

Cease-and-Desist Order and Surcharge Payment Orders
against Manufacturers of Cathode Ray Tubes for Televisions
(Tentative Translation)

October 7, 2009

Japan Fair Trade Commission

The Japan Fair Trade Commission (hereinafter “JFTC”) investigated entrepreneurs manufacturing and selling the cathode ray tubes for televisions in accordance with the provisions of the Antimonopoly Act (hereinafter “AMA”), and found that they had engaged in activities that violate Article 3 (prohibition of unreasonable restraint of trade) of the AMA. Accordingly, the JFTC today issued a cease and desist order pursuant to the provision of Paragraph 2, Article 7 of the AMA and surcharge payment orders pursuant to the provision of Paragraph 1, Article 7-2 of the AMA as shown below.

The JFTC commenced its investigations almost simultaneously with foreign competition authorities including the United States Department of Justice and the European Commission in November 2007.

- 1 The numbers of entrepreneurs involved in the violation, entrepreneurs subject to the cease and desist order and to the surcharge payment orders, and the amount of surcharge (See also the appendix);

Number of entrepreneurs involved in violation	Number of entrepreneurs subject to the cease and desist order	Number of entrepreneurs subject to the surcharge payment orders	Total amount of the surcharge
11	2	5 ^(Note 1)	3,322,240,000 yen

(Note 1) In addition to the said five entrepreneurs, the JFTC is in the progress to give one foreign entrepreneur who is to be the addressee of another surcharge payment order an opportunity to express its opinions and to submit evidences concerning content of the surcharge payment order in accordance with the provision of Paragraph 6, Article 50 and Paragraph 5, Article 49 of the AMA.

- 2 Outline of the violation

Regarding cathode ray tubes for televisions which Japanese manufacturing and sales companies of CRT televisions^(Note 2) have their overseas manufacturing subsidiaries and the like^(Note 3) (hereinafter “**Overseas Manufacturing Subsidiaries and the Like**”) purchase^(Note 4)

(hereinafter the “**Specified CRTs**”), the eleven entrepreneurs listed in the appendix, no later than around May 22, 2003^(Note 5), formed an agreement to continuously hold CPT meetings^(Note 6) about once every other month where they jointly set minimum target prices and the like, on an approximately quarterly basis, that each of them should abide by and that should be applied to the selling prices for Overseas Manufacturing Subsidiaries and the Like for the following quarter, and thereby, substantially restrained competition in the field of sales of the Specified CRTs.

(Note 2) The term “Japanese manufacturing and sales companies of CRT televisions” means Orion Electric Co., LTD., SANYO Electric Co., Ltd., Sharp Corporation, Victor Company of Japan, Limited and FUNAI ELECTRIC CO., LTD. each of which engages in the business of manufacturing and selling cathode ray tube televisions.

(Note 3) The term “Overseas Manufacturing Subsidiaries and the Like” means manufacturing subsidiaries or manufacturing subcontractors on contract located in the Southeast Asian Region which are substantial production bases of the Japanese manufacturing and sales companies of CRT televisions.

(Note 4) The term “Specified CRTs” means cathode ray tubes for televisions listed below:

1. 14-inch round cathode ray tube;
2. 20-inch round cathode ray tube;
3. 21-inch round cathode ray tube;
4. 21-inch flat cathode ray tube under the name Invar; and
5. 21-inch flat cathode ray tube under the name AK.

(Note 5) MT Picture Display (Malaysia) Sdn. Bhd. joined in the agreement no later than February 16, 2004 and MT Picture Display (Thailand) Co., Ltd. joined in it no later than April 23, 2004.

(Note 6) The term “CPT meeting” means meetings of sales personnel of the entrepreneurs manufacturing and selling the Specified CRTs including department managers or section chiefs or equivalent personnel responsible for sales or marketing activities of Samsung SDI Co., Ltd., LG Philips Displays Korea Co., Ltd., and MT Picture Display Co., Ltd..

3 Outline of the cease-and-desist order

(1) MT Picture Display Co., Ltd. and Samsung SDI Co., Ltd. must respectively pass a resolution on the following items by their authorized decision-making bodies on execution of business such as the board of directors:

- a. to confirm termination of the agreement as noted in 2 above; and
- b. to ensure that they will, neither mutually nor jointly with any other entrepreneurs, determine the selling prices of the Specified CRTs for Overseas Manufacturing Subsidiaries and the Like, and that each of them will determine such prices individually.

(2) Each of the two entrepreneurs must notify the measure taken in accordance with (1) above to the other entrepreneur and to the Japanese manufacturing and sales companies of CRT televisions, and ensure that the action is made known to and implemented by its employees.

In addition, Samsung SDI Co., Ltd. must notify the measure taken in accordance with (1) above to Samsung SDI (Malaysia) BERHAD.

(3) The two entrepreneurs must in the future, neither mutually nor jointly with any other entrepreneurs, determine the selling prices of the Specified CRTs for Overseas

Manufacturing Subsidiaries and the Like.

4 Outline of the surcharge payment order

MT Picture Display (Malaysia) Sdn. Bhd., PT. MT Picture Display Indonesia, MT Picture Display (Thailand) Co., Ltd., Samsung SDI (Malaysia) BERHAD, and LG Philips Displays Korea Co., Ltd. shall pay the respective amounts of surcharge by January 8, 2010, described in the appendix (the total amount reaches 3,322,240,000 yen).

Appendix

No.	Name of entrepreneur	Location of principal office	Representative	Cease and desist order	Surcharge payment order
1	MT Picture Display Co., Ltd.	1-15, Matsuo-cho, Kadoma-shi, Osaka	Tatsuo Tobinaga	○	-
2	MT Picture Display (Malaysia) Sdn. Bhd. (Note 4)	Wisma Goshen, 2nd Floor 60, 62 & 64 Jalan SS 22/21 Damansara Jaya 47400 Petaling Jaya Selangor, Malaysia	Yue Sau Yin	-	650,830,000 yen
3	PT. MT Picture Display Indonesia (Note 5)	Kawasan EJIP Industrial Park Plot 3-G, Desa Sukaresmi, Kecamatan Cikarang Selatan, Kabupaten Bekasi, Republic of Indonesia	Yoshitaka Yagaki	-	580,270,000 yen
4	MT Picture Display (Thailand) Co., Ltd. (Note 6)	No. 142, Village No. 5, Bang Kadi Industrial Park, Tiwanon Road, Bang Kadi Sub-district, Muang Pathum Thani District, Pathum Thani Province, Kingdom of Thailand	Ravita Thisarn	-	566,140,000 yen
5	Samsung SDI Co., Ltd.	673-7 Maetan-dong, Youngtong-gu, Suwon, Kyunggi-do, Republic of Korea	Kim Soontaek	○	-
6	Samsung SDI (Malaysia) BERHAD	635 & 660, Kawasan Perindustrian, Tuanku Jaafar, 71450 Sungai Gadut, Negeri Sembilan Darul Khusus, Malaysia	Cho Dae-Hyoung	-	1,373,620,000 yen
7	LG Philips Displays Korea Co., Ltd. (Note 7)	184 Gongdan-Dong, Gumi-City, Kyungbuk, Republic of Korea	Kwon, Soo-Kun	-	151,380,000 yen
8	P.T. LP Displays Indonesia	Kawasan Industri MM2100 Block G Cibitung, Bekasi 17520 West Jawa, Republic of Indonesia	Park Ju Tae	-	(Note 9)
9	Chunghwa Picture Tubes Co. Ltd.	No. 1127, Ho Ping Road, Ba De City, Taoyuan County, Taiwan, Republic of China	Wei-Shan Lin	-	-
10	Chunghwa Picture Tubes (Malaysia) Sdn. Bhd.	10th Floor, Wisma Havela Thakardas, No. 1, Jalan Tiong Nam, Off Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia	Chuang-Yee Chiu	-	-
11	Thai CRT Co. Ltd. (Note 8)	87/9 Moo 2, Sukhapiban 7 Road, Tambon Thungsukala, Amphor Sriracha, Chonburi, Kingdom of Thailand		-	-
Total				2 entrepreneurs	3,322,240,000 yen

- (Note 1) In this appendix, No.1 is the parent entrepreneur of No.2, 3, and 4; No.5 is the parent entrepreneur of No.6; and No.9 is the parent entrepreneur of No.10. The parent entrepreneurs issued instructions and took control of the business of manufacturing and selling cathode ray tubes for televisions operated by their subsidiaries. No.7 is not a parent entrepreneur of No.8, but issued instructions to No.8 regarding the sales prices of the Specified CRTs.
- (Note 2) The entrepreneurs indicated with a circle “○” are the addressees of the cease-and-desist order.
- (Note 3) The entrepreneurs indicated with a hyphen “ - ” committed the violation but are not the addressees of the cease and desist order or the surcharge payment order.
- (Note 4) MT Picture Display (Malaysia) Sdn. Bhd. passed a resolution of dissolution on October 8, 2007. Its liquidation proceedings have been commenced on the same date and it has closed down its whole business activities.
- (Note 5) PT. MT Picture Display Indonesia discontinued its operation on September 28, 2007. Its liquidation proceedings have been commenced on the same date and it has closed down its whole business activities.
- (Note 6) MT Picture Display (Thailand) Co., Ltd. passed a resolution of dissolution on May 13, 2009. Its liquidation proceedings have been commenced on the same date and it has closed down its whole business activities.
- (Note 7) LG Philips Displays Korea Co., Ltd. transferred its business of manufacturing and selling cathode ray tubes for televisions to Meridian Solar & Display Co., Ltd. having its principal office at Seoul Special City, Republic of Korea on July 21, 2009.
- (Note 8) Thai CRT Co. Ltd passed a resolution of dissolution on June 29, 2007 and closed down its whole business activities, and later ceased to exist.
- (Note 9) The JFTC is in the progress to give an opportunity for the entrepreneur to express its opinions and to submit evidences concerning content of the surcharge payment order in accordance with the provision of Paragraph 6, Article 50 and Paragraph 3 and 5, Article 49of the AMA.

The JFTC today received letters from Samsung SDI Co., Ltd. and Samsung SDI (Malaysia) BERHAD which notify that each of the two entrepreneurs dismissed all their agents in Japan as of October 5, 2009. As a result of the dismissal, as for the two entrepreneurs, the JFTC has not been able to serve the orders through those agents in Japan.