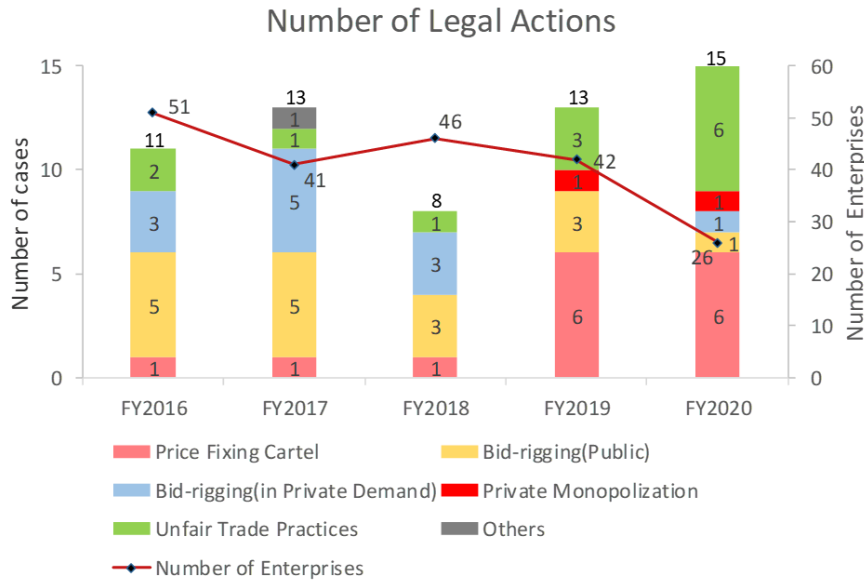


Enforcement of the Antimonopoly Act in FY2020 (Summary)

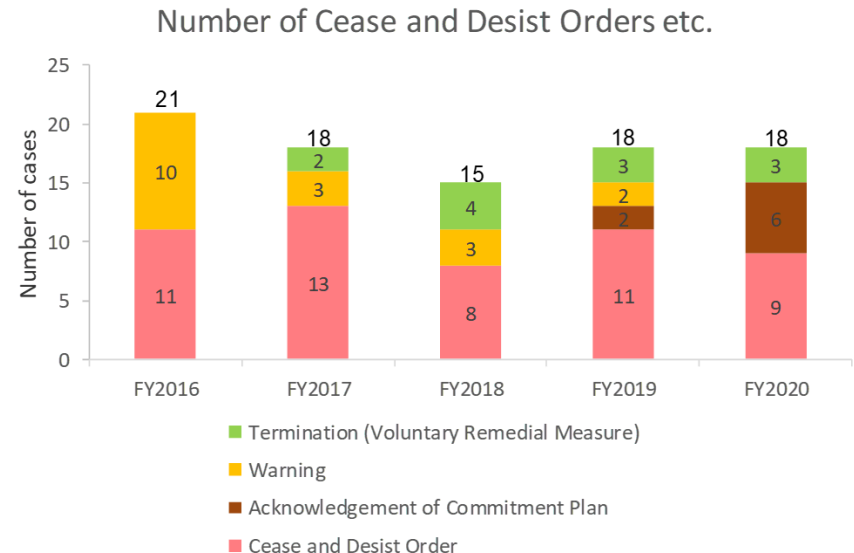
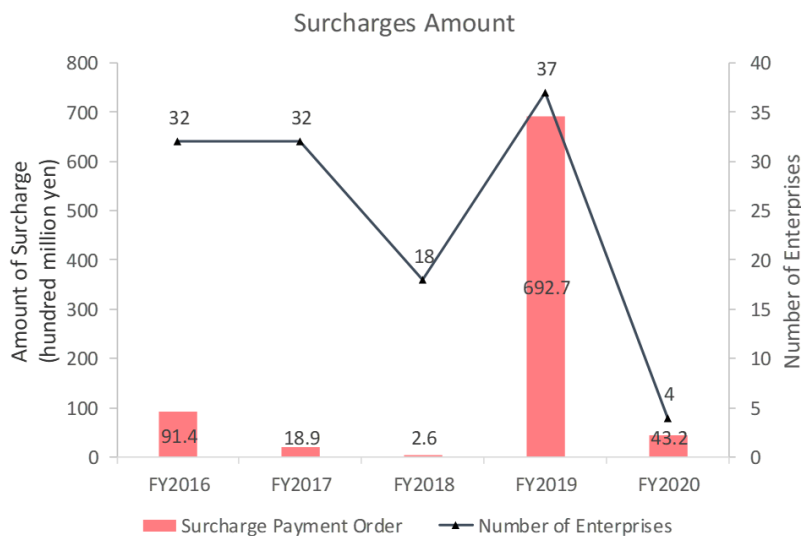
May 26, 2021
Japan Fair Trade Commission

◆ 15 Legal Measures (9 cease and desist orders and 6 acknowledgements of commitment plan)



- ◆ 1 Criminal accusation to the public prosecutor general
- ◆ 2 Voluntary remedial measures taken by enterprises

◆ Total Surcharges Amount: Approx. 4.32 billion Yen



Types of Conduct	Cases
Private Monopolization (*Including unfair trade practices)	<ul style="list-style-type: none"> ▪ Mainami Aviation Services Co., Ltd. (Surcharge payment order in February 2021)
Price-fixing	<ul style="list-style-type: none"> ▪ Uniform Distributors of Aichi Prefectural High Schools in Toyota City (6 cease and desist orders in July 2020)
Bid-rigging (Public)	<ul style="list-style-type: none"> ▪ Specific Uniforms for Police Officers Ordered by Yamagata Prefecture (Cease and desist orders and surcharge payment orders in June 2020)
Bid-rigging (Private)	<ul style="list-style-type: none"> ▪ Construction of the Shinagawa and Nagoya New Terminal Stations for the Chuo Shinkansen using the Superconducting Maglev system Ordered by Central Japan Railway Company (Cease and desist orders and surcharge payment orders in December 2020)
Unfair Trade Practices	<ul style="list-style-type: none"> ▪ Cooper Vision Japan, Inc. (Commitment plan acknowledged in June 2020) ▪ Genky Stores, Inc. (Commitment plan acknowledged in August 2020) ▪ Amazon Japan G.K. (Commitment plan acknowledged in September 2020) ▪ SEED Co., Ltd. (Commitment plan acknowledged in November 2020) ▪ BMW Japan Corp. (Commitment plan acknowledged in March 2021) ▪ Alcon Japan Ltd. (Commitment plan acknowledged in March 2021)

◆ Bid-rigging for pharmaceuticals ordered by Japan Community Health Care Organization

- (1) This case was committed by the top ranked enterprises which wholesale pharmaceuticals nationwide.
- (2) This case caused serious damage to citizens, who pay the insurance premium under the Health Insurance System.
- (3) The amount of bids for the bid-rigging are large.
- (4) The accused companies or its group companies have received administrative measures by JFTC before.

⇒ Three wholesalers and seven individuals were accused to the public prosecutor general. (December 2020)

- ◆ Rapid recovery of competitive environment by acknowledging commitment plans
- ◆ Three commitment plans acknowledged in FY2020 include measures that have not been ordered in cease and desist orders in similar cases.
 - Measures that have not been ordered in cease and desist orders in similar cases
 - Genky Stores, Inc.
 - Amazon Japan G.K.
 - ⇒ Refund for suppliers (Recovery of monetary damages)
 - BMW Japan Corp.
 - ⇒ Guidelines which include formulation of sales targets based on rational grounds and agreements after sufficient discussion with dealers, etc.
 - ⇒ Adequate education for employees
 - ⇒ External reporting windows from dealers

◆ Products and services in cases published by JFTC in FY2020

Digital Platforms

Abuse of superior bargaining position against suppliers

Construction of the new station

Bid-rigging (Private)

Aviation Fuel

Private monopolization

City Gas

Private monopolization

Contact Lenses

Restriction on Internet sales, etc.

Professional Baseball (players' contract)

Acts by trade associations, making their members undertake concerted refusal to trade

Uniforms of Prefectural High Schools

Price-fixing

Pharmaceuticals

Bid-rigging (Public)

Cars

Abuse of superior bargaining position against dealers

Drugstore

Abuse of superior bargaining position against suppliers

Subsidy program of rent burdens for the small-and-medium-enterprises affected by COVID-19

Interference with a competitor's transactions

Uniforms for Police Officers

Bid-rigging (Public)

◆ JFTC strictly deals with abuse of superior bargaining position, and issues warnings or cautions to prevent violations in an efficient and effective manner.

- Acknowledgement of commitment plan
 - Genky Stores, Inc.
 - Amazon Japan G.K.
 - BMW Japan Corp.

➤ Investigations by the “Task Force for Abuse of Superior Bargaining Position”
⇒ JFTC issued cautions to enterprises including retailers and accommodation operators whose practices may lead to violations of the law.

(numbers of cautions)

FY	2016	2017	2018	2019	2020
Cautions	48	49	56	29	47

◆ 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	2016	2017	2018	2019	2020
Liquors	420	96	22	63	9
Petroleum products	732	352	194	162	115
Home appliances	1	4	0	2	0
Others	2	5	11	8	12
Total	1,155	457	227	235	136

- ◆ 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.
Yamagata Prefecture	<p>Prior to conducting the bidding for the specific uniforms for police officers, Yamagata Prefecture, in principle, collected reference quotations from three companies that had delivered the uniforms to Yamagata Prefecture in the previous year in order to set the estimated price of the uniforms. While setting the lowest quotation as the estimated price (among five enterprises in violation of the Act determined, the successful bidder set the reference quotation by so that the estimated price would be higher than the winning bid of the previous year.), these three enterprises were always selected among the five enterprises. Under such circumstances, in this case, it was found that when Yamagata Prefecture requested to provide reference quotations, the five enterprises decided on the successful bidder by taking into consideration their past performances in biddings, etc., and thus received the order at the same price or close to the estimated price.</p> <p>Therefore, JFTC requested Yamagata Prefecture to review the operation of the bidding system for police uniforms, etc.</p>
Aichi Prefectural Board of Education	<p>In the case that Aichi prefectural schools ask their designated distributors to prepare a common flier that includes information of distributors' selling prices, the designated distributors, in the course of communications in response to requests, are likely to exchange information about the selling prices of uniforms with each other. Therefore, JFTC conveyed to the Aichi Prefectural Board of Education that the Board of Education will share this concern 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 when Aichi Prefectural High Schools under the jurisdiction of the Board of Education request the designated distributors about uniforms.</p>