

Cease and Desist Order and Surcharge Payment Order against Participants  
in Quotation Collection or Competitive Bidding for Power Cable ordered by  
Electric Power Companies  
(Tentative Translation)

27 January, 2010  
Japan Fair Trade Commission

The Japan Fair Trade Commission(JFTC), under the provisions of the Antimonopoly Act(AMA), investigated participants in the quotation collection or the competitive bidding for the power cables for specific use ordered by Tokyo Electric Power Company and other electric power companies(hereinafter referred to as the “Electric Power Companies”) (Note 1) and found that they were in violation of Article 3(prohibition of unreasonable restraint of trade) of the AMA. Accordingly, the JFTC today issued 7 cease and desist orders in accordance with Paragraph 2, Article 7 of the AMA and 21 surcharge payment orders in accordance with Paragraph 1, Article 7-2 of the AMA as detailed below.

(Note 1) The term of “Electric Power Companies” as used in this press release means 8 companies — The Tokyo Electric Power Company, Incorporated, J-POWER/Electric Power Development Co.,LTD, Tohoku Electric Power Co.,Inc., Chubu Electric Power Co., Inc, Hokuriku Electric Power Company, The Chugoku Electric Power Co.,Inc., Kyushu Electric Power Co.,Inc., and The Okinawa Electric Power Company, Incorporated.

1 Companies subject to the cease and desist orders and to the surcharge payment orders, and the amount of the surcharge.

	Name of company	Location of principal office	Representative	Surcharge Payment Order
1	EXSYM Corporation	1-8-10, Azabudai, Minato-ku, Tokyo	Hiromi Takeda, Representative Director	251,570,000yen
2	J-Power Systems Corporation	3-13-16, Mita, Minato-ku, Tokyo	Sadao Fukunaga, Representative Director	228,100,000yen
3	VISCAS Corporation	4-12-2, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Teruyoshi Tanabe, Representative Director	153,340,000yen
Total amount of surcharge				633,010,000yen

## 2 Outline of the violation

To prevent decline of order prices, EXSYM Corporation, J-Power Systems Corporation and VISCAS Corporation (hereinafter referred to as the “Three Companies”) jointly appointed the designated successful bidder for each type of power cables and managing to have such designated successful bidder receive the order. Through such conduct, the Three Companies substantially restrained competition in the field of trade of the power cables for specific use.

## 3 Outline of the cease and desist order

(1) The Three Companies shall respectively adopt at their Board of Directors

- a resolution confirming that they have terminated the conduct described in item2 above, and
- a resolution that they will not engage in conduct similar to that described in item2 through mutual consultation or in collaboration with other companies, and each of them will independently carry out its business to receive orders in the future.

(2) The Three Companies shall respectively notify the measures taken in accordance with item(1) above to the other 2 companies and to the Electric Power Companies, and shall have such measures thoroughly disseminated to their employees.

(3) The Three Companies respectively shall not engage in conduct similar to that described in item2 through mutual consultation or in collaboration with other companies.

(4) The Three Companies shall respectively take necessary measures to do the following in the future.

- a. Preparation of the guidelines of activities with regard to compliance with the AMA in relation to receiving orders for their own products.
- b. Regular training program for the sales staff in charge of power cable for specific use and regular audits by the legal department, with regard to compliance with the AMA in relation to receiving orders from the Electric Power Companies.

## 4 Outline of the surcharge payment order

The Three Companies respectively shall pay the amount by April 28, 2010, described in the item1 (633,010,000 yen in total).