

Cease and Desist Orders and Surcharge Payment Orders against Distributors of Industrial Sewing Machine Threads for Sewing Plants, etc. Located in the Tohoku Area
(Tentative Translation)

March 17, 2009
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) investigated the distributors of industrial sewing machine threads for sewing plants, etc. located in Aomori Prefecture, Iwate Prefecture, Miyagi Prefecture, Akita Prefecture, Yamagata Prefecture, and Fukushima Prefecture (hereinafter referred to as "Tohoku Area") in accordance with provisions of the Antimonopoly Act and found that the distributors were in violation of the provision of Article 3 of the Act (Prohibition of unreasonable restraint of trade). The JFTC issued cease and desist orders today in accordance with the provision of Paragraph 2, Article 7 of the Act and surcharge payment orders in accordance with the provision of Paragraph 1, Article 7-2 of the Act as shown below.

1. Entrepreneurs Subject to the Cease and Desist Order and the Surcharge Payment Order as well as their Surcharge Amounts

No.	Name of entrepreneurs	Location of headquarters	Surcharge amounts
1	Shirakawa Co., Ltd.	13-11, Nihonbashi Bakuro-cho 1-chome, Chuo-ku, Tokyo	23,580,000 yen
2	Azuma Co., Ltd.	1-1, Kojima 2-chome, Taito-ku, Tokyo	13,720,000 yen
3	Kanagawa Co., Ltd.	437, Tashiro, Aikawa-machi, Aiko-gun, Kanagawa	4,390,000 yen
Total			41,690,000 yen

2. Outline of the Violation

Around March 29, 2005, Shirakawa, Co., Ltd., Azuma Co., Ltd., and Kanagawa Co., Ltd. (hereinafter referred to as the "3 Companies"), made an agreement to increase the delivery price of the industrial sewing machine threads which were used in sewing plants, etc. located in the Tohoku Area and sold directly by the 3 Companies or through specific distributors to the consumers^(Note) (hereinafter referred to as the "Specific Industrial Sewing Machine Threads"). Under this agreement, the 3 Companies increased the then current price by 10% or more for the orders accepted after April 21, 2005 or after May 21, 2005 at the latest and thereby substantially restrained competition in the field of sales of industrial sewing machine threads for sewing plants, etc. located in the Tohoku Area, contrary to the public interest.

Note: The consumers mean those who use the industrial sewing machine threads for sewn products manufacturing etc.

3. Outline of the Cease and Desist Order

- (1) The 3 Companies shall respectively have resolutions adopted at their Board of Directors to the effect that they will acknowledge the termination of the agreement described in item 2 above, that they will avoid to decide the delivery price to the consumers of the Specific Industrial Sewing Machine Threads among themselves or in cooperation with other companies in the future, and that each company will independently decide the price in the future.
- (2) The 3 Companies shall respectively notify the measures adopted in accordance with item (1) above to the other 2 companies, the specific distributors, and to the consumers of Specific Industrial Sewing Machine Threads and shall have the measures taken thoroughly disseminated to their employees.

(3) The 3 Companies respectively shall not decide the delivery price to the consumers of the Specific Industrial Sewing Machine Threads among themselves or in cooperation with other companies in the future.

4. Outline of the Surcharge Payment Order

The 3 Companies shall respectively, by June 18, 2009, pay the amount indicated in the “Surcharge amounts” in the Table under item 1 above (41,690,000 yen in total).

*** Industrial sewing machine threads**

Industrial sewing machine threads are sewing threads used in the sewing machines in sewing plants, etc. for clothes, leathers, bags, sail cloths, foot wears, etc. Industrial sewing machine threads include various natural fibers such as silk, cotton, and linen and synthesized fibers such as polyether, nylon, and vinylon.

