

Recommendation to Unit Safety Signs Co., Ltd.  
( Tentative Translation )

October 29, 2008  
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) investigated Unit Safety Signs Co., Ltd. (hereinafter referred to as “Unit”) and found that it was in violation of the provision of Item 3, Paragraph 1, Article 4 (Prohibition of Reducing the Amount of Subcontract Proceeds) of the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (hereinafter referred to as the “Subcontract Act”). Accordingly, the JFTC today issued recommendation to Unit in accordance with the provision of Paragraph 2, Article 7 of the Act.

1. Outline of the Party Concerned

Entrepreneur	Principal Office
Unit Safety Signs Co., Ltd.	3-20, Itabashi 2-chome, Itabashi-ku, Tokyo

2. Outline of the Recommendation

(1) Outline of the violation

Unit entrusts subcontractors, in whole or in part, with manufacturing of signboards and notices which are sold in its business as well as with preparation of information results (the data used for silkscreen printing of signboards and notices), which are provided in its business. Although there was no reason attributable to the subcontractors, Unit requested that they bear a certain amount called “Rate discount” determined by multiplying the subcontractor proceeds by a fixed rate.

From April 2007 to March 2008, Unit reduced the amount of the subcontractor proceeds payable to the subcontractors who had accepted the above request although there was no reason attributable to the subcontractors.

(2) Outline of the recommendation

- A. Unit shall pay the amount called the “Rate discount” reduced from the original subcontractor proceeds from April 2007 to March 2008 (41,551,505 yen in total) to the subcontractors (37 entrepreneurs) immediately.
- B. Unit shall acknowledge that the discount request action in item (1) above is in violation of the provisions of the Subcontract Act and that it will not reduce the subcontractor proceeds without any reason attributable to the subcontractors in the future by resolution of the Board of Directors.

- C. So as not to reduce the amount of subcontractor proceeds without any reason attributable to the subcontractors in the future, Unit shall take necessary measures to prepare its internal system including training courses of the Subcontract Act to its ordering staffs and have the course contents thoroughly disseminated to its officers and employees.
- D. Unit shall have the measures in items A, B and C above thoroughly disseminated to the subcontractors it has dealings with.