

Approval of the Commitment Plan submitted by SCINEX CORPORATION and  
SMARTVALUE Co., Ltd.

June 30, 2022  
Japan Fair Trade Commission

The Japan Fair Trade Commission (hereinafter referred to as the “JFTC”) has investigated SCINEX CORPORATION and Smartvalue Co., Ltd. (hereinafter referred to as the “Two companies”) in accordance with the provisions of the Antimonopoly Act (hereinafter referred to simply as the “Act”), and suspected that the Two companies’ conduct described below might fall under Interference with a Competitor's Transactions prescribed in paragraph 14 of Unfair Trade Practices designated pursuant to Article 2, paragraph 9, item (vi) of the Act, and that the Two companies might violate Article 19 of the Act.

Specifically, each of the Two companies has been urging municipalities, etc. considering order of redesign of their websites to include in the order specification the requirements that make it difficult for businesses providing content management system (hereinafter referred to as the “CMS”) of open source software to enter the competition for the order, by distributing draft specification documents, etc. describing that it is essential to apply the Two companies’ CMS instead of those of open source software for the purpose of information security, to the municipalities that do not have sufficient capacity to set specification concerning the CMS by themselves.

Recognizing that competition may be promptly restored, through the Commitment Procedure, by measures taken by the Two companies in a rapid manner to eliminate the above-mentioned conduct, the JFTC issued the Notice of Commitment Procedures to the Two companies on May 12, 2022, pursuant to Article 48-2 of the Act.

Each of the Two companies submitted an application to the JFTC for an approval of the plan of measures necessary to eliminate the above-mentioned conduct (hereinafter referred to as the “Commitment Plan”) pursuant to Article 48-3, paragraph 1 of the Act. The Commitment Plan, for instance, consists of (i) ceasing the above-mentioned conduct, (ii) the board of directors resolving to cease the above-mentioned conduct and not to perform the conducts similar to the above-mentioned conduct for the next three years, (iii) notification of the measures taken in accordance with (ii) to the relevant

municipalities, etc. and dissemination of the measures to the their own employees, and (iv) reporting to the JFTC on the status of implementation of above-mentioned measures. The JFTC recognized that the Commitment Plan would conform to both of the following approval requirements; (i) the measures are sufficient for eliminating the above-mentioned conduct, and (ii) the measures are expected to be reliably conducted; hence, the JFTC approved the Commitment Plan pursuant to Article 48-3, paragraph 3 of the Act today. (Note1) (Note2)

It is noted that the JFTC's approval of the Commitment Plan does not represent a determination that the Two companies' above-mentioned conduct constitutes a violation of the Act.

(Note 1) An approval of the Commitment Plan is an administrative disposition under the Act.

(Note 2) The JFTC is to render a decision to rescind the approval pursuant to Article 48-5, paragraph 1 of the Act and resume the investigation procedure conducted before the Notice of Commitment Procedures is issued, for instance, if the JFTC recognizes that the Commitment Plan is not being conducted according to the approved Commitment Plan.

\*This announcement is tentative translation.

Please refer to the original text written in Japanese for more details.