



Consultation case related to joint activities aiming to achieve carbon neutrality by constituent enterprises of a petrochemical complex

Summary of the consultation case

Idemitsu
Kosan

Tosoh

Tokuyama

NIPPON STEEL
Stainless Steel

Zeon

Installation and use of joint power generation equipment, etc.

Joint purchase of raw materials, etc.

Joint collection of carbon dioxide, etc.

Idemitsu Kosan Co., Ltd., Tosoh Corp., Tokuyama Corp.,

NIPPON STEEL Stainless Steel Corp. and Zeon Corp. who manufacture and sell petrochemical products, etc. consulted JFTC on **the initiatives mainly described in the following aiming to achieve carbon neutrality in the Shunan Complex**

- (1) **The initiatives such as installation and use of joint power generation equipment, etc. in order to switch from fossil fuel to materials including ammonia which does not emit carbon dioxide during combustion** regarding the fuel used in facilities including power generation equipment for electricity(*As a result, expected to reduce significant amount of carbon dioxide emission)
- (2) **The initiatives such as joint purchase of raw materials** to switch materials for the products from basic chemicals (Ethylene, Propylene, etc.) whose raw materials are fossil fuels, to bio basic chemicals, etc. whose raw materials emit less carbon dioxide
- (3) **The initiatives of joint collection of carbon dioxide** emitted during product manufacturing **and reuse of it as fuel and raw materials or store of it**

Analysis under the Antimonopoly Act

- The initiatives are expected to reduce significant amount of carbon dioxide, and are recognized as **the initiatives to realize a green society**
- The initiatives will affect the cost of the products, but, **regarding many of the products, since there is no competitive relationship among Idemitsu Kosan and other four companies for them**, the joint activities will not cause a substantial restraint of competition in any particular field of trade
- Regarding the competing products, since the geographical markets for these products are defined as "all of Japan," etc., **there are influential competitors, or competitive pressure from users of the products concerned, etc.**, and the joint activities will not cause a substantial restraint of competition in any particular field of trade

Summary of the JFTC's Answer

- ✓ **The joint activities (1), (2) and (3) above by Idemitsu Kosan and four other companies do not pose any problem under the Antimonopoly Act**
- ✓ **Even if there is a joint activity other than (1), (2) and (3) above, the joint activity to achieve carbon neutrality at the Shunan Complex does not pose any problem under the Antimonopoly Act except in cases where it will constitute an anti-competitive conduct like a sales-price cartel**