

Recommendations to Kinki Nissan Diesel Motor Co., Ltd.

January 18, 2008

Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) had conducted investigation into Kinki Nissan Diesel Motor Co., Ltd. (Kinki Nissan Diesel) and found that an act committed by the company was in violation of Article 4, Paragraph 1, Item 3 (Prohibition of Reducing the Amount of Subcontract Proceeds Without Reasons Attributable to Subcontractor) of the Act against Delay in the Payment of Subcontract Proceeds, Etc. to Subcontractors (Subcontract Act). Accordingly, the JFTC, today, issued recommendation to the company pursuant to Article 7, Paragraph 2 of the Subcontract Act.

1. Parties Concerned

Name of Business	Head Office Location	Representative
Kinki Nissan Diesel Motor Co., Ltd.	14-19 Kitaokajima 1-chome, Taisho-ku, Osaka	Keijiro Tanaka, Representative Director

2. Summary of Recommendations and Other Matters

(1) Description of Violation

Kinki Nissan Diesel has engaged in installation of certain parts on trucks subject to sales as well as in repair of trucks as its business, and has commissioned whole or part of such works to subcontractors.

Kinki Nissan Diesel requested the subcontractors to bear certain amount of money, called “less”, which is obtained by multiplying a certain rate by subcontract charges, without any reason responsible for the subcontractors.

From August 2006 to September 2007, targeting at the subcontractors which accepted its request, Kinki Nissan Diesel deducted such amount of money from subcontract charges that should have been paid to such subcontractors, without reasons attributable to such subcontractors

(2) Summary of Recommendation

- (a) Kinki Nissan Diesel shall promptly pay to the subcontractors (98 in total) the amount of money that was deducted as “less” (98,947,267 yen in total) during the period from August 2006 to September 2007;
- (b) The board of directors shall make a resolution to acknowledge that the deduction referred to (a) above was in violation of the Subcontract Act and will

never reduce subcontract charges without any reason attributable to subcontractors;

- (c) To ensure in the future not to reduce subcontract charges without reasons attributable to subcontractors, Kinki Nissan Diesel shall take necessary measures to establish the internal system to conduct, for example, a training program on the Subcontract Act targeting its purchasing personnel, and shall have its officers and employees fully informed of such implemented measures; and
- (d) Kinki Nissan Diesel shall fully inform its subcontractors of the measures taken under (a), (b) and (c) above.