

Recommendation against Costco Wholesale Japan Co., Ltd. under the Subcontract Act

March 12, 2024

Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) today issued a recommendation against Costco Wholesale Japan Co., Ltd. (Costco) for violating the Subcontract Act.

The JFTC found that Costco had reduced payments to its 20 subcontractors without any fault of the subcontractors. The total amount of payment reduction was 33.5 million yen.

The JFTC also found that Costco had returned goods to its 11 subcontractors without fault of the subcontractors. The total amount of returns of goods was 2 million yen.

These conducts fall under “payment reduction” in Article 4, paragraph 1, item 3 and “return of goods” in Article 4, paragraph 1, item 4 of the Subcontract Act. The JFTC recommended that Costco resolve not to engage in the similar conducts and improve its compliance program.

* Note that this announcement is a tentative translation. For more details, please refer to [the original text](#) in Japanese.