

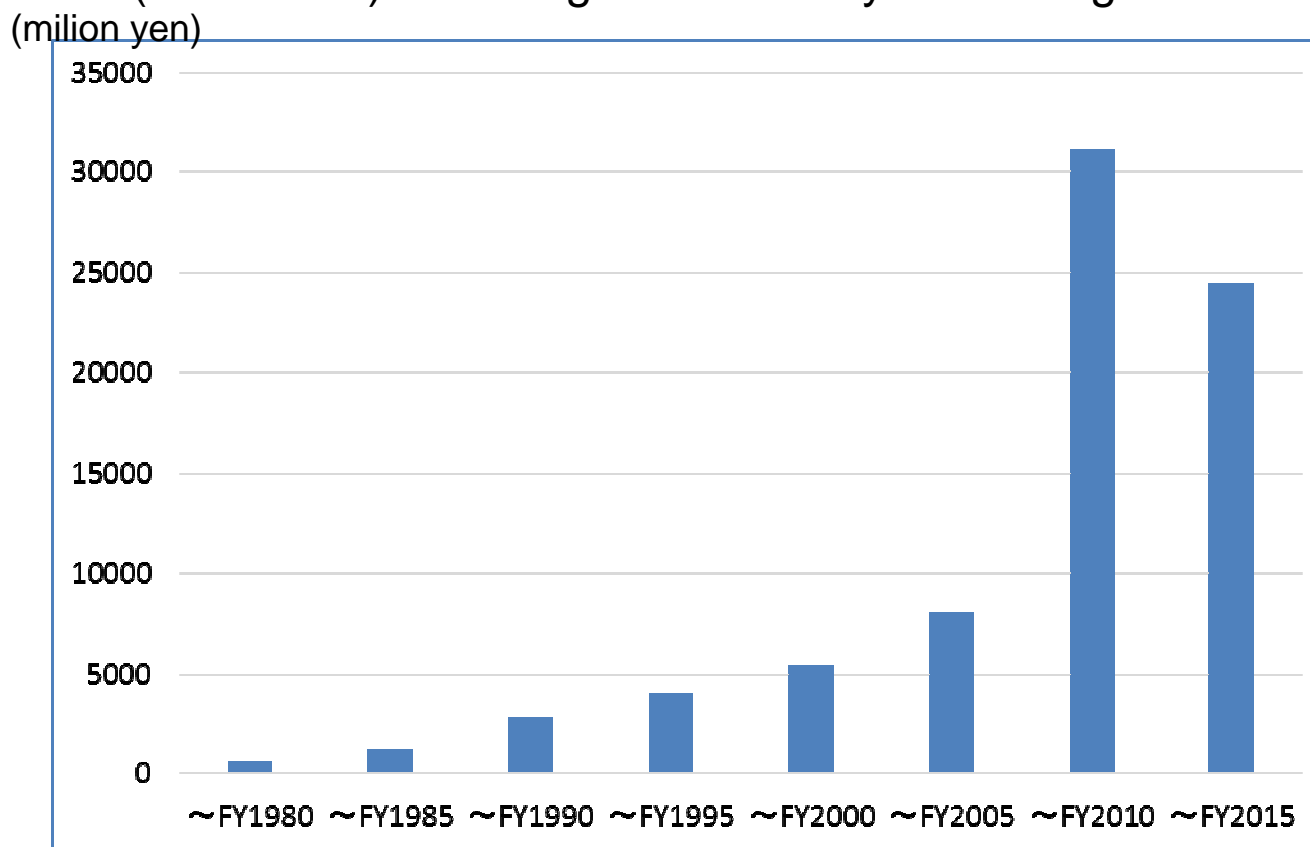


Enforcement of the Antimonopoly Act in FY2015 (Summary)

May 25, 2016
Japan Fair Trade Commission

- ◆ Aggregated market size of **9 cases**, which JFTC issued cease and desist orders in FY 2015, amounted to approx. **110 billion yen** a year.
- ◆ Total surcharges amounted to approx. 8.5 billion yen in FY2015.

(Reference) Surcharge Amount 5 year-average



- ◆ Protect consumer interests by eliminating price fixing cartels, bid riggings, etc.
 - JFTC focuses on sectors closely related to people’s living.

Subjects of Violations (examples)	Nexuses with People’s Living (examples)
Aluminum/tantalum electrolytic capacitor manufacturers	<ul style="list-style-type: none"> ▪ Electronic parts which are used for various kinds of products, such as the telecommunication equipment (PCs, smart-phones, cellular phones, etc.), home appliances, automobiles, etc. ▪ Worldwide price fixing cartel case, which other foreign authorities are also investigating
Snow-melting equipment works for Hokuriku Shinkansen	<ul style="list-style-type: none"> ▪ Works for installment of equipment which melts snow on the tracks of Hokuriku Shinkansen ▪ Works for providing the social infrastructure highly publicly
Poly aluminum chloride	<ul style="list-style-type: none"> ▪ Chemical agent to purify tap water indispensable to daily lives
Country elevator works ordered by the agricultural cooperatives, etc.	<ul style="list-style-type: none"> ▪ Works of country elevator for rice, wheat, bean and buckwheat ▪ Bid rigging in the works subsidized by the nation or local authorities

- ◆ Bid Rigging Concerning the Disaster Restoration Paving Works for the Great East Japan Earthquake Ordered by the Tohoku Branch of East Nippon Expressway Company Ltd.
 - ① This bid rigging was conducted by the nation-wide enterprises including listed companies.
 - ② This bid rigging was related to construction works whose most budget consisted of government expense, so taxpayers incurred loss by this bid rigging.
 - ③ The total of successful bid price related to this bid rigging amounted to no less than about 17.7 billion yen including tax.
 - ④ Some of these violation companies were subject to administrative disposition of JFTC in the past.
- ⇒ JFTC filed a criminal accusation with the Public Prosecutor-General against 10 companies and 11 individuals (February, 2016).

◆ Cease and Desist Orders to Tokyo Bay Licensed Pilots' Association and Ise-Mikawa Wan Licensed Pilots' Association

- Restraining the members from making a contract with the users in their own discretion, and pooling and distributing the pilotage fees to the members
- Unjustly restricting the functions or activities of the constituent enterprises



⇒ JFTC dealt with the trades between users and pilots in the field of pilotage, which is regulated by the government.

◆ Warning to 4 Private Elementary School Federations

- Restraining school children's transfer among the member schools
- This conduct was likely to substantially restrain the competition in the field of trade related to education services provided by private elementary schools

⇒ This is the first case that JFTC takes actions stronger than warning toward the trade Associations organized by the private elementary schools.

- ◆ JFTC requested trade associations etc. for necessary measures considered to be taken from competition policy viewpoint in some investigation cases.
 - JFTC requested as below in the case of “unjustly restricting the functions or activities of the constituent enterprises” conducted by Tokyo Bay Licensed Pilots’ Association and Ise-Mikawa Wan Licensed Pilots’ Association.

Trade Association etc.	Contents of Requests
<p>Japan Federation of Pilots’ Associations</p>	<p>In a model of contracts regarding undertaking pilotage, stipulating the condition which causes restriction of selection  Inducing infringements of Tokyo Bay Licensed Pilots’ Association and Ise-Mikawa Wan Licensed Pilots’ </p> <p><u>JFTC requested Japan Federation of Pilots’ Associations to reconsider model of contracts and also provide guidance to pilots’ association in the whole country to prevent the infringements.</u></p>
<p>Ministry of Land, Infrastructure, Transport and Tourism</p>	<p><u>JFTC requested Ministry of Land, Infrastructure, Transport and Tourism, which has the responsibility to Pilots’ Associations, to provide guidance to pilots’ association in the whole country to prevent the infringements.</u></p>

- ◆ JFTC strictly deals with abuse of superior bargaining position and, from the viewpoint for preventing it, conducts investigations in an efficient and effective manner.
- JFTC established “Task Force for Abuse of Superior Bargaining Position”.
 - ⇒ JFTC issued cautions to such enterprises as retailers, wholesalers, hotels, etc. whose practices may lead to infringements.

FY	2011	2012	2013	2014	2015
Number of Cautions	52	57	58	49	51

- ◆ JFTC strictly deal with unjust low price sales
 - Warning to the 2 petroleum products retailers that operate gas stations in Tokoname City, Aichi Prefecture (on the grounds of suspected unjust low price sales of regular gasoline).
- ◆ Swift responses from preventive perspectives
 - Regarding alleged cases in retail sectors such as liquors, petroleum products and home appliances, JFTC sets a goal to complete its investigations within two months in principle.
 - Cautions are issued to those which may lead to unjust low price.

FY	2011	2012	2013	2014	2015
Liquor	1,138	1,123	847	635	490
Petroleum product	444	426	452	326	341
Home Appliances	142	121	29	3	3
Others	48	66	38	18	7
Total	1,772	1736	1,366	982	841