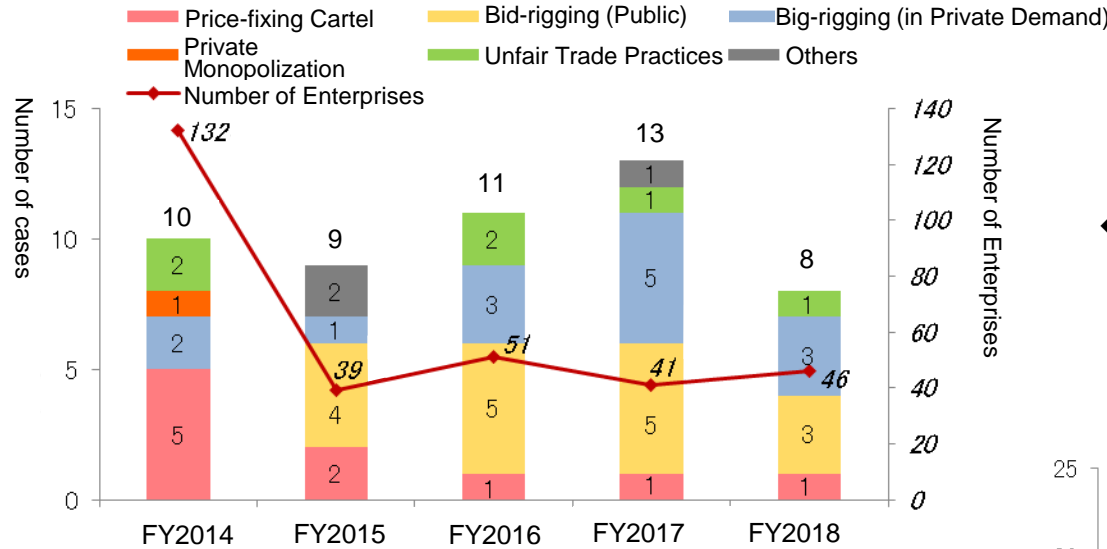


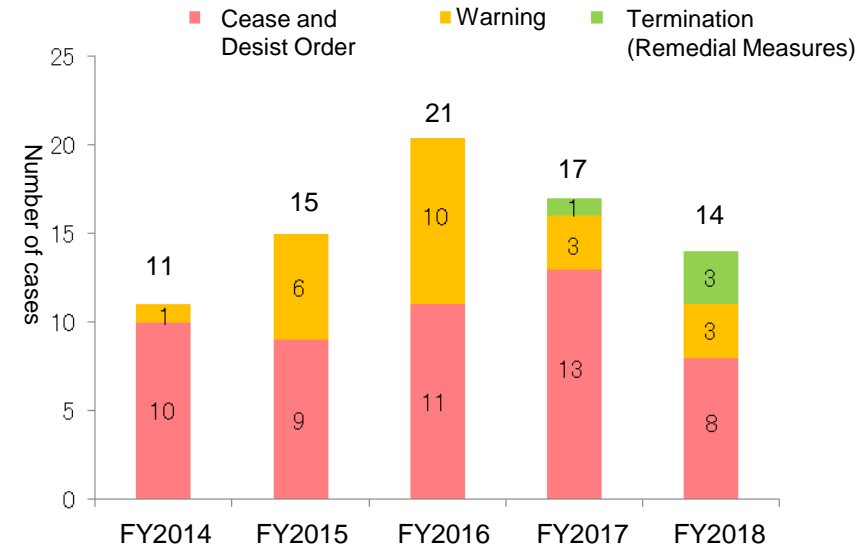
Enforcement of the Antimonopoly Act in FY2018 (Summary)

June 5, 2019
Japan Fair Trade Commission

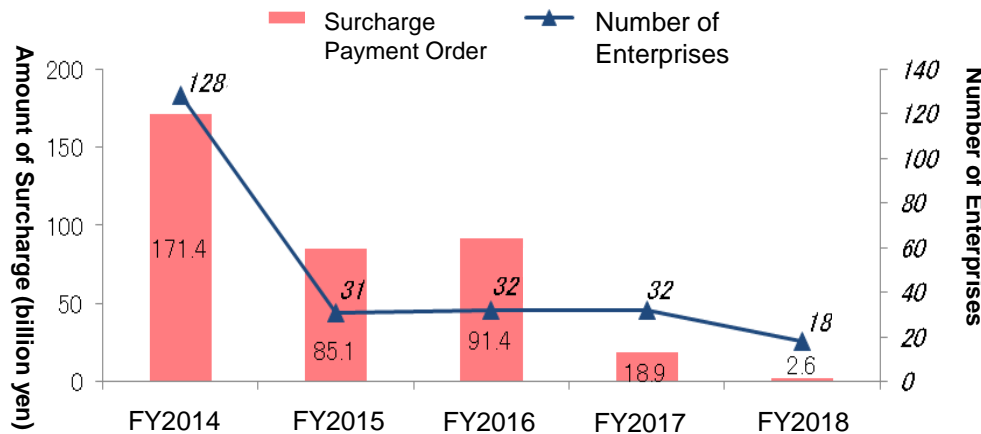
◆ 8 Legal Measures (8 cease and desist orders)



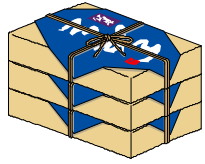
◆ Three each for warning and remedial measures



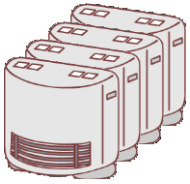
◆ Total Surcharges Amount: Approx. 260 million Yen



Types of Conduct	Cases
Price-fixing	Department stores located in Kinki area (Cease and desist orders, October 2018)
Bid-rigging (Public)	Contractors participating in biddings of construction-related operations ordered by Miyagi Prefecture, or Osaki City and Osaki City Land Development Corporation (Three cease and desist orders, July 2018)
Bid-rigging (in Private Demand)	<ul style="list-style-type: none"> -Uniform distributors who receive orders from All Nippon Airways Co., Ltd (Cease and desist orders, July 2018) - Participants in comparisons of estimates for docomo shop uniforms (Two cease and desist orders, October 2018)
Unfair Trade Practices	Fujita Corporation (Cease and desist orders, July 2018)



Reduction in payment to suppliers by a wholesaler/retailer



Request for procurement of fan heaters at a more than necessary volume to service shops by a gas company



Unreasonable restraint of taxi business of its members by a taxi business cooperative association



Limitation on information posting for breeders by an operator of the intermediate site of the pet business



Limitation on mobile phone operators' activities under contracts related to the smart phone business



Limitation on operations of business partners by an operator of the intermediate site of the vacation rental services

Warning

Close investigation after the voluntary remedial measure from the enterprises

Promptly restoring competitive environment depending on cases

Maintaining/promoting fair and free competition

- ◆ JFTC strictly deals with abuse of superior bargaining position, and issues warnings or cautions to prevent violations in an efficient and effective manner.
 - Investigations by the “Task Force for Abuse of Superior Bargaining Position”
 - ⇒ JFTC issued a warning to a wholesaler/retailer selling goods produced in Iwate Prefecture, in relation to an abuse of a superior bargaining position against suppliers. (November 21, 2018)
 - ⇒ JFTC issued cautions to enterprises including retailers and accommodation operators whose practices may lead to violations of the law.

(numbers of cautions)

FY	2014	2015	2016	2017	2018
Cautions	49	51	48	49	56

◆ Prompt Enforcement for Prevention

- Regarding cases in retail sectors such as liquors, petroleum products and home appliances, etc., JFTC aims to complete its investigations within two months in principle.
- Cautions against conducts which may lead to unjust low price sales

(numbers of cautions)

FY	2014	2015	2016	2017	2018
Liquors	635	490	420	96	22
Petroleum products	326	341	732	352	194
Home appliances	3	3	1	4	0
Others	18	7	2	5	11
Total	982	841	1,155	457	227

- Cautions to oil product wholesalers who have sold regular gasoline to oil retailers at a price significantly below its supply cost, because such conducts may lead to unjust low price sales (3 cases)

Efforts on tackling suspicious antimonopoly violations in IT/digital-related areas including conducts by digital platform operators

IT Task Force

Contact Hotline of IT/Digital Sector
(established in Oct. 21, 2016)

Request for remedial measures by business operators (3 cases)

- **Minna no Pet Online co, Ltd. was suspected of restricting the breeders who used the pet intermediate site operated by the company to post information related to dogs or cats on other pet intermediate sites.
(Announced in May 2018)**
- **Apple Japan, Inc. was suspected of limiting the business activities of three companies, i.e. docomo, KDDI and SoftBank, regarding their subsies offered to be provided to users purchasing iPhones, based on the contracts between Apple Japan and each of the three companies.
(Announced in July 2018)**
- **Airbnb was suspected of limiting the activities of business partners, by providing terms in contracts to limit posting of information concerning vacation rental services using API by such business partners in other vacation rental service intermediate sites via APIs.
(Announced in October 2018)**

- ◆ JFTC demands orderers to implement improvement measures when it recognizes the improvement in bid riggings by the orderers, and urges orderers to take measures necessary in light of competition policy.

Orderers	Details of the demand, etc.
Ministry of Agriculture, Forestry and Fisheries	<p><u>-Conducts of staff in Tohoku Regional Agricultural Administration Office</u></p> <p>In the Tohoku Regional Agricultural Administration Office, the staff in the Office engaged in informing former staff of the Ministry of Agriculture, Forestry and Fisheries(MAFF), who belongs to the construction enterprise qualified for a competition participation, of undisclosed information including the date of invitation for the bid as well as correcting technical proposals, etc., regarding general civil engineering works ordered by MAFF through the open bidding. Such conducts would induce violations of the Antimonopoly Act, and also disregard the purpose of the competitive bidding system. Therefore, JFTC requested MAFF to take appropriate measures against their related staff, to avoid any repetition of such conducts. (June 14, 2018)</p> <p><u>-Conducts of former staff of Tohoku Regional Agricultural Administration Office belonging to 10 construction companies</u></p> <p>Additionally, former staff of the Tohoku Regional Agricultural Administration Office belonging to 10 construction enterprises communicated and confirmed the intent of participation in biddings regarding general civil engineering works. Such conducts may lead to violations of the Antimonopoly Act. Therefore, JFTC requested MAFF to provide training on the compliance with the Antimonopoly Act to the staff of the MAFF before he/she quits the job, avoiding the repetition of such conducts. (June 14, 2018)</p>
Miyagi Prefecture	<p>Miyagi Prefecture requested all bidders to submit a written pledge requesting certification of non-commitment of bid-rigging, including one company who admitted committing bid-rigging, regarding the specific biddings among construction-related operations for which an order was placed by the northern civil engineering office. JFTC requested Miyagi Prefecture to take necessary measures such as revising manuals on bid-rigging information stipulated by the Prefecture. (July 26, 2018)</p>