

The JFTC Issued Cease and Desist Orders and Surcharge Payment Orders against Bearing Manufacturers

March 29, 2013
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) today issued cease and desist orders and surcharge payment orders based on Article 7(2) and Article 7-2(1) of the Antimonopoly Act (AMA) respectively to bearing manufacturers listed in the table below. They conspired in sales of industrial machinery bearings and automotive bearings, which violated Article 3 of the AMA.

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

	Name	Address	Representative	Cease and desist order	Amount of surcharge (yen)
1	NTN Corporation	1-3-17 Kyomachibori, Nishi-ku, Osaka-city	Shigeyoshi Takagi, President	○	7,231,070,000
2	NSK Ltd.	1-6-3 Ohsaki, Shinagawa-ku, Tokyo	Norio Otsuka, President and CEO	○	5,625,410,000
3	NACHI-FUJIKOSHI CORP.	1-1-1 Fujikoshi-Honmachi, Toyama-city	Hiroo Honma, President	○	509,390,000
4	JTEKT Corporation	3-5-8 Minamisemba Chuo-ku, Osaka-city	Igawa Shoji, President	—	—
Total					13,365,870,000

(Note1) “○” means the company that is subject to a cease and desist order.

(Note2) “—” means the company that is found to be a violator but not subject to a cease and desist order or a surcharge payment order.

2. Outlines of the violations

- (1) NTN Corporation (NTN), NSK Ltd. (NSK), NACHI-FUJIKOSHI CORP. (Fujikoshi), and JTEKT Corporation (JTEKT) (hereinafter collectively referred as “violators”)

agreed

- (a) To raise their selling prices of industrial machinery bearings (note 3) to the level where the increased cost for steels, raw material of bearings, can be passed on to the prices of industrial machinery bearings, by such means as asking users for raises in their selling prices of industrial machinery bearings to be delivered on and after July 1, 2010 by 8% for general bearings and by 10% for large size bearings respectively from those as of June 2010; and,
 - (b) To implement individual price negotiations as communicating and discussing among the violators according to each sales area and major user.
- (2) The violators agreed to raise their selling prices of automotive bearings (note 4) to be delivered on and after July 1, 2010 by around 20 yen per kilogram of the steels from those as of June 2010.
- (3) The violators thereby, contrary to the public interest, substantially restrained competition in the fields of sales trade of industrial machinery bearings and automotive bearings in Japan.

(Note3) The selling price of an “industrial machinery bearing” (excluding a miniature bearing and an extra small bearing) is determined through negotiation between a bearing manufacturer, its sales subsidiary or their sales agency (including that without an agency contract), and its user other than an automobiles and automotive parts manufacturer, etc.

(Note4) The selling price of an “automotive bearing” (excluding a miniature bearing and an extra small bearing) is determined through negotiation between a bearing manufacturer, its sales subsidiary or sales agency (including that without an agency contract), and its user such as an automobiles and automotive parts manufacturer.

3. Outlines of the cease and desist orders

- (1) NTN, NSK and Fujikoshi (hereinafter collectively referred as “three companies”) shall each adopt a resolution at its board of directors to confirm that:
- (a) The agreements in the above 2(1) and 2(2) have discontinued;
 - (b) They will independently determine their selling prices of industrial machinery

bearings or automotive bearings, not in concert with each other or with other companies; and,

(c) They will not exchange information about price revision on industrial machinery bearings or automotive bearings with each other or with other companies.

(2) The three companies shall each notify of the measures taken in accordance with the above 3(1), the other two companies, JTEKT, their sales subsidiaries, sales agencies and users of industrial machinery bearings or automotive bearings whose prices are determined through negotiation between the users and the three companies, their sales subsidiaries or sales agencies, and shall have such measures disseminated to their employees. The means of the notification and the dissemination shall be approved by the JFTC in advance.

(3) The three companies shall not determine their selling prices of industrial machinery bearings or automotive bearings, in concert with each other or with other companies.

(4) The three companies shall not exchange information about price revision on industrial machinery bearings or automotive bearings with each other or with other companies.

(5) The three companies shall take measures necessary to address the followings:

(a) Thorough announcement to their employees of guidelines on compliance with the AMA in relation to sales activities for their own products; and,

(b) Implementation of regular trainings for their employees engaged in sales of industrial machinery bearings and automotive bearings, and of regular audits by legal department, with regard to compliance with the AMA.

4. Outline of the surcharge payment orders

The three companies shall each pay the amount of the surcharge listed in the above 1 by July 1th, 2013.