

Cease and Desist Orders and Surcharge Payment Orders against Participants in Bidding for Engineering Works ordered by Yamanashi Prefectural Government  
(Tentative Translation)

April 15<sup>th</sup>, 2011  
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC), under the provisions of the Antimonopoly Act (AMA), has investigated participants in the bidding for engineering works in Enzan district and in Isawa district of Yamanashi prefectural government and found that they were in violation of Article 3 (Prohibition of unreasonable restraint of trade) of the AMA with regard to specified engineering works in these districts, respectively. Accordingly, the JFTC today issued cease and desist orders pursuant to Paragraph 2, Article 7 of the AMA and the surcharge payment orders pursuant to Paragraph 1, Article 7-2 of the AMA as detail below.

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

Engineering Works	Number of companies involved in the violation	Number of companies subject to the cease and desist orders	Number of companies subject to the surcharge payment orders	Total amount of Surcharge (million yen)
In Enzan District	30	22	25	526.8
In Isawa District	21	14	12	230.02
Total	51	36	37	756.82

2. Summary of the violation

The 30 companies associated with the specified engineering works in Enzan district, and the 21 companies associated with the specified engineering works in Isawa district respectively agreed to take the following actions, on and after April 1st 2006 at the latest, to prevent decline of order prices for each work.

(1) They appoint which company or specific joint venture receives the order (hereinafter referred to as the “designated successful bidder”) and

(2) The bid price is decided by the designated successful bidder, and companies other than the designated successful bidder shall cooperate so that the designated successful bidder can receive the order at the price decided.

The designated successful bidder has not taken the above actions after March 24 2010, when the JFTC examined on the spot investigation.

Through the agreement, these companies substantially restrained competition in the field of respective projects contrary the public interest by appointing the designated successful bidder and managing to have the designated successful bidder receive the orders.

### 3. Summary of Cease and Desist Orders

The JFTC issued the following cease and desist orders with respect to each violation concerning the specified engineering works in Enzan district and concerning the specified engineering works in Isawa district described in item 2 above.

(1) The companies subject to the cease and desist orders (hereinafter, referred to as "Addressees") shall respectively adopt a resolution at their Board of Directors etc. confirming that;

A. they have not taken the actions described in item 2 above.

B. they will not appoint the designated successful bidder for the works, thorough mutual consultation nor in collaboration with any other companies, and each of them will independently carry out its business to receive orders in the future.

C. they will not inform Enzan branch office or Isawa branch office of Yamanashi Construction Association, etc. (hereinafter, referred to as the "branch, etc.") of their participation in bidding or the specific joint venture (to which they belong) participating in bidding in the future.

(2) Addressees respectively shall notify the measures taken in accordance with item (1) above to the other Addressees and Yamanashi prefectural government and shall have such measures thoroughly disseminated to their employees.

(3) Addressees respectively shall not appoint the designated successful bidder for the works through mutual consultation nor in collaboration with any other companies in the future.

(4) Addressees respectively shall not inform the branch, etc. of their participation in bidding or the specific joint venture (to which they belong) participating in bidding in the future.

### 4. Summary of Surcharge Payment Orders

The companies subject to surcharge payment order shall respectively pay the amount, by July 19<sup>th</sup>, 2011 (756,820,000 yen in total).