

The JFTC filed a criminal accusation on the price-fixing cartel over industrial machinery bearings and automotive bearings

<Tentative translation>

June 14, 2012

Japan Fair Trade Commission

The Japan Fair Trade Commission (the “JFTC”), having investigated into a price-fixing cartel case concerning industrial machinery bearings and automotive bearings, found a criminal violation of the Antimonopoly Act (the “AMA”) and filed today a criminal accusation with the Public Prosecutor-General against three companies including NSK Ltd and 7 individuals in the 3 companies accused who were engaged in sales of bearings, in accordance with Article 74 (1) of the AMA.

Outline of the accusation is as follows:

1. Companies and Individuals accused

(1) Companies accused

Name	Address and Representative Directors	Industrial Machinery Bearing	Automotive Bearing
NSK Ltd.	1-6-3 Ohsaki, Shinagawa-Ku, Tokyo Norio Otsuka, President and CEO	○	○
NTN Corporation	1-3-17 Kyomachibori, Nishi-ku, Osaka-city Shigeyoshi Takagi, President	○	○
NACHI-FUJIKOSHI CORP.	1-1-1 Fujikoshi-Honmachi, Toyama-city Hiroo Honma, President	○	

(2) Seven individuals who were engaged in sales for bearings in the companies above

2. Ground for the Criminal Accusation

(1) Fact

The three companies engage in business manufacturing and selling bearings. The seven individuals were engaged in sales for bearings and other business..

#### A. Industrial Machinery Bearing

The six individuals among seven, who were engaged in sales for industrial machinery bearings (Note 1) and other business in the three companies above, in conspiracy with the individuals accused and other employees who belong to the same companies concerned, during the time period between around late May 2010 and around late August 2010, by having several meetings with employees in other companies in the same business to discuss to raise the sale price of the products at issue, in Tokyo etc. and other means, and then agreed:

- 1) To raise the sale price of the product at issue which were supplied after July 1st 2010 to pass the increased cost for a steel, which is the raw materials for a bearing, by proposing purchasers to raise the sale price of the products at issue by 8% for general bearings and 10% for large size bearings.
- 2) To negotiate the increase of the sale price in each area and each main purchaser, while contacting and discussing among their employees and other.

Hence, thereby, these companies, as for the products at issue, in cooperation with one another, contrary to the public interest, substantially restrained competition in the field of trade on sales for the product at issue by mutually restricting their business activities.

(Note1) Sale price of “Industrial machinery bearing” is decided by negotiation between industrial machinery manufactures and companies accused, their sales subsidiaries or their sales agencies (excluding miniature bearings and extra small bearings).

#### B. Automotive Bearing

Two individuals among seven, who were engaged in sales for automotive bearing (Note 2) and other business in the two companies, in conspiracy with the other employees who belong to the same companies concerned, during the time period between around early to late July 2010, in contact with employees in other companies in the same business to discuss to raise the sale price of the products at issue, in Tokyo etc., agreed to raise the sale price of the product at issue, which were supplied after July 1st 2010, by 20 yen per kilogram of the steel, which is the raw materials of a bearing. Hence, thereby, these companies, as for the products at issue, in cooperation with one another, contrary to the public interest, substantially restrained competition in the field of trade on sales for the product at issue by mutually restricting their business activities.

(Note2) Sale price of “Automotive Bearing” is decided through negotiation between automobiles manufacturers and companies accused, their sales subsidiaries or their sales agencies (excluding miniature bearings and extra small bearings).

(2) Applicable Articles

Article 89 (1) (i), Article95 (1) (i), Article 3 of the Antimonopoly Act, and Article 60 of the Criminal Law