

Cease and Desist Order against Travel Agents Handling School Excursions
of Municipal Junior High Schools Located in the City of Okayama
(Tentative Translation)

July 10, 2009
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) investigated the travel agents handling school excursions of municipal junior high schools located in the City of Okayama (hereinafter, referred to as Municipal Junior High Schools) in accordance with provisions under the Antimonopoly Act and found that they were in violation of the provision of Article 3 under the Act (Prohibition of Unreasonable Restraint of Trade) as described below. Accordingly, today, the JFTC issued cease and desist orders against them in accordance with the provision of Paragraph 2, Article 7 under the Act.

1. Violating Entrepreneurs and Those Subject to Cease and Desist Orders

No.	Violating Entrepreneur	Principal Office	Cease and Desist Order
1	Kinki Nippon Tourist Co., Ltd.	19-2, Kanda Matsunaga-cho, Chiyoda-ku, Tokyo	○
2	Tobu Travel Co., Ltd.	33-12, Mukojima 1-chome, Sumida-ku, Tokyo	○
3	Top Tour Corporation	8-1, Higashiyama 3-chome, Meguro-ku, Tokyo	○
4	JTB Chugoku Shikoku Corp.	7-19, Hondori, Naka-ku, Hiroshima	-
5	Nippon Travel Agency Co., Ltd.	20-15, Shinbashi 2-chome, Minato-ku, Tokyo	-

(Note 1) “○” in the table denotes that a cease and desist order was addressed to that entrepreneur.

(Note 2) “ - ” in the table denotes that the entrepreneur is in violation of the Act, but has not been addressed a cease and desist order.

2. Outline of the Violation

(1) Kinki Nippon Tourist Co., Ltd., Tobu Travel Co., Ltd., Top Tour Corporation, JTB Chugoku Shikoku Corp., and Nippon Travel Agency Co., Ltd. (hereinafter, referred to as the 5 Companies) agreed around April 7, 2007, upon the school excursions of Municipal Junior High Schools conducted in and after FY2009 as follows:

A. Charter bus rate per bus (excluding the consumption tax amount. The same applies hereafter.):

(a) For excursions to Kyushu District (this means Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, and Kagoshima prefectures. The same applies hereafter.), the rate shall be at least 240,000 yen for a three-day excursion or at least 80,000 yen per day for an excursion whose period is less than three days

(b) For excursions to Okinawa prefecture, the rate shall be at least 200,000 yen for a

three-day excursion or at least 70,000 yen per day for an excursion whose period is less than three days.

- B. The accommodation rate shall not be set less than the purchase price.
 - C. The planning rate shall be at least 3%.
 - D. The tour conductor rate (including the consumption tax amount. The same applies hereafter.) shall be at least 210 yen per student with arranging a tour conductor for two charter buses in principle.
- (2) The 5 Companies reviewed the agreement in (1) above around August 8, 2008, and agreed as follows about school excursions of Municipal Junior High Schools conducted in and after FY2010:
- A. Charter bus rate per bus:
 - (a) For excursions to Kyushu District, the rate shall be at least 250,000 yen for a three-day excursion or at least 90,000 yen per day for an excursion whose period is less than three days.
 - (b) For excursions to Okinawa prefecture, the rate shall be at least 210,000 yen for a three-day excursion or at least 75,000 yen per day for an excursion whose period is less than three days.
 - (c) For excursions to Tokyo zone (this means Tokyo and Chiba prefectures), the rate shall be at least 40,000 yen per day if the bus is used for four hours or less in a day, and at least 10,000 yen per hour if the bus is used in excess of four hours.
 - B. The amounts of accommodation rate, planning rate, and tour conductor rate shall be the same as those described in B to D in (1) above.
- (3) With (1) and (2) above, the 5 Companies substantially restrained competition in the field of travel agency business for school excursions of Municipal Junior High Schools contrary to the public interest.

3. Outline of the Cease and Desist Order

- (1) Kinki Nippon Tourist Co., Ltd., Tobu Travel Co., Ltd., and Top Tour Corporation (hereinafter, referred to as the 3 Companies) shall respectively resolve at a meeting of their Board of Directors that:
- A. the 3 Companies shall acknowledge that the agreements in 2 (1) and (2) above have been terminated.
 - B. the 3 Companies will not decide the charter bus rate, accommodation rate, planning rate, and tour conductor rate for school excursions of Municipal Junior High Schools among them or jointly with other entrepreneurs and that each of them will decide the amounts independently in the future.
- (2) The 3 Companies shall respectively notify the other two companies and the Municipal Junior High Schools of their measures taken in accordance with (1) above and have this measures disseminated among general consumers in the City of Okayama and their own employees.
- (3) The 3 Companies respectively shall not decide the charter bus rate, accommodation rate, planning rate, and tour conductor rate for the school excursions of Municipal Junior High Schools among them or jointly with other entrepreneurs in the future.
- (4) The 3 Companies shall respectively adopt the necessary measures to take the following actions in the future:
- A. Preparation of behavior policy for their employees on compliance of the Antimonopoly Act in relation to their travel service
 - B. Periodic training courses for the salespersons in charge of travel service for school

excursions of the Municipal Junior High Schools and periodic audit by legal staff with regard to compliance of the Antimonopoly Act in relation to their travel service