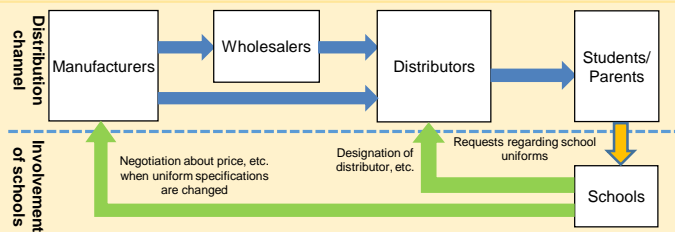


- In most cases, public junior high schools (hereinafter, "schools") do not directly purchase school uniforms.
- However, considering the requests from students/parents who actually bear the financial burden of purchasing school uniforms, some schools are partially involved with manufacturers or distributors in trades of school uniforms.



Acts of schools

• The involvement of schools in trades of school uniforms

• Depending on how school acts, the involvement might induce violation of the AMA by manufacturers or distributors.

- **If a school requests that its manufacturer be to set the prices presented in a competition or comparative estimates from multiple firms equal to the selling price of distributors that parents will actually pay**, and if the manufacturer restricts distributor's free decision on selling price, the act of the manufacturer could become problematic under the AMA (restricting resale price).
- **If a school asks its distributors to adjust their selling prices to the same level**, and if the distributors fix selling prices in concert with other distributors, the acts of the distributors could become problematic under the AMA (unreasonable restraint of trade).
- **If a school asks a distributor who wants to be a new designated distributor or handled distributor (designated distributor, etc.) to discuss with the existing designated distributors, etc.**, and if the existing designated distributor, etc. does not reasonably respond to the asking of a school, the act of the existing designated distributor, etc. could become problematic under the AMA (interference with a competitor's transactions, etc.).

Actions schools are expected to take

✓ When a school is involved in trades of school uniforms, the school is expected to take the following actions so that competition works effectively between manufacturers and between distributors.

- (1) Selection of manufacturers and designated distributors, etc.
 - By promoting competition between manufacturers or distributors, **students and parents are more likely to purchase inexpensive, high-quality school uniforms. To that end, the schools are expected to select manufacturers and designated distributors, etc. in an appropriate way such as competitions, bids, and comparative estimates from multiple firms.**
 - When **the school** introduces its designated distributors, etc. to parents, the school's effort to increase the number of such distributors by accepting offers from new entrants who want to be new designated distributors, etc. would create more distribution routes and a business environment favorable to students or parents. **To that end, the schools that introduce their designated distributors, etc. are expected to increase the number of such distributors.**
- (2) The involvement of schools in the determination of selling prices of school uniforms
 - **When a school holds a competition or conducts comparative estimates from multiple firms inviting manufacturers, and if the school is involved in the determination of selling price of school uniforms in the process, the school is expected to request manufacturers be to submit wholesale price, not retail price, in competitions or comparative estimates from multiple firms.**
 - **When a school requests their distributors to curtail their selling prices, the school is expected to do so in a way that would not induce them to violate the AMA, e.g. distributors' price fixing.**

Actions manufacturers and distributors are expected to take

- ✓ Not to mention violations attributable to themselves, manufacturers and distributors must keep in mind that they would be held legally liable for acts violating the AMA even if those result from the involvement of schools. The JFTC expects that they trade properly with this in mind.

Actions to be taken by the JFTC

- ✓ The JFTC will actively distribute the results of this survey widely to school officials, keep monitoring trades of school uniforms at public junior high schools and take strict actions against any violations of the AMA.