsel in the global offering of Dai-ichi Life Insurance under Rule 144A/Reg S and IPO within Japan. The aggregate offering price reached approximately ¥1 trillion (\$11.5 billion), the largest IPO in Japan in 2010 and the largest IPO in the world in two years. It involved a demutualisation process of a leading mutual life insurance company which added to the complexity of the transaction.

On the debt side, Yasuda and Hideki Ebata featured in the first Eurobonds issuance of Japan Expressway Holding and Debt Repayment Agency. Nipro Corporation and Kadokawa Group Holdings engaged the firm in their Alpine Yen convertible bonds offering as well.

“I personally like N&A a lot. It is doing the most among the *big four* to provide better quality of service in the US standard,” says one investment banking counsel.

#### Leading lawyers

Hideki Ebata  
Mitsuhiro Yasuda

### Paul Weiss Rifkind Wharton & Garrison

Believing in the strategy of doing what it does best, US firm Paul Weiss Rifkind Wharton & Garrison provides only US law advice and teams up with domestic powerhouses on global offerings with Japanese elements. This tactic has proven to be successful over the years, and 2009 was a very fruitful one for the capital markets team having earned berths on two of the largest transactions in the market.

Lead partner Tong Yu helmed the team for NEC Corporation in its common stock offering of \$1.2 billion in November. One month after, Yu acted as US securities counsel to Mitsubishi UFJ Financial Group (MUFG) in its common stock offering of \$12.1 billion, the largest securities offering in Japan in 2009. This was done following MUFG’s global offering of common shares in 2008 where Paul Weiss also advised the client and this series of fundraising highlighted the need for financial institutions to raise cash and improve capital quality to meet tougher capital requirements.

Clients have good experiences working with the firm: “We are satisfied with its service and advice. The service is quite user-friendly and the team is quite flexible. We have got useful advice from Paul Weiss specially in the SEC-related area,” says one financial client. “It is very good to work with Tong Yu and Makoto Nishigai because we do not need to explain too much on the background of transactions as they have such knowledge of the market of their own.”

#### Leading lawyers

Kaye Yoshino  
Tong Yu

### Shearman & Sterling

“Shearman & Sterling is a prominent firm in the US and the Tokyo team represents the

essence of the firm as a whole,” says one client.

Headed up by Masahisa Ikeda, Shearman & Sterling is the go-to firm for many blue-chip Japanese companies for capital markets advice, such as Toyota Motor, Kyocera, Advantest Corporation, Central Japan Railway and Kirin. The advisory work forms a large part of the work of the Tokyo office. Assisting clients to develop disclosure controls, procedures, securities filings, investor relations and cross-border corporate governance is another source of work keeping the team busy.

For transaction highlights, there was a flurry of mergers and acquisitions in Japan lately; Ikeda and his team have been representing companies on US securities work in connection with their mergers in order to fulfil certain regulatory requirements and one of these was Nippon Oil Corporation.

#### Leading lawyers

Masahisa Ikeda

### Simpson Thacher & Bartlett

The only Wall Street firm with three partners in Tokyo, Simpson Thacher & Bartlett stands tall among its competitors with its highly successful capital markets practice. “Simpson Thacher sets the bar,” says a counsel at a large financial institution.

“The firm’s expertise, experience and knowledge are quite excellent. It is one of the best of the best of the US firms in Japan for capital markets transactions, especially on disclosure and due diligence matters,” says an investment banker.

Maintaining good relationships with all the top financial institutions and corporates, the Tokyo office is a much sought after choice for both issuers and underwriters and is always found in the largest multi-billion dollar transactions in Japan, particularly IPOs and bank capital transactions. 2009 and 2010 made no difference and the team led by David Sneider, Alan Cannon and Takahiro Saito has been busy as usual.

The three partners have different specialities and clients appreciate the well-balanced partnership, such as this one: “All three partners as a team have quite good layers at different experiences. They have both strong senior and junior capabilities.”

One financial client explains what she likes best about each of them: “David has the longest history in the firm and he has much expertise and experience. Alan is especially specialised in financial institutions transactions. Saito is the youngest of the three, but he is also an excellent lawyer, especially in disclosure matters.”

For transaction highlights on the issuer’s side, Cannon led the charge for Dai-ichi Life Insurance’s IPO in Tokyo and Rule 144A/Reg S global offering. This \$11 billion IPO was the largest in Japan since 1998. All Nippon Airways turned to Saito and team for its global equity offering and raised ¥142 billion (\$1.5 billion) in September 2009.

On the underwriter’s side, one highlight saw the team representing Nikko Cordial Securities, Goldman Sachs International and Citi as the international managers in Sumitomo Mitsui Financial Group (SMFG)’s \$10.6 billion global offering. Some other underwriter’s issues of top transactions handled by Simpson Thacher Tokyo recently include Nomura Holding’s \$5.1 billion global offering and \$3 billion shelf takedown, and Mitsubishi UFJ Financial Group (MUFG)’s \$11 billion global offering.

You name it, they do it, and they do it well too: “STB has unsurpassed expertise with respect to US laws and the team has extensive experience in capital and debt transactions which makes it a valuable and reliable legal resource for international transactions,” says a client.

#### Leading lawyers

Alan Cannon  
Takahiro Saito  
David Sneider

### Sullivan & Cromwell

The team might be small, but Sullivan & Cromwell certainly scores big in the Tokyo game. “It is market-savvy and has the knowledge that is unequalled by any law firms,” says one client.

Dual-qualified star partner Izumi Akai is a highly respected practitioner and is on every big transaction of the firm. Clients do not hesitate to praise Akai for his brilliant experience and skills. “Akai-sensei is the deal maker. He is such a respected practitioner. He is by far one of the best,” lauds one in-house counsel. “You get the best solution, the best advice, and the best resolution when he leads the group.”

One client notes that the team is very strong at acting as underwriter’s counsel since Akai is “good at spotting issues at underwriter’s point of view”, and Sullivan & Cromwell did not fail to gain mandates as underwriter’s counsel in two of the largest deals over the past 12 months. The firm starred in Mizuho Financial Group’s \$4.8 billion global offering of common shares in July 2009 and in Dai-ichi Life Insurance’s IPO in April 2010. The latter was valued at approximately ¥1 trillion (\$11.5 billion) and was the largest in Japan for 12 years.

Akai and team showcased their command as issuer’s counsel as well in Nomura Holdings’ global offering of shares of common stock valued at \$5.5 billion.

Garth Bray relocated to Tokyo from New York in August 2009 and has taken charge of a number of deals since his arrival. For instance, he acted for the underwriters in the global offerings of Japan Finance Corporation in November 2009 and May 2010.

#### Leading lawyers

Izumi Akai

### Other ranked firms

The market makes a note of the absence of an on-the-ground foreign partner on the capital markets team of Allen & Overy following the relocation of Jason Humphreys to Singapore. The firm’s specialised and solid debt practice is an appeal to clients and various repackaging programme trades, structured bond issues and MTN updates for clients like Shinsei Bank, Tokyū, Nomura and Citigroup have kept the team busy.

One standout transaction saw Norifusa Hashimoto lead a team to advise the Republic of Indonesia on the issuance of ¥35 billion (\$401 million) *samurai* bonds guaranteed by the Japan Bank for International Cooperation (Jbic). This was the first *samurai* bonds guaranteed by Jbic.

Leading lawyers: Norifusa Hashimoto

Freshfields Bruckhaus Deringer’s good-sized capital markets team continued to get its fair share of work in the past year starring in two MTN updates for arrangers Daiwa Securities SMBC Europe (now Daiwa Capital Markets Europe) and Shinsei Bank in August and October respectively, and advising Barclays Bank for the issuance of *samurai* bonds valued at ¥52.7 billion (\$610 million).

James Lawden and Edward Cole appear on many of the firm’s transactions, and one client is quick to describe Cole as “a credit to his firm” by being “very hands-on” and that he “understands both the Japanese market and where the Japanese corporates are coming from”.

Peers note that Skadden Arps Slate Meagher & Flom is more keen to develop its M&A offering over that of its capital markets practice, but the firm’s dual offering of US and Japanese law, the legendary Mitsuhiro Kamiya and a worldwide network do have its own fans.

A significant accomplishment of the Tokyo office was featuring in the Authorised Deposit-Taking Institutions (ADIs) Guarantee Scheme and the State Guarantee Scheme implemented by the Commonwealth of Australia across multiple jurisdictions. A

number of Skadden's offices were involved and Kamiya advised on issues in relation to *samurai* and *uridashi* bonds.

## Capital markets - structured finance and securitisation - foreign law

### Recommended firms

#### Tier 1

Allen & Overy  
Linklaters

#### Tier 2

Clifford Chance  
Hogan Lovells

#### Tier 3

Freshfields Bruckhaus Deringer  
Orrick Herrington & Sutcliffe  
Skadden Arps Slate Meagher & Flom

## Capital markets - structured finance and securitisation - local law

### Recommended firms

#### Tier 1

Atsumi & Partners  
Mori Hamada & Matsumoto  
Nagashima Ohno & Tsunematsu  
Nishimura & Asahi

#### Tier 2

Anderson Mori & Tomotsune  
Linklaters

#### Tier 3

Baker & McKenzie GJBJ  
City-Yuwa Partners

The structured finance and securitisation market suffered much from the credit crunch and has yet to fully recover from its aftermath. "It has taken a bit of a nosedive since Lehman," notes one observer. Although the domestic market is still holding up, the volume of new issuances and cross-border transactions has lowered significantly. While firms have noticed that new instructions seemed to be returning since the start of 2010, their pragmatic analyses predict that "work volume will remain fairly low compared to the past".

Restructuring matters, especially in the real-estate sector, light up the gloomy scene a little and is one of the primary sources of business for many firms along with continual advisory work. Real estate has always been a popular sector in Japan, but property prices went down severely when Lehman Brothers collapsed. Many investors who purchased in 2006 and 2007 suffered hard and are now in

search of refinancing opportunities for the mature deals to avoid their default.

Structured finance is gaining popularity in the country as investors had lost confidence in securities products. "The market has changed and now you need to look at who is doing structured finance because there is basically no more securitisation work," says one partner. As for new money news, some practitioners predict that it will be increasingly important for them to develop new structures as there is a tightening trend worldwide and entities will have to find new ways of refinancing.

### Allen & Overy

"Allen & Overy is the best at the work it does here by miles," says one financial client.

Jason Humphreys relocated to Singapore at the end of 2009 and some commentators point to the fact that the structured finance team has no resident foreign partner in Tokyo now. The remaining team, however, proves to be mature enough to keep the ball rolling and clients retain full confidence in this magic-circle firm.

"My view of the firm as a whole is a firm of quality individuals. Definitely my go-to firm when it comes to derivatives and structured finance," says a banking counsel.

In particular, clients fall over each other to sing praises for counsel Aaron Comerford and cannot speak highly enough of him. "He is extremely thorough, professional yet client friendly - if one wants to get a complex deal done, he is the one to contact," says one. "Results he produces will unfailingly exceed your expectations."

Another investment banking counsel puts it this way: "My view is that he should have been made a partner long time ago. Technically I think he is the best derivatives lawyer in Japan, at least on the foreign side."

The first-class practice works with all the leading players in the market. Barclays, Credit Suisse, Daiwa Securities, Deutsche Bank, Goldman Sachs and JPMorgan are among some of the names on Allen & Overy's enviable client roster this past year.

The firm takes pride in tackling complicated and ground-breaking transactions and has an excellent representation in the credit derivatives space. One example showcasing its prowess was its role in the four credit events in the Japanese market. Comerford and up-and-coming counsel Seiji Matsuzoe advised the International Swaps and Derivatives Association (Isda) and the Japan Isda Credit Derivatives Determinations committee on these events. Two of them resulted in the first credit derivatives auction settlements to ever happen outside of Europe and the US and

gave the duo first-hand experience of the credit event and auction settlement process.

Comerford and dual-qualified Matsuzoe often work together on transactions and clients appreciate this arrangement. "I depend on Aaron a lot on solid analysis. He is my go-to guy to figure out what the problems are in complex transactions. Matsuzoe-sensei is also very good. He plays an important role in complementing Aaron's strengths by providing Japanese law advice," explains one counsel.

"On the structure finance side, I think the firm has the balance right. It has done a good job in making Aaron and Matsuzoe work together to provide integrated Japanese and foreign law advice."

Working on restructuring of transactions, claims related to the Lehman insolvency and unwinding structures of Lehman-related repackaged notes, and advising on the hedging aspects of financings are some of the various types of work that has kept the team busy. One deal worth mentioning was HSBC and Citi engaging the firm to advise them as arrangers on the hedging aspects of the first covered bond transaction in Asia issued by Kookmin Bank. This deal won *IFLR magazine's* Asia Structured Finance Deal of the Year 2010 and Allen & Overy was also named structured finance team of the year.

"The strongest merit of using Allen & Overy is its global reach," says a client on his experience with the firm. "Structured transactions involve many jurisdictions and A&O's ability to provide advise under various governing laws through one contact point is very useful."

### Leading lawyers

Aaron Comerford  
Norifusa Hashimoto

### Anderson Mori & Tomotsune

"On the Japanese side, I think the best firm is Anderson Mori & Tomotsune," says a foreign firm peer.

The firm was most active in real estate-related deals in the past year and its representation of Eurohypo Japan on the acquisition of Pacific Century Place Marunochi Building was a landmark transaction. It was the largest property acquisition after the Lehman shock and involved complex regulatory issues because the issuer took the form of a Tokuteki Mokuteki Kaisha (TMK), a special form of segregated portfolio company (SPC), and it was precedent-setting for a TMK to issue secured bonds.

Domestic firms are often applauded by clients for their outstanding technical ability and Anderson Mori is no exception. One client delights in the "excellent advice"

received from the team “with respect to Japanese regulatory matters on derivatives and structured finance transactions”.

#### Leading lawyers

Tatsu Katayama  
Isao Shindo

### Atsumi & Partners

The structured finance and securitisation practice at Atsumi & Partners is one of quality and devotion to specialisation. “It specialises in loans and securities transactions. This firm is number one in Japan,” says a client. “The fees are reasonable. It is more responsive and I know that a majority of investment banks use Atsumi.”

Name partner Hiroo Atsumi is considered by many as a leading light in the market, and many credit the firm’s success to his excellent reputation. “I have been working in the structured financing area, aircraft, repackagings, trust structures, for over 20 years. As far as I am aware, Mr Hiroo Atsumi is one of the best banking and financing lawyers in the market,” notes one in-house counsel. “I have known him for 15 years, and I call him first with any structural questions.”

Although the market has not returned to the pre-credit crunch state, the domestic side is relatively afloat. Clients keep coming to the firm and it recruited three of counsels in the past year to cope with the workload.

Acting as counsel to arrangers normally, some notable transactions executed by Atsumi & Partners this past year include advising a Japanese securities firm on the securitisation of lease receivables in which a dual trust and inter-trust asset-backed loan scheme was used, and acting as Japanese law counsel to a securities company on an asset-backed transaction where a large consumer finance company securitised its consumer loan receivables through a trust and asset-backed loan. The latter deal was valued at approximately ¥100 billion (\$1.14 billion).

“A&P is one of top tier law firms in structured finance due to its accumulated legal knowledge and professionalism. With its knowledge the firm provides us with quick and precise response, on both opinion and advice, to our inquiries,” says a long-time client.

#### Leading lawyers

Hiroo Atsumi

### Clifford Chance

Clifford Chance continues to go from strength to strength in the structured finance

and securitisation sphere. “The firm has a good offering,” notes a competitor.

With the promotions of one partner and one counsel, the relocation of a senior associate from London, and the joining of two new *bengoshis*, there is no question on the firm’s determination to thrive in Tokyo.

Promoted to the partnership in May, clients are always quick to mention Leng-Fong Lai. “Clifford Chance is a very good firm. We work a lot with Leng-Fong Lai and he is very good in terms of getting transactions done,” says a financial client. Another gives credit to the advice received from Lai: “He provides analysis from many different aspects and his advice is to the point.”

One key credential of the team was the Kookmin Bank covered bonds offering which was awarded *IFLR magazine’s* 2010 Asia Structured Finance Deal of the Year. Peter Kilner and Lai led the team advising Kookmin Bank on this first covered bond deal in Asia. It contained credit card receivables in the cover pool, which differed from the usual residential mortgages and public sector loans.

One banking client especially appreciates the professionalism of the firm: “Clifford Chance was particularly attentive to our needs, working around the clock on three time zones to make sure the transaction would be completed by the due date. The firm has efficient manner without the need for time spent on researching the issue from zero.”

With a respectable real-estate practice, the structured finance and securitisation team was often engaged in many real estate related matters in the past year, such as advising new entrants on opportunities in distressed assets and advising existing lenders on security enforcement over Japanese real estate and debt workouts. One new money deal navigated by the three-partner team and counsel Noriaki Tanimoto was representing Forum Realty Income on its investment in new mezzanine and convertible bonds issued for the refinancing of the onshore Japan Reit (real-estate investment trust) vehicle of Galileo Japan Trust.

A client of Tanimoto has complimentary words for him: “We mostly work with Noriaki Tanimoto and his team. We are all very impressed with Tanimoto-sensei. He is bright, quick-minded and diligent. He knows the law but also understands the commercial realities in which we are working. He has taken the lead on a number of matters that would otherwise occupy our time over here so he is much appreciated.”

#### Leading lawyers

Peter Kilner  
Eiichi Kanda  
Leng-Fong Lai

### Hogan Lovells

Hogan Lovells continues to earn roles in the capital markets thanks to the reputation of finance specialist Philip Hyde. Having been in Tokyo since 1997, Hyde has a depth of experience in advising investment banks and financial institution. “If I need him, he is always there,” says one financial client.

Since Hyde and his team joined in 2008, the firm has bolstered its offerings. Recent transactions handled by the team come from three areas: restructuring work, new issuances and referrals from Hogan Lovells’ global network. The merger between Hogan & Hartson and Lovells in May 2010 has given the firm even greater access to more markets around the world.

Of note was the firm’s role in the securities joint venture between Morgan Stanley Japan Securities with Mitsubishi UFJ Financial Group. Richard Bleackley, an associate from the finance group, was seconded to Morgan Stanley to work on the transaction from within its legal group. Other recent representative capital markets work includes advising EDF on the issuance of *samurai* bonds, acting for Harakosan on the restructuring of its convertible bonds and a number of confidential new securitisation transactions.

#### Leading lawyers

Philip Hyde

### Linklaters

“Par excellence,” says a client. “Linklaters, especially Paul (Kruger), is an exceptional law firm.” Under the leadership of the market’s finest talents for both foreign and Japanese law advice, Linklaters cements its top-tier presence on the foreign law ranking and appears as the only international law firm in the local law table.

The two sides each have their own strong fan base. Praised by a counterpart as “a world class finance lawyer”, Akihiro Wani heads the *bengoshi* team and wins plaudits from a banking counsel: “Their Japanese law capability is very high and their internal communication is excellent. Their advice is sound and based on their good commercial understanding of transactions.”

Market luminary Paul Kruger takes charge of the foreign law practice and is assisted by counsel Victor Wan. The duo receives no shortage of praise on their work: “Paul and Victor are excellent, top of their class,” says a banker. “They are quick to respond and can quickly think of good ideas to resolve the situation. They are the idea-oriented problem-solving type of lawyers.”

While many firms struggle to get deals in the down market, Linklaters continues to see a

robust flow of transactions coming its way, many of which are the most complex matters in the region that requires cutting-edge advice. As structured finance and securitisation work becomes more highly structured, which often bleeds into the skill sets required for other practice areas, the firm's worldwide presence and top-notch operation in other practices are other benefits for clients.

A prime showing of Linklaters' calibre was the private placement and repackaging of Kintetsu Corporation's convertible bonds due 2014. The firm acted as counsel to arranger UBS Securities Japan on both English and Japanese law. The deal was one of the first repackagings of a primary market offering using a Japanese trust as the special purpose entity. As it required the breaking down of convertible bonds, the debt and equity team worked on the issuance of that while the structured finance and derivatives team handled the issuance of the repackaging and warrants.

Wan was the main contact of the transaction and his ability to tackle complex deals is recognised by clients. "Victor has wealth of experience not only in Japan but in Asia in general. He is very aware of the commercial sensitivity of the deals and always offers options to overcome obstacles," says one. "He is one of the few lawyers in Asia who can work with clients to get complex structured deals done."

The Asian team assumed the lead counsel role to KPMG as the liquidators of Lehman Brother's Asian business, and the Tokyo office is advising KPMG on a range of Isda close-out and collateral issues. Another highlight saw it advising Sumitomo Mitsui Banking Corporation as trustee and Nikko Cordial Securities as arranger on repackaging programme, the first case of restructured notes issued by a Japanese trust.

Perhaps the only issue clients have with the magic-circle firm is the fees: "Its fees are one of the highest in the industry, but you get what you pay for!" says one client.

#### Leading lawyers

Paul Kruger  
Victor Wan  
Akihiro Wani

### Mori Hamada & Matsumoto

Mori Hamada & Matsumoto retains its solid footing in the structured finance and securitisation market with a team of sharp and experienced practitioners. "We believe that its service is very good. There are many specialised lawyers at the office," says a client.

Masanori Sato and Takahiro Kobayashi are the two key contacts of the team and clients offer praise for both of them. "Mr Sato has good experience not only with structured

finance, but also other finance areas. He has a good relationship with bar associations and Japanese regulatory. If we are to do new transactions, he always give us advice and ideas," says one financial client. "Mr Kobayashi is very clever and a hard-worker. He gives us creative ideas."

The duo, together with Atsushi Oishi, starred in a noteworthy case in February in connection with a whole business securitisation of a mansion management business. The team advised Mizuho Securities, Mizuho Corporate Bank, Haseko Corporation and Haseko Anesis Corporation in the deal and involved complicated contractual, structural and governmental mechanisms for the purpose of raising funds under more favourable terms.

#### Leading lawyers

Takahiro Kobayashi  
Masanori Sato

### Nagashima Ohno & Tsunematsu

"Nagashima Ohno & Tsunematsu is extremely good," says a rival.

The highly-regarded practice consistently gains mandates from all the leading securitisation players in the market, counting Mizuho Securities, Mitsubishi UFJ Securities, Development Bank of Japan, Citibank and BNP Paribas Securities among its clientele.

A group of seasoned practitioners featured in many notable deals over the past 12 months. One high-value transaction was representing Mizuho Securities as arranger in the securitisation of consumer finance receivables for several finance companies in which the total value exceeded ¥194 billion (\$2.21 billion). Instalment receivables, loan receivables using declaration of trust and monthly clear card receivables are some other securitisations of assets advised by Nagashima Ohno.

Work-out deals for securitisation is another type of work keeping the team busy. Sample transactions include acting on the bankruptcy of SFCG and the business revitalisation for Aiful Corporation and Life.

#### Leading lawyers

Satoshi Inoue  
Fumihide Sugimoto

### Nishimura & Asahi

Nishimura & Asahi remains a leading presence in the structured finance and securitisation market. Clients trust the capacity of the team to tackle complex structures and often assign it to act on pioneering matters.

Hajime Ueno is the partner in charge of many of the firm's highlight transactions and a client speaks highly of him: "Mr Ueno is

very reliable. We have done some CDOs [collateralised debt obligations] and complex transactions with him and he has done our transactions in a timely manner."

Two innovative cases helmed by Ueno both had ground-breaking features. Sumitomo Trust & Banking sought the team's advice in the establishment of a half-public, half-private fund to extend credit to J-Reits (Japanese real-estate investment trusts) in financial difficulties. This was the first time a public-private fund was set up with a specific aim to assist J-Reits in trouble. Another deal is the first full-scale synthetic CLO that utilised guarantees instead of credit default swaps (CDS) where Ueno advised Mizuho Securities.

#### Leading lawyers

Masaru Ono  
Yoshinori Ono  
Hajime Ueno  
Mitsuhiro Yasuda

### Other ranked firms

The structured finance and securitisation team at Baker & McKenzie GJB often works with its real estate team on real estate and time-share receivables. This is in addition to its expertise on dealing with various types of assets, such as mortgage receivables and corporate loans. Some sample transactions of these saw the team advise a US securities company on the refinancing of TMK bonds and non-recourse loans of real-estate finance, and its representation of Aetos Japan for the restructuring of its real estate portfolio that the client holds through a special purpose company.

"The work of the firm is high quality and it gives quick responses," says a client, who further singles out two individuals for praise: "Mr Seishi Ikeda is a legal specialist of structured finance and does his work very quickly, and Mr Taijiro Suzuki's job is very detailed and quick."

As real estate-related securitisation becomes active again, Baker & McKenzie lured Haruhiko Ogasawara from Atsumi & Partners to join as counsel in February. He brings his vast experience in J-Reits (Japanese real-estate investment trusts) and securitisation issues to the firm.

Freshfields Bruckhaus Deringer is more known for its corporate M&A work rather than its finance practice in Tokyo. The firm, however, did still see some instructions on structured finance coming its way in the quiet market. One notable matter saw the team advise Macquarie Goodman on the structuring of a convertible loan facility from the

existing shareholders to J-Rep, a real estate brokerage and asset management firm.

James Lawden has years of experience in securities transactions and is a key figure in the group.

### Other notable firms

**Jones Day** has been building up its structured finance and securitisation practice since the joining of finance specialist David Deck in late 2008. Deck has executed a number of tax-driven transactions in the past year.

A prime model of the type of deal he succeeds on and the kind the firm expects to see more of in the future, was his counsel role to Orient Overseas International on a tax-based structure financing that involved different classes of preferred shares.

## Banking - foreign law

Recommended firms	
<b>Tier 1</b>	Allen & Overy Clifford Chance Linklaters
<b>Tier 2</b>	Milbank Tweed Hadley & McCloy Morrison & Foerster
<b>Tier 3</b>	Freshfields Bruckhaus Deringer Jones Day Latham & Watkins Norton Rose O'Melveny & Myers Orrick Herrington & Sutcliffe Paul Hastings Janofsky & Walker Skadden Arps Slate Meagher & Flom

## Banking - local law

Recommended firms	
<b>Tier 1</b>	Anderson Mori & Tomotsune Mori Hamada & Matsumoto Nagashima Ohno & Tsunematsu Nishimura & Asahi
<b>Tier 2</b>	Atsumi & Partners Baker & McKenzie GJB Linklaters
<b>Tier 3</b>	City-Yuwa Partners TMI Associates

The post-Lehman banking scene in Japan has been less than exciting. Lenders, especially commercial banks, are still reluctant to pro-

vide any financing. "In 2009 within the domestic market, there has been dry out of domestic financings, I haven't seen a complex real-estate financing and I have only seen one leveraged financing," says one practitioner. All law firms were doing at that time were mostly restructuring and refinancing deals, and some syndicated lending and acquisitions.

The market seems to have gotten better in 2010 with "the market loosening up and banks lending again", says one market commentator. Another agrees and notes that "the big three banks in Japan are increasingly making efforts to underwrite loans."

While restructuring work, especially those in the real-estate sector, is still the main theme in the market, leveraged financing has begun to finally shown some signs of life. After being entirely stagnant for two years, a number of these smaller deals have cropped up in the pipeline.

Practitioners also predict that ordinary corporate loans and buyout financings will become active again, and asset-backed loans are gaining momentum in the market. One area of work that has and will continue to stay afloat is acquisition financing. In line with the growing trend of outbound M&As in recent years, firms have been getting work in relation to Japanese corporates arranging loans to acquire companies overseas.

### Allen & Overy

Hailed by many for its "high quality" banking practice, Allen & Overy remains at the forefront of the market and joins two of its competitors to top the new foreign law ranking this year. The banking partners, Aled Davies and Adam Moncrieff, are stars in the project finance arena as well and the two aspects of the financing practices work hand-in-hand to make this magic-circle firm a premier choice for many leading banks in the market.

In a demonstration of its reputation to act on highly complex and large-scale international deals with the advantage of an extensive worldwide network, Davis and Ashley Young led a team to advise the Japan Bank for International Corporation (Jbic) and three Japanese commercial banks on the refinancing of acquisition debt to Marubeni Corporation on projects in Chile. The balance of power between different parties, minority interests and pre-existing shareholders' arrangements and the involvement of Japanese, Chilean and Dutch entities all added to the complexity of the deal.

Restructuring and refinancing aside, acquisition financing, asset financing and syndicated loans are also the types of work keeping the team occupied. Its first-rate project

finance practice further attracts much energy-related work to the firm.

### Leading lawyers

Aled Davies

Adam Moncrieff

### Anderson Mori & Tomotsune

Anderson Mori & Tomotsune's finance practice is held in high regard by the market. One feature that sets it apart from the other competitors is a strong regulatory team and restructuring practice which makes the firm a sought-after choice for many entities. The Shonai Bank and Recof Corporation engaged the firm in two deals which utilised both its expertises.

First up, the team assisted Shonai Bank and its financial advisor Recof in the bad loan disposal and corporate restructuring of Hokuto Bank, a regional bank in Japan. The deal involved the disposal of bad loans to Hokuto Bank's newly established subsidiary, the Hokuto Solutions, by way of demerger, and an investment by Shonai Bank into Hokuto Solutions.

Half a year after completing the first deal, the firm again advised Shonai Bank and Recof, and this time around it was on the management integration between Shonai Bank and Hokuto Bank. The deal was structured to be a capital injection and a joint share transfer transaction and the firm advised on regulatory issues, equity financing and M&A.

Satoshi Inoue was part of the team to feature in both transactions and a client is full of praise for him: "Mr Satoshi Inoue is definitely one of the best ones. He is a very popular lawyer in the market and he has expertise in leveraged buyouts in the Tokyo market."

### Leading lawyers

Satoshi Inoue

Tatsu Katayama

Takaharu Totsuka

### Atsumi & Partners

Though Atsumi & Partners is most well-known for its securitisation practice, its prowess in the banking area should not be overlooked. Banking work forms a considerable amount of the firm's business and enjoys a good reputation in the market. "Atsumi & Partners is a pretty good firm and banking work is the main thing they do," notes a peer. "I have worked with the firm before and it provides excellent client service," says another.

Clients have kind words for the firm as well: "Through the past transactions, A&P has proved its legal professionalism based on its knowledge and experience," says one cor-

porate client. “We continue to use the law firm to receive high quality legal advice and service.”

The team expanded this year by hiring three counsels and has been busy with asset-backed loans and syndicated loans among other types of transactions. Having non-Japanese partners adds an international flavour to its practice and foreign clients appreciate the easier flow of communications. For example, Hiroo Atsumi and Bonnie Dixon represented a non-Japanese foreign exchange company on its application to conduct foreign exchange business in the country and advised on other regulatory matters.

“I enjoy working with Atsumi & Partners and I will continue working with the firm. To me that’s the best thing I can say about a firm,” says a client.

#### Leading lawyers

Hiroo Atsumi

### **Baker & McKenzie GJB**

The banking and finance team at Baker & McKenzie GJB has a good reputation in the market, especially for domestic work. “Bakers seems to have got onto some decent deals recently,” notes a peer. The team continues to expand its offering by poaching real-estate specialists Alexander Jampel and Haruhiko Ogasawara from Paul Hastings Janofsky & Walker and Atsumi & Partners respectively, and hiring an associate this year.

The firm scored big by earning berths in two of the largest buyouts in 2009. Representing a group of Japanese banks as the mandated lead arrangers and bookrunners for the debt financing to Bain Capital for its tender offer buyout of Bellsystem24, this \$1.1 billion transaction was the largest acquisition financing and the largest buyout in the country in 2009.

Another transaction was the \$830 million Goldman Sachs’ MBO of USJ through a takeover bid (TBO) in which Bakers represented a group of nine financial institutions as co-arranger of the financing. The deal was precedent-setting as it was the first case to deal with the electronic share pledge registration in Japan.

One banking client describes the firm’s service as being “timely, accurate and reasonable” and offers praise to two members in the team: “Mr Yasuhisa Takatori and Mr Tsutomu Kobayashi do the practical work for us and they provide very great contributions.”

#### Leading lawyers

Naoaki Eguchi

### **Clifford Chance**

“Clifford Chance does well with banking work. I regard it as the best UK firm in Tokyo,” says a client. A rival too acknowledges the firm has “a decent team” and is among the top in the market despite its recent downsizing. Good reviews from the market cement the firm’s top-tier position on the foreign law ranking this year.

Led by leading light Peter Kilner, Hidehiko Suzuki, Masayuki Okamoto and Yemi Tépé, all have their areas of specialisations and gain different accolades from their clients. “Peter Kilner and Yemi Tepe are really pragmatic counsels who have a deep understanding on both legal practice and business mentality,” say a client of the duo. “Having Peter and Yemi on our side or even counter side is an ideal situation for us to negotiate complex transactions in a limited time frame.” Of Okamoto, one client notes: “Mr Okamoto has been very willing to meet the requirements of our side during the discussions.”

“Clifford Chance is very progressive to resolve any complex situations,” says a client. Showcasing the team’s command of complex transactions was its work advising the Development Bank of Japan as mandated lead bondholder in the refinancing of bridge facilities for the acquisition of Senoko Power. There were multiple levels of debt and the total debt was valued at S\$2.35 billion (\$1.72 billion) for senior facilities and S\$300 million (\$220 million) for equivalent mezzanine bonds.

The firm has provided counsel to banks on a couple of revolving facilities as well. Some of the banks that actively engage the team include Citigroup, Morgan Stanley, Mizuho Corporate Bank, Merrill Lynch and JPMorgan Chase.

“I believe that Clifford Chance is one of the most professional legal firms,” says a banking client. “Under the time constraint, the legal counsel of Clifford Chance provided us with the best service and advice.”

#### Leading lawyers

Peter Kilner  
Masayuki Okamoto  
Yemi Tépé

### **Linklaters**

Widely regarded as having the strongest *bengoshi* team among all the international firms and some of the finest lawyers on the foreign law side, Linklaters makes an appearance on both the foreign and local law rankings this year.

The breath and depth of its practice is unrivalled in the banking arena. “They have

many strong finance lawyers,” says a client. Heading up the *bengoshi* team, Akihiro Wani is a presence in the Japanese market and is lauded by competitors as “a world class finance lawyer”.

Christopher Bradley takes charge of the banking practice and receives no shortage of praise from clients. “Chris Bradley leads an integrated legal team in Linklaters. He is excellent and he is perfect in terms of leadership,” notes one. “He is updated on the market, knows his legal knowledge well and his character is nice.”

Despite a difficult market situation, the team still maintained a robust flow of transactions, especially on restructuring, buyouts and new lending generated from outbound acquisitions. One notable transaction was representing PricewaterhouseCoopers in the acquisition of BearingPoint’s consulting business in Japan.

#### Leading lawyers

Christopher Bradley  
Akihiro Wani

### **Milbank Tweed Hadley & McCloy**

Milbank Tweed Hadley & McCloy’s well-regarded project finance practice gives a boost to its banking work as the two are often mentioned alongside each other by market commentators. The firm regularly gains mandates from Japanese financial institutions and international banks to advise on the financings for the region’s most complex and sophisticated projects.

Gary Wigmore and Mark Plenderleith leads a small team in the Tokyo office that focuses on providing US and English law advice and the duo is highly visible in the market. “He is everywhere,” says a rival of Plenderleith. One client has good experiences working with him as well: “Mark acted as lender’s counsel and provided competent and well timed advice.”

Milbank featured in the much talked about Cirebon power project in Indonesia this February, advising the Singapore branch of ING Bank on a bridge loan to the project developer and the bridge loan was guaranteed on a several basis by four sponsors.

Another complex transaction handled by the firm saw it represent Banco De Oro Unibank in the acquisition of an interest in a loan from Nomura Asia Holdings to PPF Company, which was then used by PPF to make loans under its subordinated mezzanine debt facility to Team Energy Corporation.

#### Leading lawyers

Gary Wigmore

## **Mori Hamada & Matsumoto**

Mori Hamada & Matsumoto does not advise on project finance structures like private finance initiatives (PFIs), but instead focuses its practice on loan arrangements, acquisition financings and buyouts instead, crafting a strong reputation in these areas.

A client recommends Akira Marumo and Hajime Tanahashi: "I worked with Mr Marumo and Mr Tanahashi in several financing deals such as loan syndications, leveraged buyouts and structured leases and I had a good experience with them." Toru Ishiguro is an all-round practitioner and has a good name in banking work as well. "He is a legend," says a peer of Ishiguro.

Showing off the firm's command on buyout deals, it acted on a unique LBO last October, helping Quantum Entertainment Corporation to privatise listed talent agency Yoshimoto Kogyo through a tender offer. The transaction was unique as it was sponsored by 13 minority shareholders together and it involved complex debt and preferred equity financing.

### **Leading lawyers**

Toru Ishiguro  
Satoko Kuwabara  
Masanori Sato

## **Morrison & Foerster**

Market observers note that much work in the past year has been generated from the real-estate and energy financing pool, and Morrison & Foerster is in a good position to capture a bulk of this with its bevy of talent in these two areas. In addition to having the respected Dale Caldwell for the more traditional banking work, the arrival of Christian Petersen from Paul Hastings Janofsky & Walker brings more project development and finance expertise to the table while Theodore Seltzer and Eric Piesner are veteran practitioners in the real estate sector.

Many clients like the fact that Morrison & Foerster is able to advise on Japanese, US and English law, such as this one: "The firm is very responsive and knowledgeable on both Japanese law and US law topics," says an in-house counsel. "The Tokyo office has a large and experienced bengoshi group and it is comfortable working with multinational clients and US public companies."

A lot of Japanese and international banks are clients of the firm, such as Shinsei Bank, Mizuho Corporate Bank, the Japan Bank for International Cooperation (Jbic), JPMorgan Chase and Deutsche Bank. One recent highlight of the team was representing Toshiba America Nuclear Energy as agent and lender

of a syndicated vendor financing facility to a nuclear power project in the US.

"The lawyers gave creative structures and were able to work within very challenging timelines. On the technical side, they were able to tell us what the law says," says one in-house client.

### **Leading lawyers**

Dale Caldwell

## **Nagashima Ohno & Tsunematsu**

Recommended by clients as a "strong all-around firm", Nagashima Ohno & Tsunematsu's banking team does not fail to impress the market. The firm continues to lead the pack with a stable performance at the highest level. Popular among banks, Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, the Sumitomo Trust & Banking and the Chuo Mitsui Trust and Banking are some of the names on its client roster.

A number of acquisition financing deals kept the team engaged in the past year, for example, Nobuyoshi Inujima acted as borrower's counsel to Bain Capital on its acquisition of Bellsystem24, and Jiro Mikami and Ryo Okubo advised a group of banks as lenders for the management buyout (MBO) of Yoshimoto Kogyo.

One client of Mikami is quick to laud the practitioner: "Jiro Mikami is one of the best. He is strongest in negotiation with sponsors and he has good experiences in M&A transactions, leveraged buyouts (LBOs) and in the real estate sector as well."

### **Leading lawyers**

Satoshi Inoue  
Jiro Mikami

## **Nishimura & Asahi**

Nishimura & Asahi boasts a very gifted banking team and continues to sail comfortably to the top tier. The team constantly garners accolades from peers and clients. Takashi Eijri, Kei Ito and Masaru Ono are all identified by competitors as leading lawyers in the field.

A client singles out Ito for praise: "Ito-sensei is very analytic yet practical." Hirotada Inoshita receives these plaudits: "He is absolutely a star," says a banking counsel. "He is a problem-solver."

The firm is able to provide a full range of financial services with the talent it possesses and one client notes that it is "very strong in restructuring work". The banking team was crucial to the target company USJ in an MBO of USJ by Goldman Sachs and other investors. The transaction happened at a chal-

lenging time as it was carried out after the Lehman shock and the failure of the Charle MBO which left prospective syndicated lenders with doubts on the fairness of the price negotiation process. As counsel to the target company, the team had to arrange for a special due diligence system to give confidence to the syndicated lenders and the deal was closed successfully in October 2009.

### **Leading lawyers**

Takahashi Eijri  
Kei Ito  
Masaru Ono  
Katsu Sengoku  
Masahiro Ueno

## **Other ranked firms**

Housing a celebrated M&A practice, the other practices of **Freshfields Bruckhaus Deringer** are often overshadowed. Head of the finance group Naoki Kinami is a specialist in international finance, M&A and regulatory work while James Lawden and Edward Cole have expertise in securities transactions and capital markets offerings respectively.

The three form a very balanced team at Freshfields and are often called upon by clients to advise on debt arrangements or debt financings. For example, the team helped in the debt arrangement for one of the bidder's consortia to purchase Citigroup's Japanese telemaker Bellsystem24.

"Generally this is a very professional bunch," says a client of **Jones Day**. "They go beyond giving typical legal advice, but also think about the commercial aspects."

Headed by John Roebuck, the banking & finance team has been busy with a number of financing assignments for lenders on real estate and asset financings. Of note is its representation of a non-Japanese bank in the financing of land and properties, and the refinancing of existing debt. This transaction showed the availability of other sources of credit apart from Japanese banks that investors can borrow from to fund new projects.

Lead partner Hisao Hirose at **Latham & Watkins** is an expert in aviation finance who is active in the Japanese operating lease aircraft finance arena. Clients recognise his expertise and the team is trusted by many leasing affiliates of Japanese financial groups and trading houses, investors and non-Japanese banks, such as the Export-Import Bank of the United States, Nippon Cargo Airlines and the Sumitomo Mitsui Finance and Leasing Company.

Acquisition financings, senior and mezzanine debt financings and restructurings are

other types of transactions the firm often gets involved in.

Considering that the firm only opened an office in Tokyo two years ago, **Norton Rose** has been very successful so far, gaining mandates from Japanese clients whom it has built up relationships with long before setting up shop. Peers as well take note of its activities in asset, equipment and vessels financings, and the firm has a presence in energy financing as well.

A sample transaction was advising The Bank of Tokyo-Mitsubishi UFJ and Sumitomo Mitsui Banking Corporation as senior lenders for the financing of a Very Large Gas Carrier. George Gibson relocated from London this year to help further expand the Japan practice.

**Orrick Herrington & Sutcliffe** has a market-leading reputation in the real-estate sector and its banking team is regularly involved in real-estate and structured finance deals.

One example saw Michael Haworth lead a team for Westbrook Partners on the financing of various acquisitions of properties in Japan. Sergey Milanov leads a unique Russian team in Japan and often advises on energy and project financings.

One client praises the firm: "We have a high level of confidence with transactions that Orrick is involved in."

**Paul Hastings Janofsky & Walker's** banking practice is closely intertwined with its project finance work. Normally acting on the side of the lenders, the team has been working on the financing of projects in south east Asia recently.

Brett King led a team for a group of banks in July as the joint lead arrangers and managers for the largest financial sponsor leveraged buyout in Korea in 2009. To counter the loss of Christian Petersen for Morrison & Foerster last year, Paul Hastings flew in Toshiyuki Arai from Shanghai and he handles much of the asset-backed financing work in the office.

**TMI Associates** maintains a robust presence in the banking arena. Representing mainly Japanese corporates and trading houses, the firm handles both domestic and cross-border work, and is active in syndicated loans, acquisition finance, securitisation and asset-backed loans. Yutaka Sakai is a specialist in ship finance and aircraft leasing.

One highlight saw the firm advise the Hokuto Bank in the management integration with the Shonai Bank; a leading case for inter-regional merger transactions by regional banks.

## Other notable firms

Managing partner Hideyuki Sakai leads the restructuring and insolvency practice at **Bingham McCutchen Murase Sakai Mimura Aizawa** with renowned practitioners Mitsue Aizawa and Fujiaki Mimura. The firm is among the best in insolvency proceedings in Japan and one highlight saw it being appointed as a trustee in the bankruptcy of Point Two Communications.

Sakai is well-regarded in the market and an in-house client notes that he possesses "a depth experience and knowledge in Japanese legal system" and "knows what kind of legal perspectives are expected and needed for Japanese clients" to always provide "well-scrutinised legal recommendations".

## Mergers and acquisitions - foreign law

### Recommended firms

#### Tier 1

Davis Polk & Wardwell  
Freshfields Bruckhaus Deringer  
Morrison & Foerster  
Shearman & Sterling  
Simpson Thacher & Bartlett

#### Tier 2

Allen & Overy  
Herbert Smith  
Linklaters  
Paul Weiss Rifkind Wharton & Garrison  
Skadden Arps Slate Meagher & Flom  
Sullivan & Cromwell

#### Tier 3

Clifford Chance  
Hogan Lovells  
Jones Day  
Orrick Herrington & Sutcliffe  
White & Case

#### Tier 4

Ashurst  
Latham & Watkins  
O'Melveny & Myers  
Paul Hastings Janofsky & Walker

## Mergers and acquisitions - local law

### Recommended firms

#### Tier 1

Mori Hamada & Matsumoto  
Nagashima Ohno & Tsunematsu  
Nishimura & Asahi

#### Tier 2

Anderson Mori & Tomotsune  
Baker & McKenzie GJB  
Linklaters  
Morrison & Foerster  
Oh-Ebashi LPC & Partners  
Skadden Arps Slate Meagher & Flom  
TMI Associates

#### Tier 3

Allen & Overy  
City-Yuwa Partners  
Clifford Chance  
Freshfields Bruckhaus Deringer  
Hibiya Park Law Office  
Jones Day  
O'Melveny & Myers  
Paul Hastings Janofsky & Walker  
White & Case

Although the M&A market at present is nothing close to what it was in its rosy days, there have still been a considerable amount of transactions going on over the past 12 months, with domestic mergers and outbound acquisitions being the two main themes.

Many of the M&A transactions were necessary reactions to the economic situation in Japan. The country faces an aging population in the future. "The domestic market is flat to negative in terms of growth," says one practitioner. For big Japanese corporates that are rich, many have chosen to acquire overseas companies "for them to survive and to thrive". They are also in a favourable position in doing so as the Japanese yen remains strong and prices are still depressed in the US. The acquisition of Bare Escentuals by Shiseido was an example showing how companies wanting greater international exposure could immediately raise their profiles through outbound acquisitions.

For domestic mergers, one observer described the trend as "M&As for survival in the shrieking market". As there are too many players in the same industries, some companies are deciding to increase their competitiveness by merging with counterparts to grab a bigger market share. Companies in certain industry sectors are especially keen to do so, such as insurance, life sciences, energy and pharmaceuticals.

The three-way business integration between Nissay Dowa General Insurance,

Mitsui Sumitomo Insurance Group Holdings and Aioi Insurance Company in December 2009 stole the limelight as the transaction resulted in the formation of the largest non-life insurance group in the country.

“Going forward in doing M&A deals, antitrust issues will become more important,” notes one law firm partner. As M&As increasingly involve two large corporations in the same industry, the transactions have to go through antitrust clearances in many jurisdictions, most popularly those of Japan, the US, European Union and China. Recent examples include the acquisition of Sanyo by Panasonic and the mergers between Nippon Oil and Nippon Mining.

“Chinese antitrust is a headache recently,” says one. Among all the jurisdictions, practitioners have had the most problems dealing with the competition authorities in China as the regulations are new and there is a lack of precedence.

The one area that has not been able to share the excitement was inbound transactions. Commentators note that there is “continual softness on inbound deals” and the strong position of the yen was the main deterrence to foreign investors. The only few inbound deals were all strategic transactions and the market will still have to wait for them come back again.

### **Allen & Overy**

Allen & Overy is trying to up its game in Japan with the expansion of its corporate team. Simon Black relocated from Shanghai and joined forces with Chris Swift to lead the foreign law practice. They were bolstered by the help of recently-promoted counsel Jeremy White. “It’s a promising step,” says a client on the move of Black. “Simon is a good lawyer.” The Japanese law team was strengthened too with the arrival of two *bengoshis*.

With the capacity to provide legal advice of different jurisdictions and a worldwide office network, most of the deals handled by the firm are cross-border. One transaction exemplifying its strengths saw the Tokyo team advise Kirin Holdings Company on the sale of the global Kirin Agribio business to a Dutch private-equity fund. It was the first time for Kirin to sell a subsidiary to an overseas fund and the firm helped Kirin to push the purchaser to agree to certain undertakings and employee protections. Another highlight of the team was featuring in the disposal of shares by A-One to 3M, one of the rare inbound transactions in the past year, in which A&O advised A-One.

Clients enjoy working with the firm: “A&O is a sophisticated and well balanced firm,” says one. “The members have provided

appropriate, clear-cut advice from the perspective of negotiation tactics and legal technicality.”

The client further singles out Wataru Kamoto for praise: “I have directly coordinated with Mr Wataru Kamoto and believe that he is experienced enough to provide appropriate advice throughout the process and has negotiation power backed with accumulated knowledge as well as deep expertise.”

#### **Leading lawyers**

Osamu Ito  
Nobuo Nakata  
Chris Swift

### **Anderson Mori & Tomotsune**

Although commentators note that Anderson Mori & Tomotsune might have lost its foothold a little in the race for the market’s most prolific deals, the firm is certainly not short of talent and remains one of the go-to firms in the M&A arena.

“The firm is surely higher than average,” says one client, while another notes: “We think it is excellent.” One banking client gives special mention to Masaakira Kitazawa and Noritaka Niwano: “The strength of Kitazawa-sensei is in helping create clarity from laws, regulations and a court system that is not as *black and white* as those in the West. Niwano-sensei is a solid lawyer with no discernible shortcomings and has steadily increased his role and engagement with top management on key issues.”

Some noteworthy transactions handled by the team include advising Himawari KK in the management buyout of listed supermarket operator Ozeki, and representing Innovation Network Corporation of Japan, a private-equity investment fund operated by the Japanese government and 16 private companies, in its investment into Alps Green Devices for the establishment of Alps Electric by means of a company split.

#### **Leading lawyers**

Osamu Hirakawa  
Masaakira Kitazawa  
Kenichi Masuda  
Tutomu Miyano

### **Baker & McKenzie GJB**

The M&A practice of Baker & McKenzie is supported by specialists in all areas that are relevant to transactions and this one-stop shop is favoured by corporates the most. “I would recommend Baker & McKenzie for any operational matters and regulatory issues,” says one in-house client.

Partner Shinichi Sato retired in June 2009 and a couple of associates bid farewell to the firm last year, but these departures had little effect on its practice. The firm continues to be active in the domestic market and is often seen in deals in the pharmaceutical, telecommunications, retail and insurance sectors. Described by a client as “a very experienced M&A lawyer,” practice head Hiroshi Kondo advised Daiwa Securities SMBC Principal Investments, one of the three largest institutional investors of Sanyo Electric, in connection with Panasonic Corporation’s tender offering to acquire Sanyo.

More known for its local law practice, the firm is keen to develop its foreign law capacity which is largely energy-related and handled by the major projects group. An example saw the firm acting for Nasdaq-listed A-Power Energy Generation Systems and its subsidiary to acquire the Kyoto-based solar energy manufacturer Evatech in which the team advised on both local and foreign law.

#### **Leading lawyers**

Hiroshi Kondo

### **Davis Polk & Wardwell**

Although the Wall Street firms have always been viewed as capital markets firms traditionally, the context of the market is ever-changing and these firms have gotten increasingly involved in many of the high-end M&A transactions in recent years. “They do as much as the other tier one firms,” notes a practitioner in a local firm. Years of cultivation in the M&A market for Davis Polk & Wardwell finally bore fruit and it rises up to a top-tier position this year.

“Davis Polk & Wardwell is always reliable and gives us the most insightful advice,” says one financial client. “The Tokyo team, including Mr [Theodore] Paradise, has excellent skills and expertise backed by its extensive transaction experiences. It provides value-added information to Japanese clients who are keen to understand the potential risk associated with transactions in the US and mitigations they are required to get under the US laws and regulations.”

In an illustration of the firm’s prowess in large-scale M&A transactions, Paradise headed a team for Nippon Mining Holdings in its business integration with Nippon Oil to create JX Holdings. This April 2010 transaction was worth \$11.8 billion and involved complex disclosure with the US Securities and Exchange Commission (SEC) and antitrust clearances in many jurisdictions, including Japan and the US.

Another significant deal navigated by the Davis Polk team was acting for Morgan

Stanley in its joint venture with Mitsubishi UFJ Financial Group (MUFG) for the integration of their securities businesses to form one of the largest securities companies in Japan.

Having been in Tokyo since 1992, Paradise has substantial experience in the Japanese market and he is involved in every standout transaction of the firm. He garners plaudits from clients regularly: "Mr Paradise is one of the best talented US lawyers in Tokyo," says one. "He never fails to find the best solution for the clients in mitigating the legal risk in their transactions in the US."

#### Leading lawyers

Eugene Gregor  
Theodore Paradise

### Freshfields Bruckhaus Deringer

Magic-circle firm Freshfields Bruckhaus Deringer has a reputable M&A team in Tokyo and is sought-after by both prominent corporates and financial institutions, such as Mitsui, Morgan Stanley, Sampo Japan Insurance and Advent International Corporation. "Their M&A team is good, their *bengoshis* are good. I would rank the Freshfields team as one of the best for M&A in Japan," says a client at a leading investment bank.

Four of the firm's partners were busy with a joint venture which resulted in the combination of Mitsubishi UFJ Securities and Morgan Stanley Japan Securities last March. The group and the IP/IT team in Hong Kong featured for Morgan Stanley and developed an innovative structure in order to meet both Japanese and US regulatory concerns.

Japanese companies have been active in doing outbound acquisitions and Freshfields has not failed to gain such mandates. One interesting transaction saw partner Edward Cole advising Sampo Japan Insurance in its acquisition of half of the interest in the common shares of Brazilian counterpart Maritima Seguros. Cole was met with the challenge of structuring the deal in a way that could meet the insurance regulations in both countries. The acquisition, valued at \$165 million, turned out to be one of the largest Japanese investments in the non-banking offshore financial sector in recent years.

Head of corporate James Wood has substantial experience in both public and private M&A and private-equity transactions. Clients enjoy working with him: "James has specific private-equity experience developed in London. He is able to bring in unique perspectives and is very good on negotiations."

#### Leading lawyers

James Wood

### Herbert Smith

The four-partner team at Herbert Smith has enjoyed a very successful 12 months acting on some market-leading acquisition deals. Focusing on top-notch cross-border and outbound transactions, the firm is at a particular favourable position as more cash-rich Japanese corporations are taking advantage of the strong yen to acquire assets overseas. "Herbert Smith is becoming more and more of a player in the M&A market. It is on the table of two big deals," says a competitor. "It has strong M&A practitioners on the ground in Tokyo."

The firm has recognised sector expertise in areas like technology, media, telecoms, oil and gas, and infrastructure. One transaction that exhibits such know-how was its role as counsel to Canon on the acquisition of Dutch document management and printing company Océ through a public tender offer of €730 million (\$943 million) in March 2010. The transaction was strategically beneficial to both companies and will see the creation of an overall top presence in the printing industry.

Managing partner Steve Lewis and the younger James Robinson are key contacts of the group and clients speak highly of the two. "Steve quickly grips points of the project and real needs of clients, and provides perfect services," praises a client. "His management skills are excellent. His team's advice and support are always well-organised and of top quality."

"Robinson has good skills to coordinate and work with local counsels over the world to carry out merger clearance procedures," says another in-house client.

Many key players in Japan favour Herbert Smith and some of the names on the firm's enviable client list include NTT Docomo, NEC Corporation, Mitsui and Sumitomo. One in-house client gives credit to the firm's ability to offer practical advice and for its "worldwide legal network and professional experiences to have dealt with various international M&A issues".

At the time of writing, it was announced that Lewis will be returning to the firm's London office in October. Robinson will become the head of the M&A team while dispute resolution partner Peter Godwin will be taking up the managing partner position in Lewis' stead.

#### Leading lawyers

Steve Lewis  
James Robinson

### Linklaters

The four-partner team of Linklaters Tokyo offers a fully-integrated foreign and Japanese law practice and has a long-standing market-leading status in Japan. The firm is dedicated to advising on high-end, complex transactions and is one of the choice firms for many big names in the market, such as Nomura Securities, Morgan Stanley Japan Securities, Bain Capital, Mitsubishi Corporation and Diageo. The office welcomed the arrival of David Holdsworth from London in May 2010, but saw Paul McNicholl relocate to London shortly after.

In an excellent display of the firm's mastery in transactions, *bengoshi* partner Hiroya Yamazaki led a team for Shinogi & Co in the auction sale of its shares in a subsidiary in the pharmaceutical sector. The deal was one of the few private-equity auctions in 2010. To attract more bidders, the Linklaters team prepared all the documentation in English and used a structure that could accommodate foreign private-equity bidders.

McNicholl was in charge of the M&A practice before his relocation and was the key in many of the highlight transactions of the firm. Of note was his role in the establishment of two joint ventures in the solar sector between Sharp Corporation and Enel Green Power which was also part of the larger cooperation between the two parties and STMicroelectronics. Advising on the side of Sharp, this transaction was ground-breaking as it was the first time for three leading global technology and industrial companies to join forces in an equal partnership.

#### Leading lawyers

Hideo Norikoshi

### Mori Hamada & Matsumoto

Mori Hamada & Matsumoto remains a leading presence in the M&A market with a strong transaction record and a group of practitioners with different strengths to provide all the required advice in an M&A deal. "The reasons why we use MHM is that it has a lot of reputable lawyers with business sense and a wide range of practices in different fields," says a client.

Antitrust is becoming a hot issue in M&As and Mori Hamada is well-equipped to advise on this kind of transaction. It has practitioners specialising in antitrust matters and they gained hands-on experience last December representing Sanyo Electric in its acquisition by Panasonic Corporation. The firm sent a deal team and a competition team to work on this much-reported transaction. It involved getting clearances from fair trade authorities, including those of the US, European Union,

China and Japan, and Sanyo had to sell some of its subsidiaries to satisfy antitrust requirements.

Tax is another concern in these transactions and one client notes that the firm has experts in this area as well: “Mr Atsushi Oishi has a business sense. He is an expert in not only company law and security law, but also tax law which, I believe, is very important for M&A deals.”

The firm was crucial in advising Shiseido in its acquisition of US cosmetic company Bare Escentuals and representing Nippon Mining in its merger with Nippon Oil. Both transactions are examples of the business strategies of leading Japanese corporate to stay competitive by either acquiring overseas or through domestic mergers.

#### Leading lawyers

Gaku Ishiwata  
Satoshi Kawai  
Satoko Kuwabara  
Yuto Matsumura  
Atsushi Oishi

#### Morrison & Foerster

“Morrison & Foerster is the star in Japan,” says one financial client. “It has a stunning amount of partners and business even in the down market. Its number of deals and the extensiveness of transactions are well ahead of the others.”

Managing partner Ken Siegel spearheads one of the largest teams in Japan, and counts many household corporate names as clients, such as Mitsubishi UFJ Financial Group (MUFG), Toshiba, Fujitsu, Hitachi, TDK and Sumitomo Heavy Industries.

Siegel is considered a luminary in the market and is the mastermind behind all the impressive accomplishments of the firm: “Ken delivers very good customer services. He is the deal-making god - he handles his clients well, he trains his team well - he just generates deals after deals,” says a client who has been in the market for a long time. “Morrison & Foerster has been a fabulously successful model.”

Housing leading practitioners like Fuyuo Mitomi, Gary Smith, Randy Laxer and Ryugo Yoshimura, the group is able to act on a wide range of deals in any industry both domestically and globally. Its representation in Japan Airlines’ proposed alliance with Delta and American Airlines utilised its skills in negotiating complex bilateral and global alliance agreements.

Smith’s and Laxer’s experiences in life sciences transactions proved to be useful when the duo acted for Taisho Pharmaceutical in its acquisition of Bristol-Myers Squibb Company’s (BMS) Asia over-the-counter (OTC) business. The transaction was challenging as it involved the acquisition of brand rights for OTC phar-

maceutical products in many regions in Asia-Pacific, which required overcoming legal and regulatory hurdles that varied with each jurisdiction.

One client offers praise for Laxer and partner Andrew Winden: “They are both very practical and they know what we wanted to do and provide productive options.”

Other highlights showcasing the group’s dominant status and its grip on the market’s most exciting deals include representing MUFG and Mitsubishi UFJ Securities (MUS) in the \$5 billion combination of MUS with Morgan Stanley Japan, and advising NEC Electronics in its merger with Renesas Technology to form the world’s third largest semiconductor company. Apart from overcoming complex regulatory issues, both transactions were notable in the significance they had on the shape of their respective industries.

“The firm really spends more time in getting to know its clients. I am very impressed with the time it spends with us,” says a client. “All it provides is a high quality of work.”

#### Leading lawyers

Randy Laxer  
Fuyuo Mitomi  
Ken Siegel  
Gary Smith  
Ryugo Yoshimura

#### Nagashima Ohno & Tsunematsu

“The firm is a standout in M&A,” says a peer. The continued excellence of Nagashima Ohno & Tsunematsu’s M&A practice has begun to outshine its other *big four* competitors and establishes the firm as the most formidable M&A player with its high volume deal flow and the uncompromising work quality executed by some of the brightest stars in Japan.

Kenichi Fujinawa and Hiroki Inoue are two of the names that were consistently brought up by commentators. “I give a very high mark to Fujinawa and Inoue. They are very creative about structuring and drafting legal agreements and have very good business acumen,” says a financial client of the duo. “Fujinawa is really the top one or two in Japan,” says a rival.

An investment banking counsel is a fan of Yasuharu Nagashima, who was one of the founders of Nagashima & Ohno: “He is definitely the best M&A lawyer in Japan. If I have very difficult legal issues where there is neither precedent nor rules, I will go and ask for his advice.”

A foreign firm peer enjoys working with Ryuji Sakai: “I quite like him. He is proactive and he doesn’t flip and flop too much.” Clients are quick to mention Shunpei Tanaka

as well: “He can identify issues and come up with solutions quickly,” says one. “He is a good transaction lawyer and is very hard-working.”

A landmark achievement of the firm last year was featuring in the multiple selling of assets by Citigroup. First the team advised Sumitomo Mitsui Financial Group and Sumitomo Mitsui Banking Corporation on its ¥570 billion (\$6.58 billion) acquisition of Nikko Cordial Securities from Citigroup. It then advised Nikko Citi Holdings, a subsidiary of Citigroup, on its sale of Nikko Asset Management, and Nikko Citi Trust and Banking Corporation to two different acquirers on parallel auction processes. The complex structuring of deals were further complicated by a challenging timeline as all three of them were closed within two days.

Of note too was the firm’s role as lead counsel to the buyers in Panasonic’s acquisition of shares in Sanyo, and in Mitsubishi Chemical Holding Corporation’s acquisition of Mitsubishi Rayon. Both of these involved antitrust issues, an area where Nagashima Ohno has an excellent capability.

#### Leading lawyers

Kenichi Fujinawa  
Hiroki Inoue  
Ryuji Sakai  
Yoko Tamai

#### Nishimura & Asahi

Noted for its forté in the corporate M&A sphere, Nishimura & Asahi is a premier choice for many leading corporates and financial institutions, such as the Dai-ichi Life Insurance Company, Sapporo Holdings, Canon and Goldman Sachs. The firm has been an omnipresent force in M&A, starring in almost every big-ticket transaction this past year.

The firm gained mandates in the two mega financial institutions deals. The first one saw Koichi Kusano lead a team for Citigroup Japan Holdings in the sale of its securities business and other related companies in Japan to Sumitomo Mitsui Banking Corporation, a deal that had a substantial impact on the Japanese financial industry. The complex structuring of the transaction navigated many legal and regulatory issues, such as the corporate demerger of securities companies and a strategic alliance between two securities companies.

This March, Mitsubishi UFJ Securities engaged Masakazu Iwakura and team on its integration with Morgan Stanley Japan Securities and this transaction was part of the strategic alliance between Mitsubishi UFJ Financial Group and Morgan Stanley. The

integration will create one of the largest securities firms in Japan and again had a significant impact on the industry landscape.

More highlights of the Nishimura team include representing KDDI Corporation in the purchase of shares in Jupiter Telecommunications, and advising Nissay Dowa General Insurance (NDGI) in the business integration between NDGI, Aioi Insurance and Mitsui Sumitomo Insurance Group Holdings. All these involved complex legal issues and had important business impacts.

Clients unanimously praise the firm and single out key team members for compliments, such as the “absolutely excellent” Tatsuya Tanigawa and “a real up-and-comer” Yo Ota. Kusano is held in high regard by a financial client: “He is excellent. He is the one we turn to when we have problems and need local advice.” The team expanded last year by the arrival of four counsel.

#### Leading lawyers

Takashi Eijri  
Masakazu Iwakura  
Koichi Kusano  
Yo Ota  
Tatsuya Tanigawa

### Oh-Ebashi LPC & Partners

Osaka-based Oh-Ebashi LPC & Partners is proving itself to be a capable contender in the Tokyo market. “It is pretty good at financial transactions and bankruptcy law,” notes a client. “I have had a good experience with it lately,” agrees a partner at a foreign firm. The firm is up a notch to tier two this year with some favourable comments from market observers.

With its in-depth knowledge in the technology sector and expertise in the M&A area, the team twice featured in Canon’s acquisitions of its subsidiaries through share exchanges last year. It counselled Canon Finetech and Canon Machinery in February and June respectively, and the two companies were delisted from the stock exchange when the deals were completed.

Oh-Ebashi set foot in Tokyo in 2002, having established its presence in Osaka in 1981. It has a long-standing relationship with Chinese businesses and was the first Japanese law firm to open an office in China in 1995.

#### Leading lawyers

Shiro Kuniya

### Paul Weiss Rifkind Wharton & Garrison

Paul Weiss Rifkind Wharton & Garrison has crafted out a niche in providing top-quality US law advice in high-end deals in the Tokyo market. The small team led by Tong Yu and Kaye Yoshino maintains close ties with the leading corporates and banks in Japan and scored big in the second half of 2009, featuring in two hallmark transactions in Japan.

Having worked with Citigroup in a number of projects in the past, the Paul Weiss team was called up this time to represent the financial institution in its multiple sale of assets, including the sales of Nikko Cordial Securities (NCS) for \$8.7 billion to Sumitomo Mitsui Banking Corporation, its controlling interest in Nikko Asset Management (NAM) to the Sumitomo Trust and Banking, and Nikko Citi Trust (NCT) to Nomura Trust. The sale of NCS was groundbreaking as the firm invented a double demerger structure which yielded corporate and tax benefits to both the buyer and seller. The three sales took place within an extremely tight schedule and they were closed on the same day, on October 1 2009.

Another achievement saw the firm represent Nissay Dowa General Insurance in the three-party business combination with Aioi Insurance Company and Mitsui Sumitomo Insurance Group Holdings. This \$6 billion transaction resulted in the formation of the largest non-life insurance company in Japan.

“Paul Weiss handles tons of our M&A work for us and it has done really well,” says a client. “The lawyers are experts and the work is high quality.”

#### Leading lawyers

Kaye Yoshino  
Tong Yu

### Shearman & Sterling

Though not as high-profile as the trio of Wall Street firms in the Tokyo market, the M&A team at Shearman & Sterling receives no less recognition from the market and climbs to a top-tier position this year on the back of a series of headline transactions and rave reviews from clients.

Dedicated to M&A work purely, practice head Ken Lebrun is held in high esteem by clients. “I consider Ken Lebrun to be the best M&A US lawyer in the Japanese market,” says one investment banker. “He is always responsive and reliable and very knowledgeable about the US market practice when many of his peers in other US firms do not necessarily know how things are done in the US. On top of that, Ken can read Japanese documents and understands Japanese language and that

makes him even more valuable in this market.”

The small yet diligent team focuses on advising leading Japanese corporates and investment banks, on complex outbound and cross-border transactions and representing multinational entities on their investments in Japan. Reflecting its ability to command sophisticated deals, Lebrun led a team for Shiseido to acquire US cosmetics company Bare Escentuals through a tender offer. Valued at around \$1.7 billion, the deal was the largest in Shiseido’s corporate history and is a prime example of Japanese corporates acquiring companies overseas for growth.

Other accomplishments of a very successful year for Shearman & Sterling include acting for Mizuho Securities and Mizuho Corporate Bank in their merger with Shinko Securities, and representing Mitsubishi Chemical Holdings in its proposed acquisition of Mitsubishi Rayon by means of a tender offer. The team has a good relationship with Merrill Lynch Japan Securities and often counsels Merrill Lynch when it is the financial advisor to companies in M&A deals.

“I am very happy to have worked with the firm. It is a bit pricey but I don’t think I would have gotten the same quality of work elsewhere,” says a client.

#### Leading lawyers

Masahisa Ikeda  
Ken Lebrun

### Simpson Thacher & Bartlett

Simpson Thacher & Bartlett has built up an exceptional reputation in the Tokyo market. Its name here is synonymous with first class and the highest quality. Top-notch in the capital markets, its M&A practice is no less accomplished and its involvement in a number of remarkable transactions nudges the firm into the first tier. Its continual excellence and performance impresses clients. “I have used its services in Japan for several years now and consistently receive very high-quality work that combines best-in-class global legal work and, equally important in Japan, local knowledge,” says one banking client.

Some commentators have remarked that the Wall Street firms are purely capital markets firms and that their practitioners are only trained to do capital markets work without the flair to handle M&As. But, clients disagree with the notion in regards to star partner Alan Cannon: “Alan is the only one lawyer in Japan I have a high regard for both capital markets and M&As skills - other people are usually good only in one area but not both,” says an investment bank’s in-house counsel. “He is extremely smart and efficient and has a

really good common sense on top of being an experienced lawyer.”

David Sneider is another leading light in the firm and receives no shortage of praise from clients either: “David has full command of both the minutiae and the big picture. He is also very effective at client advocacy balancing calm and assertiveness at the appropriate junctures throughout negotiations,” says one banking client on how Sneider manages transactions. The same client also appreciates the modesty of the admired practitioner: “He operates with confidence and yet won’t over-extend or commit and has no issue seeking additional expertise when necessary.”

The duo acted as counsel to the financial advisers in many noteworthy transactions last year. Cannon led a team for UBS, Bank of America Merrill Lynch and Daiwa Securities SMBC as financial advisers to Nippon Mining in its \$11.8 billion business combination with Nippon Oil in October 2009, while Sneider was engaged by financial adviser to the acquirer, Goldman Sachs, in Sumitomo Financial Group’s acquisition of Nikko Cordial Securities in the same month.

Notable deals in which the Simpson Thacher team acted on the company side include advising Shinsei Bank in its \$5.9 billion merger with Aozora Bank and representing Renesas Technology Corporation in its merger with NEC Electronics.

#### Leading lawyers

Alan Cannon  
David Sneider

### Skadden Arps Slate Meagher & Flom

Renowned for its corporate practice in Japan, Skadden Arps Slate Meagher & Flom looks back on a strong year starring in many noteworthy transactions in the market over the past 12 months. Market commentators note its forté in advising on Japanese law and the firm makes a debut appearance on the local law ranking this year.

Celebrated partners, Nobuhisa Ishizuka, Mitsuhiro Kamiya and Michael Mies take charge of the corporate team and clients delight in the firm’s approach of providing advice “not just from the legal perspective, but they give an all-round view.” Many deals handled by the Skadden team involved both complicated legal issues and substantial business impacts.

These include acting as counsel to Aioi Insurance Company in its \$31 billion proposed business combination with Nissay Dowa General Insurance Company and Mitsui Sumitomo Insurance Group Holdings to form the largest non-life insurance group in

Japan and the fifth largest in the world, and representing Sumitomo Mitsui Financial Group and Sumitomo Mitsui Banking Corporation in the \$7.8 billion acquisition of Nikko Cordial Securities, which involved a demerger structure and multi-jurisdictional regulatory analysis.

Clients enjoy working with the team and describe Kamiya as providing “accurate and helpful statements” while Akira Kumaki is “conscientious, efficient and quick.”

#### Leading lawyers

Nobuhisa Ishizuka  
Mitsuhiro Kamiya

### Sullivan & Cromwell

Sullivan & Cromwell retains a respectable standing in the M&A space, gaining mandates in some important transactions over the past 12 months. Much of the success and esteem of the firm emanates from market luminary Izumi Akai. “Akai-sensei is a presence in the market here,” notes a client. “He has a lot of experience and also good leadership. He trains his team better, he manages the deals better and spots the issues better.”

Panasonic Corporation recruited Akai in its \$4.6 billion acquisition of a majority equity interest in Sanyo Electric through a tender offer in December 2009. In the same month, the team counselled Mitsui Sumitomo Insurance Group Holdings in its three-way business combination with Aioi Insurance Company and Nissay Dowa General Insurance company to form the largest non-life insurance group in the country.

The transfer of Garth Bray to Tokyo from New York in August 2009 has helped shoulder some of the work from Akai. The duo worked on the business combination of Sompo Japan Insurance and Nipponkoa Insurance, advising both parties. This \$4.65 billion deal was done through a share exchange between new holding company NKSJ Holdings.

#### Leading lawyers

Izumi Akai

### TMI Associates

TMI Associates follows close behind the *big four* by maintaining a sizable operation, which occasionally leads peers to refer to the *big five* in Japan to include TMI. Benefiting from its joint ventures with four different foreign firms, TMI is able to provide seamlessly integrated service on Japanese, English, American, Canadian and German law advice and it has enjoyed a steady deal flow over the past year.

TMI saw the departure of partner Yasuko Teraura in February 2010, but the team was aided by the arrival of Hidehiro Utsumi from Allen & Overy earlier in August 2009. The firm promoted a number of associates to partnership in 2010, and Takushi Saito is singled out by a client as “a rising star in the M&A practice of TMI” who is “very smart, creative and responsive”.

Together with its latest joint venture partner, German firm ARQIS Foreign Law Office, TMI Associates advised Volkswagen Aktiengesellschaft to acquire Suzuki Motor Corporation at ¥222 billion (\$2.56 billion). The transaction allows the biggest carmaker in Europe to boost its presence in the small car market and to expand its operations into India and south east Asia.

In another transaction, the team, together with its joint venture partner Morgan Lewis & Bockius, advised Sumitomo Corporation on its ¥122 billion (\$1.4 billion) acquisition of the shares of Jupiter Telecommunications through a tender offer.

“The firm is one of the few Japanese big firms which enjoyed team spirit in working with clients,” says an in-house counsel.

#### Leading lawyers

Hidehiro Utsumi

### Other ranked firms

City-Yuwa & Partners is another domestic firm active in the local M&A market. It has a good reputation and a group of talented practitioners although its team is smaller than the other key players in Tokyo. Doing mid-market deals more often, a high-value transaction handled by the firm in 2009 was representing target Ozeki in the ¥43.9 billion (\$507 million) tender offer made by Himawara to acquire Ozeki in August.

Paul O’Regan retired from Clifford Chance in January 2010, and the firm welcomed Alan Kitchin in April to take up the role of head of corporate and projects. The composition of the corporate team, with four *bengoshi* partners and Kitchin, left some market commentators to wonder about the activity of its foreign law capacity.

Nonetheless, Clifford Chance has the additional capability to advise on French law with Landry Guesdon on board, and the firm maintains its presence featuring in both domestic and cross-border transactions. A number of its deals in the past year were in the real-estate sector, such as advising Malaysia’s YTL Hotel and Properties on the acquisition of Niseko Village’s assets in Hokkaido.

Partner Miho Mizuguchi is recognised by an in-house client as “an expert on real-estate investment transactions”, adding that “her comments on legal documents are very com-

prehensive. She is personally very diligent and works so hard and late in order to meet the deadline our requirement.”

Another client offers praise for the firm: “They provide us with high quality legal and regulatory advice and understand our position well. They are a very client-oriented law firm.”

**Hogan Lovells** maintains a deep relationship with long-term Japanese clients like Mitsubishi Corporation, SoftBank, Sojitz Corporation and Tokio Marine, and focuses on advising on outbound transactions both regionally and internationally. The firm continues to expand its offering with the arrival of Rika Beppu in 2008.

Some recent key matters include representing a Japanese company in its strategic acquisition of a Singapore company with operations in India, and advising a corporate client on establishing a petrochemical plant joint venture in Saudi. The team led by Beppu also played a part in the hallmark securities joint venture between Morgan Stanley Japan Securities (MSJS) and Mitsubishi UFJ Financial Group, advising on the side of MSJS.

The merger between Hogan & Hartson and Lovells went into effect in May 2010, giving clients access to a more extensive global network.

*Leading lawyers:* Rika Beppu

**Jones Day** continued the expansion of its M&A team, hiring six new associates and relocating one from its New York office. Two of the new joiners are US-qualified, reinforcing the team’s dual offering of US and Japanese law advice. Led by Nobutoshi Yamanouchi, the group often partners with other offices on cross-border transactions, especially those between Japan and the US. One prime example showing off the firm’s reach was in representing American Airlines in the bidding war between American Airlines and Delta Airlines for the alliance with Japan Airlines (JAL), and afterwards in the formation of the American-JAL alliance. The deal involved lawyers from three offices in the US in addition to the Tokyo team.

**Orrick Herrington & Sutcliffe** prides itself on its knowledge and experience in M&As in the life sciences industry. This made the firm a likely pick for companies like Nippon Soda (Nisso), SC Johnson, FMC Corporation and Ajinomoto. Orrick closed a transaction for Nisso in March 2010, advising the client on the acquisition of Tebufenozide’s insecticide business.

Mark Weeks and Shintaro Kurado lead the practice to provide Japanese and US law advice on both domestic and cross-border transactions. One highlight of the duo was their role as counsel to Sanei International and Kate Spade in their joint venture to set up

Kate Spade Japan. “He is a real world class lawyer,” says a client of Weeks. “He is able to bridge the gap between Japanese clients and foreign clients. He has very good intuition in deals. He is a very good deal lawyer.”

Two associates came on board in 2010, one of whom joined the Russian team led by Sergey Milanov. The team often acts on behalf of Japanese clients on Russia outbound transactions and for Russian clients looking to invest into Japan.

*Leading lawyers:* Mark Weeks

**Ashurst** has a strong fund practice in Japan and often acts as counsel to governmental institutions and multilateral organisations, such as the Asian Development Bank (ADB) and the Islamic Development Bank (IDB).

One transaction demonstrating this strength was in advising the first fund co-sponsored by ADB and IDB on the structuring and establishment of the *shariah*-compliant Islamic infrastructure fund. In addition, the firm often acts on projects work in conjunction with M&As since it has a solid projects and energy practice. An illustration of this speciality was Rupert Burrow’s counsel role to Mitsubishi Power Systems Europe on the acquisition of all the issued shares in a Belgian maintenance and repair services provider, Maintenance Partners.

**Latham & Watkins** demonstrated its versatility in handling complex M&A deals in highly regulated fields in two notable transactions over the past 12 months.

The team advised Liberty Global as the seller in the sale of its US subsidiaries holding shares in Jupiter Telecommunications to KDDI Corporation. Valued at \$4 billion, the transaction was the largest M&A deal announced in Japan in the first quarter of 2010.

Another complex matter saw the group represent Turner Entertainment Networks Japan, a subsidiary of Turner Broadcasting System, in its acquisition of Japan Image Communications. The deal involved intensive discussion with Japanese regulators as there is a restriction on the acquisition of Japanese broadcasting companies by foreign companies.

*Leading lawyers:* Michael Yoshii

Market commentators still point to departures in 2007 and 2008 as a sign of the firm losing ground in Tokyo, but **O’Melveny & Myers** (OMM) responds by presenting a lengthy list of domestic and cross-border transactions to show that it remains a force to be reckoned with in the M&A space.

The team was more active in domestic deals last year and one example was in representing Tokyo Stock Exchange-listed Look Incorporated to acquire APC Japan, which is a subsidiary of a French apparel maker. Dale

Araki is a main partner in the transactions department and he is behind many of the firm’s deals. OMM added one counsel and three associates to the team and they will likely energise the practice.

*Leading lawyers:* Dale Araki

**Paul Hastings Janofsky & Walker** is well-liked by clients for its ability to provide advice on cutting-edge matters with a sound commercial sense, as exemplified in the words of this client: “Although there are no precedents for what we are doing in Japan, PH has helped us define the ‘leaps of faith’ we need to make in order to make the best decision at each stage of our negotiations.”

The firm lost Arata Nomoto to City-Yuwa in January 2010, but the effect of his departure was offset by the relocation of Toshi Arai from the Shanghai office one month after and the arrival of Matthew Berger from Morrison & Foerster earlier in October 2009. The client continues: “Despite the obvious challenges, PH is always available and constructive to figure out a ‘can do’ strategy that provides their clients with an appropriate risk-adjusted return strategy.”

With a dedicated Japan-China team in the firm, Japanese and international clients trust Paul Hastings and often turn to the firm for advice on their investments in China. Hitachi Plasma and Mitsui & Co were among two of the examples. The team advised the former on its asset sale and technology transfer to a state-owned company in Anhui, and the latter on the restructuring of assets of a logistics company in Shenzhen after acquiring the offshore equity interest of the company.

*Leading lawyers:* Jun Usami

## Other notable firms

Market observers note that **Atsumi & Partners** is actively building up its corporate M&A practice led by Miho Niunoya. It acted on a number of acquisitions for clients in a variety of sectors, such as hotel, health care and wholesale. The team expanded by five this year with the arrival of US-qualified partner Hideki Akiyama and four of counsels. It is definitely one to watch in the M&A space.

**Bingham McCutchen Murase Sakai Mimura Aizawa** is one the largest foreign law firms in Japan with more than 70 lawyers on deck and the team works extensively on cross-border matters. Of note is its role as lead counsel to Calpis in an acquisition through a share swap in which the client was the target company. The share swap ratio value for Calpis was ¥110 billion (\$1.27 billion) with a market capitalisation of ¥87 billion (\$1 billion).

Partner Satoru Murase is highly recommended by an in-house client: “Mr Murase

has the amazing ability to always be there to field a question or a concept, respond quickly with advice that is not only thoughtful, but which invariably contains the solution or the seed of the solution to the problem or opportunity at hand.”

**Blake Dawson** became the first Australian firm to have an on-the-ground operation in Japan by opening an office in Tokyo on April 1 2010. The office is the result of more than 15 years of experience and a network of relationships with Japanese businesses. It further shows the firm’s commitment to the market and its intention to expand its practice as observers report the growing number of Japanese investments in Australia.

The Tokyo office, headed up by partner Natsuko Ogawa who is cooperating with Ian Williams and Rupert Lewi as joint heads of the Japan practice team in Australia, concentrates on handling outbound work from Japan into Australia with sector focuses on natural resources, financial services and consumer products. “The firm is familiar with natural resources development in the Asia-Pacific region. Their performance is quite satisfactory,” notes a client.

Williams and Ogawa took the lead to advise a consortium led by Mitsubishi Corporation to acquire United Utilities’ Australian water treatment business and it is the first water public-private partnership (PPP) projects that Mitsubishi has invested in. Ogawa is described by an in-house client as “an excellent Australian lawyer with a deep understanding of Japanese clients and our business needs.”

In the area of consumer products, the team represented Kirin Holdings, the second-largest beverage company in Japan, in its acquisition of 53.87% shares in Lion Nathan. The transaction was valued at AU\$3.3 billion (\$2.9 billion) and was the largest investment made by a Japanese company in Australia.

The Corporate M&A practice at **DLA Piper** is a combination of foreign lawyers and *bengoshis* and it usually represents operating companies rather than investment banks. Of note in 2010 saw partners Lance Miller and Hajime Iwaki helm a team as counsel to Life Technologies in the sale of its global mass spectrometry business to Danaher Corporation. The deal was done through an incorporation type demerger with a share transfer to avoid employment-related issues that might arise if using the means of normal asset sales.

A client appreciates the firm for having “the ability to let us understand the law in a simple fashion.”

**Milbank Tweed Hadley & McCloy’s** M&A team is led by Darrel Holstein, who is regarded by an in-house client as “a true legal

professional and authority - intelligent, nimble and practical - able to deliver beyond the client’s expectations.”

Boasting a market-leading practice in the energy sector, the firm often acts on energy-related M&As. For example, Toyota Tsusho and Olympus Capital Holdings Asia turned to Holstein for advice on their proposed acquisitions. “Its advice is legally accurate, its legal drafting is robust and its recommendations are very commercial,” says a client.

Lisa Yano and Gregory Salathé are the two key partners in **Morgan Lewis & Bockius’** M&A team. The firm has a joint venture partnership with domestic firm TMI Associates which helps to broaden its capability in handling different types of transactions. One client has kind words for Yano: “Lisa is really good. She speaks Japanese and she is very quick to meet client’s needs.”

Morgan Lewis & Bockius exhibited its strength in representing companies in the technology and media sectors by advising Sumitomo Corporation on its acquisition of a 40% interest in Jupiter Telecommunications through a tender offer valued at \$1.4 billion.

Another notable deal saw the firm advise Amkor Technology in its strategic investment in a joint venture with Toshiba and Nakaya Microdevices.

Opening its Tokyo office in October 2007, **Ropes & Gray** has been in the spotlight lately and is often brought up by commentators as one to watch in the market. The firm welcomed the arrival of partner Bradley Edmister from Milbank Tweed Hadley & McCloy in October 2009, who brought a wealth of experience in cross-border M&A and capital markets transactions to the team.

One headline transaction of the firm was acting as co-counsel to long-term client Bain Capital on its acquisition of Bellsystem24. The deal was valued at \$1.1 billion and was one of the largest private-equity deals in Japan in 2009.

## Project finance

### Recommended firms

#### Tier 1

Allen & Overy  
Herbert Smith  
Milbank Tweed Hadley & McCloy

#### Tier 2

Anderson Mori & Tomotsune  
Ashurst  
Baker & McKenzie  
Hogan Lovells  
Morrison & Foerster  
Nagashima Ohno & Tsunematsu  
Nishimura & Asahi  
White & Case

#### Tier 3

Atsumi & Partners  
Clifford Chance  
DLA Piper  
Latham & Watkins  
Norton Rose  
Oh-Ebashi LPC & Partners  
Paul Hastings Janofsky & Walker  
Shearman & Sterling

Although the project finance market did not meet the global financial crisis head-on due to Japan’s constant need to bring energy into the country to make up for its own lack of energy and natural resources supplies, some deals were slowed down as sponsors and lenders were more cautious to push things forward. Into 2010, practitioners were finally happy to announce its recovery, but with one side effect: “Things really are picking up, but not the liquidity yet,” says one observer.

The Japan Bank for International Cooperation (Jbic) continues to grant loans, but commercial banks are still reluctant to lend in high-risk areas and this has led to the reduction of deals in certain places, such as the Middle East. “It hasn’t been quite as hot,” notes one partner. “The deals there are too big and they need many loans from banks.” Thus, companies are heading out to explore other markets. Australia, Latin America and south east Asia are all hotspots, in particular many firms have gained mandates in the Philippines, Indonesia and Vietnam recently.

While most managed to keep afloat during the economic downturn, Japanese corporates have been met with the growing challenge imposed by China’s quest for natural resources. Chinese companies are now highly competitive in the market, and this has led one commentator to describe the competition between the two powers as “a zero-sum game” and believes that “Jbic has to spear the effort as government lenders”.

Yet, one practitioner predicts that, contrary to pure competition, Japanese and Chinese companies would cooperate in mega-deals that are too big for a single country to handle alone and only compete in smaller projects. For law firms, especially for those with good networks in China and Hong Kong, this is good news and could mean more work for them in the future.

Another sphere where the government is expected to be taking up a greater role is in nuclear energy. Almost all practitioners unanimously spoke of the potential and increasing involvement of Japan in this sector. For instance, a cleaner and more stable fuel supply, the considerable number of reactors in the country and the advanced technology held by the Japanese entities. As nuclear energy is a highly sensitive and political area, companies would not be able to take charge of its development alone. "The government has to take the lead to make it happen," explains one lawyer. "I am truly convinced it will happen."

Mining, water power, infrastructure and renewable energy are other growth areas often mentioned in the market. High-speed rail, highways and ports are hot in the infrastructure space. For hydro power, Japan will be able to take the advantage of its technology level and trading houses could export that to overseas investments.

### **Allen & Overy**

The three-partner project finance group led by Aled Davies enjoys an excellent reputation among peers and clients alike. "A&O has a strong operation," comments a rival. Popularly regarded as having one of the best teams in the market, Allen & Overy continues to sail comfortably in the top tier.

The firm's long-established relationships with leading banks and corporations in Japan ensures its presence on some of the most extensive and innovative deals in the Asia-Pacific region, Latin America and the Middle East from time to time.

A hallmark example in 2009 was its role in representing Terminal KMS, an SPV set up by Mitsui, Samsung and Korea Gas Corporation, as the borrower of a liquefied natural gas (LNG) project in Manzanillo, Mexico with respect to its design, development and financing. A total of five jurisdictions were involved in this \$860 million deal and it is the first project for Japanese and Korean sponsors to have worked together. The project further set a precedent in Mexico as it is the first large-scale infrastructure project to be developed based on provisions under the Mexican Law of Acquisition, Leasing and Services of the Public Sector.

Davies was the lead partner in the Manzanillo LNG project and he is often applauded by various clients for his leadership skill. "The coordination of Aled is excellent. He appoints the appropriate subordinate for each contract for the efficient closing," says one. "When we faced difficulty, he appeared, grasped the situation very quickly and gave us good advice."

Clients also enjoy working with Adam Moncrieff: "Adam did an excellent job in terms of preparing our finance documents and advising during the course of negotiation," says one. "He has extensive experience and information with Jbic and he knows the OECD issues well."

Moncrieff featured in the bid to develop and operate a power plant in the Bizerte IPP project in Tunisia for Mitsui and Abu Dhabi National Energy Company. He also acted on a complex financing on behalf of Similco Mines, a project company established by Canadian Copper Mountain and Mitsubishi Materials Corporation, for the development of a mine in British Columbia. The deal involved a commercial bank limited recourse loan and a loan funded by Jbic through an SPV.

Another highlight for A&O in 2010 was advising Jbic, The Bank of Tokyo-Mitsubishi UFJ, Mizuho Corporate Bank and Sumitomo Mitsui Banking Corporation in funding the acquisition by Mitsui and Tokyo Gas of five gas-fired power station and a pipeline and associated companies in Mexico. The complexity of the transaction was in the combination of limited recourse financing with aspects of a portfolio financing.

#### **Leading lawyers**

Aled Davies  
Adam Moncrieff

### **Herbert Smith**

Boasting arguably the largest and strongest energy and natural resources practice in Japan, Herbert Smith actively represents top Japanese sponsors and trading houses like Inpex, Sojitz, Mitsubishi, Mitsui and Japex in any matters that the team can utilise its expertise for, be it project financing and development, acquisitions or joint ventures.

The size and formation of the group contributes to a far-reaching influence in the market: "It has almost a full line-up in Tokyo," says a client. "It looks to me that Herbert Smith has a good system to educate juniors and bring them up as experts. Actually, there are many 'graduates' from the firm in the industry." Another client agrees that the team "has a variety of experts who are versed in the area of each sub-sector".

The firm has a system of sending secondees to leading Japanese corporates and clients delight in this approach as it allows them to "get quick advice at work from the secondee with backup from Herbert Smith's network if necessary".

Industry heavyweights David Clinch and James Watson lead a team of 12 dedicated lawyers and Watson is singled out by a client as "an experienced practitioner in the energy and infrastructure group" who "can effectively handle the project documentation".

The group remains a popular choice for large oil and gas projects across the world over the past year. In addition, it is expanding its practice into other areas and has gained more mandates in mining, power and infrastructure projects in Russia, Africa and the Middle East.

One highlight of the practice is its continuous advisory role to Mitsubishi as a majority shareholder in the \$3.4 billion Donggi-Senoro LNG project in Indonesia. It is one of the first deals to take place as a downstream project in Indonesia and the firm showcases its global network with the involvement of its Tokyo, London, and Hong Kong offices and an associated office in Jakarta.

Another key credential for the group was in advising Inpex in relation to the Ichthys LNG project in Australia. The size of the deal is reportedly in excess of \$20 billion and Inpex is the majority owner and developer of the project.

"The firm provides London quality work in the Tokyo market. It is very good on the sponsor side," says a client.

#### **Leading lawyers**

David Clinch  
James Watson

### **Milbank Tweed Hadley & McCloy**

No one dares to challenge the project finance practice of Milbank Tweed Hadley & McCloy and the firm retains its top tier spot for another year. "Milbank is extremely well-known and does high-quality US law advice," says a rival partner.

Top-notch in the market, the team headed by veterans Gary Wigmore and Mark Plenderleith is often seen in many of the biggest and most cutting-edge deals in the Asia-Pacific region, as well as the Middle East and Latin America.

"Mark is a skillful lawyer for international projects," says a client. "For projects in developing countries, experience that lawyers have is quite important. Mark has dealt with the problems there before and he possesses good local knowledge to give prompt responses and helpful advice."

Two transactions in 2010 stood out from among the rest in terms of significance and Milbank acted as developer's and lender's counsel respectively, a parade of its all-round operations.

First up, the team represented Jbic, the Export-Import Bank of Korea and the mandated lead arrangers (MLAs) in connection with the development, construction and financing of the Cirebon power project in Indonesia. The deal, a feather in the firm's cap, involved complex negotiations and documentation with entities in seven jurisdictions and tested some new local regulatory and legal hurdles.

Secondly, featuring in the first greenfield power project in the Philippines in over a decade, the team advised GNPow as the developer and owner of the power plant. Financed by China Development Bank and Sinosure, the project is precedent-setting as it was the first non-recourse overseas project financed exclusively by Chinese financial institutions and built by Chinese contractors.

"Milbank has a very strong track record in Asian power finance transactions with experienced and capable lawyers, and deep resources which can be deployed when necessary," notes a client.

#### Leading lawyers

Mark Plenderleith  
Gary Wigmore

#### Anderson Mori & Tomotsune

The two project finance partners at Anderson Mori & Tomotsune, Takashi Akahane and Reiji Takahashi, are well-regarded in the domestic market and they took charge of two highlight deals this year.

Akahane led a team that advised the Development Bank of Japan in the financing of a construction project in Otemachi, a central business district in Tokyo. The aggregate value of the deal reached ¥270 billion (\$3 billion) and was composed of multi-tranches and syndicated by 26 financial institutions.

The firm has expertise advising infrastructure projects in many sectors and takes pride in getting involved in more hospital projects in recent years. One example last year was Takahashi acting for a Japanese bank on another PFI project financing for the construction of Tsukuba University Hospital.

#### Leading lawyers

Takashi Akahane  
Reiji Takahashi

#### Ashurst

Ashurst remains a distinguished player in the project finance space and has a well-balanced practice acting on both the development and financing aspects of transactions. The firm is strongest in the energy, and oil and gas sectors and has taken the lead in acting on some interesting matters.

Working on the sponsor's side, John McClenahan led a group for Tupi Pilot MV22, Modec, Mitsui and Mitsubishi on the development and financing of a floating production storage and offloading vessel (FPSO) for oil and gas production off the Brazilian coast. The \$800 million deal, closed in March 2010, is one of its kind in a series of FPSO transactions for the same sponsors.

Clients appreciate that Ashurst keeps a team on the ground in Tokyo: "The firm has excellent manpower, backed by their worldwide networks," says one. "The more important thing would be its attitude. It is ready to provide a service for you at all times." Harvey Weaver was made partner in May 2010, demonstrating the firm's commitment to the practice.

Key members are all given their share of praises by clients. Of McClenahan, one notes: "He is a very capable, reasonable person. He makes his clients comfortable." Rupert Burrows is said to be "a good leader of the energy team and also a gentleman with a sense of humour" while associate Kristian Bradshaw is an "excellent player in the team".

Counsel Matthew O'Connor is another core figure in the project finance group. Jbic recruited him in two notable financing deals in South America. One is a \$895 million co-financing with the Inter-American Development Bank for the acquisition by a listed Brazilian company of a 30-year concession of Rodoanel Toll Road in Brazil and it is the first toll-road limited-recourse financing for Jbic.

Another ongoing case saw O'Connor advising Jbic on the financing arranged by Jbic and a group of Japanese banks for the acquisition by a consortium of Mitsui and Tokyo Gas on a limited recourse basis of five combined cycle gas turbine plants in Mexico.

One client says of O'Connor: "He has experience working in Jbic and Japanese commercial companies, he can provide advice from the lender's point of view."

#### Leading lawyers

Rupert Burrows  
John McClenahan

#### Baker & McKenzie

Baker & McKenzie has a bustling presence in both domestic private finance initiative (PFI)

projects and cross-border energy deals, thanks to the blend of Japanese and foreign lawyers at the firm. The former is led by Naoaki Eguchi while the latter is under the charge of the Energy, Mining & Infrastructure (EMI) group, headed by Paul Davis and Anne Hung.

"B&M understands well our business strategy and provides us pithy and practical advice in a timely manner," says a client.

Highlights of Eguchi's team include acting for Chiba Bank on a PFI loan for the construction of a recreational disaster preparation facility, and representing Hitachi, Kajima, Mitsubishi and Tepco in relation to their sponsorship of a borrowing vehicle for the first Japanese PFI healthcare deal of Tsukuba University Hospital.

On the cross-border side, with lawyers qualified in a number of jurisdictions and Baker's vast international network, the Tokyo office is able to advise on matters in virtually any jurisdiction. Of note was the EMI group's role in advising Tokyo Gas in the acquisition of a one per cent equity interest in the Gorgan project in Australia and on the LNG sale and purchase agreement in September 2009. The project is the largest resources project to date in Australia.

#### Leading lawyers

Naoaki Eguchi

#### Hogan Lovells

The dividends have begun to pay off for Hogan Lovells when it poached Anthony Raven from Herbert Smith two years ago. Building on the Tokyo office's strengths of representing Japanese contractors on construction projects, Raven combines his excellent reputation and expertise in the energy sector to launch a full-service project finance practice. The team has won an increasing number of important mandates over the past 12 months and rises up to a second tier position.

"Now that the team is being led by Tony, this should put Hogan Lovells at the top rank in Tokyo for project finance and energy & natural resources work, on par with the other top tier firms in the market," says a sponsor client. "Since he joined Hogan Lovells, it is really impressive how its practice in Tokyo has grown under Tony's leadership."

Another client has more flattering words for Raven: "He brings a thoughtful approach to his work, understands the commercial context and has a good feel for the level at which advice should be pitched. Tony's ability to focus on key commercial issues is also appreciated."

One highlight of the team last year was representing Esso Australia on a Papua New

Guinea LNG project to advise on the LNG sale agreements. It acted on another LNG sale and purchase agreements for import into Japan for Shizuoka Gas.

The firm further boasts an enviable sponsor client list and some of the names include Mitsubishi Corporation, Sojitz Corporation, Metal One, Inpex, Japan Petroleum Exploration and LNG Japan Corporation.

"I would recommend Hogan Lovells for its depth of knowledge and for the breadth of expertise within its team," says a client regarding the performance of the team as a whole. "The firm's service is professional, efficient and friendly. The firm's advice is addressed to the question asked, cognisant of the relevant commercial framework and provided in a timely manner."

#### Leading lawyers

Anthony Raven

### **Morrison & Foerster**

Morrison & Foerster made waves in the project finance market last year, acting on several important mandates. "It is doing terribly well," admits a rival.

Two additions to the team greatly strengthens its capability and proves the firm's ambition to fortify the practice. Michael Graffagna relocated from the New York office to head up the Project Finance and Development Group in early 2010. His second spell in Tokyo, Graffagna has much experience representing Japanese clients.

"He is very good at negotiation tactics, quick to grasp what his customers want him to do, and provide customers satisfaction in the negotiation result," says one of Graffagna's clients.

Towards the end of 2009, he and Dale Caldwell advised on a Mexican power stations project on behalf of Mitsui & Co and Tokyo Gas in their definitive agreements to take control of a group of companies under Gas Natural to gain access to five power plants in Mexico.

"Mofo is very knowledgeable and experienced with transactions in the relative markets, and based on such knowledge and experience it has provided very excellent and appropriate services and advice," says one in-house counsel.

New hire Christian Petersen adds a wealth of LNG (liquefied natural gas) experience to the team and he consistently wins accolades from clients." He looks at things from both the legal and commercial perspectives and he always tries to find ways to get things done quickly," says one client in a leading trading house. "We are entirely satisfied with him. He's done a great job."

Other highlights of the team include representing Sumitomo Corporation in its purchase and restructuring of all outstanding debt and equity of Minera San Cristóbal, and counseling Toshiba America Nuclear Energy Corporation in its investment in two nuclear power projects in Texas.

#### Leading lawyers

Dale Caldwell

Michael Graffagna

Christian Petersen

### **Nagashima Ohno & Tsunematsu**

The market might see the firm as the less prolific compared with its *big four* counterparts, but Nagashima Ohno & Tsunematsu does have considerable experience in the project finance arena, especially in the areas of energy, infrastructure and natural resources.

The team is able to represent clients of different functions at any stage and on aspects of various kinds of projects. One highlight last year saw Takao Higuchi advise Citibank Japan as lender to a PFI project for a recycling centre in Suzuka-shi. This deal was significant as it was the first ever domestic PFI transaction arranged by a foreign-based bank.

#### Leading lawyers

Takao Higuchi

### **Nishimura & Asahi**

Nishimura & Asahi is often seen as having the most mature and established project finance practice among all the domestic Japanese firms. "It is a pre-eminent law firm with strictly good quality individuals," says a peer in a foreign firm.

The firm is one of the firsts to advise both the public and private sectors on PFI projects in Japan since 1997. While domestic firms have a tendency to act on projects inside the country, Nishimura & Asahi might claim to be the most international of all having advised on two highlight deals with overseas elements last year.

Leading figure Nagahide Sato acted as counsel to Jbic in the Esperanza copper mine project and an LNG project in Papua New Guinea. Both involved Jbic providing co-financing with commercial bank syndicates and private financial institutions and the two deals were valued at \$650 million and \$1.8 billion respectively.

#### Leading lawyers

Hiroshi Maeda

Nagahide Sato

### **White & Case**

White & Case's Tokyo office is no exception from the firm's global excellence in the project finance space. Its three-partner team is able to provide advice on UK, US and Japanese law. New York qualified Takeshi Takahashi was promoted to counsel this year to further strengthen the practice. The firm's tripartite offering, combined with its extensive network, appeals to premier clients in the market and the group receives a steady flow of instructions from lenders and sponsors alike.

LNG (liquefied natural gas) is one of the principal strengths of White & Case and the group took part in many LNG projects in the region last year. One of them saw it featuring in Australia's largest single resource natural gas project. It represented Chubu Electric Power in the sale and purchase agreements over a 25-year period with Australian subsidiaries of Chevron Corporation for the right to produce at and have an equity stake in the Gorgon LNG Project.

Active as well in the renewables sector, Mark Goodrich led the charge on the projects and corporate/M&A group for Hitachi Plant Technologies in its acquisition of shares in Male' Water and Sewerage Company. This acquisition shows the increasing interests of companies in water and waste-water projects, and their willingness to develop expertise and expand investment in this sector.

#### Leading lawyers

Toshio Dokei

Mark Goodrich

Hendrik Gordenker

### **Other ranked firms**

The project finance operation of **Atsumi & Partners** falls under its reputable finance practice and the firm is active in PFI projects, just like its domestic peers. Some recent mandates include a ¥66.1 billion (\$76 million) hospital and a culture hall projects. Acting on the sponsor's side, name partner Hiroo Atsumi led a team in March that advised on a finance transaction for the construction of electric power facilities in Indonesia.

New to the ranking this year, **DLA Piper** has been making inroads into the project finance market since experienced energy specialist David Robbins came on board. He has headed up the energy practice in Asia in mid-2008. "Mr Robbins has a deep understanding of the Japanese way of doing business. He knows the distinction of cultures and it helps to make counterparts easier to understand," says a client.

Robbins is featuring in a key matter for the Government of Vietnam on the 1200 MW Mong Duong II Power Project in connection

with the concession to a private sponsor for its construction and finance. The project is valued at over \$1 billion and is the largest independent power producer (IPP) to date in Vietnam.

Jbic, Mizuho Corporate Bank, Itochu Corporation and J-Power are some of the main clients of the group. DLA welcomed the arrival of counsel Daniel Lee from Korean firm Kim & Chang in 2009 and is looking at building up relationships with Korean companies to act on more projects across Korea, Japan and the Middle East in the future.

Peers acknowledge the solid project finance practice at **Latham & Watkins**, but credit this to a strong Asia-wide operation, and note that deals might not necessarily be generated from the team in Japan.

The Tokyo office might play more of a supporting role in the highly-integrated regional-focus projects, but the quality of the team led by the respected Michael Yoshii is never a question. “Mike is an excellent project finance guy,” notes a peer. “The firm is quite responsive for all the quick work we have to go through,” says a client. “Also, it is good at the market and sourcing information. It is beneficial even only to talk to them.”

The team acted on a number of multi-jurisdictional deals for sponsors, borrowers and lenders alike last year. One key involvement was advising the borrowers and sponsors on a senior and mezzanine debt financing for refinancing the bridge loan facility used by shareholders earlier for an acquisition. This deal was significant as it involved several layers to the financing and it was the first time the Development Bank of Japan structured a subordinated loan for a borrower outside of Japan.

*Leading lawyers:* Michael Yoshii

**Norton Rose** continues to punch above its weight in the project finance arena since setting foot in Japan two years ago. Peers note that the firm has been acting on a raft of deals. To cope with the growing workload and future expansion, George Gibson moved to Tokyo from London to add strength to the banking and energy-related projects practice.

The team has close ties with many key players in the market, such as Mitsui and Jbic, SMBC and Orix Corporation, and advises both sponsors and lenders in projects. Highlight transactions include Jeremy Gibb leading a team to advise a group of senior lenders on a \$550 million gas FPSO financing, and counseling Petrobras on its negotiation with China Development Bank on a \$10 billion bilateral loan.

“Norton Rose supports our interests and has knowledge in the market we operate in. Its comment and advice are helpful for us to comprehend the project,” says a banking client.

One notable expertise of Norton Rose is its carbon finance and climate change capability. One publishable deal it is acting on is representing Japan Carbon Finance on the acquisition of certified emission reductions (CERs) in China. With environmental concerns remaining high worldwide, the firm is likely to see more instructions coming its way in these areas.

*Leading lawyers:* Jeremy Gibb and Chris Viner

**Paul Hastings Janofsky & Walker** lost Christian Petersen to Morrison & Foerster in 2009 and left some observers to speculate on the health of its practice. The firm responded by presenting a list of deals confirming that its Tokyo office is still an indispensable part in the firm’s integrated regional focus offering.

Joseph Kim often acts alongside colleagues in the Hong Kong office on projects in the region. Two of the highlights in 2010 include counseling Cirebon Electric Power in the \$595 million development and financing of a power plant in Indonesia, and advising a group of international lenders, namely Export-Import Bank of Korea, Asian Development Bank, Sumitomo Mitsui Banking Corporation, Crédit Agricole Corporate and Investment Bank, and ING Bank on the financing of a power project in the Philippines. The deal in Indonesia is especially significant as it was the first new power project in the country to be financed by international lenders since 1997.

Counsel Etienne Gelencsér leads the modestly-sized project finance team at **Shearman & Sterling** and has continued to impress clients with its devotion to providing excellent services.

“Our experience with S&S has been very satisfactory and we have found the lawyers dedicated to our project to be very thorough and willing to deliver on demanding time schedules,” says one. “Etienne is a very capable lawyer and provided thorough follow-up and execution of the financing and related documentation.” Another client likes the team for “the contents, coverage and completeness of its responses”.

The firm focuses on providing foreign law advice on outbound and cross-border matters. One example of this saw it acting for a group of lenders in the restructuring of a joint venture between Hanjin Shipping and Macquarie Korea Opportunities Fund on a \$500 million Taiwan, Japan and US port financing.

In November 2009, Gelencsér and partner Masahisa Ikeda closed an inbound transaction for Omani company Qalhat LNG on its acquisition of a 20% interest in Senboku Natural Gas Power (SNPG). SNPG owns four gas-fired power plants in Osaka and this deal was the first acquisition done by an Omani company in Japan.