

Surcharge Payment Orders to Polypropylene Manufacturers and Sellers
(Tentative Translation)

June 23, 2008
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) ordered the four polypropylene manufacturers and sellers, on June 20, 2008, to pay the surcharge as follows in accordance with the transitional measure under the revised Antimonopoly Act (Law No. 35 of 2005) pursuant to Paragraph 1, Article 48-2 of the Act before revision.

This case concerns the decisions (Decision No. 15 of 2001) against Idemitsu Kosan Co., Ltd. and three other companies (hereinafter referred to as the “Four Companies”) on August 8, 2007. The Four Companies made an objection to the JFTC’s recommendation on May 30, 2001 for the Four Companies and three other entrepreneurs (See Note) in relation to the violation described in paragraph 1 below.

The Four Companies also brought suit to cancel the decision at Tokyo High Court in the period from September 4 to September 7, 2007.

Note: For three other entrepreneurs a recommendation decision was given on June 27, 2001 and surcharge payment order on March 31, 2003. Two companies among them made an objection to the surcharge payment order but were ruled by decision to pay the surcharge on June 19, 2007.

1. Violation in Relation to the Surcharge

The Four Companies, in cooperation with three other entrepreneurs, substantially restricted the competition in the sales of polypropylene in Japan against the public interest by deciding increase of the sale price of polypropylene (except for those under an agreement to set the sale price corresponding to that of naphtha, the raw material. This also applies hereafter.) (They were in violation of Article 3 of the Antimonopoly Act. "Unreasonable restraint of trade, which pertains to the price of goods" in Paragraph 1, Article 7-2 applies).

2. The entrepreneurs were ordered to pay the surcharge and the surcharge amounts are as follows (See the attached table for the name of the applicable entrepreneurs and the surcharge amount for each entrepreneur etc.):

(1) Entrepreneurs ordered to pay the surcharge	4 companies
(2) Surcharge amount	358.09 million yen

3. Deadline of the Payment
August 20, 2008

Attached Table

No.	Entrepreneur	Principal Office	Representative	Surcharge amount
1	Idemitsu Kosan Co., Ltd. (Note 1)	1-1, Marunouchi 3-chome, Chiyo da-ku, Tokyo	Masao Harada	142.15 million yen
2	Sumitomo Chemical Co., Ltd. (Note 2)	27-1, Shinkawa 2-chome, Chuo-ku, Tokyo	Hiromasa Yonekura	117.16 million yen
3	SunAllomer Ltd. (Note 3)	2-24, Higashi-shi nagawa 2-chome, Shinagawa-ku, Tokyo	Godard von Ilseman	50.97 million yen
4	Tokuyama Corporation	1-1, Mikage-cho, Shunan-shi, Yamaguchi	Shigeaki Nakahara	47.81 million yen
Total				358.09 million yen

Note 1: Idemitsu Kosan Co., Ltd. is a surviving corporation in the merger on August 1, 2004 with Idemitsu Petrochemical Co. Ltd, which was in violation of the Act. Accordingly, the surcharge payment order was given to Idemitsu Kosan Co., Ltd. in accordance with the provision of Paragraph 5, Article 7-2 of Anti-Monopoly Act.

Note 2: Sumitomo Chemical Co., Ltd. had its trade name in Japanese "Sumitomo Kagaku Kogyo" changed to "Sumitomo Kagaku" on October 1, 2004.

Note 3: SunAllomer Ltd. had its trade name changed from Montell SDK Sunrise Ltd. on January 1, 2001.