

Latest Trends in Cross-Border Mergers and Acquisitions in Japan: Have They Been Globalized?

Chikashi Tsuji

Graduate School of Economics, Chuo University, Tokyo, Japan

Email: mail_sec_low@minos.ocn.ne.jp

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Abstract

This paper explores contemporary trends in cross-border M&As in Japan and examines whether they have truly become globalized. The key findings are as follows. Firstly, we reveal that cross-border M&A transactions where Japan is the buyer have recently decreased. Secondly, cross-border M&A transactions, in which foreign companies are the buyers, have increased. Thirdly, M&A transactions between domestic Japanese companies have also clearly increased. Consequently, we can conclude that overall, cross-border M&A activity in Japan may be becoming less globalized.

Keywords

Cross-Border Mergers and Acquisitions, In-In, In-Out, Out-In, Japan

1. Introduction

In recent years, mergers and acquisitions (M&As) have become increasingly important tools for expanding businesses globally. This has led to a rise in research on M&As for international firms (e.g., Xiao, 2022; Brown et al., 2023; Brózda-Wilamek, 2023; Chen et al., 2023; Song et al., 2023; Yang et al., 2023; Guo & Cheng, 2024; Huang et al., 2024; Khan & Kalisz, 2024; Kogut et al., 2024; Kollruss, 2024; Landoni, 2024; Wang & Schweizer, 2024; Cheng & Dai, 2025; Reddy et al., 2025). Similarly, for Japanese companies, cross-border M&As have been a significant measure in their business strategy. This trend is driven by various factors, including the desire to expand into new markets, access new technologies, and achieve economies of scale.

One key development in this area is the growing interest from foreign investors in Japanese companies. This has led to an increase in the number of cross-border

M&As, as foreign companies seek to capitalize on Japan's developed economy and well-established industries. Another important trend is the rise of strategic partnerships between Japanese and foreign companies. These partnerships allow companies to share resources, expertise, and technology, leading to strengthened competitiveness.

However, the question arises, "Have M&As in Japan truly globalized recently?" Clarifying this matter is crucial. Motivated by this, the present study provides an overview of the latest trends in cross-border M&As related to Japan using up-to-date data. Subsequently, we discuss whether cross-border M&As in Japan have truly globalized recently and what is important for the future. Our most significant contributions are the numerous beneficial interpretations and helpful implications derived from our findings.

In the rest of this paper, Section 2 explains our data and methods. Section 3 documents our findings and discussion, and Section 4 concludes.

2. Data and Methods

This section describes our data and methodology. The present study utilizes data on M&As in Japan. All the data on inbound (out-in), outbound (in-out), and domestic (in-in) M&As involving Japan are sourced from RECOF Corporation.

In this study, we will examine the data and analyze the trends and variations graphically. Our analysis will primarily focus on the years 2018 to 2024. Subsequently, we will derive numerous beneficial interpretations and helpful implications from our findings.

3. Findings and Discussion

3.1. Findings

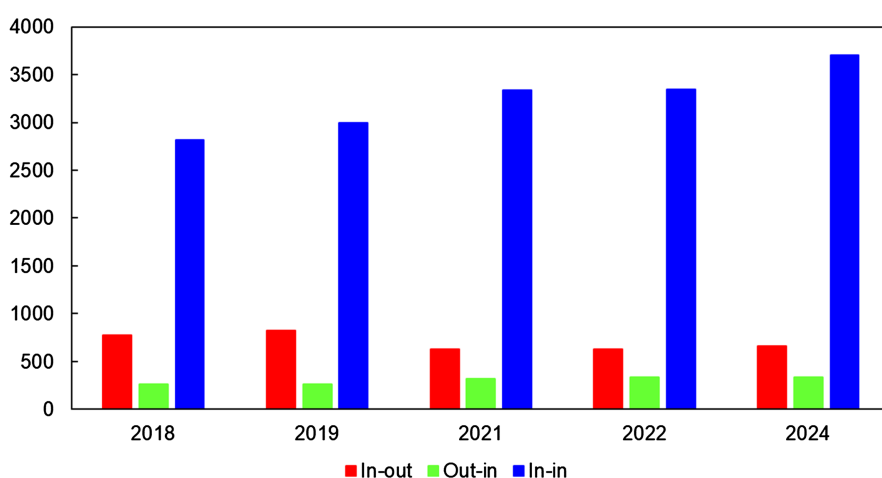
This section presents our findings. First, we displayed the transaction numbers of cross-border M&As involving Japan from 2018 to 2024 in **Table 1** and visualized these transaction numbers in **Figure 1**. Based on this data, we can see that recently for Japan, in-out M&As decreased, while out-in and in-in M&As increased. We also exhibited the composition ratios of these transaction numbers in **Figure 2**. As seen in this figure, in-out M&As noticeably decreased from 2018 to 2024.

Furthermore, **Table 2** displays the more detailed transaction numbers of in-out cross-border M&As involving Japan in 2022 and 2024. These transactions are visualized in **Figure 3** and **Figure 4**. The table and figures demonstrate that Japanese in-out M&As targeting US firms slightly increased from 2022 to 2024. Additionally, **Table 3** presents the transaction numbers of both in-out and out-in cross-border M&As between Japan and major Association of Southeast Asian Nations (ASEAN) countries, visualizing these transactions in **Figure 5** and **Figure 6**. The table and figures indicate that Singapore is the primary country for Japanese in-out and out-in M&As in ASEAN countries consistently from 2020 to 2024.

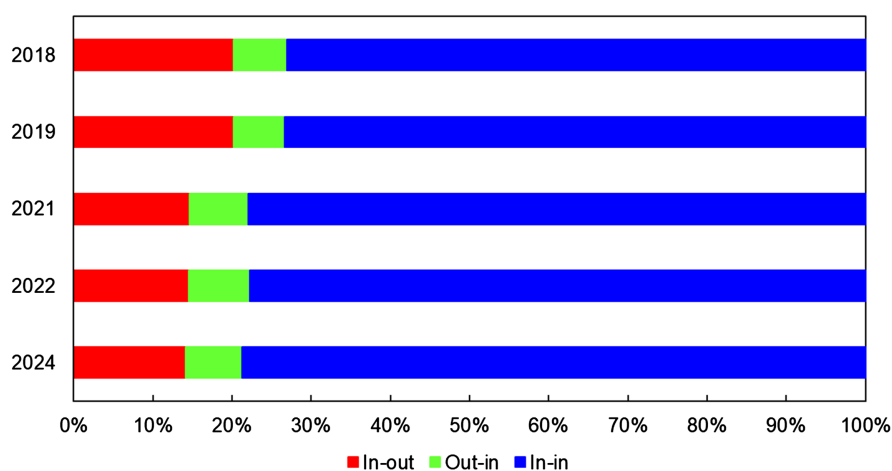
Table 1. Transaction numbers of cross-border M&As involving Japan from 2018 to 2024.

Year	In-out	Out-in	In-in
2018	777	259	2814
2019	826	262	3000
2021	625	318	3337
2022	625	334	3345
2024	665	333	3702

In-out: Cross-border M&As, where Japanese firms are the buyers; Out-in: Cross-border M&As, where foreign firms are the buyers; In-in: Japanese domestic M&As.



In-out: Cross-border M&As, where Japanese firms are the buyers; Out-in: Cross-border M&As, where foreign firms are the buyers; In-in: Japanese domestic M&As.

Figure 1. Evolution of cross-border M&As involving Japan from 2018 to 2024.

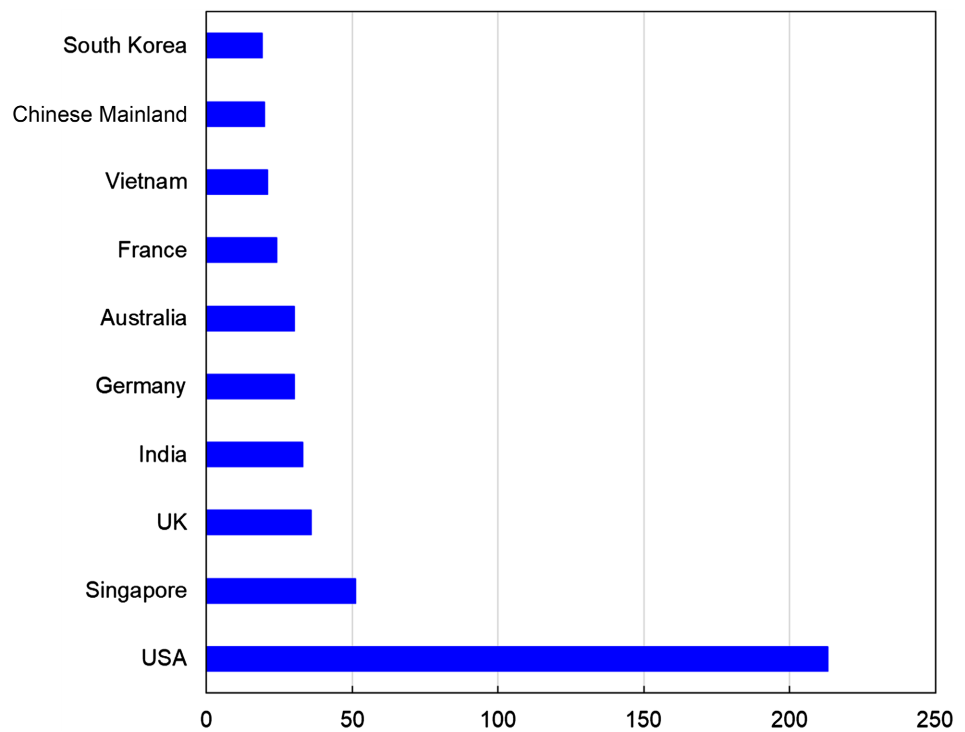
In-out: Cross-border M&As, where Japanese firms are the buyers; Out-in: Cross-border M&As, where foreign firms are the buyers; In-in: Japanese domestic M&As.

Figure 2. Composition ratios of cross-border M&As involving Japan from 2018 to 2024.

Table 2. Transaction numbers of in-out cross-border M&As involving Japan in 2022 and 2024.

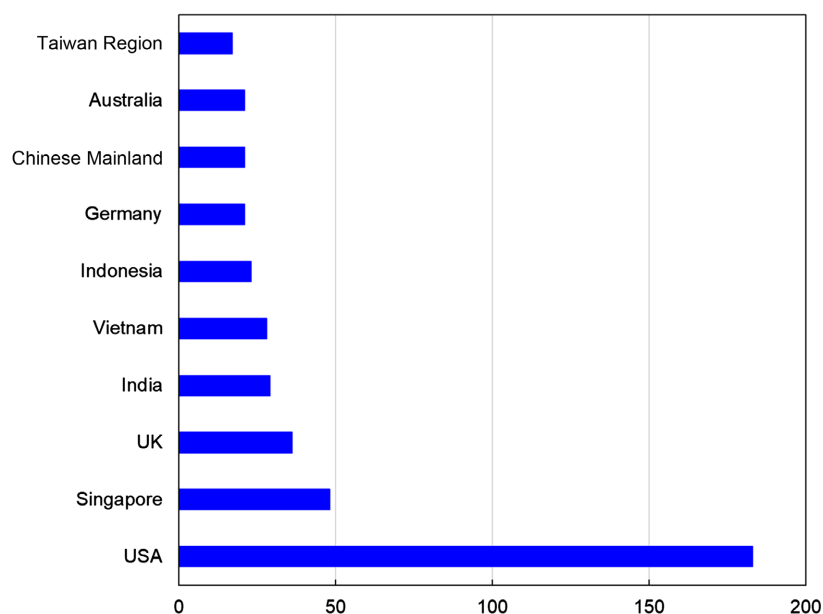
Panel A. 2022		Panel B. 2024	
USA	183	USA	213
Singapore	48	Singapore	51
UK	36	UK	36
India	29	India	33
Vietnam	28	Germany	30
Indonesia	23	Australia	30
Germany	21	France	24
Chinese Mainland	21	Vietnam	21
Australia	21	Chinese Mainland	20
Taiwan Region	17	South Korea	19

In-out: Cross-border M&As, where Japanese firms are the buyers.



Transaction numbers of cross-border M&As, in which Japanese firms are the buyers, are displayed.

Figure 3. In-out cross-border M&As involving Japan in 2022.



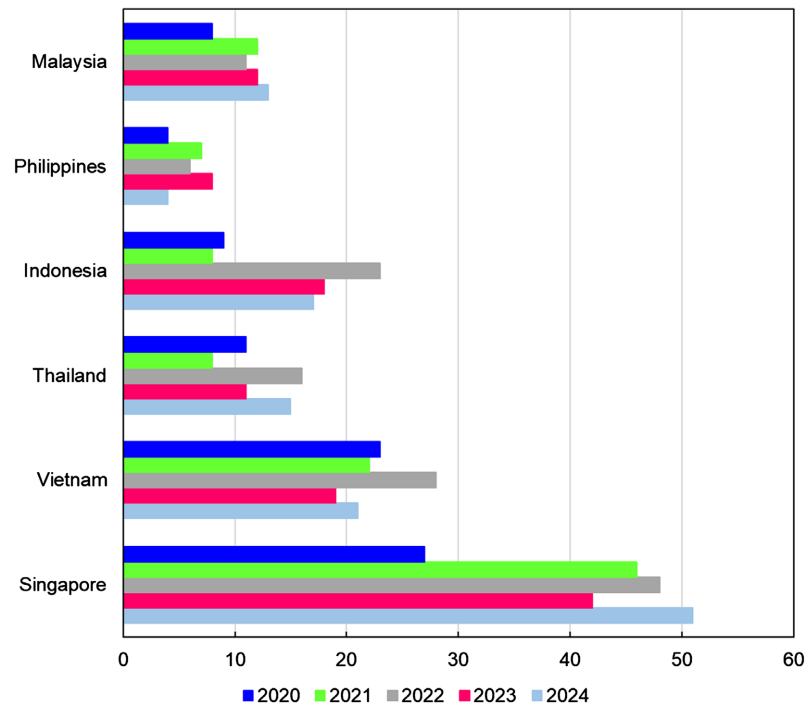
Transaction numbers of cross-border M&As, in which Japanese firms are the buyers, are displayed.

Figure 4. In-out cross-border M&As involving Japan in 2024.

Table 3. Transaction numbers of in-out and out-in cross-border M&As between Japan and major ASEAN countries from 2020 to 2024.

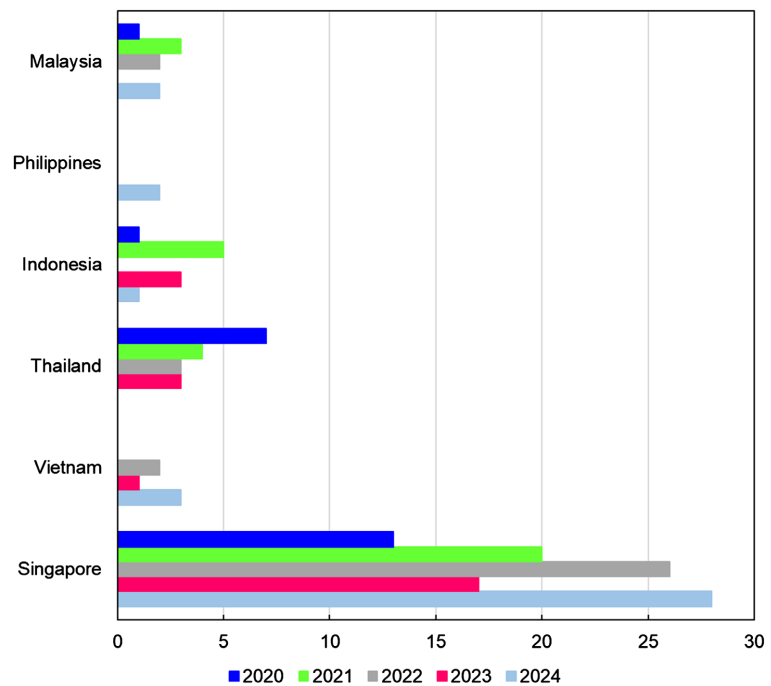
Panel A. In-out					
	2020	2021	2022	2023	2024
Singapore	27	46	48	42	51
Vietnam	23	22	28	19	21
Thailand	11	8	16	11	15
Indonesia	9	8	23	18	17
Philippines	4	7	6	8	4
Malaysia	8	12	11	12	13
Panel B. Out-in					
	2020	2021	2022	2023	2024
Singapore	13	20	26	17	28
Vietnam	0	0	2	1	3
Thailand	7	4	3	3	0
Indonesia	1	5	0	3	1
Philippines	0	0	0	0	2
Malaysia	1	3	2	0	2

In-out: Cross-border M&As, where Japanese firms are the buyers; Out-in: Cross-border M&As, where foreign firms are the buyers.



Transaction numbers of cross-border M&As, in which Japanese firms are the buyers, are displayed.

Figure 5. Evolution of in-out cross-border M&As between Japan and major ASEAN countries from 2020 to 2024.



Transaction numbers of cross-border M&As, in which foreign firms are the buyers, are displayed. No graph indicates zero transaction numbers.

Figure 6. Evolution of out-in cross-border M&As between Japan and major ASEAN countries from 2020 to 2024.

3.2. Discussion

As documented in the previous section, our key findings on the latest trends in cross-border M&As in Japan show a decrease in M&A transactions where Japan is the buyer, an increase in M&A transactions where foreign companies are the buyers, and an increase in M&A transactions between domestic Japanese companies.

It can be said from the above that Japanese M&As have not experienced significant globalization in recent years. We will delve into the background of this trend. Firstly, the increase in cross-border M&As, where foreign companies were the buyers, can be attributed to the weak yen and the low price-to-book ratios (PBRs) of Japanese companies. These factors have made Japanese companies more affordable for overseas buyers. In light of this, Japanese companies will need to enhance their PBRs by improving their own performance and simultaneously implementing effective takeover defense.

Secondly, the reason for the increase in domestic M&As between Japanese companies is the lack of human resources to adapt to globalization and integrate and adjust the corporate culture after acquisitions between Japanese and overseas companies. Compared to domestic M&As, cross-border M&As require more difficult post-acquisition adjustments, so it is necessary to make detailed predictions about the post-acquisition situation and execute them carefully. There are also cases where Japanese domestic companies easily carry out domestic M&As to help each other or to prevent overseas acquisitions, and true globalization of Japanese companies may be getting further away.

4. Conclusion

This paper explored the latest trends in cross-border M&As in Japan and examined whether they have truly become globalized. The key findings from our data analysis are as follows. Firstly, the number of in-out cross-border M&As in Japan has recently decreased. Secondly, the number of out-in cross-border M&As in Japan has increased. Thirdly, the number of in-in M&As in Japan has also seen an increase. Moreover, our analysis demonstrated that the most targeted firms for Japanese in-out cross-border M&As are US firms, followed by Singaporean firms.

Our analysis has revealed a clear trend in recent cross-border M&A deals involving Japan, with foreign companies being the buyers rather than Japanese companies. Additionally, there has been a significant rise in M&A deals between Japanese domestic companies. Consequently, we can conclude that, overall, cross-border M&A activity in Japan is becoming less globalized. We believe that these findings on the latest trends in cross-border M&As in Japan and the matters discussed in our current study should be beneficial for not only academicians but also industry practitioners.

Our future work includes exploring additional factors that could explain the trends in cross-border M&As in Japan, as well as conducting industry or sector analysis within the country.

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Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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