



# **Enforcement of the Antimonopoly Act in FY2011 (Summary)**

**June. 6. 2012**

**Japan Fair Trade Commission**

□ The number of cease and desist orders : **22 cases**

Bid-rigging	12	Including cases of bid riggings initiated by government
Price-fixing cartels	5	—
Abuse of superior bargaining position	3	—
Interference with a competitor's Transactions, Resale price restriction	2	—

□ The total amount of surcharge: **533million US \$** ( **2<sup>nd</sup>** after one in FY2010)<sup>※1</sup>

➤ Including **55.9million US \$** ( **3 cases** of surcharge concerning abuse of superior bargaining position <sup>※2</sup>)

※1 Compared in the total amount of surcharge excluding decisions ordering surcharge payment prior to the 2005 revision of the Antimonopoly Act, the amount of surcharge in FY2011 is a new high.

※2 Abuse of superior bargaining position is subject to the surcharge payment orders since January 2010 due to the 2009 revision of the Antimonopoly Act.

※3 83.05¥/\$ (Trade Statistics of Japan, 2012/3/25~2012/3/31)

## □ JFTC protects consumer interest

by eliminating price-fixing cartels and bid riggings.

- The market size of 17 cases in which JFTC took legal measures is **6.7 billion US \$** in total.
- JFTC focuses on **the fields closely relating to people's living** are protected.
- JFTC also focuses on **Bid Riggings initiated by government**, in which officials working for central/local government offices harm public interest (Bid-rigging for Engineering and Paving Works ordered by the Prefecture of Ibaraki).

The fields closely relating to people's living(Example)	The relation to people's living(Example)
Automotive wire harness	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
Air separation gas	Cutting or welding steel, Rapid freezing of food product, Semiconductor manufacturing
LPG instruments	Home distribution of LPG
Public construction	Tunnel construction, Road pavement, River improvement

## □ Investigation with other competition authorities

(bid-rigging conspiracies for automotive wire harness and related products)

- Within the scope of laws and regulations of Japan, JFTC exchanged **information for the investigation** with other competition authorities including DOJ, EC and others.
- JFTC had ever exchanged information with other competition authorities concerned in the cases of Marine Hose Manufacturers, Manufacturers of Cathode Ray Tubes for Televisions.
- In response to globalization of economy, JFTC will continue to **further promote the cooperation with other competition authorities.**

- Due to the 2009 revision of the Antimonopoly Act, Abuse of Superior Bargaining Position has been subject to the surcharge payment order since Jan. 2010.
- The total amount of surcharges in 3 cases is 55.9 million US \$.

Name	The amount of surcharge (\$)	Examples of Abuse of Superior Bargaining Position
EDION Corporation (Feb. 2012)	48.7million	EDION had caused 130 suppliers to dispatch their 11,000 employees to 130 new or renewed stores during 2 years.
Toys“R”Us-Japan, Ltd. (Dec.2011)	4.4million	Toys“R”Us-Japan had returned the unsold goods which were equivalent to 2.4 million \$ to 60 suppliers , and reduced 4.8 million \$ from considerations to be paid to 80 suppliers during 2 years.
SANYO MARUNAKA CO.,LTD. (Jun.2011)	2.7million	SANYO MARUNAKA had caused 140 suppliers to dispatch their 4,200 employees for open , complete renovation , layout change, etc. and had caused 130 suppliers to provide for itself 0.4 million \$ for open or events taken placed by itself during 3 years.

- JFTC acted vigorously against violations and swiftly adopted strict preventive measures.
  - Publication of Warning KK Nagatayakuhin (drugstore) with suspicion of unjust low price sales of beer etc.(Nov. 2011).
  - The investigation period is within 2 months in principle, and cautions are issued to enterprises whose actions may lead to infringements in terms of preventive measures.

FY	2009	2010	2011
Liquor	700	1, 028	1, 138
Petroleum Products	956	714	444
Home Appliances	1, 425	856	142
Others	144	102	48
Total	3, 225	2, 700	1, 772

## □ JFTC protected competition in the mobile SNS market.

- Cease and Desist Order against DeNA Co., Ltd. (Jun. 2011)
- DeNA forced social game developers not to provide their games through GREE.
- DeNA unjustly interfered transaction between social game developers and GREE , and impeded fair competition in the transaction of social games.

## □ JFTC assured consumer interest on price.

- Cease and Desist Order against Adidas Japan KK (Mar. 2012)
- Adidas caused retailers to sell EASYTONE (※) at the discount limit price (or higher ) or the suggested retail price that Adidas itself had fixed.
  - (※) EASYTONE is the toning shoes of the “Reebok” brand
- The price competition among retailers was avoided, and consumer interest was undermined.