

JFTC Issued Cease and Desist Orders against Uniform Distributors
of Aichi Prefectural High Schools in Toyota City.

July 1, 2020

Japan Fair Trade Commission

JFTC today issued cease and desist orders pursuant to the provision of Paragraph 2, Article 7 of the Antimonopoly Act (hereinafter referred to as “AMA”) against the uniform distributors of six high schools in Toyota City, Aichi Prefecture, as described in Section 1 below.

In this case, the uniform distributors of the six high schools in Toyota City had committed acts that violate the Article 3 (falling under the Paragraph 6, Article 2 [prohibition of unreasonable restraint of trade]) of the AMA.

In addition, JFTC today conveyed to the Aichi Prefectural Board of Education, which administers the six high schools in Toyota City, concerns regarding fair competition that Aichi Prefectural High Schools should keep in mind in relation to the uniform distribution, as described in Section 2 below.

Section1 Companies subject to the cease and desist order

1 The number of companies involved in the violation and that of companies subject to the cease and desist order (See also the appendix);

	Number of companies involved in the violation	Number of companies subject to the cease and desist order
Toyota North High School	4	3
Toyota South High School	3	2
Toyota West High School	2	1
Toyota High School	3	2
Yutakano High School	3	2
Toyota Technical High School	2	2
Accumulated number	17 (4 companies involved in the violation)	12 (3 companies subject to order)

2 Outline of the Violation

(1) Uniforms of Toyota North High School

a. Four companies (distributors numbered 1 to 4 in the attached appendix), for

quite a while, had exchanged information about selling prices of uniforms of Toyota North High School and they reached the agreement to jointly raise selling prices of the uniforms. Based on the agreement, at the latest from September 2015, they jointly determined the selling prices of uniforms by holding meetings, etc. In such a case that their purchase prices of the school uniforms were expected to rise and so on.

- b. By the above agreement, these four companies substantially restrained competition in the field of selling uniforms of Toyota North High School.

(2) Uniforms of Toyota South High School

- a. Three companies (distributors numbered 1, 3 and 4 in the attached appendix), for quite a while, exchanged information about selling prices of uniforms of Toyota South High School and they reached the agreement to jointly raise selling prices of the uniforms. Based on the agreement, at the latest from May 2015, they jointly determined the selling prices of uniforms by holding meetings, etc. In such a case that their purchase prices of the school uniforms were expected to rise and so on.

- b. By the above agreement, these three companies substantially restrained competition in the field of selling uniforms of Toyota South High School.

(3) Uniforms of Toyota West High School

- a. Two companies (distributors numbered 2 and 4 in the attached appendix), for quite a while, exchanged information about selling prices of uniforms of Toyota West High School and they reached the agreement to jointly raise selling prices of the uniforms. Based on the agreement, at the latest from September 2015, they jointly determined the selling prices of uniforms by holding meetings, etc. In such a case that their purchase prices of the school uniforms were expected to rise and so on.

- b. By the above agreement, these two companies substantially restrained competition in the field of selling uniforms of Toyota West High School.

(4) Uniforms of Toyota High School

- a. Three companies (distributors numbered 1, 2 and 4 in the attached appendix), for quite a while, exchanged information about selling prices of uniforms of Toyota High School and they reached the agreement to jointly raise selling prices of the uniforms. Based on the agreement, at the latest from September

2015, they jointly determined the selling prices of uniforms by holding meetings, etc. In such a case that their purchase prices of the school uniforms were expected to rise and so on.

- b. By the above agreement, these three companies substantially restrained competition in the field of selling uniforms of Toyota High School.

(5) Uniforms of Yutakano High School

- a. Three companies (distributors numbered 2 to 4 in the attached appendix), for quite a while, exchanged information about selling prices of uniforms of Yutakano High School and they reached the agreement to jointly raise selling prices of the uniforms. Based on the agreement, at the latest from September 2015, they jointly determined the selling prices of uniforms by holding meetings, etc. In such a case that their purchase prices of the school uniforms were expected to rise and so on.
- b. By the above agreement, these three companies substantially restrained competition in the field of selling uniforms of Yutakano High School.

(6) Uniforms of Toyota Technical High School

- a. Two companies (distributors numbered 2 and 3 in the attached appendix), for quite a while, exchanged information about selling prices of uniforms of Toyota Technical High School and they reached the agreement to jointly raise selling prices of the uniforms. Based on the agreement, at the latest from September 2015, they jointly determined the selling prices of uniforms by holding meetings, etc. In such a case that their purchase prices of the school uniforms were expected to rise and so on.
- b. By the above agreement, these two companies substantially restrained competition in the field of selling uniforms of Toyota Technical High School.

3 Outline of the Cease and desist orders

JFTC issued cease and desist orders as follows for each of the violations described in 2 above.

- (1) Companies subject to the cease and desist orders (hereinafter referred to as "addressees") shall resolve at the general meeting of shareholders;
 - a. to confirm termination of the agreement described in 2 above;
 - b. to ensure that they shall not determine the selling prices of the uniforms of

Aichi Prefectural High Schools, for which they are designated distributors¹, mutually nor jointly with any other uniform distributors and will determine them individually; and

c. to ensure that they will not exchange information about the selling prices of uniforms of Aichi Prefectural High School, for which they are designated distributors, mutually nor jointly with any other uniform distributors.

(2) Each of the addressees shall notify the measures taken in accordance with (1) above to the other addressees and the six schools, inform them of general consumers, and ensure that they are well known to and implemented by its employees.

(3) Each of the addressees in the future shall not determine the selling prices of the uniforms of Aichi Prefectural High Schools, for which they are designated distributors, mutually nor jointly with any other uniform distributors and will determine them individually.

(4) Each of the addressees in the future shall not exchange information about the selling prices of uniforms of Aichi Prefectural High School, for which they are designated distributors, mutually nor jointly with any other uniform distributors.

Section2 Conveyance to the Aichi Prefectural Board of Education

1 As a result of this investigation, JFTC found that;

a. six high schools in Toyota City asked in advance the designated distributors to prepare a common flier that includes information of all distributors' selling prices;

b. some of six high schools in Toyota City conveyed their requests regarding uniforms via specific designated distributor to other designated distributors; and

c. some of six high schools in Toyota City held a meeting where all of designated companies were brought together.

2 In the case that Aichi prefectural school makes requests described in 1 above, the designated distributors, in the middle of discussion in response to requests, are likely to exchange information about the selling prices of uniforms with each other.

¹ "designated distributor" refers to a company designated by a school as a store where students can purchase school uniforms.

Therefore, JFTC conveyed to the Aichi Prefectural Board of Education that the Board of Education will share this concern regarding fair competition with Aichi Prefectural High Schools and exercise due caution so that such schools' requests should not be an opportunity for the designated distributors to exchange information about the selling prices of uniforms.

* Every announcement is tentative translation. Please refer to the original text written in Japanese.

URL: <https://www.jftc.go.jp/houdou/pressrelease/2020/jul/200701.html>