

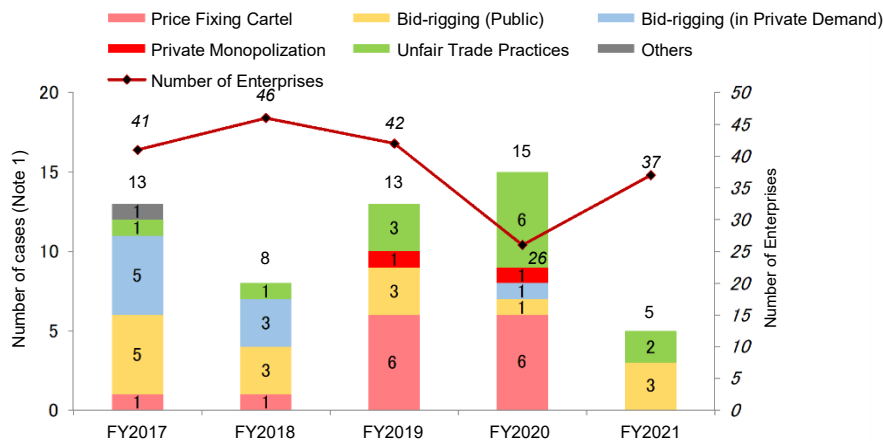
Enforcement of the Antimonopoly Act in FY2021 (Summary)

June 1, 2022

Japan Fair Trade Commission

◆ 5 Legal Measures (3 cease and desist orders and 2 approval of commitment plan)

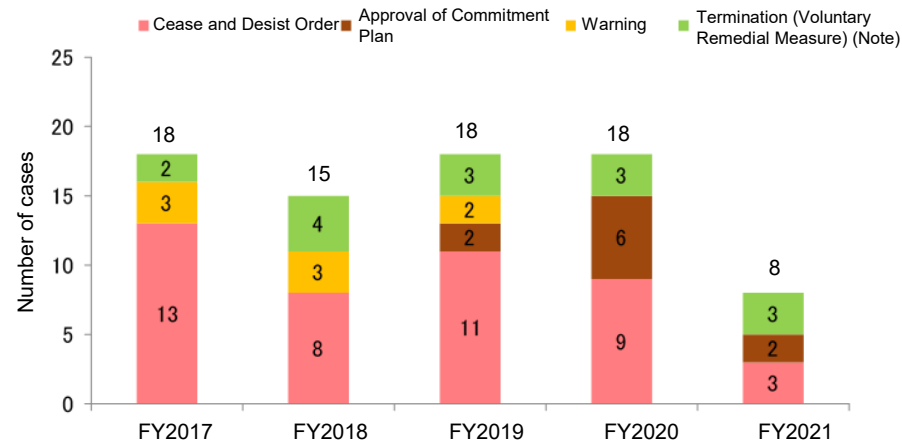
Number of Legal Actions (Note 1)



(Note 1) "Legal Measures" consists of cease and desist orders, surcharge payment orders, and approval of commitment plan. If a cease and desist order and surcharge payment order are jointly issued for a single case, the number of legal measures is counted as one.

(Note 2) If a case relates to both provisions concerning private monopolization and unfair trade practices, such case is classified as private monopolization.

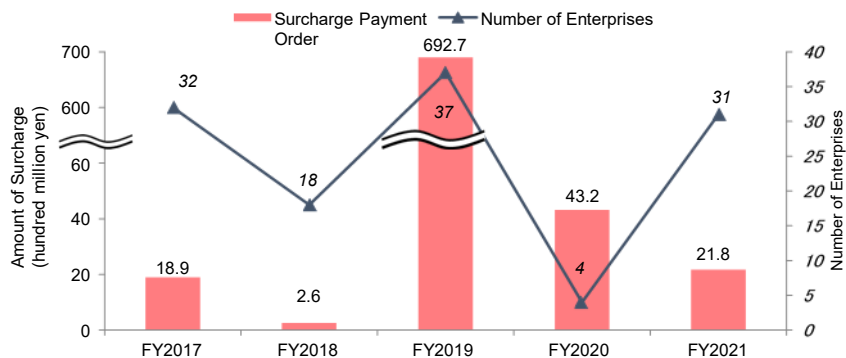
Number of Cease and Desist Orders, etc.



(Note) Limited to cases whose summaries were officially announced by the JFTC.

◆ Total Surcharges Amount: Approx. 2.18 billion Yen

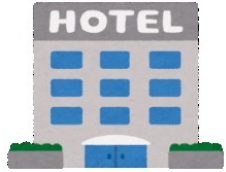
Surcharges Amount



(Note) Amount of Surcharge is rounded down to the nearest 10 million yen.

◆ 3 Voluntary remedial measures taken by enterprises

Types of Conduct	Cases
<p>Bid-rigging (Public)</p>	<ul style="list-style-type: none"> ▪ Case against participants in Biddings for Specific Electronic Security Services Ordered by the Public offices, etc. in Gunma Prefecture (Cease and desist orders and surcharge payment orders in February 2022) ▪ Case against participants in bidding for specific data printing services ordered by the Japan Pension Service (Cease and desist orders and surcharge payment orders in March 2022) ▪ Case against participants in biddings for pharmaceutical procurement ordered by Japan Community Healthcare Organization (Cease and desist orders and surcharge payment orders in March 2022)
<p>Unfair Trade Practices</p>	<ul style="list-style-type: none"> ▪ Case against Booking.com B.V. (Approval of commitment plan in March 2022) ▪ Case against Amer Sports Japan, Inc. and Wilson Sporting Goods Co. (Approval of commitment plan in March 2022)



Parity clause set by an operator of an **online accommodation reservation site** for operators of accommodation facilities,



Unjustified interference by manufacturers of **tennis rackets** against parallel imports.



Restriction on charging method as placed by a **digital platform operator** against application service providers.



Restriction on transactions with competitors, as placed by an **online funeral service** provider.



Detrimental change to the trade terms for shipping charges by store owners, which are set by an **online mall operator**.

Approval of
commitment plan

Conclusion of investigation in
light of voluntary measures taken
by enterprises

Rapid recovery of competitive environment while taking
into consideration details of the case

Maintaining and promotion of fair and
free competition

◆ Products and services in cases published by the JFTC in FY2021

Security service

Bid-rigging (Public)

Pension-related service

Bid-rigging (Public)

Sports equipment (tennis rackets)

Interference to parallel imports

Pharmaceuticals

Bid-rigging (Public)

Smartphone app

Restriction on charging method by application service providers

Accommodation reservation site

Parity clause required

Online mall

Abuse of a superior bargaining position against store owners

Funeral service site

Restriction on transactions with competitors

* Different colors are used for distinction, namely, orange for cease and desist orders, green for approval of commitment plan, and blue for conclusion of investigation in light of voluntary measures taken by enterprises.

Effective measures taken for problem solving

Summaries of acts

Case against Apple Inc.

(September 2021
Investigation concluded after confirmation that the enterprise took voluntary measures)

Concerning the operation of the App Store, which carries apps for iPhones, Apple Inc. is suspected of requiring developers pursuant to App Store Review Guidelines, to use the charging method designated by Apple Inc. ("IAP") for sales of digital content such as music, electronic books, and movies on apps. Furthermore, Apple Inc. is also suspected of prohibiting developers from acts such as including external links or buttons within the app to induce consumers into purchase other than using IAP.

Case against Uniquet Inc.

(December 2021
Investigation concluded in light of voluntary measures taken by the enterprise)

Concerning the online funeral service operated by Uniquet Inc. ("Uniquet"), Uniquet is suspected of restricting funeral operators entrusted the conduct of funerals to provide consumers funeral services by Uniquet from transacting with other online funeral service providers by use of an exclusive membership system.

Case against Rakuten Group, Inc.

(December 2021
Investigation concluded after confirmation that the enterprise took voluntary measures)

Rakuten Group, Inc. ("Rakuten") is suspected of setting or changing the terms of the trade, or conducting the trade, which is unjust in light of normal business practices and disadvantageous to the merchants by use of its superior bargaining position over them by engaging in transactions require store owners which owned shops on Rakuten Market since July 2019 or earlier to have no choice but to participate in the sales method called "Common Free Shipping Threshold".

Case against Booking.com B.V.

(March 2022
Approval of Commitment plan)

Booking.com B.V. ("Booking") is suspected of including provisions in a contract which is concluded with operators of Accommodation facilities stipulates that they must offer on Booking's site, accommodation on terms that be shall equivalent to, or more favorable than, the information listed on other sales channels in terms of the room rates and the availability of their Accommodation facilities, and requiring accommodation providers to comply with the conditions.

Measures

**Allowing of external links
(Applying globally)**

Abolishment of exclusive membership system, etc.

Inclusion of provisions concerning disposition for acts such as making approaches violate company's policy on matters such as respecting the intentions of shop owners about whether they participate in the sales method called "Common Free Shipping Threshold," etc.

Not to take acts, such as requiring their compliance with the terms described on the left, by use of a ranking algorithm, etc.

Establishment of a place of contact for providing information on IT/digital-related fields (October 21, 2016)

- To receive a wide range of information concerning suspected acts of violation of the Antimonopoly Act in IT/digital-related fields, the JFTC established a point of contact exclusively for information related to those fields on October 21, 2016. The JFTC plans to gather information more effectively in the future through measures such as further publicity of this point of contact.
- The number of cases through this point of contact each year since FY2016 is as follows.

(Unit: Case)

FY	2016	2017	2018	2019	2020	2021
Number of cases through this point of contact	50	104	117	180	182	140

- ◆ JFTC strictly deals with abuse of superior bargaining position and prevents violations in an efficient and effective manner.
 - Investigation concluded in light of voluntary measures taken by enterprises.
 - Case against Rakuten Group, Inc.
 - Investigations by the “Task Force for Abuse of Superior Bargaining Position”
 - ⇒ The JFTC issued cautions to enterprises including retailers, wholesalers and accommodation operators whose practices may lead to violations of the Antimonopoly Act.
 - ⇒ The JFTC issued cautions for acts of placing the burden of the detriment caused by the effect of COVID-19 to business partners.

(numbers of cautions)

FY	2017	2018	2019	2020	2021
Cautions	49	56	29	47	46

◆ Prompt Enforcement for Prevention

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

(number of cautions)

FY	2017	2018	2019	2020	2021
Liquors	96	22	63	9	29
Petroleum products	352	194	162	115	206
Home appliances	4	0	2	0	1
Others	5	11	8	12	8
Total	457	227	235	136	244

- ◆ In the case investigated, the JFTC demands orderers to take measures for matters that the JFTC decides necessary in light of competition policies.

Orderers	Details of the demand
Japan Pension Service	<p>The JFTC made following demands to the Japan Pension Service in light of the facts that were discovered in the process of investigation.</p> <ul style="list-style-type: none"> A. In the event of coming across information about bid-rigging in the future, necessary improvement shall be made so that the person in charge of order placement at the Japan Pension Service can notify JFTC appropriately. B. Appropriate measures shall be taken concerning the bidding method of the Japan Pension Service, including review of the bidding method to prevent bidders from knowing other bidders prior to bidding.