

The JFTC Issued the Cease and Desist Orders and Surcharge Payment Orders to participants in bid-rigging conspiracies for automotive wire harnesses and related products

January 19, 2012
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) issued cease and desist orders and surcharge payment orders based on the Article 7(2) and the Article 7-2(1) of the Antimonopoly Act (AMA) to automobile parts manufacturers below. They conspired in procurement of automotive wire harnesses and related products (note1) ordered by automobile manufactures (note2), which violated the Article 3 of the AMA.

The JFTC initiated the investigation in February 2010 at around the same time as the other competition authorities including United States Department of Justice.

(Note1) "Automotive wire harnesses" are used for electrical-circuits which play a role of the transmission of electric current and signals to operate each device in an automobile, such as audios and airbags, as often compared to human nerves or blood vessels. "Related products" means wiring devices that have functions including protecting an automobile from excessive electronic current by cutting off the current.

(Note2) "Automobile manufactures" are Toyota Motor Corporation, Toyota Auto Body Co.,Ltd. and Kanto Auto Works, Ltd. (Toyota), Daihatsu Motor Co.,Ltd. (Daihatsu), Honda Motor Co.,Ltd. (Honda), Nissan Motor Co.,Ltd. and Nissan Shatai Co.,Ltd. (Nissan) , and Fuji Heavy Industries Ltd. (Fuji)

1. The violators, the number of companies subject to the cease and desist orders, the surcharge payment orders and the amount of the surcharge

Name	Number of cease and desist orders	Number of surcharge payment orders	Total amount of surcharge (yen)
Yazaki Corporation	5	5	9,607,130,000
Sumitomo Electric Industries Ltd.	-	3	2,102,220,000
Fujikura Ltd.	1	1	1,182,320,000
Furukawa Electric Co., Ltd.	-	-	-
Total			12,891,670,000

(Note3) "-" means a company that is a violator but not subject to the cease and desist order or the surcharge payment order.

2. Outlines of the violations

(1) Concerning the products ordered by Toyota

Since September 2002 at the latest, Yazaki Corporation (Yazaki), Sumitomo Electric Industries Ltd. (Sumitomo) and Furukawa Electric Co Ltd. (Furukawa) substantially restrained competition in the field of the products ordered by Toyota, by appointing the designated successful bidder and managing to have the designated successful bidder win the bidding.

(2) Concerning the products ordered by Daihatsu

Since December 2000 at the latest, Yazaki, Sumitomo and Furukawa substantially restrained competition in the field of the products ordered by Daihatsu, by appointing the designated successful bidder and managing to have the designated successful bidder win the bidding.

(3) Concerning the products ordered by Honda

Since September 2003 at the latest, Yazaki, Sumitomo and Furukawa substantially restrained competition in the field of the products ordered by Honda, by appointing the designated successful bidder and managing to have the designated successful bidder win the bidding.

(4) Concerning the products ordered by Nissan

Since May 2002 at the latest, Yazaki and Sumitomo substantially restrained competition in the field of the products ordered by Nissan, by appointing the designated successful bidder and managing to have the designated successful bidder win the bidding.

(5) Concerning the products ordered by Fuji

Since July 2000 at the latest, Fujikura Ltd. (Fujikura), Yazaki and Furukawa substantially restrained competition in the field of the products ordered by Fuji, by appointing the designated successful bidder and managing to have the designated successful bidder win the bidding.

3. Outlines of the cease and desist orders

- (1) Yazaki and Fujikura shall adopt a resolution at their Board of Directors confirming that they have terminated the conduct in the item2 above, and that they will independently carry out their business without taking any conduct as the item2 above.

- (2) The two companies shall each notify the measures taken in accordance with the item 3(1) above to the other violators and the automobile manufactures, and shall have such measures disseminated to their employees.
- (3) The two companies shall not take any conduct as item 2 above in the future.
- (4) The two companies shall take measures necessary to do the following;
 - (a) Thorough announcement to their employees on guidelines of activities regarding compliance with AMA in relation to sales activities for their own products.
 - (b) Implementation of a regular training program for the staff engaged in sales of the wire harnesses and related products and regular audits by the legal department, with regard to compliance with the AMA

4. Outline of the surcharge payment orders

Yazaki, Sumitomo and Fujikura shall pay the amount of the surcharge by April 20, 2012.

Name	Cease and desist order (upper lines)					Total
	Amount of surcharge payment (lower lines) (yen)					
	Products ordered by Toyota	Products ordered by Daihatsu	Products ordered by Honda	Products ordered by Nissan	Products ordered by Fuji	
Yazaki	○	○	○	○	○	5
	4,979,950,000	872,150,000	2,763,500,000	440,030,000	551,500,000	9,607,130,000
Sumitomo	-	-	-	-	/	-
	738,610,000	482,950,000	880,660,000	-	/	2,102,220,000
Fujikura	/	/	/	/	○	1
	/	/	/	/	1,182,320,000	1,182,320,000
Furukawa	-	-	-	/	-	-
	-	-	-	/	-	-
Number of violators	3	3	3	2	3	Gross 14 (Actual 4)
Number of companies subject to the cease and desist orders	1	1	1	1	2	Gross 6 (Actual 2)
Number of companies subject to the surcharge payment orders	2	2	2	1	2	Gross 9 (Actual 3)
Total amount of surcharge	5,718,560,000	1,355,100,000	3,644,160,000	440,030,000	1,733,820,000	12,891,670,000

(Note4) “○” means a company that is subject to the cease and desist order. “-” means a company that is a violator but not subject to the cease and desist order or the surcharge payment order. “/” means a company that is not a violator.

Before issuing the cease and desist orders, and surcharge payment orders, the JFTC gave the enterprises in question an advance notification on the contents of the orders and an opportunity to present their views and to submit evidence. Considering the views and evidence from them, the JFTC issued the orders. The recipients dissatisfied with the orders may request the JFTC to initiate a hearing regarding the orders within sixty days of the date on which the transcript of the orders were served.

I The functions of automotive wire harness and related products

◇ Automotive wire harness

Main wire harness	Function
Engine-compartment harness	Wired inside automobile engine-compartments and transmitting electric current and signals to devices in an engine and engine compartments.
Instrument-panel harness	Wired behind an instrument-panel and transmitting electric current and signals to devices such as audios and meters .
Floor harness	Wired under a floor and transmitting electric current and signals mainly to back part of a automobile.
Door harness	Wired inside a door and transmitting electric current and signals to devices such as power window, door speaker and door mirror.



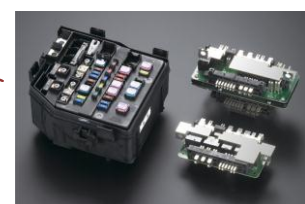
【Engine-compartment harness】



【Floor harness】

◇ Related products for automotive wire harness

Main related products	Function
Relay Block or Relay Box	On-off control of electronic equipment in response to electric signals flowing inside a wire harness.
Fuse Block or Fuse Box	Cutting off excessive electronic current that is supplied to electronic equipment through a wire harness.
Junction Block or Joint Box	Combining, diverging and relaying multiple wire harnesses.



【Joint Box and Relay Box】

II Overview of flow of competition to order for automotive wire harnesses and related products ordered by automobile manufacturers

