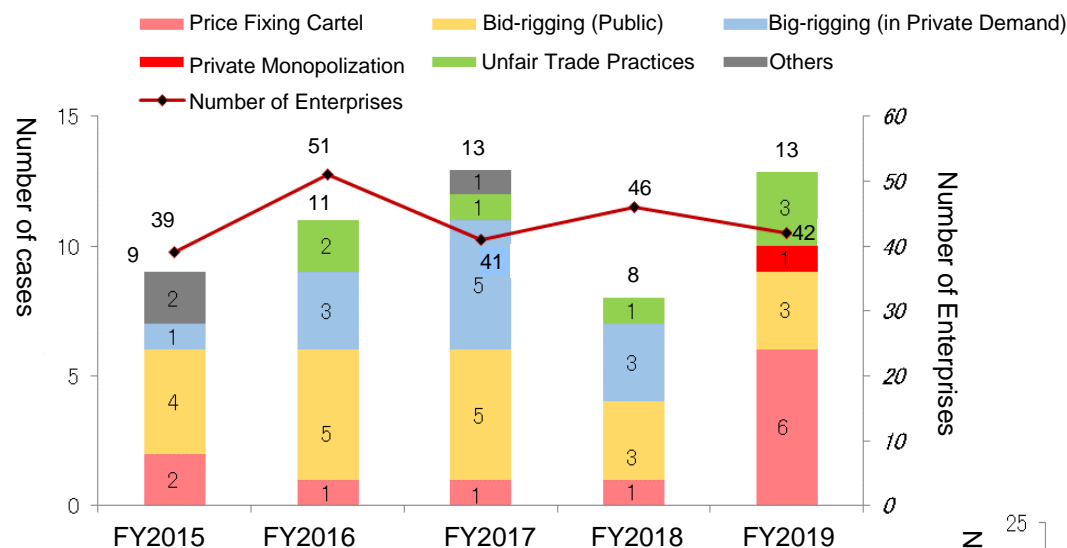


Enforcement of the Antimonopoly Act in FY2019 (Summary)

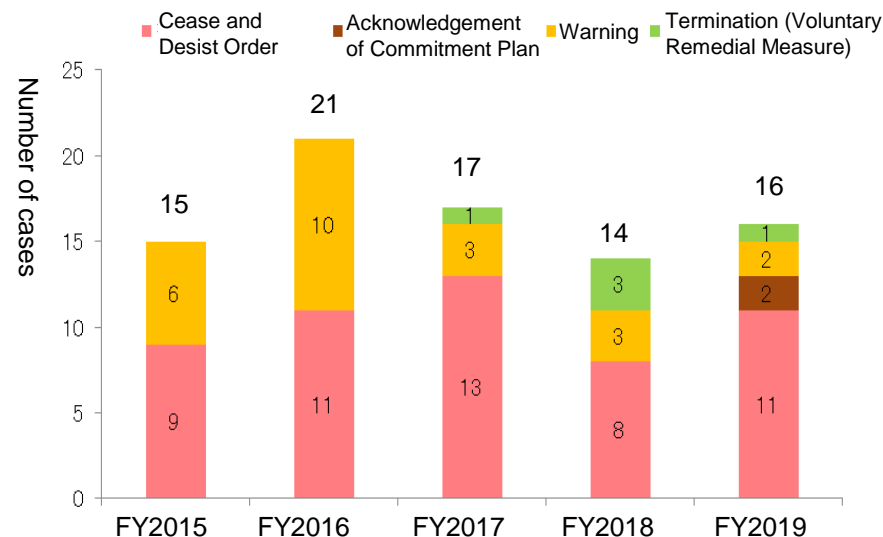
June 17, 2020
Japan Fair Trade Commission

◆ 13 Legal Measures (11 cease and desist orders and 2 acknowledgements of commitment plan)

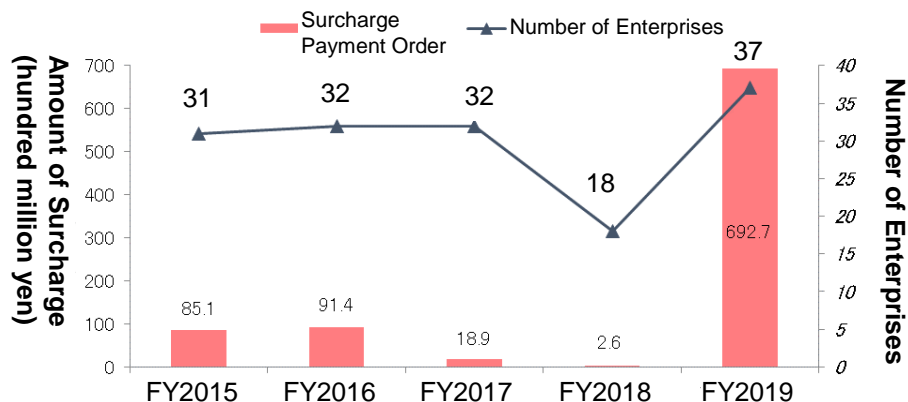
*Commitment procedures enforced on December 30, 2018.



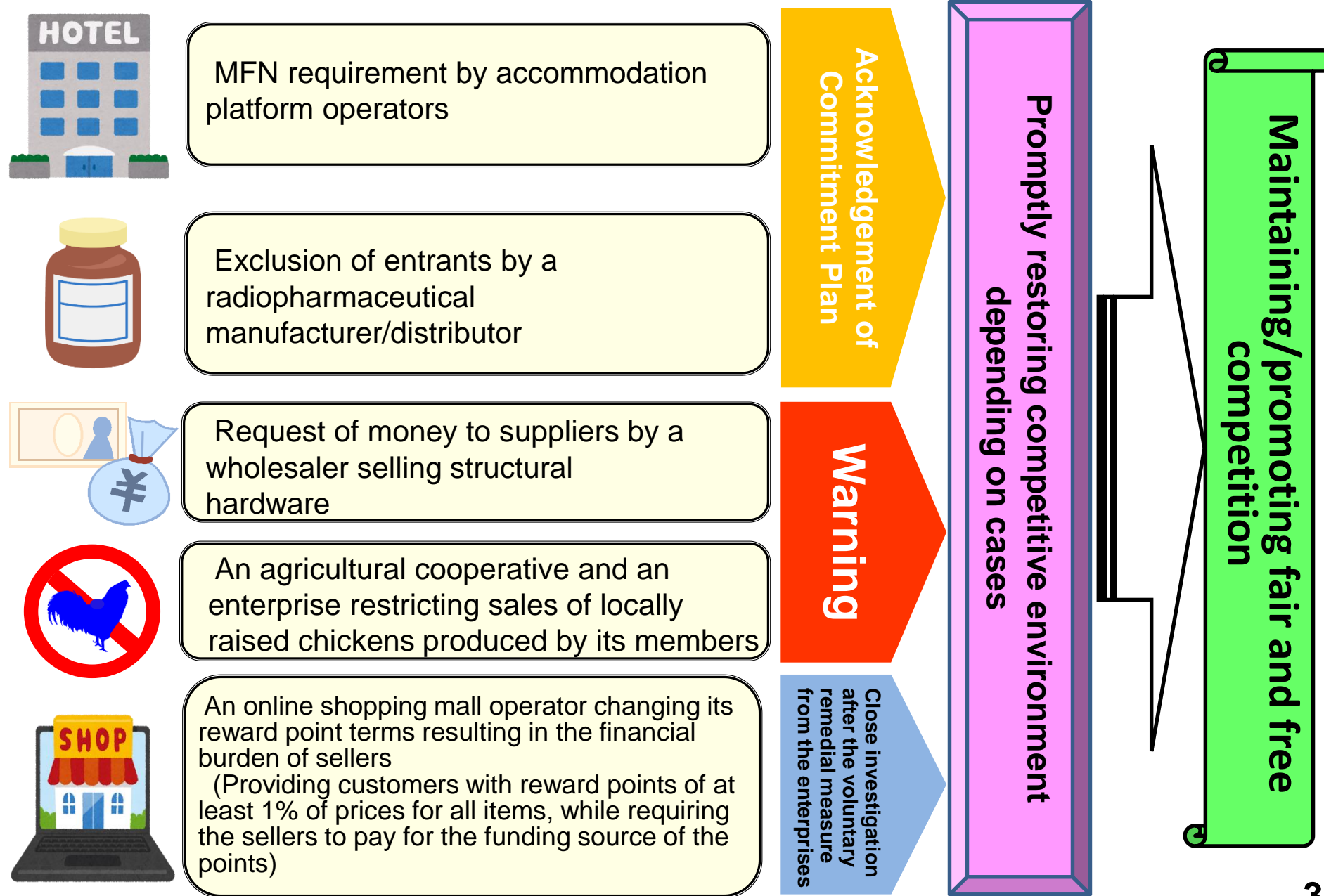
◆ 2 Warnings and 1 Voluntary remedial measure



◆ Total Surcharges Amount: Approx. 69.27 billion Yen



Types of Conduct	Cases
Private Monopolization (*Including unfair trade practices)	<ul style="list-style-type: none"> ·Nihon Medi-Physics Co., Ltd. (The commitment plan acknowledged in March 2020)
Price-fixing	<ul style="list-style-type: none"> ·The generic drug manufacturers of oral disintegrating tablet for lanthanum carbonate hydrate (June 2019) ·The manufacturers/distributors of modified asphalt for pavement (June 2019) ·The manufacturers/distributors of asphalt mixture (July 2019) ·The manufacturers/distributors of aluminum/steel can for beverages (September 2019 2 orders) ·The distributors of Calvin tablet (March 2019)
Bid-rigging (Public)	<ul style="list-style-type: none"> ·The contractors participating in comparison of estimates for operation management work of wastewater treatment facility in a water treatment plant ordered by Tokyo Metropolitan Government (July 2019) ·The distributors of active carbon ordered by local government in Eastern Japan or Kinki Area (November 2019, 2 orders)
Unfair Trade Practices	<ul style="list-style-type: none"> ·Aprica Children's Products G.K. (July 2019) ·Combi Corporation (July 2019) ·Rakuten, Inc. (Commitment plan acknowledged in October 2019)



- ◆ 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 selling structural hardware with regard to its abuse of superior bargaining position against suppliers. (May 15, 2019)
 - ⇒ JFTC issued cautions to enterprises including retailers and accommodation operators whose practices may lead to violations of the law.

(numbers of cautions)

FY	2015	2016	2017	2018	2019
Cautions	51	48	49	56	29

◆ 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	2015	2016	2017	2018	2019
Liquors	490	420	96	22	63
Petroleum products	341	732	352	194	162
Home appliances	3	1	4	0	2
Others	7	2	5	11	8
Total	841	1,155	457	227	235

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)

Voluntary remedial measure by an enterprise, acknowledgement of commitment plan, and petition for an urgent injunction (1 each)

- **Amazon Japan G.K. changed contracts with merchants, which provided customers with rewards points of at least 1% of prices for all items, and required the merchants to pay for the points.**
(Investigation closed in April 2019 given the voluntary remedial measures offered by Amazon Japan G.K.)
 - **Rakuten, Inc, operating Rakuten Travel, stipulated terms in the contracts with accommodation operators, requiring the same or better conditions on the minimum number of available rooms, room charges and room availability compared to other sales channels.**
(Commitment plan acknowledged in October 2019)
 - **Rakuten, Inc changed its terms and conditions by introducing so-called “ Shipping Inclusive Program Measures ” that unable merchants to charge any shipping fees to consumers, which resulted in disadvantages for the merchants.**
- JFTC filed a petition for an urgent injunction in February 2020.
In March 2020, the petition was withdrawn after Rakuten stated that it allowed the merchants to decide whether to participate in the measures or not.

- ◆ 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.
Tokyo Metropolitan Government	<p>- Demand for remedial measures to the Governor of Tokyo</p> <p>When the Tokyo Metropolitan Government carried out comparisons of estimates regarding a contract for operation management work at the wastewater treatment facility of a water treatment plant, where bid-rigging had been recognized by JFTC, an official of the Tokyo Metropolitan Government imparted information regarding unreleased expected unit prices to specific contractors among those participating in the comparison of estimates, which was before the date of the actual comparison of estimates or before the deadline of the submission of estimates. Therefore, JFTC demanded the Governor of Tokyo to immediately take improvement measures necessary to ensure that this involvement in the bid-rigging was ceased concerning operation management work at the water treatment plant's wastewater treatment facility. (July 11, 2019)</p>
	<p>- Request to Tokyo Metropolitan Government Bureau of Waterworks</p> <p>Other than the above, when an official of the Tokyo Metropolitan Government carried out other comparisons of estimates regarding the contract for the operation management work of the wastewater treatment facility in the water treatment plant, an official of the Tokyo Metropolitan Government imparted information regarding the unreleased expected unit price to the employees of specific contractors among those participating in the comparisons of estimates, or employees of contractors who received the order, before the date of the actual comparisons of estimates or when contract forms and other forms were issued. Therefore JFTC urged the Tokyo Metropolitan Government Bureau of Waterworks to inform their employees of the purpose and contents of the Antimonopoly Law and Act on Elimination and Prevention of Involvement in Bid Rigging, etc, to check the actual situation of the comparisons of estimates, etc. and to take appropriate improvement measures if necessary. (July 11, 2019)</p>