

**Cease and Desist Order and Surcharge Payment Order  
against Marine Hose Manufacturers**

February 22, 2008  
Japan Fair Trade Commission

The Japan Fair Trade Commission (hereinafter “JFTC”) had investigated entrepreneurs manufacturing and selling Marine Hose <sup>(Note 1)</sup> in accordance with the provisions of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (hereinafter “AMA”), and issued a cease and desist order pursuant to the provision of Paragraph 2, Article 7 of the AMA and a surcharge payment order pursuant to the provision of Paragraph 1, Article 7-2 of the AMA on February 20, 2008 against the entrepreneurs listed below.

In this case, investigations in the Marine Hose sector were commenced simultaneously in May 2007 by competition authorities including the United States Department of Justice, the European Commission and the JFTC.

(Note 1) Rubber hose used to transport oil between tankers and facilities including oil storage facilities, which conforms to specifications and inspection standards set by the Oil Companies International Marine Forum

1 The numbers of entrepreneurs subject to the orders and the amount of surcharge

Number of entrepreneurs subject to The cease and desist order	Number of entrepreneurs subject to the surcharge payment order	Amount of surcharge
5	1	2,380,000 yen

2 The names of entrepreneurs subject to the orders

(1) The names of entrepreneurs subject to the cease and desist order

Name and location of Entrepreneur	Representative
Bridgestone Corporation (Japan)	Shoushi Arakawa
Dunlop Oil & Marine Limited (UK)	Michael Sloan
Manuli Rubber Industries S.p.A (Italy)	Dardanio Manuli
Parker ITR S.r.l. (Italy)	Tiziano Zorzella
Trelleborg Industries SAS (France)	Ulf Graden

(2) The name of entrepreneur subject to the surcharge payment order

Name and location of Entrepreneur	Representative
Bridgestone Corporation (Japan)	Shoushi Arakawa

3 Outline of the violation

Under the agreement specified below, the entrepreneurs subject to the cease and desist order, along with other entrepreneurs <sup>(Note 2)</sup>, had designated recipients of orders for Specified Marine Hose <sup>(Note 3)</sup> (hereinafter “Champion”) and had ensured that Champion would receive orders since around December 10, 1999.

- (1) In case a Specified Marine Hose is to be used in Japan, the United Kingdom, the French Republic or the Republic of Italy, the entrepreneur, which has the head office in the country where the hose will be used, shall be designated as Champion. If there is more than one such entrepreneur, one of the relevant entrepreneurs shall be Champion. In any case other than above, the entrepreneurs predetermine shares for each of them, and the coordinator <sup>(Note 4)</sup> designates Champion in consideration of factors including such predetermined shares.
- (2) The price at which Champion would receive the order shall be determined by the Champion, and all the other entrepreneurs shall cooperate to ensure that the Champion will successfully receive the order at the price.

In accordance with the agreement, the entrepreneurs subject to the cease and desist order, along with other entrepreneurs <sup>(Note 2)</sup>, jointly determined Champion and ensured that Champion would receive the orders, and thereby substantially restrained competition in the field of trade of Specified Marine Hose ordered by Marine Hose consumers located in Japan.

(Note 2) Manuli Oil & Marine (USA) INC. (it was a wholly owned firm of Manuli Rubber Industries S.p.A, which was liquidated on December 26, 2006), Comital Brands S.p.A (it handed over the business of manufacture and sales of Marine Hose to Parker ITR S.r.l. on December 19, 2001) and The Yokohama Rubber Co., Ltd.

(Note 3) Marine Hose whose orders are placed after consumers of Marine Hose ask multiple entrepreneurs for estimated prices

(Note 4) A person who was commissioned by the entrepreneurs to handle the tasks including that of designating recipients of orders of Specified Marine Hose

4 Outline of the cease and desist order

- (1) The entrepreneurs subject to the cease and desist order shall have the resolutions to confirm that the practice of jointly designating Champion and ensuring that Champion

would receive orders of the Specified Marine Hose has been terminated, and each entrepreneur will conduct independent business operations to receive orders without designating Champion for orders of Specified Marine Hose placed by Marine Hose consumers located in Japan.

- (2) The entrepreneurs subject to the cease and desist order shall make notification of the action taken in accordance with the preceding paragraph to the other entrepreneurs, The Yokohama Rubber Co., LTD., and Marine Hose consumers located in Japan.
- (3) The entrepreneurs subject to the cease and desist order shall not mutually among the entrepreneurs subject to the cease and desist order or jointly with other entrepreneurs designate Champion for orders of Specified Marine Hose placed by Marine Hose consumers located in Japan.

## 5 Application of the leniency program

In this case, The Yokohama Rubber Co., Ltd. and Bridgestone Corporation have applied for publication of the fact that they had been granted immunity from or reduction of surcharge payment.

The JFTC takes a policy that it publishes on its Japanese website ( <http://www.jftc.go.jp/dk/genmen/kouhyou.html> ) the name, the place of head office and the name of representative of leniency applicants and the fact of the immunity from, or percentage of reduction of, surcharges applied for each leniency applicant, in case any leniency applicant made an application for publication thereof.