

Japan

Chamber of commerce:

3-2-2 Marunouchi
Chiyoda-Ku
Tokyo 100
Japan

Tel: +81 3 3283 7851

Fax: +81 3 3216 6497

Website: www.jcci.or.jp

Professional body:

Japan Federation of Bar Associations
1-1-3, Kasumigaseki
Chiyoda-Ku
Tokyo 100-0013
Japan

Tel: +81 3 3580 9841

Fax: +81 3 3580 2866

Email: kouhou@nichibenren.or.jp

Website: www.nichibenren.or.jp/english/

Ken Kiyohara*

Ashurst Tokyo Law Office
Tokyo

Robert Ogilvy Watson**

Ashurst
London

Tender offers

Tender offers are, in general, a way to purchase listed shares from the public other than through the stock exchange. Tender offers are regulated under the Securities and Exchange Law (the SEL) and launched by publishing a commencement notice in two daily newspapers of general circulation in Japan, or electronically by way of the EDINET system. The tender offer must be open for at least 20 calendar days, but cannot be open for more than 60 days.

Tender offer rules used to apply only to purchases of listed shares other than through the stock exchange. However, there was considerable criticism of the purchase by Livedoor (an internet company) of up to 35% of the shares of Nippon Broadcasting System (NBS) through a series of block trades effected in a single day through Tokyo Stock Exchange's ToSTNet-1 (a system to effect a block or other trade outside the Tokyo Stock Exchange's regular hours, other than through an auction trade) without having to follow tender offer regulations, while a tender offer by Fuji Television for NBS shares was under way. Action was taken quickly to amend the SEL, closing the loophole, and, effective as of July 9 2005, a trade through the stock exchange otherwise than in an auction sale (such as ToSTNet-1 or -2) has been made subject to tender offer regulations if the acquirer will hold more than one-third of voting rights as a result of the purchase.

New Company Law

The government has passed a new Company Law that will entirely replace and restate the provisions concerning companies in the Commercial Code, which dates back to 1899. The new Company Law, which has 979 articles, is expected to come into effect in May 2006. The new Company Law will introduce, among other things, flexibility in merger consideration and cash

squeeze-out merger procedures. However, the enactment of provisions permitting flexibility in merger consideration and squeeze-out will be delayed by one year, until 2007. For example, a share-for-share acquisition through a so-called triangle merger – in which an acquiring company incorporates a wholly owned subsidiary in Japan that will merge with a target Japanese company using acquirer/parent shares as merger consideration to acquire 100% of the target – will have to wait until 2007. This delay, driven by a fear of an increase in hostile takeover activities, was criticized both by foreign investors and academia, who felt it was misconceived because a merger requires an agreement between the merger parties, and as such it cannot be achieved in a hostile manner. However, the legislature is taking the position that it is necessary to allow time for Japanese companies to be prepared for, and familiarize themselves with, M&A practice under the new Company Law.

Defences to hostile takeovers

In May 2005 the Ministry of Trade, Economy and Industry (the METI) and the Ministry of Justice (the MOJ) jointly issued guidelines for takeover defences, with a view to ensuring and enhancing enterprise value and shareholders' common interests (the Guidelines). Because there was no legal basis to determine what defences would be lawful and permitted, the METI was concerned that chaos could ensue if M&A activities pick up in Japan without any such guide.

The focal point of the Guidelines is the enhancement or protection of enterprise value, and whether a defence measure is reasonable or not is judged against this core principle. The Guidelines also require, among other things, that the defence must be disclosed in advance, must be supported by the shareholders' actual approval or anticipated reasonable intent, and must not be excessive. Although they are not binding, the Guidelines are expected to set the standards to be followed by companies and practitioners when adopting defence measures, providing some degree of legal certainty and stability. Again, foreign investors criticized the METI's efforts, complaining that the Guidelines would be inconsistent with the government's goal of increasing foreign direct investment in Japan, and in fact would deter it. Skepticism aside, the question is how and whether the Guidelines are followed or used in practice, and

Experience.

Expertise.

Excellence.

ANDERSON MŌRI & TOMOTSUNE

Tokyo Main Office:
Izumi Garden Tower
6-1, Roppongi 1-chome
Minato-ku, Tokyo 106-6036
Japan
TEL: +81-3-6888-1000
URL: <http://www.andersonmoritomotsune.com>



Beijing Branch Office:
Beijing Fortune Bldg., Room 709
No. 5, Dong San Huan Beilu
Chao Yang Qu, Beijing 100004
People's Republic of China
TEL: +86-10-6590-9060
FAX: +86-10-6590-9062
URL: <http://www.andersonmoritomotsune.cn>



whether defence measures adopted by companies are reasonable in light of enhancement or protection of shareholders' interests.

The judiciary's reaction to defence measures

Japanese courts are starting to play a key role in takeovers. The Tokyo District Court recently struck out defensive measures by way of a stock option issue in two cases, limiting substantially a board of directors' ability to block takeover activities. The court held that it would be an abuse of the board's powers if, in the context of a battle over corporate control, the board tried to frustrate the takeover by issuing stock or stock options, thereby reducing the voting powers of an unwanted suitor and maintaining the incumbent board's position. The Court held that it is the shareholders that should determine who serves on the board, and it is not for the board to choose who should be shareholders in the company. However, the court made it clear that in certain extreme situations the board is permitted to fend off green mailers and other corporate raiders to protect the common interests of shareholders. If it is shown that an unwanted suitor lacks a serious intent to run the company in a reasonable manner, and that the takeover would result in irreparable harm to the company, it is lawful for the board to employ a defence commensurate to the threat posed. The trend of court rulings appears to be more restrictive than the Guideline as to the defence measures.

Next steps

Most practitioners agree that recent takeovers, and in particular hostile ones, have shown that Japanese tender offer regulations require amendment to introduce rules equivalent to those that exist in other international jurisdictions. The tender offer regulation working group of the financial advisory board to the prime minister started discussing reform proposals in July 2005. Their report is expected towards the end of 2005, with a view to submitting a draft reform bill to the government in its regular session of 2006. The issues to be discussed include: (i) whether to allow the target board the opportunity to ask questions of the bidder, and to mandate the target board to express its opinion as to the tender offer and extension of a tender-offer period; (ii) whether to allow an offer to be withdrawn if a defence measure is effected; and (iii) whether to allow a reduction in the offer price. The results of the discussions and reforms will be seen soon. Together with the Guidelines and court rulings, the new legal and regulatory environment should promote M&A activities in the interests of investing public.

* Ken Kiyohara is a partner of Ashurst Tokyo Law Office and is a member of the Dai-ichi Tokyo Bar Association and New York State Bar. Ashurst Tokyo Law Office is a registered foreign law joint enterprise with Ashurst in Tokyo.

**Robert Ogilvy Watson is a partner of Ashurst, London, who was seconded to the UK Takeover Panel as a senior legal adviser from January 2002 to January 2004.

Banking – local law advice

Recommended firms

Tier 1

Anderson Mori & Tomotsune

Mori Hamada & Matsumoto

Nagashima Ohno & Tsunematsu

Nishimura & Partners

Tier 2

Asahi Koma Law Offices

Atsumi & Partners

Baker & McKenzie GJB Tokyo Aoyama Aoki Law Office

Freshfields Bruckhaus Deringer

Ito & Mitomi/Morrison & Foerster

Tier 3

Clifford Chance Law Office

Ito & Mitomi/Morrison & Foerster

Linklaters

Taiyo Law Office/Paul Hastings Janofsky & Walker*

TMI Associates/Simmons & Simmons

Tier 4

Jones Day

Latham & Watkins

Orrick Tokyo Law Offices

White & Case

* Going to press, Paul Hastings Janofsky & Walker announced that Taiyo Law Office would be fully integrated into Paul Hastings.

Anderson Mori & Tomotsune

The banking group at Anderson Mori & Tomotsune is proficient in all types of domestic and cross-border deals, including secured and unsecured syndicated loans, debt trading, real estate financing and public sector financing. The firm is recognized for its deep bench of talent, so it is difficult to single out the standout lawyers. Nevertheless, Tatsu Katayama and Kunihiko Morishita are partners that are mentioned most frequently, and Isao Shindo is also highly recommended for regulatory work.

The firm has worked on some interesting finance deals in recent times, including advising on Tomoegawa Paper Company's earthquake-activated finance programme. The financing was innovatively structured to come into effect in the event of a large-scale earthquake, which necessitated funds for rebuilding the borrower's business. Another deal saw the firm act as lender's counsel on a secured hybrid corporate/asset loan, which involved a debt-to-debt swap structure.

Recent corporate restructurings and liquidations also generated a fair degree of banking work for the firm. For example, the firm advised a creditor in connection with the acquisition of mortgaged properties as part of a large bank restructuring, and acted for an equity investor in relation to the acquisition of distressed real estate assets resulting from the liquidations of several financial companies.

Leading lawyers

Tatsu Katayama

Kunihiko Morishita

Isao Shindo

Key contact partners

Tatsu Katayama
Kunihiko Morishita
Isao Shindo

Mori Hamada & Matsumoto

Mori Hamada & Matsumoto has long been regarded as a banking and finance powerhouse, developing close relationships with several leading financial institutions and representing them in a range of corporate matters. The firm has tremendous experience advising on straight lending work, as well as on more complex lending structures such as mezzanine financing and synthetic leases. Ko Fujita and Masanori Sato are well known for their structured finance work, but are also considered to be excellent in the wider sphere of general finance.

Recently the firm was appointed as Japanese counsel to the lenders on the provision of a ¥198 billion (\$1.8 billion) acquisition financing to fund the Carlyle Group's acquisition of DDI Pocket from KDDI, and also had a role as borrower's Japanese counsel in connection with Japan Telecom's ¥106 billion refinancing. On the non-transactional side, the firm provides advice on the banking regulatory regime, and frequently assists with structuring new financial products.

Leading lawyers

Ko Fujita
Masanori Sato

Key contact partners

Ko Fujita
Masanori Sato

Nagashima Ohno & Tsunematsu

Nagashima Ohno & Tsunematsu's strength in capital markets carries over to its active and well-regarded banking practice. From among the talented team, Minoru Ota is described as "impressive," and his colleagues Satoshi Inoue and Masayuki Yoshida also receive praise for the quality of their work.

The firm's expertise extends across the entire spectrum of finance work, including syndicated loans, trade finance, asset and project finance, and other non-recourse lending transactions. The banking team has also been involved in the recent spate of acquisition financings to hit the Japanese market, advising Mitsui Sumitomo Banking Corporation as lender in connection with the ¥16 billion (\$145.3 million) acquisition financing for the Rhythm Corporation.

Leading lawyers

Satoshi Inoue
Minoru Ota
Masayuki Yoshida

Key contact partner

Satoshi Inoue

Nishimura & Partners

Nishimura & Partners' banking department contains many well-respected practitioners, including Masaru Ono and Katsu Sengoku. For investment funds work, Kei Ito is also well regarded.

The reputation and experience of the banking team continues to secure roles for the firm on many of the largest financings in Japan, both on the lender and borrower sides. In one standout lender-side deal, for example, the firm was engaged by the lenders to advise on the Japanese law aspects of the ¥106 billion (\$965 million) refinancing of Japan Telecom's existing facilities. On the borrower side, meanwhile, the firm acted for the Carlyle Group in connection with a ¥16 billion acquisition financing package forwarded to it by the Mitsui Sumitomo Corporation for the purchase of automotive components maker, the Rhythm Corporation.

Leading lawyers

Kei Ito
Masaru Ono
Katsu Sengoku

Key contact partners

Makato Igarashi
Shinichi Takahashi
Masahiro Ueno

Asahi Koma Law Offices

Sitting just outside the top tier, Asahi Koma Law Offices is a well-resourced firm that is a solid choice for banking work. The firm's banking lawyers have been, and continue to be, targets for recruitment by international law firms seeking to add depth to their local law practices, but the practice retains a wealth of talented lawyers that are capable of providing the full range of banking law advice.

In addition to acting for financial institutions, the firm also regularly serves corporate borrowers and private equity investors. For example, the firm recently acted for private equity firm the Cerberus Group in relation to its acquisition of the Kokusai-kogyo Group's bank debt, worth over ¥400 billion (\$3.6 billion), as well as in relation to the provision of a new \$900 million loan to an affiliate company of the group.

Key contact partner

Takashi Ejiri

Atsumi & Partners

Atsumi & Partners is a 13-partner firm that is considered to have a highly recommended niche practice in structured finance. Managing partner Hiroo Atsumi is a well-known figure in the area. In addition to having general banking capabilities, the firm also has experience advising on asset finance and real estate finance matters, as well as on the development of investment fund structures.

A significant personnel change for the firm last year was the arrival of former Dorsey & Whitney partner Bonnie Dixon to further develop the firm's cross-border expertise.

Key contact partner

Hiroo Atsumi

Baker & McKenzie GJB Tokyo Aoyama Aoki Law Office

Naoaki Eguchi leads a team of 21 *bengoshi* (including nine partners and 12 associates) that make up Baker & McKenzie's banking practice. The size of the team allows it to provide the full range of financial legal advice to banking clients, which include UFJ Bank, State Street and WestLB.

A recent highlight saw the firm advise Mizuho Securities on the provision of a contingent debt facility to the Tomoegawa Paper Company to cover the risk of large-scale earthquakes. The team helped structure and document the innovative transaction, which set a precedent in the use of commercial financing methods as risk management tools. Another deal involved the firm providing advice to UFJ Bank, as lender, in connection with a large management buyout of a private company.

Key contact partner

Naoaki Eguchi

Freshfields Bruckhaus Deringer

Between them, Freshfields Bruckhaus Deringer's three *bengoshi* partners Naoki Kinami, Masayuki Okamoto and Nobuo Nakata have a wealth of banking experience. Their combined experience covers not only general lending, but also includes more specialist areas such as aircraft leveraged leaseings, non-performing loan transactions and debt restructurings.

The team is also strong on the regulatory side, whether advising Japanese or international banks on issues arising from their banking operations or helping to develop new financial products.

Leading lawyers

Naoki Kinami

Nobuo Nakata

Masayui Okamoto

Key contact partners

Naoki Kinami

Nobuo Nakata

Masayui Okamoto

Ito & Mitomi/Morrison & Foerster

Ito & Mitomi continues to invest in the development of its banking practice, recently hiring Taiyo Law Firm managing partner Keisuke Mochizuki and Katsuhiko Fujihira, a banking partner from now-defunct Mitsui Yasuda Wani & Maeda. The firm counts among its clients such well-established names as Mizuho Corporate Bank, UFJ, Shinsei Bank, the Japan Bank for International Cooperation (JBIC), the Development Bank of Japan, Nikko Citigroup, Merrill Lynch and Credit Suisse First Boston.

The firm has recently been involved in a string of deals involving secured credit facilities, acquisition financings, leveraged lease financings and mezzanine financings, and has proved itself to be equally comfortable working for

borrowers or lenders. The firm's real estate practice also forms part of the finance department, and has extensive experience advising lenders on the provision of acquisition financing and construction financing facilities.

In addition, the firm has acted for numerous international opportunity funds on the finance arrangements for their property investments in Japan, often involving TMK (*tokutei mokusuteki kaisha*) funding structures.

Key contact partner

Katsuhiko Fujihira

Taiyo Law Office/Paul Hastings Janofsky & Walker

Taiyo Law Offices has a two-partner banking team that works on domestic lending transactions, and frequently provides Japanese advice on cross-border transactions. The firm's best known finance expert is Naosuke Fujita, who specializes in real estate finance transactions.

Over the past year, Fujita and his team have been busy advising on secured loan facilities for the acquisition of real estate assets, and on related debt restructurings or workouts of Japanese real estate businesses. The team is also active in the non-performing loan (NPL) market, recently helping an international investment bank to develop and repackage an NPL investment programme.

Going to press, Paul Hastings Janofsky & Walker announced that Taiyo Law Office would be fully integrated into Paul Hastings.

Key contact partners

Norifusa Hashimoto

Mariko Obana

TMI Associates/Simmons & Simmons

TMI Associates' banking practice has been active lately, working on a slew of deals that displayed its broad capabilities. The firm was kept busy assisting Nomura Securities to arrange a number of financings for development projects, including a government-planned development in Tokyo's Akihabara district and the Saitama City urban plan. The team has also advised UFJ Bank in connection with several acquisition financings of commercial properties, including TMK (*tokutei mokusuteki kaisha*) bond financings.

Other deals the firm has been involved in include aircraft financings for the Sojitz Corporation (formerly Nissho Iwai), and a non-recourse lending arrangement provided to the Toshoku Foods Corporation. TMI Associates also has regulatory expertise, recently advising Nippon Ham on domestic banking regulatory issues and helping JapanInvest to set up fund management operations in Japan.

Key contact partners

Kunio Namekata

Yoshiyasu Yamaguchi

Banking – foreign law advice

Recommended firms

Tier 1

Allen & Overy

Clifford Chance

Tier 2

Freshfields Bruckhaus Deringer

Latham & Watkins

Linklaters

White & Case

Tier 3

Jones Day

Lovells

O'Melveny & Myers/Watanabe Kokusai Law Offices

Skadden Arps Foreign Law Office

Tier 4

Ashurst

Baker & McKenzie GJB Tokyo Aoyama Aoki Law Office

Orrick Herrington & Sutcliffe

Morrison & Foerster/Ito & Mitomi

Simmons & Simmons/TMI Associates

Allen & Overy

Allen & Overy's leading reputation in banking and finance remains uncontested in the market, as does the outstanding reputation of leading lawyer Aled Davies. The firm's well-developed relationships with banks and organizations such as the Japan Bank for International Cooperation (JBIC) have seen the team secure many roles on a wide spectrum of deals, from syndicated loans, property and other general financing work to more complex structured financings.

Recent examples include acting for ABN Amro as lead arranger in relation to a Nexi-backed term loan facility for Brazilian company Gerdau Açominas, helping Sumitomo Mitsui Banking Corporation to arrange a \$135 million facility for Banco do Brasil under JBIC's guarantee scheme, and acting for Veloqx Asset Management on a ¥9 billion (\$82 million) limited-recourse financing of a property development in Tokyo.

The Allen & Overy team has also undertaken plenty of work for the JBIC, recently advising it on the provision of a buyers' credit to Russia's Rostelecom and representing JBIC and Sumitomo on a \$209 million co-financing with the World Bank for the expansion of Sao Paulo's metropolitan railway system.

Leading lawyer

Aled Davies

Key contact partners

Aled Davies

Adam Moncrieff

Clifford Chance

Clifford Chance wins high recommendation for its banking and finance practice, and Peter Avery, in particular, is highly commended by his contemporaries. The firm acts primarily on the

lender side, advising an enviable roster of clients such as Bank of Tokyo-Mitsubishi, Citibank, Deutsche Bank, the Japan Bank for International Cooperation (JBIC), JP Morgan Chase, the Mitsubishi Corporation, Mizuho Corporate Bank, Sumitomo Mitsui Banking Corporation and UFJ Bank.

The team continues to impress the market, acting for the lead arrangers on large and complex leveraged financings such as Jupiter Telecommunications' ¥225 billion (\$2.05 billion) refinancing, the ¥106 billion refinancing of Japan Telecom's previous acquisition financing, and the ¥198 billion acquisition financing for the acquisition of DDI Pocket by a consortium led by the Carlyle Group. JBIC recently sought the firm's advice on several matters involving foreign country loans, buyer credits and two-step loans.

Other matters Clifford Chance has handled recently include the acquisition financing of non-performing loan portfolios, debt restructurings, and other workouts, including the rescheduling of Paris Club debts.

The firm is also a leader in aircraft finance, having acted on a vast number of Japanese operating leases involving airline companies such as Iberia, Aer Lingus, KLM, Malaysian Airlines and SAS. Clients in this area include Nomura Babcock & Brown, PK AirFinance, SMBC Leasing, Citilease and Deutsche Securities.

Leading lawyer

Peter Avery

Key contact partners

Peter Avery

Tim Jeffares

Peter Kilner

Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer boasts a well-balanced finance practice that is staffed by "skilled all-rounders" such as James Lawden and Mark Keeler. Clients include WestLB, Banque AIG, GE Capital, HSBC, NTT Leasing and Macquarie Bank.

The firm has recently been engaged by its lending clients to advise on a wide variety of matters, including syndicated loans and other secure financings, regulatory advice, lease financings, setting up funding structures, debt restructurings and non-performing loans. In asset finance, meanwhile, the Freshfields team has also been busy acting for foreign lenders and Japanese lessors in relation to numerous Japanese operating lease transactions.

Leading lawyers

Mark Keeler

James Lawden

Key contact partners

Mark Keeler

James Lawden

Latham & Watkins

The finance department of Latham & Watkins has gone from strength to strength over the past year, after securing leading roles on some high-profile deals. In October 2004, the team

helped the Carlyle Group negotiate a ¥198 billion (\$1.8 billion) syndicated facility to fund its acquisition of wireless communication service provider DDI Pocket from KDDI Pocket. By December 2004, the firm had completed another large deal, advising Jupiter Telecommunications in relation to its ¥225 billion refinancing, which comprised a ¥150 billion term and revolving facility, a ¥25 billion syndicated guarantee facility and a ¥50 billion subordinated loan.

Among the year's other highlights, the firm also recently worked on a non-recourse borrowing to finance the promotion of international sport events in Japan. The recent recruitment of Hisao Hirose, former general counsel at Citibank, has also boosted the firm's local law capabilities in this area, as well as its links to that bank.

Key contact partners

Simon Dickens
Hisao Hirose
David Shapiro

Linklaters

Linklaters has a reputation for focusing on the more complex and structured financing deals, rather than straight lending work. From among the team, Mark Brown is widely praised in this area, although he is set to return to the London office in the second half of 2005.

However, the team has maintained its numbers and its reputation with the recent hire of leading structured finance expert Paul Kruger from Clifford Chance. The firm is also extremely active in asset finance, with David Deck leading the way in tax-based leveraged lease financings.

Key contact partner

Tony Grundy

White & Case

A combination of US, Japanese, and now UK law capabilities (with the arrival of Dominic Gregory) enables White & Case to provide a well-integrated team for cross-border financing advice. Among the individuals, Robert Grondine and Chris Wells are known for their structured finance expertise and the arrival of Toshio Dokei from the now-disbanded Mitsui Yasuda Wani & Maeda has also provided a boost to the local arm of the practice.

The firm has become increasingly active in the area of aircraft financing, acting for numerous Japanese banks, leasing companies, foreign airlines and credit support providers. Together with the New York office, the Tokyo team has been advising WestLB as lender in relation to restructuring several aircraft leases in connection with United Airlines' bankruptcy. Elsewhere, the firm has also been developing its real property finance practice, advising domestic and foreign clients on a number of leveraged acquisitions of commercial and residential properties, as well as on non-performing loan portfolios. The Tokyo office also continues to work on the high-profile debt restructuring of Korean company Jinro.

Leading lawyers

Robert Grondine
Chris Wells

Key contact partners

Robert Grondine
Chris Wells

Jones Day

Jones Day's lending and structured finance team is particularly active in the field of real estate financings. For example, a team led by John Roebuck recently assisted Morgan Stanley with the TMK (*tokutei mokuteki kaisha*) financing for the acquisition of the Kyoto Park Hotel, which was structured to include a ¥2.8125 billion (\$26 million) bond issue in favour of Shinsei Bank, combined with security over the issuer's assets.

The firm also recently acted for Kyokuto Securities on a series of real estate financings involving the use of a *yugen kaisha* corporate vehicle funded by commercial bank loans and private equity investments.

Key contact partners

John Roebuck
Masatomo Suzuki
Toru Yamada

Lovells

The Lovells finance team has been steadily adding to its varied portfolio of deals. The firm has recently experienced an increase in outbound Japanese financings, particularly in relation to Japanese companies operating in China. For example, Lovells recently advised UFJ Bank in connection with providing a multi-currency syndicated loan to a Chinese subsidiary of a Japanese electronics company. The firm has also been acting for several Japanese clients in relation to their restructurings of debts and distressed assets around the region.

Key contact partner

Tim Lester

O'Melveny & Myers/Watanabe Kokusai Law Offices

Leveraged buyout specialist Gary Smith is the key finance partner at O'Melveny & Myers' Tokyo office. Over the past year the firm has advised a range of clients, such as Deutsche Bank, Shinsei Bank, Lehman Brothers, Daiwa Securities SMBC and Citibank, in relation to their commercial lending transactions.

For example, the firm recently acted for Shinsei Bank on the provision of a senior secured facility for the promotion of international soccer events in Japan, and advised Deutsche Bank in relation to a secured refinancing made available to D&M Holdings, the parent of digital entertainment companies Denon and Marantz. The firm also has experience advising on non-recourse and structured financings in the real estate area.

Key contact partner

Gary Smith

Skadden Arps Foreign Law Office

Skadden Arps Foreign Law Office has a well-developed real estate financing practice consisting of 10 lawyers. The team is led by Mark Bronson, and serves clients such as large investment banks, private investor funds and other lenders in real estate financing transactions.

Over the past year, Bronson's team has worked on several real estate deals involving funding by way of equity, mezzanine or subordinated finance. The firm also specializes in tax-driven structures for the acquisition, development and leasing of Japanese properties. Other finance work handled by the firm recently includes advising clients on their trading of non-performing loan (NPL) portfolios and real estate debt.

Key contact partner

Mark Bronson

Morrison & Foerster/Ito & Mitomi

Morrison & Foerster's Tokyo office boasts a dedicated real estate group that advises on structures for real estate financing transactions in Japan. The team has acted for a wide range of clients such as Japanese and foreign lending banks, private equity funds and other investors.

Recent experience includes TMK (*tokutei mokuteki kaisha*) bond financings, cross-border equity and debt funding structures (including senior and mezzanine secured debt) and distressed debt acquisitions. The recent hire of Tsugumichi Watanabe from Milbank Tweed Hadley & McCloy has also bolstered the firm's capabilities in other areas of finance, such as project-related financings.

Key contact partner

Theodore Seltzer

Capital markets (debt and equity) - local law advice**Recommended firms**

Tier 1

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

Tier 2

Ito & Mitomi/Morrison & Foerster**Linklaters****Nishimura & Partners**

Tier 3

Asahi Koma Law Offices**Baker & McKenzie GJB Tokyo Aoyama Aoki Law Office****TMI Associates/Simmons & Simmons****Anderson Mori & Tomotsune**

Anderson Mori & Tomotsune plays host to a stellar capital markets practice, courtesy of talents such as Akiko Kimura, Nobuyuki Tomotsune and Masaakira Kitazawa. The combined forces of Anderson Mori and Tomotsune & Kimura have played roles in all of the country's large privatizations from mid-2004 onwards – the firm advised the underwriters on the \$2.2 billion global equity offering by Japan Tobacco, acted for Japan National Oil Corporation as a selling shareholder in relation to the \$1.5 billion initial public offering (IPO) of the Inpex Corporation, and served as Japanese counsel to the issuer on the J-Power IPO which, at \$3.4 billion, was the largest privatization undertaken by the Japanese government to date.

Other notable equity deals have included advising on NTT Urban Development Corporation's \$856 million IPO and, more recently, representing Shinsei Bank on its ¥305 billion (\$2.94 billion) follow-on offering under Rule 144A and Regulation S. The firm was also engaged to provide Japanese law advice to RHJ International in connection with its listing on Euronext Brussels. The issuer was a listed holding company that was originally a Japanese private equity fund managed by Ripplewood.

In debt capital markets, the firm has an extensive portfolio of advice on samurai bond deals, and recently advised Credit Suisse Group and Hyundai Capital Services on their debut Samurai bond issues. Before the January 2005 merger, Tomotsune & Kimura was also the sole Japanese counsel on the Development Bank of Japan's SEC-registered debt offering of ¥75 billion bonds. An interesting equity-linked deal, meanwhile, saw the firm advise Nomura International as lead manager in respect of a €1.1 billion *uridashi* exchangeable bond offering by KfW Bankengruppe. The bonds were exchangeable into shares of Deutsche Post, and constituted the first bonds of their type to be registered in Japan and to be offered to the Japanese retail market.

Leading lawyers

Akiko Kimura

Masaakira Kitazawa

Nobuyuki Tomotsune

Key contact partners

Akiko Kimura

Osamu Tanaka

Mori Hamada & Matsumoto

As with many of its other practice areas, Mori Hamada & Matsumoto boasts considerable prowess in capital markets. There was overwhelming agreement among *IFLR1000* respondents as to Toru Ishiguro's status as a market leader.

The firm scooped some mandates during the Japanese government's recent privatization programme, acting for the Inpex Corporation on its high-profile \$1.5 billion initial public offering (IPO) and representing the issuer and selling shareholder in Japan Tobacco's \$2.2 billion global offering of common stock.

The firm also acted on a number of high-profile IPOs in the private sector last year. In July 2004, the firm completed two equity deals, advising Aeon on its \$970 million domestic and international offering and acting for the underwriters on a \$999 million stock offering by the Sumitomo Corporation. In the following months, the firm assisted Nippon Mining with bringing its ¥74.3 billion (\$675 million) share offering to the market, and acted as underwriters' counsel in relation to the \$919 million capital raising of Elpida Memory. The capital markets team also helped Chinese company Xinhua Finance tap into the Japanese capital markets with a ¥3.5 billion yen offering – the first time a non-Japanese issuer had solely listed on the Mothers Board of the Tokyo Stock Exchange.

The team's expertise also extends to equity-linked transactions, having worked on a range of convertible bond deals involving issuers such as JFE Holdings (a steel company formed as a result of the merger of Kawasaki and NKK Steel) and the Mitsubishi Materials Corporation. The firm also acted for Sega Sammy Holdings on an exchange offer of convertible bonds for convertible bonds that were issued by Sammy Corporation. Straight debt work, meanwhile, included setting up a \$1 billion euro medium-term note (EMTN) programme for Toyota Industries Corporation and a ¥200 billion EMTN programme for Daiwa Securities Group.

Leading lawyer

Toru Ishiguro

Key contact partner

Toru Ishiguro

Nagashima Ohno & Tsunematsu

Nagashima Ohno & Tsunematsu rounds off the first tier of capital markets firms, boasting a well-established track record as well as a top-notch team. The firm is praised for having a deep bench of lawyers, including Hidetaka Mihara, Miyuki Ishiguro and Fumide Sugimoto, all names that are frequently praised.

Trusted relationships with a multitude of prominent investment banks mean that the firm is strongly favoured for the role of underwriter's counsel on major deals. In July 2004 the firm brought two deals to successful completion. In the first, the firm acted for Nikko Citigroup and Merrill Lynch as joint-lead managers of the Bank of Yokohama's \$714 million secondary offering of common stock, and in the second, the firm advised the underwriters in connection with the \$970 million initial public offering (IPO) by Japanese retail conglomerate Aeon. When NTT Urban Development sought to conduct an IPO in November 2004, the firm was called upon to advise the Nomura-led underwriting group. The resulting IPO raised \$856 million.

A healthy market share of debt deals contributes to the firm's well-balanced practice. Over the past year the firm completed an impressive list of US dollar-, euro- and yen-denominated bond offerings, acting for frequent issuers such as the General Electric Capital Corporation, the International Finance Corporation, the Japan Bank for International Cooperation, Toshiba, Pioneer and NEC Electronics. More recently the firm provided Japanese legal advice to Chuo Mitsui Trust and Banking Company in connection

with its \$850 million offering of perpetual subordinated notes, and advised consumer finance company Aiful on a \$500 million note issue made under Rule 144A and Regulation S.

Leading lawyers

Miyuki Ishiguro
Hidetaka Mihara
Fumide Sugimoto

Key contact partner

Miyuki Ishiguro

Ito & Mitomi/Morrison & Foerster

Ito & Mitomi excels in securities work, and working as part of an integrated joint venture with Morrison & Foerster has boosted the profiles of both firms in Japan. From among the team, Fuyuo Itomi is not only a prominent figure in the firm, but in the wider market too.

The firm's highlight of 2004 was its representation of the underwriting group, which included Goldman Sachs and Nomura Securities, on the high-profile privatization of the Inpex Corporation, which included a registered public offering in Japan and raised \$1.45 billion. Around the same time the firm also served as Japanese legal adviser to Nikko Citigroup and UBS to in relation to Nippon Mining Holdings' ¥74 billion (\$675 million) global equity offering.

More recently the firm acted for Nikko Citigroup and Goldman Sachs as global coordinators on Jupiter Telecommunications' global offering, which raised ¥105 billion. The firm also continued its tradition of advising on follow-on public offerings by Japan Retail Fund Investment Corporation, acting for Nikko Citigroup and UBS as lead managers in relation to a \$448 million public offering with Rule 144A and Regulation S elements. Debt deals were also plentiful; Ito & Mitomi advised on three concurrent samurai bond issues totalling over \$1.6 billion by Bank of America Corporation, as well as a ¥60 billion issue of samurai bonds by Household Finance Corporation.

Leading lawyer

Fuyuo Itomi

Key contact partner

Fuyuo Itomi

Linklaters

Given Mitsuhiro Yasuda's formidable reputation in the market, Linklaters made an excellent choice in recruiting Yasuda to launch a Japanese capital markets practice in April 2005. Before joining Linklaters, Yasuda and his team completed a string of high-profile deals as part of the now-disbanded Mitsui Yasuda Wani & Maeda.

For example, in September 2004 the ex-Mitsui Yasuda team advised the underwriters in relation to the \$3.4 billion initial public offering (IPO) of J-Power, the second-largest IPO in the world for 2004. Having previously advised the joint global coordinators on Shinsei Bank's IPO in early 2004, Yasuda was

sought again to advise the same parties on the \$2.94 billion follow-on offering of common stock in February 2005.

The team has continued its excellent performance since joining Linklaters, recently advising Morgan Stanley and Goldman Sachs on a global offering for RHJ International, which raised over €700 million (\$860.2 million). The deal structure was complex, involving setting up a new holding company from an existing Ripplewood-managed private fund and listing the company on Euronext Brussels. Another landmark deal saw the firm act for Daiwa Securities SMBC, as lead manager, in connection with US company MediciNova's IPO and listing on the Hercules market of the Osaka Securities Exchange, the first time a US company had chosen to make a sole listing in Japan. The team has also showed its proficiency in debt work, recently representing Hyundai Capital Services' on its first-time debt issue of samurai bonds worth ¥44 billion.

Leading lawyer

Misuhiko Yasuda

Key contact partner

Misuhiko Yasuda

Nishimura & Partners

Nishimura & Partners' capital markets team continues to produce high-quality work, and accordingly remains a solid contender in the market. In particular, Hideki Ebata is singled out as worthy of recommendation. The firm was recently appointed as Japanese legal counsel to the issuer in respect of Elpida Memory's \$919 million global offering in November 2004. The team is also frequently engaged to advise on the Japanese law aspects of initial public offerings by overseas issuers that involve public offers without listing in Japan.

On the debt side, meanwhile, the firm is similarly well regarded. In the past the firm has acted for the Mizuho Financial Group on a series of subordinated note issues, including a recent dual-currency issue of \$1.5 billion subordinated notes and a €750 million issue of step-up callable subordinated notes that was made through a Cayman Islands company. The notes were guaranteed on a subordinated basis by the issuer's parent, and were listed on the Luxembourg stock exchange.

Leading lawyer

Hideki Ebata

Key contact partners

Hideki Ebata

Yasutaka Nishikori

Takeshi Yoneda

Baker & McKenzie GJB Tokyo Aoyama Aoki Law Office

Ken Takahashi is the main expert in the firm's active and broad-based capital markets practice. The firm's most prominent deal in recent times was its role on the ¥81.4 billion (\$741 million) secondary offering of shares in Bank of Yokohama. The deal was

considered unique because the proceeds from the offering were used to repay funds that had been injected into the issuer by the selling shareholder, the Resolution and Collection Corporation.

The firm was also engaged as Japanese counsel on China Power's \$369 million global equity offering, which included a public offer without listing in Japan, and recently advised on convertible bond issues by Hankyu Department Stores and Sapporo Holdings.

Key contact partner

Ken Takahashi

TMI Associates/Simmons & Simmons

TMI Associates has carved out a solid practice that is active in bringing initial public offerings (IPOs) by venture capital targets to the market. Consequently, the firm has been active on IPOs concentrated in technology and property finance sectors, working both for issuers and underwriters.

Nomura Securities has been a plentiful source of work for the firm, the firm advising the bank as underwriter on the IPOs of several companies on the Mothers Board of the Tokyo Stock Exchange, including biotechnology companies LTT Bio-Pharma and Soiken, software developer Aplix Corporation, and investment company Secured Capital Japan. The firm was also involved as underwriters' counsel on Xinhua Finance's listing on the Mothers Board, making the issuer the first Chinese company to be listed solely in Japan.

Elsewhere, the firm has been involved in several offerings on the Hercules index of the Osaka Stock Exchange by companies such as Finance All, a company in the Softbank finance group, and technology company Veritrans.

Key contact partner

Kunio Namekata

Capital markets (debt and equity) - foreign law advice

Recommended firms

Tier 1

Davis Polk & Wardwell

Linklaters

Simpson Thacher & Bartlett

Sullivan & Cromwell

Tier 2

Allen & Overy

Clifford Chance

Freshfields Bruckhaus Deringer

Shearman & Sterling

Tier 3

Ashurst

Cleary Gottlieb Steen & Hamilton

Milbank Tweed Hadley & McCloy

Paul Weiss Rifkind Wharton & Garrison

Morrison & Foerster/Ito & Mitomi

Skadden Arps Foreign Law Office

Davis Polk & Wardwell

Davis Polk & Wardwell's outstanding capital markets practice is the mainstay of the firm's Tokyo office. Eugene Gregor and Theodore Paradise are highly regarded, one client describing them as "a confident and proactive team." The team has secured an extremely impressive list of underwriting clients, including Barclays Capital, Credit Suisse First Boston, HSBC, JP Morgan, UBS, Citigroup Global Markets, Deutsche Bank, Nomura Securities, Nikko Citigroup and Morgan Stanley.

In terms of straight debt and high-yield debt offerings, the firm is one of the most active players in the market. February 2005 was especially busy, the firm representing UBS and JP Morgan Securities as lead managers on a first-time offering by Korea's Hanarotecom of \$500 million high-yield notes, advising the initial purchasers in connection with a debt offering of \$850 million perpetual subordinated notes by the Chuo Mitsui Trust and Banking Company, and acting for the initial purchasers again, this time in relation to Japanese consumer finance company Aiful's \$500 million issue of senior notes. In July 2005, the firm worked on another high-yield offering, acting for CSFB as initial purchaser in relation to the \$200 million note issue by LG TeleCom, a Korean wireless telecommunications provider.

The Tokyo team also worked in conjunction with the Hong Kong office, helping the lead managers to complete a \$1 billion SEC-registered Schedule B offering of bonds by the Korea Development Bank, which was followed by another deal involving the Export-Import Bank of Korea's \$1 billion issue of SEC-registered notes.

On the equity side, the team won mandates on a slew of high-profile offerings. In July 2004 the team represented Nikko Citigroup and Merrill Lynch, as joint global coordinators, on a ¥81.4 billion (\$741 million) secondary offering of shares in the Bank of Yokohama, which was made in Japan and to institutional investors outside of Japan. Shortly after this, the firm acted for Nippon Mining in connection with its ¥74.3 billion share offering, which was made under Rule 144A and Regulation S. Another equity highlight saw the firm advise the joint global coordinators in relation to Shinsei Bank's ¥305 billion follow-on offering.

Leading lawyers

Eugene Gregor
Theodore Paradise

Key contact partners

Eugene Gregor
Theodore Paradise

Linklaters

Linklaters's capital markets department is run by Tony Grundy, who is praised for being "approachable and well informed." The firm has continued to invest in the development of the department, recently elevating Reiko Sakimura to partnership and bringing out Steve Thierbach, global head of the US law practice, to spend time in Tokyo.

The addition of Matsuhiro Yasuda and his team has also given the firm the ability to provide Japanese law advice on some of the largest and most complex deals. At the same time, the foreign side has a dominant position in the convertible bond market, usually advising the underwriters and managers. Recent examples include advising on Sega Sammy's ¥30 billion (\$272.9 million) convertible bond offer in exchange for convertible bonds in Sammy Corporation, and acting on a convertible bond issue by Mitsubishi Materials Corporation that provided stock acquisition rights in the Euro market.

In straight debt deals, the Linklaters team acted on a series of subordinated note offerings by the Mizuho Financial Group, including an issue of \$1.5 billion subordinated notes and a €750 million (\$921.7 million) subordinated note issue effected through a Cayman Islands vehicle.

The firm also has extensive expertise with the establishment of euro medium-term note (EMTN) programmes, recently advising the managers on a new EMTN programme for Daiwa Securities Group.

Leading lawyer

Tony Grundy

Key contact partner

Tony Grundy

Simpson Thacher & Bartlett

Simpson Thacher & Bartlett is well known for having one of the premier US securities practices in Tokyo. The firm's success is largely due to David Sneider, who is the personality most mentioned by peers and clients. Sneider's colleague Alan Cannon has also recently emerged as an up-and-coming talent.

The firm displayed its high-yield capabilities recently by advising LG Telecom in connection with its high-yield offering of \$200 million notes. Among other debt transactions, the firm served as issuer's counsel to the Chuo Mitsui Trust and Banking Company on its \$850 million subordinated debt offering under Rule 144A and Regulation S.

While the firm is strong in the debt markets, it is even more impressive on the equity side. Sneider's team acted on all of the country's large privatizations in the second half of 2004, starting with the government of Japan's \$2.2 billion global offering of shares in Japan Tobacco in July 2004. The firm represented the underwriters, including Daiwa Securities SMBC and Merrill Lynch, and the offering consisted of a domestic public offering as well as a Rule 144A and Regulation S offering. The firm continued to notch up landmarks, advising the underwriters on J-Power's \$3.4 billion initial public offering through its listing on the Tokyo stock exchange and international offering. The deal was the largest IPO to have come out of Japan for several years. And when, a month later, the Japan National Oil Corporation decided to privatize its upstream oil and gas company, Inpex, the firm was called upon to advise the underwriters, completing the \$1.5 billion IPO in December 2004.

The market for secondary offerings also provided some sizeable deals, the firm acting as issuer's counsel on the ¥81.4 billion

(\$740.8 million) secondary offering by Bank of Yokohama, the proceeds of which were used to repay the Resolution and Collection Corporation of Japan. Another follow-on offering saw the firm advise the Shinsei Bank on its ¥305 billion offering of common stock, which was done in tandem with a reorganization of the private investor group. Lastly, the firm enhanced its already impressive portfolio by representing Elpida Memory in relation to its ¥110 billion global offering and, as counsel to the lead manager of Medicinova's issue of shares through the Osaka Securities Exchange, by achieving the first sole listing of a US corporation in Japan.

Leading lawyer

David Sneider

Key contact partners

Alan Cannon

David Sneider

Sullivan & Cromwell

Sullivan & Cromwell is the remaining member of the four-firm top tier. Market participants reserved much praise for Izumi Akai, who has played a key role in the development of a top-notch capital markets practice.

The team's strength lies on the equity side, and the firm consistently wins mandates on headline deals. To demonstrate, the firm was selected as issuer's counsel in a succession of larger privatizations by the Japanese government – among them, the \$2.2 billion global offering of shares in Japan Tobacco, the \$3.6 billion initial public offering (IPO) by J-Power (the largest Asian IPO for 2004) and Inpex Corporation's \$1.52 billion IPO, all of which involved public offerings in Japan and international offerings under Rule 144A and Regulation S.

The firm was also involved in a big capital raising in the retail sector, representing Aeon in connection with its \$970 million equity offering. Another equity highlight saw the firm assist NTT Urban Development with its \$856 million global equity offering. On the underwriting side, the firm provided US law advice in connection with Elpida Memory's \$1 billion share offering and in relation to the \$999 million IPO by Sumitomo Corporation, which marked Sumitomo's first capital raising for several years.

There was no shortage of debt deals either. The team advised the Development Bank of Japan in relation to its SEC-registered issue of ¥75 billion (\$686 million) bonds, and completed a series of global debt offerings for the Japan Finance Corporation for Municipal Enterprises. The firm had previously acted for the Softbank Corporation on its Regulation S issue of €400 million (\$491.7 million) senior notes – the first high-yield debt offering in Europe by a Japanese company.

Leading lawyer

Izumi Akai

Key contact partners

Izumi Akai

John Young

Allen & Overy

Allen & Overy's capital markets team is led by Piyasena Perera. Although the team is experienced advising on US and European listings, the practice's real focus lies in debt and equity-linked work. The convertible bond market, in particular, has been a source of steady work for the practice.

Recent examples included acting for Credit Suisse First Boston and Tokyo-Mitsubishi International as lead managers on an equity-linked offering of ¥17 billion (\$155 million) zero coupon convertible bonds by Don Quijote, and advising manager Nikko Citigroup on a ¥10 billion (\$91 million) convertible bond issue by Transcosmos. Both deals involved listing the bonds on the London Stock Exchange.

The Allen & Overy team has also been busy working for KBC Financial Products Japan on multiple private placements of convertible bonds and common stock. Straight debt work, meanwhile, has consisted of advising arrangers such as Merrill Lynch, Nikko Citigroup and Deutsche Bank in connection with updating various euro medium-term note programmes for Japanese issuers.

Key contact partner

Piyasena Perera

Clifford Chance

Clifford Chance, like many of its UK firm competitors, is active in the debt and equity-linked field, and advises a raft of impressive clients such as Merrill Lynch, Morgan Stanley, Lehman Brothers and UBS. Clifford Chance's capital markets team has been kept busy by an increasing number of private debt and convertible bond issues by Japanese companies.

The firm also acted for Deutsche Bank on the establishment of a new euro medium-term note (EMTN) programme by a large Japanese corporation, and continues to advise managers such as Merrill Lynch, Morgan Stanley and Nikko Salomon Smith Barney in relation to numerous updates of EMTN programmes.

Due to the firm's structured finance expertise, capital markets work undertaken by the Clifford Chance team often forms part of more highly structured transactions, such as repackagings.

Key contact partner

Peter Kilner

Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer has developed a solid capital markets practice that serves well-known investment banks such as Banque AIG, Mizuho International, Daiwa SMBC, Deutsche Securities, Merrill Lynch, Nomura Securities and Lehman Brothers. From among the team, Mark Keeler and James Lawden both enjoy a good reputation among their peers and clients.

The firm is particularly experienced advising on euro medium-term note (EMTN) programmes, recently acting for Daiwa Securities as arranger of a \$4 billion EMTN programme for the

SBMC Leasing Company and a \$5 billion EMTN programme for the Orix Corporation. Further debt transactions have seen the firm assist Deutsche Bank in relation to its arrangement of Phoenix JT's issue of ¥34.2 billion (\$311.4 million) guaranteed subordinated notes.

On the equity side, Freshfields teams have advised Daiwa Securities SMBC Principal Investments in respect of an accelerated initial public offering (IPO), acted for Lehman Brothers on a ¥3 billion preference share issue by Keika Express, and completed an offering of shares in Zentek Technology Japan. Other work has consisted of advising on private convertible bond issues and placements, and structured equity-linked transactions. Freshfields is also frequently sought to provide advice to investment banking and other clients on regulatory issues.

Leading lawyers

Mark Keeler
James Lawden

Key contact partners

Mark Keeler
James Lawden

Shearman & Sterling

Given Tokyo managing partner Masahisa Ikeda's expertise in securities law, it is unsurprising that Shearman & Sterling's Tokyo practice is heavily focused on capital markets. The firm's standout deal in recent times was its role advising the Japan National Oil Corporation as a selling shareholder in the privatization of oil and gas company the Inpex Corporation. The highly publicized \$1.5 billion capital raising comprised a listing on the Tokyo Stock Exchange, and a Rule 144A and Regulation S offering.

Another highlight saw the firm represent joint lead managers Goldman Sachs and Nomura International on the \$970 million equity offering by Aeon, whose concurrent public and international offerings constituted the largest public offering made by a retail company in Japan.

Key contact partner

Masahisa Ikeda

Capital markets (structured finance) – local law advice

Recommended firms

Tier 1

Anderson Mori & Tomotsune

Atsumi & Partners

Mori Hamada & Matsumoto

Nagashima Ohno & Tsunematsu

Nishimura & Partners

Tier 2

Asahi Koma Law Offices

Clifford Chance Law Office

Freshfields Bruckhaus Deringer

Linklaters

Taiyo Law Office/Paul Hastings Janofsky & Walker*

Tier 3

Baker & McKenzie GJB Tokyo Aoyama Aoki Law Office

Jones Day

TMI Associates/Simmons & Simmons

* *Going to press, Paul Hastings Janofsky & Walker announced that Taiyo Law Office would be fully integrated into Paul Hastings.*

Anderson Mori & Tomotsune

Anderson Mori & Tomotsune has maintained the high quality of its securitization practice since the merger between Anderson Mori and Tomotsune & Kimura in January 2005. The firm enjoys a good profile in the market, having acted on many complex deals, such as Shinsei Bank's Synergy Funding securitization of ¥35.1 billion (\$318 million)-worth of commercial mortgage-backed securities, and gains promotion to the top tier this year after plenty of recommendations from the market.

In other work, the firm helped the Sumitomo Mitsui Banking Corporation arrange a series of public offerings of collateralized loan obligations sponsored by the municipal governments in Tokyo, Osaka, Kobe and Yokohama. More recently the team advised a Japanese trust bank in connection with the innovative whole-business securitization of a large Japanese hospital.

The firm boasts several talented structured finance lawyers, including Tatsu Katayama and Isao Shindo. Tetsuya Itoh garners a mention as a rising star.

Leading lawyers

Tatsu Katayama
Isao Shindo

Key contact partners

Tatsu Katayama
Isao Shindo

Atsumi & Partners

Atsumi & Partners is well known for being an excellent structured finance boutique firm. In particular, managing partner Hiroo Atsumi is regarded as one of the foremost securitization practitioners in the country, and in Hiroaki Takashi the firm has an accepted up-and-coming talent. Indeed, most of the firm's

13 partners have considerable experience advising on structured finance and derivatives transactions.

Among the year's deal highlights, Atsumi & Partners was involved in two high-profile securitizations. The first saw the firm provide legal counsel in relation to the large whole-business securitization of a Japanese hospital, and on the second, the firm acted on Shinsei Bank's Synergy Funding transaction, which involved a ¥35.1 billion collateralized debt obligation repackaging backed by a pool of Japanese commercial mortgage-backed securities.

Leading lawyer

Hiroo Atsumi

Key contact partner

Hiroo Atsumi

Mori Hamada & Matsumoto

Asset-backed securitization transactions are Mori Hamada & Matsumoto's strongest suit, and the firm is a frequent adviser on some of the biggest deals around. For example, the firm acted for Lone Star as sponsor in connection with the complex ¥33 billion (\$300.7 million) refinancing of asset-backed securities originating from failed consumer finance companies the AEL Corporation and Nice. The deal involved several transactions in one, including the acquisitions of the AEL Corporation and Nice as part of those companies' corporate reorganization programmes, and the refinancing of the different types of securities that were backed by those companies' consumer loan receivables.

The firm's securitization team is spearheaded by Masanori Sato, a name that commands a high degree of respect in the market.

Leading lawyer

Masanori Sato

Key contact partner

Masanori Sato

Nagashima Ohno & Tsunematsu

Nagashima Ohno & Tsunematsu has long been a leader in securitization, having previously acted on numerous transactions that were firsts of their kind in Japan, including the first real estate securitization and the first securitization of housing loans. From among the team, Satoshi Inoue's deep experience leads him to be singled out as a leading lawyer, and Ichiro Oya is also regarded as "impressive."

Over the past year the firm has continued to handle innovative work, recently advising Mizuho International as arranger of the first euro-denominated securitization to use a Japanese *chukan hojin* vehicle instead of the conventional Cayman special purpose company. The deal was structured to involve dual layers of issuers, including a Japanese-owned *tokutei mokutei kaisha* that issued bonds backed by auto loan receivables, the receivables then being repackaged and issued into the euromarket in the form of \$135 million and €142 million (\$173 million)-worth of floating rate notes.

Leading lawyers

Satoshi Inoue

Ichiro Oya

Key contact partner

Satoshi Inoue

Nishimura & Partners

Nishimura & Partners remains a well-established fixture on the securitization scene, often visible on large Japanese transactions. Among recent standout deals, the firm advised Orient Corporation as originator in relation to the Oscar Funding Corp XI auto loan securitization. This tricky deal was notable for its complex double-issue structure, which consisted of a bond issue at a Japanese *tokutei mokutei kaisha* level and a further issue of euro- and dollar-denominated bonds at a separate Cayman level.

Nishimura & Partners also played roles on the ¥33 billion (\$299 million) asset-backed refinancing of consumer finance companies the AEL Corporation and the Nice Corporation, and on the \$308 million aircraft asset-backed securitization conducted by Spain's Iberia Airlines. Another interesting cross-border deal saw the firm act for the Japan Bank for International Corporation on a ¥13 billion collateralized loan obligation, involving Indonesian export trade receivables.

Of the firm's structured finance experts, partner Masaru Ono stands out, and ranks among the best-regarded names in the market.

Leading lawyer

Masaru Ono

Key contact partners

Yoshihiko Kawakami

Toshihiro Maeda

Masaru Ono

Asahi Koma Law Offices

Asahi Koma Law Offices is a solid choice for securitization matters thanks to its excellent track record acting for all types of clients, including originators, arrangers, investors and ratings agencies. The firm has previously advised on securitizations involving a range of asset classes, including real estate assets, receivables, leases, future claims, intellectual property rights and whole-business securitizations. Landmark deals in the past include roles on the first securitization of a hotel and the first securitization of a *pachinko* store (the Japanese equivalent of a slot machine arcade).

In addition, the firm boasts considerable experience in advising on all types of widely used derivatives, as well as more innovative credit-linked instruments. For example, the firm provided the Japanese legal advice to Daiwa Securities SMBC in connection with its Zest Investments V deal, the world's first collateralized debt obligation of equity default swaps.

Key contact partners

Yutaka Sakai

Fumiko Soejima

Clifford Chance Law Office

Clifford Chance plays host to several *bengoshi* who are securitization experts, including Yasuhiro Akita and Eiichi Kanda. The team is able to advise on asset-backed transactions, such as consumer loans and trade receivable securitizations, and has also worked on numerous structured financings and securitizations of real estate assets.

On most transactions Clifford Chance fields a team of foreign and Japanese lawyers to provide advice on all legal aspects. A recent example was the Iberbond 2004 deal, on which Clifford Chance provided Japanese law advice in relation to Iberia Airlines' asset-backed securitization. The deal involved a Japanese tax lease structure, and the issue of \$308 million-worth of enhanced secured aircraft notes by a European issuer.

Key contact partners

Yasuhiro Akita
Eiichi Kanda

Linklaters

Linklaters enters the rankings this year after its concerted efforts to invest in establishing a local law practice in Japan. From among the team, Akihiro Wani – who joined Linklaters after Mitsui Yasuda Wani & Maeda disbanded last year – is a highly respected lawyer in the structured finance market, particularly in the area of derivatives, where he has served as Japanese counsel to the International Swaps and Derivatives Association.

Wani has a tremendous amount of experience devising innovative financial products, and recently advised Nomura Securities on a public offering of credit-linked notes, which was only the second instance of its kind in the world. His importance to the development of Linklaters' Japanese securitization capabilities has been reflected in his appointment as co-head of the firm's Tokyo office.

Leading lawyer

Akihiro Wani

Key contact partner

Akihiro Wani

Taiyo Law Office/Paul Hastings Janofsky & Walker

Norifusa Hashimoto is Taiyo Law Offices' key securitization figure, and he and his team have worked in conjunction with Paul Hastings on several important transactions with a Japanese element over the past year. One example was Korean Air Lines' recent ¥20 billion (\$181 million) cross-border securitization by of its future Japanese yen cargo receivables. The firm provided Japanese legal advice to the Nikko Citigroup and the Korea Development Bank as arrangers.

In another deal, the firm was sought by Nomura Securities as arranger to advise on an innovative ¥10 billion securitization of special event facilities (such as wedding halls and funeral parlours) that was conducted through a Japanese *yugen kaisha* vehicle. The team has also been instructed by several Japanese

investment banks to advise on their asset-backed programmes and residential mortgage-backed securitization transactions.

Going to press, Paul Hastings Janofsky & Walker announced that Taiyo Law Office would be fully integrated into Paul Hastings.

Key contact partner

Norifusa Hashimoto

Baker & McKenzie GJB Tokyo Aoyama Aoki Law Office

Baker & McKenzie boasts a respectable Japanese law securitization department that serves clients such as Primus Financial Services, the Bank of Yokohama and Aozara Trust Bank. The group's two most active practitioners are Fusako Otsuka and Hitoshi Sumiya. Among the year's highlights, Otsuka was recently involved in a ¥42 billion (\$380 million) auto loan receivables securitization, which adopted a *tokutei mokuteki kaisha* structure to issue several classes of euro yen notes.

Key contact partners

Fusako Otsuka
Hitsohi Sumiya

TMI Associates/Simmons & Simmons

TMI Associates' structured finance team complements Simmons & Simmons' strong English law practice in the area, and consequently the two firms often work as joint advisers on structured financings. Recent examples include advising UBS on a series of asset-backed transactions involving the repackaging of Japanese assets and credit default swaps, acting for Barclays Capital on setting up a repackaging programme and conducting issues under that programme, and assisting Bear Stearns with a real estate securitization.

Over the past year, TMI Associates' partners have also advised the trustee in relation to several residential mortgage-backed securitizations involving a Japanese *tokutei mokutei kaisha* issuer.

Key contact partner

Yoshiyasu Yamaguchi

Capital markets (structured finance) – foreign law advice

Recommended firms

Tier 1

Allen & Overy

Clifford Chance

Linklaters

Tier 2

Freshfields Bruckhaus Deringer

Paul Hastings Janofsky & Walker

Tier 3

Cleary Gottlieb Steen & Hamilton

Lovells

Sidley Austin Brown & Wood

Simmons & Simmons/TMI Associates

Allen & Overy

Allen & Overy has a well-earned reputation for pioneering new securitization techniques in the region. One recent example was the Zest V transaction for Daiwa Securities SMBC, which constituted the first collateralized debt obligation (CDO) of equity default swaps. The deal involved an issue of ¥31.5 billion (\$285 million) notes backed by equity default swaps over a portfolio of 30 reference companies. Since the Zest V deal, many banks have sought the firm's advice on the development of similar hybrid credit-linked products.

In other work, the firm has also displayed its expertise on a variety of single-tranche CDOs and monoline insurance-wrapped deals, and helped clients to review and negotiate their over-the-counter derivatives transactions. From among the strong team, Paul Cluley receives widespread recognition in the market as a leading lawyer.

Leading lawyer

Paul Cluley

Key contact partner

Paul Cluley

Clifford Chance

Clifford Chance has developed a highly regarded structured finance practice, acting for clients such as Merrill Lynch, Morgan Stanley, BNP Paribas, Calyon, Royal Bank of Scotland and UBS. As innovative synthetic collateralized debt obligations (CDOs) have increased in popularity, the firm has played an important part in drafting the documentation for such instruments. However, the practice suffered a bit of a setback in May 2005 when the widely admired Paul Kruger moved to Linklaters. The feeling in the market, though, is that the firm has enough strength in depth to plug the gap left by Kruger's departure. The practice still retains a wealth of talent, and Peter Kilner continues to receive praise for the quality of his work. It will be interesting to see how the practice develops.

Kruger and his team played key roles on a number of recent landmark securitization deals, such as acting for Pan Asian Mortgage on the first Asian securitization of negative equity mortgages and advising the lead managers on Korea First Bank's first, and the country's first, euro-denominated securitization backed by residential mortgage receivables.

Clifford Chance was also able to draw on its extensive aircraft finance expertise to recently complete a \$308 million asset-backed securitization for Spanish airline Iberia, which used the proceeds from an issue of enhanced secured aircraft notes to fund the purchase of 20 Airbus aircraft.

Leading lawyer

Peter Kilner

Key contact partners

Peter Avery
Peter Kilner

Linklaters

Under the direction of Mark Brown, Linklaters' securitization practice enjoys an excellent reputation among foreign and Japanese investment banks. The team is particularly proficient in advising on synthetic collateralized debt obligations (CDOs), credit-linked and other derivative products. Recent achievements include closing a large whole-business securitization for the Royal Bank of Scotland and advising a leading Japanese bank on a ¥1 trillion (\$9 billion) synthetic collateralized loan obligation.

Although Brown will relocate to London in late 2005, the practice is expected to develop further under Paul Kruger, who recently arrived from Clifford Chance. Kruger is perhaps the best-known securitization lawyer in the region, having led several pioneering deals in the past, and his arrival represents a significant addition to the practice. The practice was also boosted at the senior level last year with the appointment of Mary Moran as a securitization partner.

Leading lawyers

David Deck
Paul Kruger

Key contact partner

Paul Kruger

Freshfields Bruckhaus Deringer

Mark Keeler and James Lawden run Freshfields Bruckhaus Deringer's well-regarded securitization practice. The team recently acted on a number of innovative deals, such as advising Mitsui Kanko Development on the first Japanese hotel development project to be partially financed by securitization techniques. In another transaction, the firm served as counsel to Mizuho International in relation to the securitization of an auto loan receivables portfolio originated by the Orient Corporation. The innovative double issue structure included a bond issue by a Japanese *tokutei mokutei kaisha*, and issues of \$125 million floating rate notes and €152.5 million floating rate notes by Oscar Funding, a Cayman Islands vehicle.

Other recent deals involved working on a ¥120 billion (\$1.1 billion) synthetic collateralized debt obligation arranged by Daiwa Securities SMBC and advising Norinchkin Trust & Bank on a loan receivables repackaging. The firm is also frequently instructed to advise clients on their derivatives transactions.

Leading lawyer

Mark Keeler

Key contact partners

Mark Keeler
James Lawden

Paul Hastings Janofsky & Walker

Paul Hastings Janofsky & Walker's securitization expert on the US side is Kaoru Umino, and together with Taiyo Law Office the firm has advised on some high-profile cross-border securitizations over the past year. One recent example saw the firm

advise Nomura as arranger and lead manager and the Japan Bank of International Cooperation (JBIC) as guarantor in relation to an innovative ¥7.7 billion (\$70 million) collateralized bond obligation (CBO) as part of the Asian Bond Market Initiative. The complex deal structure involved the use of Korean and Singaporean special purpose vehicles and the issue of yen-denominated bonds by several Korean small and medium-sized enterprises. Credit support was provided by the Industrial Bank of Korea and a note guarantee from the JBIC, marking the first time that the JBIC has played such a role.

In another deal, the firm helped Nomura Securities arrange the first Japanese securitization of special event facilities. The ¥10 billion deal involved a new asset class for Japan that included wedding halls and funeral parlours.

Leading lawyer

Kaoru Umino

Key contact partner

Kaoru Umino

Cleary Gottlieb Steen and Hamilton

The strength of Cleary Gottlieb Steen and Hamilton's Korean practice makes it well-placed to win roles on major Korean securitizations. For example, in December 2004, Steven Wilner and his team helped Korea First Bank to complete a €550 million (\$670 million) issue of residential mortgage-backed securities. Besides being the first euro-denominated mortgage-backed securitization in the country, the deal also represented South Korea's largest cross-border securitization to date.

Key contact partner

Steven Wilner

Lovells

Lovells maintains a solid securitization practice due to Tokyo managing partner Tim Lester's expertise in structured credit derivatives and repackagings. Lester and his team focus on developing innovative structures for arrangers to manage credit and other financial risks.

The team recently advised BNP Paribas in relation to a series of highly structured products, including credit-linked loan structures, bond repackagings involving Japanese government bonds and the first Standard & Poor's-rated single-tranche collateralized debt obligation issued through a Cayman Islands borrowing vehicle. The team also helped the Royal Bank of Scotland develop loan structures featuring embedded interest rate derivatives, and acted for Calyon in connection with several corporate basket credit-linked structures and repackagings.

Leading lawyer

Tim Lester

Key contact partner

Tim Lester

Simmons & Simmons/TMI Associates

Paul Browne leads a broad-based securitization practice that covers advice on repackagings, derivatives, collateralized debt obligations and a wide range of asset-backed transactions. The firm maintains a client list of active players such as UBS, Lehman Brothers, Barclays Capital, Morgan Stanley, Bear Stearns and Calyon.

Over the past 12 months, Browne's team has been busy advising its clients on numerous structured debt note issues, repackagings of domestic Japanese assets and credit derivatives. The firm was also engaged by Merrill Lynch to advise on a series of consumer loan securitizations arranged by it.

Key contact partner

Paul Browne

Mergers and acquisitions – local law advice

Recommended firms

Tier 1

Anderson Mori & Tomotsune

Mori Hamada & Matsumoto

Nagashima Ohno & Tsunematsu

Nishimura & Partners

Tier 2

Asahi Koma Law Offices

Baker & McKenzie GJB Tokyo Aoyama Aoki Law Office

Skadden Arps Law Office

TMI Associates/Simmons & Simmons

Tier 3

Freshfields Bruckhaus Deringer

Jones Day

Linklaters

White & Case

Tier 4

Clifford Chance Law Office

Ito & Mitomi/Morrison & Foerster

Latham & Watkins

Orrick Tokyo Law Offices

Taiyo Law Office/Paul Hastings Janofsky & Walker*

* *Going to press, Paul Hastings Janofsky & Walker announced that Taiyo Law Office would be fully integrated into Paul Hastings.*

Anderson Mori & Tomotsune

The merger of Anderson Mori and Tomotsune & Kimura, both strong firms on their own, has created a firm that is even better placed to handle deals at the highest level. Osamu Hirawaka and Kenichi Masuda are perceived as highly skilled corporate lawyers, and Junichi Kondo also rates a mention.

Since mid-2004 the firm has continued its strong association with Vodafone, advising on its ¥319 billion (\$3.1 billion) tender offer for Japanese public company Vodafone Holdings KK, which constituted the largest takeover offer in Japanese history. The transaction was done in conjunction with a private

offer for shares in Vodafone KK, and the firm was also involved in the subsequent merger between the two targets. In another telecoms deal, the corporate team was engaged to provide Japanese law advice to Cable & Wireless on the £72.4 million (\$131 million) disposal of Cable & Wireless IDC to Japan's Softbank Corporation. Anderson Mori & Tomotsune was also visible on the high-profile \$2.03 billion acquisition of DDI Pocket from KDDI, advising Kyocera as a participant in the acquiring consortium.

The firm was also kept busy acting for the AIG Group in relation to its £118 million acquisition of Royal & Sun Alliance Insurance Group's insurance businesses in Japan, and represented BP Japan in connection with the merger of its automotive lubricant business with Petrolub International, under a new entity known as BP Castrol. A steady stream of Sino-Japanese deals has led the firm to create a dedicated Chinese practice group in Beijing.

Leading lawyers

Osamu Kirakawa
Kenichi Masuda

Key contact partners

Osamu Hirakawa
Hiroki Kodate
Kenichi Masuda

Mori Hamada & Matsumoto

Mori Hamada & Matsumoto is widely regarded as a top-bracket firm, with considerable prowess in M&A. Satoshi Kawai and Satoko Kuwabara are cited as "exceptional lawyers," and Gaku Ishiwata has emerged as an up-and-comer over the past year.

A recent highlight saw the firm represent Softbank on its \$3 billion acquisition of Japan Telecom from Ripplewood Holdings. This was followed by an even larger deal, on which the firm acted for Mitsubishi Tokyo Financial Group in relation to a ¥700 billion (\$6 billion) capital injection into UFJ Bank as part of the wider planned merger between Mitsubishi and UFJ Bank. The M&A team had previously acted for UFJ in relation to the sale of its interest in consumer finance company Aplus Co to Shinsei Bank for ¥650 billion.

The firm has also been developing its China practice through its offices in Beijing and Shanghai. In one high-profile out-bound investment, the firm recently acted for a consortium consisting of Asahi Breweries and Itochu on a joint venture with Chinese food and beverage company Tingyi. The ¥45 billion strategic investment was one of the largest Sino-Japanese transactions of 2004.

Leading lawyers

Satoshi Kawai
Satoko Kuwabara

Key contact partners

Satoshi Kawai
Satoko Kuwabara

Nagashima Ohno & Tsunematsu

Nagashima Ohno & Tsunematsu is a perennial contender for the top-tier by virtue of its clients, deals and quality of lawyers. There is much respect for senior figure Kenichi Fujinawa, and his colleagues Hisashi Hara and Atsushi Fujieda also win considerable praise from clients and peers. Of the firm's next generation of partners, Hiroki Inoue and Soichiro Uno have been dubbed as rising talents, which bodes well for the firm's future M&A credentials.

There were several highlights over the past year for the M&A group. Following Ripplewood's acquisition of Japan Telecom, in the largest leveraged buyout in Japan's history, the firm represented Ripplewood when it sold Japan Telecom to Softbank Corporation for a total consideration of \$3 billion. A few months later the team acted as Japanese counsel to the Carlyle Group on its joint purchase (with Kyocera) of DDI Pocket from KDDI for \$2.03 billion.

The firm also completed a large property deal, acting for Sapporo Holdings on its sale of the Westin Hotel Tokyo to a real estate investment fund, led by the Morgan Stanley Group, for ¥50 billion (\$456 million). Other recent work includes advising Kanebo on the transfer of its worldwide cosmetic business to a special vehicle as part of its ongoing corporate revitalization efforts, and acting on a number of share acquisitions for GE Capital in real estate and leasing businesses.

Leading lawyers

Kenichi Fujinawa
Hisashi Hara

Key contact partner

Kenichi Fujinawa

Nishimura & Partners

Rounding out the top tier is Nishimura & Partners, a firm that is well respected across several areas, including M&A. The corporate group stands at 12 partners, and its already strong capabilities have been enhanced by two recent counsel hires from the now-defunct Mitsui Yasuda Wani & Maeda. From among the team, Koichi Kusano is consistently cited as a standout lawyer, and the market has also singled out Masakazu Iwakura and Masaki Hosaka as potential leading names.

In October 2004 the firm was instructed by KDDI to provide Japanese legal advice on the sale of wireless company DDI Pocket to the Carlyle-Kyocera consortium for \$2 billion. The transaction was structured to include a statutory demerger, which involved a transfer of DDI Pocket's business to a new company and the sale of shares in that company to the acquiring consortium.

Nishimura & Partners' performance so far on the high-profile merger between Mitsubishi Tokyo Financial Group and UFJ has been extremely impressive. As advisor to UFJ, the firm was involved in the ¥700 billion (\$6 billion) capital injection that occurred in September 2004 and, before that, advised on the competing bids for UFJ between Mitsubishi Tokyo Financial and Sumitomo Financial. The financial sector provided more M&A work, the firm representing Mizuho Securities on its ¥70

billion acquisition of an interest in Norichunkin Bank by way of share subscription.

Nishimura & Partners continues to serve as counsel to the Industrial Revitalization Corporation of Japan (IRCJ) in relation to its ongoing efforts to restructure cosmetics company Kanebo. In a recent deal valued at ¥380 billion, Kanebo had transferred its cosmetic businesses to a special purpose vehicle set up by IRCJ.

Leading lawyer

Koichi Kusano

Key contact partners

Koichi Kusano

Masakazu Iwakura

Hiroyuki Tezuka

Asahi Koma Law Offices

Asahi Koma's corporate department is well resourced, and includes a China practice group comprised of foreign legal consultants. Partners such Takashi Ejiri are well versed in advising on top-end deals. For example, the firm is acting for the financial advisors to the Mitsubishi Tokyo Financial Group on its planned merger with UFJ Holdings, which will create the world's largest bank by asset value.

At the time of writing, Asahi Koma is also representing Yahoo! Japan in relation to its joint venture with Aozora Bank to set up online banking services for Aozora Trust Bank. Under the deal, Yahoo! Japan will buy up to ¥13 billion (\$118 million)-worth of shares in Aozora Trust Bank.

Key contact partner

Takashi Ejiri

Baker & McKenzie GJB Tokyo Aoyama Aoki Law Office

There are 10 locally qualified partners in Baker & McKenzie's Tokyo office who boast extensive M&A expertise. Among them, head of corporate Hiroshi Kondo has a wealth of experience acting on cross-border deals.

The firm's recent deal portfolio has included a fair share of private equity work, including acting for Jafco in relation to the ¥7.35 billion (\$67.2 million) exit of its equity interest in R no Kaigo to Watami Food, and representing SBC on a ¥1.4 billion partial buyout of its subsidiary Densan by IDA Funds. At the end of 2004 Kondo's team also completed a disposal of Tojo Cable Television for Tobu Railway to Mediatti Communications, as part of a corporate reorganization.

Key contact partners

Akimoto Kawamura

Hiroshi Kondo

Skadden Arps Law Office

Skadden Arps Law Office has gathered a fine team of *bengoshi* who work in tandem with the firm's US lawyers. The best-known partner is Mitsuhiro Kamiya, who has been involved in

all of Skadden's recent headline deals, such as Livedoor's takeover battle with Fuji Television for Nippon Broadcasting System and Sumitomo's proposed bid for UFJ Bank, which was eventually defeated by a competing bid by Mitsubishi Tokyo Financial Group.

Other deals that Kamiya and his team have worked on include advising the Tokyu Corporation on its \$215 million tender offer for Tokyu Department Store, and acting for KDDI Corporation in relation to its disposal of its stake in the Infonet Services Corporation to BT Group, as well as its subsequent entry into a strategic partnership with the BT Group. The firm has also been engaged by clinical diagnostics company Fujirebio in connection with its ¥18.5 billion (\$168 million) tender offer for SRL, and the proposed business consolidation of the two companies.

Key contact partner

Mitsuhiro Kamiya

TMI Associates/Simmons & Simmons

TMI Associates has an active and highly competent corporate group that has earned the loyalty of plenty of clients. The firm has seen a steady stream of instructions from Softbank Corporation, the most notable being its acquisition of Cable & Wireless IDC from UK company Cable & Wireless for £72.4 million (\$131 million). Other deals for Softbank companies included acting on Softbank Investment Corporation's merger with online securities trader E*Trade, and on its acquisition of an equity interest in Nissho Iwai Corporation.

Trading company Nissho Iwai Corporation is another key client that regularly instructs the firm. TMI Associates had previously acted for Nissho Iwai Corporation in relation to its creation of a joint holding company with the Nichimen Corporaton to form the Sojitz Corporation. Indeed, the firm has extensive experience advising on joint ventures, such as Gaga Communications' strategic alliance with cable operator Usen Corp, and Recruit's joint venture arrangement with Yahoo! Japan. The firm also advised Dentsu on its acquisition of Pioneer Corporation's DVD entertainment production and distribution business.

The firm remains committed to its private equity practice, serving clients such as Millennia Venture Partners, CSK Ventures, Mizuho Capital and Nikko Antfactory Japan. Recent deals have consisted of investments in spin-off businesses and subsidiaries of listed Japanese companies.

Key contact partners

Kunio Namekata

Tatsuhiro Takahara

Freshfields Bruckhaus Deringer

Of the international firms, Freshfields Bruckhaus Deringer is widely considered to have one of the stronger and better integrated local arms. Hiring Nobuo Nakata from Asahi Koma and Akihito Kakayama from Atsumi & Partners has enabled the firm to increase its local corporate capabilities enormously, especially in relation to financial sector acquisitions. Together with Naoki

Kinami, the trio has been responsible for spearheading the development of the firm's *bengoshi* team, which now includes over 20 locally qualified lawyers.

Key contact partner

Nobuo Nakata

Mergers and acquisitions – foreign law advice

Recommended firms

Tier 1

Linklaters

Morrison & Foerster/Ito & Mitomi

Skadden Arps Foreign Law Office

Sullivan & Cromwell

Tier 2

Cleary Gottlieb Steen & Hamilton

Clifford Chance

Freshfields Bruckhaus Deringer

Paul Weiss Rifkind Wharton & Garrison

Simpson Thacher & Bartlett

White & Case

Tier 3

Allen & Overy

Baker & McKenzie GJB Tokyo Aoyama Aoki Law Office

Herbert Smith

Jones Day Tokyo

Latham & Watkins

Shearman & Sterling

Tier 4

Ashurst

Davis Polk & Wardwell

Lovells

O'Melveny & Myers/Watanabe Kokusai Law Offices

Orrick Herrington & Sutcliffe

Paul Hastings Janofsky & Walker

Linklaters

Under the direction of Casper Lawson, Linklaters' corporate department has kept up the pace and standard required of a top-tier practice. Lawson is seen by the market as a superior M&A lawyer.

Since mid-2004, the firm's headline M&A deal has been the Vodafone Japan take-private transaction. The Linklaters team guided the Vodafone Group through the acquisition of the remaining 33% stake in its Tokyo-listed subsidiary, Vodafone Holdings KK (VHKK), through a simultaneous ¥319 billion (\$3.1 billion) public tender offer for the listed shares in VHKK and a ¥194 billion private offer for the unlisted minority shares in Vodafone. The public tender offer was regarded as the largest takeover to have occurred in Japan, and was a structural minefield, involving novel obstacles raised under Japanese, English and US law.

Leading lawyer

Casper Lawson

Key contact partners

Casper Lawson

Hideo Norikoshi

Morrison & Foerster/Ito & Mitomi

Managing partner Ken Siegel runs a successful corporate practice that combines local knowledge and international expertise. The firm's impressive volume of deals is illustrated by its recent track record – among the many highlights, it acted for Ricoh on its \$600 million acquisition of Hitachi's printing operations, advised Sega in relation to its acquisition of a sports video game development business and subsequent sale to Take-Two Interactive, and represented Japanese online retailer Rakuten in connection with a \$110 million strategic investment in Chinese online travel business Ctrip.

The corporate department has maintained its high level of activity by continuing to act for Hitachi on its \$2 billion acquisition of IBM's hard disk drive business, and Fujitsu on the disposal of its interest in its plasma display subsidiary to Hitachi. The recent flurry of activity in the pharmaceuticals sector has also benefited Morrison & Foerster, the firm winning a role on Fujisawa's \$8 billion merger with Yamanouchi, which is expected to be the largest pharmaceutical merger in Japan.

Key contact partner

Ken Siegel

Skadden Arps Foreign Law Office

The Skadden team, including partners Kenju Watanabe and Nobuhisa Ishizuka, has built its solid reputation by working on complex and high-profile deals. Recently, the firm played a key role in two well-publicized takeovers.

In the first, Skadden represented Livedoor in relation to its hostile takeover battle with Fuji Television over Nippon Broadcasting System. The deal attracted considerable media interest, and the competing strategies used by the main players culminated in a landmark court decision by the High Court of Japan. Livedoor had sought an injunction against the target company's issue of warrants to Fuji Television to dilute its shareholding, and when the High Court ruled in Livedoor's favour, the decision created an unprecedented interest in takeover defence measures available to Japanese companies.

In the second deal, a Skadden team acted for Goldman Sachs, as financial advisor to Sumitomo Mitsui Financial Group, in Sumitomo's proposed acquisition of UFJ Bank and UFJ Trust Bank. The bid was valued between \$30 million and \$40 million but was eventually defeated by Mitsubishi Tokyo Financial Group after another takeover battle, which was a rare occurrence for mergers in the financial sector.

Other recent deals have included advising the Tokyu Corporation in relation to its \$215 million acquisition of Tokyu Department Store, which involved a tender offer for shares and a share exchange, and acting on the Sammy Corporation's \$1.1 billion acquisition of Sega to create the largest computer entertainment company in Japan.

Key contact lawyers

Nobuhisa Ishizuka
Kenju Watanabe

Sullivan & Cromwell

Sullivan & Cromwell's "excellent" M&A practice complements its equally strong capital markets practice. The accomplished duo of Izumi Akai and John Young picked up some impressive deals over the past year. For example, the firm acted as advisor to FujiTV Television Network in relation to its \$2.8 billion acquisition of, and subsequent tender offer for, Nippon Broadcasting System against the backdrop of a high-profile takeover battle with Livedoor.

In April 2005 the firm helped Fujisawa Pharmaceutical complete a merger with Astellas Pharma, to create the second-largest pharmaceuticals business in Japan in terms of sales volume. The M&A team is also working on another large merger in the pharmaceuticals sector, representing Sankyo's financial adviser in connection with the proposed business combination of Sankyo with Daiichi Pharmaceutical. In the financial sector, meanwhile, the firm is acting as counsel to Mitsubishi Tokyo Financial Group on its high-profile \$29 billion merger with UFJ. Another pending merger involves Bandai and Namco, to form Japan's third largest toy and game business.

Leading lawyer

Izumi Akai

Key contact partners

Izumi Akai
John Young

Cleary Gottlieb Steen & Hamilton

Steven Wilner and Tsunemasa Terai have been kept busy on two ongoing transactions. The first involves representing Aozara Bank in relation to a joint venture with Yahoo! Japan to create an online banking unit within Aozora Trust Bank. And in the second, the firm is advising the financial advisers to the Mitsubishi Tokyo Financial Group (including Morgan Stanley and Nomura Securities) on its proposed \$29 billion integration with UFJ Bank to create the world's largest bank by asset volume.

Key contact partners

Tsunemasa Terai
Steve Wilner

Clifford Chance

Headed by Bryan Dunn, Clifford Chance's Japanese M&A practice has experienced an increasing volume of work in recent times, with wide-ranging instructions from the consumer finance, media, IT and food & beverage industries. Recent deals handled by the M&A team include advising an international bank on the proposed acquisition of a consumer finance company, acting for Reuters on its \$145 million acquisition of Quick Moneyline Telerate Corporation, and representing Fujitsu on the sale of Fujitsu Logistics to Exel.

The team also has a particular expertise in private equity, recently advising a group of private equity investors, including CVC Asia Pacific, JP Morgan Partners and UBS Capital Asia, on their exit from a Korean confectionery business. Another deal involved advising a private equity investor on its cross-border acquisition of the diagnostics business owned by an American pharmaceutical company.

The firm's client list contains many internationally recognizable names including HSBC, Deutsche Securities, Nikon Corporation, Softbank Media, Aon Group, Carrefour, L'Oreal and Hermès.

Key contact partner

Bryan Dunn

Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer has a wide and varied practice that acts both for Japanese and for foreign clients on their corporate activities. For example, the firm recently helped Diageo renegotiate a joint venture with Sapporo Breweries, and advised Engelhard on its tender offer for Nippon Chemcat.

Two major retail sector deals, meanwhile, included helping Tesco to acquire Japanese supermarket chain Fre'c Co, and acting for Fast Retailing on its acquisition of footwear retailer OneZone Corporation. The Freshfields team also continues to advise its financial institution clients on M&A matters.

The addition of Julian Pritchard, who was on secondment from the London office at the time of writing, brings the number of corporate partners up to six.

Key contact partners

James Lawden
Timothy Wilkins

Paul Weiss Rifkind Wharton & Garrison

Paul Weiss Rifkind Wharton & Garrison's two-partner M&A outfit has been boosted with the arrival of new Asia counsel Masashi Adachi in December 2004. M&A is one of the firm's key practices, serving clients such as Citigroup, NEC, NTT, Mitsubishi Corporation, News Corporation and Polo Ralph Lauren. The team recently acted for Oaktree Capital Management in relation to its acquisition of a 35% stake in listed electronic components manufacturer FDK Corporation for \$80 million, which marked the first Japanese Pipes (Private Investment in Public Equity Securities) transaction by a private equity investor.

Partners Lisa Yano and Tong Yu also helped Sumitomo Corporation set up a new holding company with Liberty Media International, which contained both companies' interests in cable and internet company Jupiter Telecommunications, that went public in March 2005. In a high-profile deal that was ongoing at the time of writing, the firm has been appointed by Mitsubishi Tokyo Financial Group to advise on US securities law issues in relation to its proposed merger with UFJ Holdings. At \$42.7 billion, the merger is expected to create the largest bank in the world in terms of asset value.

Key contact partners

Lisa Yano
Tong Yu

Simpson Thacher & Bartlett

Simpson Thacher & Bartlett continues its tradition of advising on high-value and complex M&A deals. Following Ripplewood's \$2.2 billion acquisition of Japan Telecom, the firm advised Ripplewood again in Japan's largest leveraged buy-out transaction, the sale of Japan Telecom to Softbank for \$3 billion. The sale involved a combined share purchase with acquisition of debt and preferred stock, and also provided Ripplewood with an option to purchase 8 million shares in Softbank.

At the time of writing, the widely respected David Sneider and Alan Cannon continue to work on two high-profile deals, advising UFJ on its planned merger with the Mitsubishi Tokyo Financial Group and acting for Daiichi Pharmaceutical and Sankyo in relation to a proposed merger that will create Japan's second largest pharmaceuticals business.

Leading lawyers

Alan Cannon
David Sneider

Key contact partners

Alan Cannon
David Sneider

White & Case

White & Case's nine-partner M&A team is one of the larger outfits in Tokyo, the recent arrival of Dominic Gregory adding London expertise to the strong team. Robert Grondine is a well-known and respected M&A practitioner. The M&A practice has a well-developed client base that includes large companies such as ABeam Consulting, Agfa-Gavaert Japan, General Motors, JR Central, Mitsubishi Materials, NTT East, Sony and Sumitomo Chemical.

In the second half of 2004, the firm was busy advising the Shinsei Bank on its ¥650 billion (\$5.9 billion) acquisition of consumer finance company Aplus, and acting for Saudi Aramco in connection with its indirect acquisition of oil refiner Showa Shell Sekiyu from Royal Dutch/Shell. The ¥55 billion deal represented Saudi Aramco's first Japanese investment.

The upsurge in private equity and hedge fund investment activity in Japan has also generated new instructions for the firm, and recent mandates include acting on the establishment of various large investment funds to invest in Japanese non-performing loans and real estate assets.

Leading lawyer

Robert Grondine

Key contact partner

Robert Grondine

Allen & Overy

Corporate head Cees Vellekoop led an Allen & Overy team on a string of leading cross-border deals over the past 12 months. One standout deal involved the firm providing advice to Cable & Wireless on the sale of its Japanese subsidiary Cable & Wireless IDC (IDC) to the Softbank Corporation for £72.4 million (\$131 million). Several factors contributed to the deal's complexity, including the closed bid auction process, the conversion of the IDC's group indebtedness into shares, and the need to separate the Japanese contracts and obligations from their non-Japanese counterparts at the parent level.

Other recent transactions included advising Olympus Capital and Kansai Electric Power on a joint bid for Edison Mission Energy's electric power assets in Asia, and acting for the Industrial Revitalization Corporation of Japan in relation to its supervision of the global restructuring of Kanebo.

Key contact partner

Cees Vellekoop

Herbert Smith

Tokyo managing partner Steve Lewis heads up Herbert Smith's corporate group, acting for long-term clients such as Toshiba, Mitsui, Mitsubishi, Sumitomo, Panasonic and Marubeni. Recently the insurance sector has provided some high-profile work for the firm. In November 2004, for example, the firm advised the Royal & Sun Alliance Insurance Group on its exit from Japan by selling its Japanese insurance operations to AIG for a total consideration of £118 million (\$213 million). Another insurance deal involved acting for Skandia on the \$190 million disposal of its Japanese subsidiary to the Tokio Marine and Fire Insurance Company, which marked the first Japanese acquisition of a western insurance company's businesses in Japan.

Other work in recent times included advising Fortnum & Mason on its joint venture arrangements with department store group Mitsukoshi, and helping NTT DoCoMo on the exit of its investments in Hutchison 3G. The firm also worked on the \$5 billion transfer of assets from the government-owned Japan National Oil Corporation (JNOC) to a new entity, the Japan Oil, Gas and Metals Corporation, as part of a corporate restructuring that resulted in JNOC being dismantled.

Key contact partner

Steve Lewis

Jones Day Tokyo

Jones Day Tokyo recently hired Eric Sedlak from Squire Sanders & Dempsey to bolster its M&A and corporate finance practices on the foreign side. At the same time, the firm's strong domestic law capabilities have helped it to win its fair share of notable mandates.

For example, the firm has been engaged by Sumitomo Pharmaceuticals and its parent company to advise on the merger with Dainippon Pharmaceutical. The planned merger is valued at \$2.2 billion, and is expected to create one of the largest

Japanese pharmaceuticals companies. As for completed deals, the firm represented Adidas-Salomon in relation to its tender offer for the outstanding shares in Salomon & Taylor Made Co, and acted for Honda Motor and British American Tobacco in connection with their joint investment in the British American Racing Grand Prix. Jones Day also acted for Norinchukin Bank in connection with its \$684.2 million acquisition of a minority stake in Mizuho Securities.

Key contact partners

Scott Jones
Nobutoshi Yamanouchi

Latham & Watkins

Under the direction of David Shapiro, Latham & Watkins has had a successful past 12 months, securing roles on some important deals. A highlight was the firm's role advising the Carlyle Group as part of an acquiring consortium on the purchase of wireless communication services provider DDI Pocket from the KDDI Corporation. At a total consideration of ¥220 billion (\$2 billion), the deal was one of the largest Japanese M&A deals for 2004. In the second half of 2004, the firm also acted for Nippon Unicar, a joint venture between ExxonMobil and Dow Chemical, in connection with the disposal of its industrial silicone products division by auction.

The first half of 2005 has continued to be busy. Among many highlights, Latham & Watkins teams have completed a ¥10.9 billion share sale by Japanese internet adviser ValueCommerce to Yahoo! Japan, as part of Yahoo! Japan's tender offer bid, and assisted Jupiter Telecommunications with its acquisition of share interests in Chofu Cable from various selling shareholders, including Liberty Media International and Sumitomo Corporation, in a transaction valued at ¥4.5 billion.

Key contact partners

Satoshi Karashima
David Shapiro
Michael Yoshii

Shearman & Sterling

Shearman & Sterling has recently bolstered the M&A capability of its Tokyo office by relocating M&A expert Kenneth Lebrun as counsel. The firm has been visible on several high-profile M&A transactions in the financial and pharmaceuticals sectors. In addition, the M&A team also helped private equity investor the Longreach Group to set up a tax-effective fund in the Cayman Islands to focus on strategic investments in Japanese carve-out industrial and technology conglomerates and undervalued companies with unstable shareholdings.

The Longreach Group also engaged the Shearman & Sterling team in connection with its acquisition of a 24.98% interest in McDonald's Holdings in Japan, a deal that was valued at ¥75 billion (\$670 million).

Key contact partner

Masahisa Ikeda

Davis Polk & Wardwell

In addition to capital markets, M&A forms the other core practice area for Davis Polk & Wardwell in Japan. In October 2004 a team led by Theodore Paradise represented financial services company Nikko Cordial on a \$2 billion acquisition of the outstanding shares in Bellsystem24, a Japanese call-centre operator. Davis Polk's corporate lawyers in Tokyo have also been working with their Hong Kong colleagues on transactions in other parts of the region, such as Hong Kong company PCCW's recent acquisition of Sunday Communications through a combination of share purchases and a public tender offer.

Key contact partner

Theodore Paradise

O'Melveny & Myers/Watanabe Kokusai Law Offices

O'Melveny & Myers' Tokyo co-managing partner Dale Araki and his team have been busy on a number of cross-border joint ventures. For example, the team recently acted for Sandisk Corporation in connection with a joint venture to operate a flash memory manufacturing facility in Japan, and advised Honda Motor on several joint ventures relating to the development and marketing of business engines.

The firm was also involved in outbound investment deals, acting for NEC Electronics in relation to its investment in a Silicon Valley start-up company. More recently, the Tokyo office worked as part of a multi-office team to advise Hitachi Communication Technologies on its acquisition of Silicon Valley company Salira Optica Network Systems. From among the team, Gary Smith is recommended for his combination of local knowledge and international expertise.

Key contact partners

Dale Araki
Gary Smith
Kosei Watanabe

Paul Hastings Janofsky & Walker

Paul Hastings Janofsky & Walker's corporate department has been busy representing foreign clients on their strategic investments and disposals in Japan. One recent example saw the firm advise an international hotel chain on a joint venture with a Japanese financial institution to set up a chain of discount hotels in Japan.

The firm also does substantial private equity work, acting for international private equity investors on, for example, the recent sale of automotive component manufacturer Rhythm Corporation to the Carlyle Group, and on a pre-initial public offering investment in semiconductor design company IP Flex by a Hong Kong private equity fund.

On the domestic front, meanwhile, the firm represented a Japanese client in relation to a joint venture for the development and operation of a \$4 billion facility to manufacture flash memory products.

Key contact partner

Kaoruhiko Suzuki

Project finance – local law advice**Recommended firms**

Tier 1

Nagashima Ohno & Tsunematsu**Nishimura & Partners**

Tier 2

Anderson Mori & Tomotsune**Baker & McKenzie GJB Tokyo Aoyama Aoki Law Office****Mori Hamada & Matsumoto****TMI Associates/Simmons & Simmons****Nagashima Ohno & Tsunematsu**

Nagashima Ohno & Tsunematsu's superlative banking and finance skills mean that the firm is well equipped to advise on all types of project finance deals. The firm has several partners who handle project finance matters, including Takao Higuchi. A major energy deal that the firm recently worked on was Saudi Aramco's first Japanese investment in the refining industry through its acquisition of an interest in Showa Shell Seiky from Royal Dutch/Shell.

Key contact partner

Takao Higuchi

Nishimura & Partners

Nishimura & Partners scored a coup at the start of 2005 when it hired Hiroshi Maeda and his team from the now-defunct Mitsui Yasuda Wani & Maeda. Maeda is regarded as a market leader in private finance initiative projects, having worked on an impressive list of deals, including government projects at the national and municipal level. The team has also worked on a variety of privatizations and other private sector projects in Japan. Outside of Japan, meanwhile, Maeda has been involved in power station and LNG projects in the Philippines, Pakistan, Indonesia, Qatar and China.

Before Maeda's arrival the firm advised lead arranger the Sumitomo Mitsui Banking Corporation on the Nexi (Nippon Export and Investment Insurance) insurance support provided in connection with the Tuban Petrochemical project in Indonesia.

Leading lawyer

Hiroshi Maeda

Key contact partners

Kei Ito

Hiroshi Maeda

Anderson Mori & Tomotsune

Anderson Mori & Tomotsune's finance capabilities extend to the area of project finance, in which the firm has acted for a

wide range of project participants, including sponsors, project companies, commercial banks, export credit agencies and government bodies. Private finance initiative work is also an integral part of this practice.

The firm frequently provides advice in relation to big development projects in Japan, and recently acted for a group of Japanese lenders in relation to the redevelopment of the Otemachi business area in Tokyo.

Key contact partner

Takashi Akane

Baker & McKenzie GJB Tokyo Aoyama Aoki Law Office

The recent performance and track record of Naoaki Eguchi's team has made Baker & McKenzie a solid choice for domestic project finance transactions and Japanese-driven cross-border project financings. A recent private finance initiative (PFI) deal saw the firm advise the Ichikawa City municipal government in respect of a \$44 million financing that was structured to fund two separate PFI projects.

In a more international deal, the firm acted for the Inpex Corporation on the Japanese law aspects of a \$600 million Japanese loan forwarded as part of the \$2.6 billion financing for the Baku-Tbilisi-Ceyhan pipeline project. The team has also been engaged by the Itochu Corporation to advise on several projects, the details of which were confidential at the time of writing.

Key contact partner

Naoaki Eguchi

TMI Associates/Simmons & Simmons

TMI Associates has quickly developed into a highly credible presence on the domestic project finance scene. The three-partner, five-associate team has been able to draw upon Simmons & Simmons' expertise in private finance initiative (PFI) matters and privatizations to build up its practice in the projects arena.

The project finance department's client base is predominantly composed of Japanese financial institutions, and Yoshiyasu Yamaguchi's team has been active as lender's counsel on PFI projects involving residences for public officials, hospitals, government offices and shopping complexes. In addition, partner Hideyuki Okada has worked on a number of large privatization projects undertaken by the Tokyo Metropolitan government.

Key contact partners

Hideyuki Okada

Yoshiyasu Yamaguchi

Project finance – foreign law advice

Recommended firms

Tier 1

Allen & Overy

Clifford Chance

White & Case

Tier 2

Ashurst

Herbert Smith

Latham & Watkins

Milbank Tweed Hadley & McCloy

Tier 3

Freshfields Bruckhaus Deringer

Lovells

Paul Hastings Janofsky & Walker

Allen & Overy

A combination of skills, experience and quality deals serve to keep Allen & Overy entrenched as a Japanese projects heavyweight. Aled Davies is one of the few Tokyo project finance experts who has longstanding experience advising Japanese clients. The firm counts the Japan Bank for International Cooperation (JBIC) as a regular client, but has also developed relationships with numerous Japanese and foreign financial institutions and trading companies such as Mitsui.

The Allen & Overy team is a particular favourite among lenders for international project financings. For example, the firm acted for the JBIC in connection with the \$1 billion financing of the Petrobras PDET oil and gas project in Brazil, and advised UFJ Bank on the Seoul Beltway project in Korea. The firm also advised the JBIC on a \$2.4 billion power station and water desalination plant in Abu Dhabi, and continues to act for the financiers of certain proposed independent water and power projects in Saudi Arabia.

Most recently, the team was able to provide innovative legal advice to the Asian Development Bank on the provision of a partial risk guarantee of project bonds issued by the project company in connection with the Petronet LNG Import Terminal in India. Going forward, the firm has been adding sponsors and project companies to its client base, in its attempt to develop an impressively well-balanced practice.

Leading lawyer

Aled Davies

Key contact partner

Aled Davies

Clifford Chance

Clifford Chance has maintained its profile and top-tier ranking after another successful year. The team continues to attract work from an excellent assortment of clients, including Bank of Tokyo-Mitsubishi, the Itochu Corporation, the Japan Bank for International Cooperation (JBIC), LNG

Japan, Mizuho, the Sumitomo Mitsui Banking Corporation, Mitsubishi, Sojitz (formerly Nissho Iwai) and UFJ Bank. The firm's leading reputation for project finance benefits from, and adds to, the overall strength of its banking and finance practice.

A number of high-profile projects have been occupying the team over the past year, including the Shanghai World Financial Centre development, on which Clifford Chance is acting for the project sponsor, Japanese developer Mori. Much of the recent activity has also been in connection with south and south-east Asian projects; examples being the firm's roles advising the JBIC on the financing of Mitsui's investment in a Pertamina-led project in Indonesia, acting for an Australian developer in connection with the financing of an oil and gas project in East Timor, and representing a Japanese lender in relation to the restructuring of a power project in Pakistan.

Elsewhere, the firm has been acting as lender's counsel in relation to a large petrochemicals project in Saudi Arabia and has landed a role advising the contractor on the development of a Turkmenistani textile plant project.

Leading lawyer

Peter Avery

Key contact partner

Peter Avery

White & Case

White & Case has developed a highly successful Tokyo project finance practice. Its client base is impressive, and includes big players such as BP, Chubu Electric, the Japan Bank for International Cooperation, JGC, Kansai Electric, Kyushu Electric, the Mitsubishi Corporation, NYK Lines, Osaka Gas and Tokyo Electric.

The Henrik Gordenker-led team is particularly strong in the energy sector, and has special expertise advising on LNG-related financings. At the time of writing, the firm was continuing to act for Tokyo Electric Power in connection with its third LNG tanker project and was advising a Japanese trading company as a participant in an LNG upstream and downstream project. Elsewhere, the Tokyo office's lawyers have been part of multi-office teams working on high-profile regional projects, such as acting for the lenders on the \$11.2 billion Sakhalin II LNG project in Russia and serving as project counsel on the \$3 billion Tangguh LNG project in Indonesia.

The recent additions of *bengoshi* Toshio Dokei and UK-qualified Dominic Gregory have also been a boost to the team's multi-jurisdictional skills.

Leading lawyer

Henrik Gordenker

Key contact partner

Henrik Gordenker

Ashurst

Ashurst's Tokyo office is heavily focused on project finance, largely because of the backgrounds of Tokyo managing partner John McLenahan and Rupert Burrows, who both have extensive experience advising on infrastructure, transport and energy projects.

In December 2004 the team helped Mitsui as a member of the consortium that acquired Edison Mission Energy's portfolio of worldwide generation assets for \$6 billion, which involved an \$800 million non-recourse facility provided by commercial banks. On the development side, meanwhile, the firm recently acted for the Sumitomo Corporation as part of an engineering procurement and construction (EPC) consortium in connection with a \$450 million EPC contract for a Malaysian power plant.

Key contact partners

Rupert Burrows
John McLenahan

Herbert Smith

Like its other Asian counterparts, Herbert Smith's Tokyo office is strong in the energy sector, and has built good relationships with clients such as Mitsubishi, Sumitomo, Daicel, Kyushu Electric, Mitsui and Marubeni. Over the past year, Tokyo team leader David Clinch has been busy acting for Sumitomo Chemical as a sponsor on the development and proposed financing of a integrated oil refinery and petroleum project in Saudi Arabia. The high-profile project is valued between \$4 billion and \$5 billion, and is co-sponsored by Saudi Aramco.

Other recent highlights include acting for Inpex and the Japanese government on a \$2.8 billion investment in an Iranian oil field project, representing Mitsui in connection with a series of acquisitions in the energy sector, and assisting Mitsubishi with the disposal of its south-east Asian energy assets. The team has also been instructed by the Japan Oil Gas Metals National Corporation (formerly the Japan National Oil Corporation) to advise on a number of potential projects in the region.

Key contact partner

David Clinch

Latham & Watkins

Latham & Watkins' project finance and development practice has steadily been building its market profile by winning roles on Japanese-driven projects around the region. For example, partners Michael Yoshii and Simon Dickens recently acted for the JGC Corporation as engineering procurement and construction contractor and lender of a \$190 million mezzanine financing granted in connection with Indonesia's first integrated olefin and aromatics facility.

The firm also advised J-Power and the Sumitomo Corporation in relation to their \$100 million mezzanine borrowing to finance the acquisition of the CBK power project in

the Philippines. The financing was provided by a lending consortium comprised of the Japan Bank for International Cooperation, Mizuho Corporate Bank and ING Bank.

Key contact partners

Simon Dickens
David Shapiro
Michael Yoshii

Milbank Tweed Hadley & McCloy

Milbank Tweed Hadley & McCloy's Asian project finance practice has become increasingly centred in Tokyo since the relocation of leading lawyer Gary Wigmore from Singapore in September 2004. Wigmore has been appointed Tokyo managing partner, and leads a team with a great deal of energy financing experience.

Among recent highlights, the team recently completed a large power project financing in the Philippines, acting as lender's counsel to the Japan Bank for International Cooperation, Mizuho Corporate Bank and ING Bank on a \$100 million limited-recourse facility for the acquisition of the CBK power project. The acquiring consortium included Japanese companies Electric Power Development and the Sumitomo Corporation.

Leading lawyer

Gary Wigmore

Key contact partner

Gary Wigmore

Lovells

Lovells' main Tokyo projects expert is senior solicitor Mark Goodrich, and the practice has certainly benefited from the recent upturn in LNG projects in the region. This is reflected in Lovells' appointment as part of a Tokyo Gas-led consortium to advise the Energy Markets Authority of Singapore on a potential LNG receiving terminal in Singapore.

Goodrich is also part of a legal panel appointed by the Brunei Economic Development Board to advise on the development of a large industrial park and port facility, including drafting special purpose legislation.

Key contact partner

Tim Lester