

JFTC issues a recommendation to manufacturers of cold-rolled stainless steel sheets on price fixing

2 December 2003  
Japan Fair Trade Commission

JFTC, following an investigating into manufacturers of cold-rolled stainless steel sheets and steel strips (Excluding cold-rolled narrow strips), issued today a recommendation to 6 companies against infringement of Section 3 (unreasonable restraint of trade) of the Antimonopoly Act as follows:

1. Concerned companies

Nisshin Steel CO., Ltd.	Chiyoda-ku, Tokyo
Nippon Steel Corporation	Chiyoda-ku, Tokyo
Sumitomo Metal Industries, Ltd.	Chuo-ku, Osaka
Nippon Yakin Kogyo CO., Ltd.	Chuo-ku, Tokyo
Nippon Metal Industries CO., Ltd.	Shinjuku-ku, Tokyo
JFE Steel Corporation	Chiyoda-ku, Tokyo

Nippon Steel & Sumikin Stainless Steel Corporation which was established on 1 October 2003 by corporate division of Nippon Steel Corporation and Sumitomo Metal Industries Ltd. succeeded the stainless steel business of the both companies..

2. Outline of violation

The 6 companies have had meeting of directors in charge of sales and agreed on marking-ups of selling price of cold-rolled stainless steel sheets (except for ones for car manufacturers and large-scaled electronic manufacturers) as follows:

(1) Selling price to distributors

Period of considering: September to October 2001

Target: Mark up of 10 yen per 1kg from January 2002

Period of considering: May to August 2002

Target: Mark up of 20yen per 1kg for iron-chrome-nickel ones; 10 yen per 1kg for iron-chrome ones from September 2002

Period of considering: January 2003

Target: mark-up 20 yen per 1kg for iron-chrome-nickel ones; 10 yen per 1kg for iron-chrome ones from February 2003

(2) Selling price to consumers

Period of considering: March to early April 2002 from May 2002

Target: mark-up of 20 yen per 1kg

They shall begin requesting consumers for the mark-up in April 2002.

Thus the 6 companies had been substantially restricting the competition in the trading field of cold-rolled stainless steel sheets and steel strips in Japan.

### 3. Outline of elimination measures

- (1) The 6 companies shall confirm that the agreement of above 2 has practically lapsed after 12 March 2003.
- (2) Nisshin Steel CO., Ltd., Nippon Yakin Kogyo CO., Ltd., Nippon Metal Industries CO., Ltd., and JFE Steel Corporation (hereinafter "the 4 companies ") shall notify the distributors and customers that they will take measures according to above 3(1). Nippon Steel Corporation and Sumitomo Metal Industries Ltd.,(hereinafter "2 companies ") shall notify Nippon Steel & Sumikin Stainless Steel Corporation and the distributors and customers that they will take measures in accordance with above 3(1).
- (3) The 4 companies shall not exchange information with each other or other manufacturers, and the 2 companies shall not exchange information with the 4 companies or other manufacturers except for Nippon Steel & Sumikin Stainless Steel Corporation regarding a mark-up of the sales prices of cold-rolled stainless steel sheets and steel strips.
- (4) The 4 companies shall not engage in the similar conduct to above 2. The 2 companies shall not have Nippon Steel & Sumikin Stainless Steel Corporation engage in similar conduct to above 2 or exchange information with the 4 companies or other manufacturers regarding a mark-up of the sales prices of cold-rolled stainless steel sheets and steel strips.
- (5) The 4 companies shall take necessary measures to hold a seminar on the Antimonopoly Act for the sales representatives and to introduce regular inspections by the legal division, and inform the executive and employees of this..
- (6) The 2 companies shall direct Nippon Steel & Sumikin Stainless Steel

Corporation to take measures to hold a seminar on the Antimonopoly Act for the sales representatives and to introduce regular inspections by the legal division.

4. The due date of the acceptance of the recommendation: 12 December 2003

The JFTC will issue a decision in line with the recommendation .if accepted. If not, hearing procedures shall commence.