An Empirical Investigation of the *Toho-Subaru* Antitrust Case:
A Merger in the Japanese Movie Theater Market

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Abstract

This study assesses a merger case in the Japanese movie theater market in the early 1950s. In this study, utilizing a unique data on the number of monthly attendees and the location of theaters in the Tokyo metropolitan area, I examine the relationship between the number of attendees and structure of local market competition and assess a relevant local market. The results suggest that nearby rival theaters had the competitive effects and these effects did not drastically decrease with distance, while the effects of own theaters were limited within about 10km from each theater. In the end, the Tokyo High Court seems to have ruled that the relevant geographical movie theater market was relatively small.

Keyword: local market competition; merger; movie theater market.

JEL Classification: L11; L41; L82; N45; N75.

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