

Cease and Desist Order Against Eco's Co., Ltd.
(Tentative Translation)

June 23, 2008
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) investigated Eco's Co., Ltd. (hereinafter referred to as "Eco's") according to provisions under the Antimonopoly Act and found that the company was in violation of Article 19 of the Act (Paragraph 2, 7 and 8 of Specific Unfair Trade Practices by Large- Scale Retailers (See Note) Relating to Trade with Suppliers). Accordingly, the JFTC today issued a cease and desist order against Eco's pursuant to the provisions of Paragraph 2, Article 20 of said Act.

Note: The term "Large-scale Retailer" means a retailer of the goods used daily by general consumers with sales amount of at least 10 billion yen in the previous fiscal year or with a floor space (floor area used as a shop for retailing) of at least 3,000 m² in the case of special wards in the Tokyo Metropolitan area and the ordinance-designated cities or at least 1,500 m² in the case of other areas.

1. Party Concerned

Name	Eco's Co., Ltd.
Location	1160-1, Nakagamicho, Akishima-shi, Tokyo
Representative	Kunio Taira, Representative Director
Outline of Business	Grocery supermarket

2. Outline of the Violation

- (1) Eco's and its three subsidiaries had unfair trade practices against grocery and sundries suppliers having continuous dealings with them (including those having continuous dealings with all or some of the three subsidiaries in addition to the Eco's) at positions in dealings inferior to Eco's (hereinafter referred to as the "Suppliers" in Item (1) to (4)). When opening or closing their stores, Eco's coerced the Suppliers engaged in supply of Japanese chilled groceries, dairy food, general food and confectionery to discount the supply prices (to subtract the amount calculated by multiplying the price before discount by 50/100 or the like from the supply price) of the goods decided to be discounted at closing of the applicable stores or those first displayed at opening of the applicable stores although there was no reason attributable to the Suppliers.
- (2) At opening and closing of stores of Eco's and its three subsidiaries, Eco's coerced the Suppliers to dispatch their employees for display, restock and other work at the applicable stores which do not require the skill or ability of such employees although Eco's had not reached any agreement on dispatching conditions and did not bear the cost usually required to have temporary staff dispatched.
- (3) At the opening of Eco's stores and its three subsidiaries, Eco's had the Suppliers engaged

in supply of Japanese chilled grocery and delicatessen supply specific goods delivered at opening of the stores at prices lower than the usual supply prices (called "Immediate discount") without clearly explaining the calculated grounds and purposes in advance and thereby had the suppliers provide economic profit equivalent to the difference between such prices and usual supply prices.

- (4) At the opening of stores of Eco's and its three subsidiaries, Eco's had the Suppliers engaged in Japanese chilled groceries and dairy food bear some money called "Cooperation money" without clearly explaining the calculated grounds and purposes in advance.

3. Outline of the Cease and Desist Measures

- (1) Eco's should, at its Board of Directors, resolve that it acknowledges stop of the actions listed in Item (1) to (4) of Section 2 above and that it will not take any similar action in future.
- (2) Eco's should notify the measure taken based on Item (1) above to the grocery and sundries suppliers having continuous dealings with it and should have such measure thoroughly disseminated to its employees.
- (3) Eco's should not take any action similar to that of Section 2 above in future.
- (4) Eco's should take actions required to do the following in future:
 - a. Preparation of behavior policy on compliance with the Antimonopoly Act in relation to dealings with suppliers.
 - b. Periodic training for officers and purchasing staff on compliance with the Antimonopoly Act in relation to the dealings with suppliers as well as periodic audit by legal staff.