

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

March 29, 2010

Japan Fair Trade Commission

The Japan Fair Trade Commission (hereinafter referred to as “**the JFTC**”), on October 7, 2009, issued a cease-and-desist order pursuant to the provision of Paragraph 2, Article 7 of the Antimonopoly Act (hereinafter referred to as “**the AMA**”) and surcharge payment orders pursuant to the provision of Paragraph 1, Article 7-2 of the AMA against five entrepreneurs^(Note 1) out of the eleven entrepreneurs manufacturing and selling the cathode ray tubes for televisions listed in the appendix based on the fact that these eleven entrepreneurs had engaged in activities that violate Article 3 (prohibition of unreasonable restraint of trade) of the AMA. Then, regarding this violation, the JFTC additionally 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, against three entrepreneurs to which services of orders could not have been conducted, by service by public notification^{(Note 2) (Note 3)} by March 27, 2010 as shown below.

(Note 1) MT Picture Display Co., Ltd., MT Picture Display (Malaysia) Sdn. Bhd., PT. MT Picture Display Indonesia, MT Picture Display (Thailand) Co., Ltd. and LG Philips Displays Korea Co., Ltd.

(Note 2) The JFTC conducted service by public notification in accordance with the provision of Article 70-18 of the AMA, as the case when, with regard to service to be made in foreign countries, the provisions of Article 108 of the Code of Civil Procedure as applied mutatis mutandis pursuant to Article 70-17 of the AMA may not be applied, or it is recognized that service may not be made based on the said provisions.

(Note 3) Service by public notification shall be made through posting on the notice board of the JFTC to the effect that the documents to be served shall be delivered at any time to the person who is to receive the service.

1 Entrepreneurs subject to the cease-and-desist order and the surcharge payment orders, and the amount of surcharge

No.	Date on which order took effect	Name of entrepreneur	Location of principal office	Representative	Cease and desist order	Surcharge payment order
1	February 5, 2010	Samsung SDI Co., Ltd.	673-7 Maetan-dong, Youngtong-gu, Suwon, Kyunggi-do, Republic of Korea	Kim Soontaek	○	—

2	March 27, 2010	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
3	March 27, 2010	P.T. LP Displays Indonesia	Kawasan Industri MM2100 Block G Cibitung, Bekasi 17520 West Jawa, Republic of Indonesia	Park Ju Tae	—	932,680,000 yen

(Note 4) The entrepreneur indicated with a circle “○” is the addressee of the cease-and-desist order.

(Note 5) 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.

2 Progress

October 7, 2009 The cease-and-desist order and surcharge payment orders against the five entrepreneurs (by service to agents, etc. residing in Japan)

The JFTC received letters from Samsung SDI Co., Ltd. and Samsung SDI (Malaysia) BERHAD which notified that each of the two entrepreneurs dismissed all their agents in Japan on October 5, 2009.

November 27, 2009 Commencement of posting a statement of service by public notification for an advance notice of the surcharge payment order^(Note 6) against P.T. LP Displays Indonesia (a)^(Note 7)

December 24, 2009 Commencement of posting a statement of service by public notification for the cease-and-desist order against Samsung SDI Co., Ltd. (b)

January 9, 2010 The service by the procedure in (a) above took effect^(Note 8).

February 5, 2010 The service by the procedure in (b) above took effect^(Note 8).

February 12, 2010 Commencement of posting statements of service by public notification for the surcharge payment orders against Samsung SDI (Malaysia) BERHAD and P.T. LP Displays Indonesia (c)

March 27, 2010 The service by the procedure in (c) above took effect^(Note 8).

(Note 6) A procedure to give an entrepreneur an opportunity to express its opinions and to produce evidence with regard to amount of the surcharge etc. in accordance with the provisions of Paragraph 6, Article 50 and Paragraph 5, Article 49 of the AMA.

(Note 7) P.T. LP Displays Indonesia had neither its branches nor agents in Japan. Therefore, the JFTC conducted service by public notification after attempting service in a foreign country in accordance with the provision of Article 108 of the Code of Civil Procedure as applied mutatis mutandis pursuant to Article 70-17 of the AMA.

(Note 8) Each service by public notification has taken effect after the lapse of six weeks from the date when the posting was commenced, in accordance with Paragraphs 3 and 4 of Article

70-18 of the AMA.

3 Outline of the violation

Regarding cathode ray tubes for televisions which Japanese manufacturing and sales companies of CRT televisions^(Note 9) have their overseas manufacturing subsidiaries and the like^(Note 10) (hereinafter referred to as the “**Overseas Manufacturing Subsidiaries and the Like**”) purchase (hereinafter referred to as the “**Specified CRTs**”^(Note 11)), the eleven entrepreneurs, at the latest no later than around May 22, 2003^(Note 12), formed an agreement to continuously hold CPT meetings^(Note 13) 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 the 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 9) 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 10) 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 11) 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 12) MT Picture Display (Malaysia) Sdn. Bhd. joined in the agreement at the latest no later than February 16, 2004 and MT Picture Display (Thailand) Co., Ltd. joined in it at the latest no later than April 23, 2004.

(Note 13) 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.

4 Outline of the cease-and-desist order

(1) Samsung SDI Co., Ltd. must pass a resolution on the following items by the authorized decision-making body on execution of business such as the board of directors:

- a. to confirm termination of the agreement as noted in 3 above; and
- b. to ensure that it will, neither with MT Picture Display Co., Ltd. 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) Samsung SDI Co., Ltd. must notify the measure taken in accordance with (1) above to MT Picture Display Co., Ltd. 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) Samsung SDI Co., Ltd. must in the future, neither with MT Picture Display Co., Ltd. nor jointly with any other entrepreneurs, determine the selling prices of the Specified CRTs for the Overseas Manufacturing Subsidiaries and the Like.

5 Outline of the surcharge payment order

Samsung SDI (Malaysia) BERHAD shall pay 1,373,620,000 yen, and P.T. LP Displays Indonesia shall pay 932,680,000 yen, no later than May 13, 2010 respectively. (The total amount of surcharge on this case reaches 4,254,920,000 yen as described in the appendix.)