

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.

* Preliminary version: do not quote or cite without permission. This study is outgrowth of the joint research project on *Kouri Sabisu Shijo ni okeru Kyoso no Keizai Bunseki* (Economic Analysis of Competition within Retail and Service Market) at the Competition Policy Research Center (CPRC). The views expressed in this paper are mine, and do not reflect the views of the CPRC, or the Japan Fair Trade Commission. Needless to say, all remaining errors are mine.

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