

The JFTC issued Cease and Desist Order and Surcharge Payment Order against EDION Corporation (Tentative Translation)

February 16, 2012
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) today issued the cease and desist order, and the surcharge payment order against EDION Corporation (EDION). EDION caused the Specific Suppliers (Note1) who were in bargaining positions inferior to it, to dispatch their employees in order to have them engage in works which do not require the technique or skill of the employees dispatched, such as conveying, taking out its goods and making up stores (Note2), unjustly in light of normal business practices.

The total amount of the surcharge payment is about 4.05 billion yen.

Before issuing the cease and desist order, and the surcharge payment order, the JFTC had given the enterprise in question an advance notification on the content of the order and an opportunity to present its view and to submit evidence. Considering the view and evidence from the enterprise, the JFTC issued the orders. The recipient dissatisfied with the order may request the JFTC to initiate a hearing regarding the order within sixty days of the date on which the transcript of the order was served.

(Note 1) The term "Specific Suppliers" means enterprises that sell and deliver the goods, which are sold in the stores, such as "Deodeo," "EIDEN," "Midori" and "Ishimaru", directly and continuously to EDION.

(Note 2) The term "making up stores" means a series of preparations for the grand opening and remodeling of EDION, where staff members of the Specific Suppliers help, instructed by the EDION, unpack goods carried at the selling floor, position and display them, and even make the floor and the goods attractive by putting the decorations and sales promotion goods as ordered by the EDION.

*Every announcement is tentative translation. Please refer to the original text written in Japanese.