

**Processing status of the Antimonopoly Act enforcement in FY2005  
( Summary )**

May 31, 2006

Fair Trade Commission of Japan

Based on the policy, - prompt and effective enforcement of the Antimonopoly Act ( AMA ) - , the Fair Trade Commission of Japan ( JFTC ) has dealt strictly and positively with violations of the AMA, particularly price-fixing cartels, bid-riggings, and unfair trade practices such as abuse of dominant bargaining position and unjust low price sales which cause unfair disadvantage to small and medium-size enterprises ( SMEs ) .

**1. Summary of cases investigated**

In FY2005, the JFTC took legal measures against a total of 492 entrepreneurs in 19 cases.

( Two cases of which were issued as cease-and desist orders based on the 2005 Amended AMA. )

In specific terms, the JFTC effectively managed a variety of cases precisely responding to social needs, with 13 cases of bid-riggings, 4 cases of price-fixing cartels, and 2 cases of unfair trade practices.

Receiving 26 leniency applications based on the Amended AMA. ( from January 4 to March 31 ,2006 )

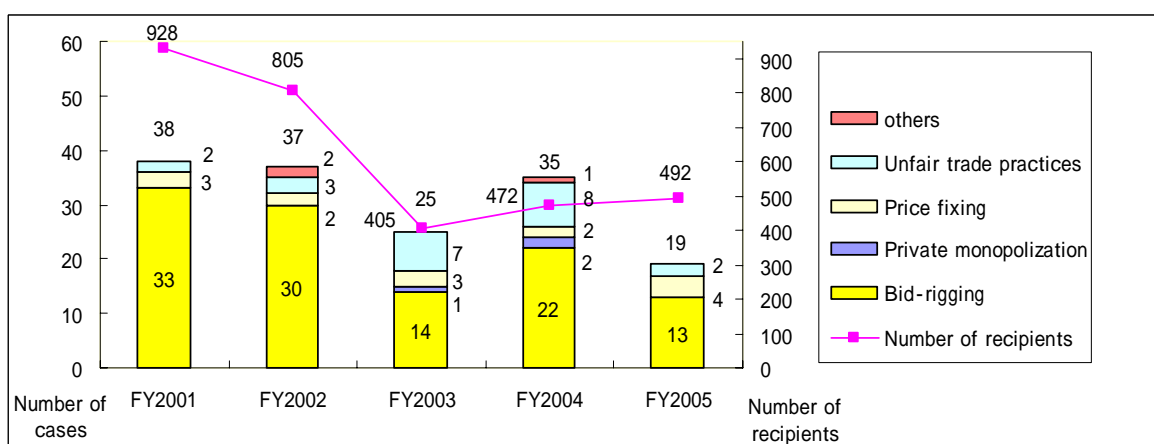
The average investigation period of all cases which legal measures were taken in FY2005 was about 8 months. After the Amended AMA took effect, the average remains at the same level of the previous year despite the fact that there were 2 cases in which cease and desist order and Surcharge Payment Order at the same time with prior opportunities given to express addresses' opinions.

With regard to a bid-rigging case for steel bridge construction projects ordered by Ministry of Land Infrastructure and Transport( MLIT ), the JFTC filed criminal accusations with the Prosecutor General against 26 companies and 8 individuals. Also with regard to a bid-rigging case for steel bridge construction projects ordered by Japan Highway Public Corporation ( JHPC ) , the JFTC filed criminal accusations with the Prosecutor General against 6 companies and 7 individuals.

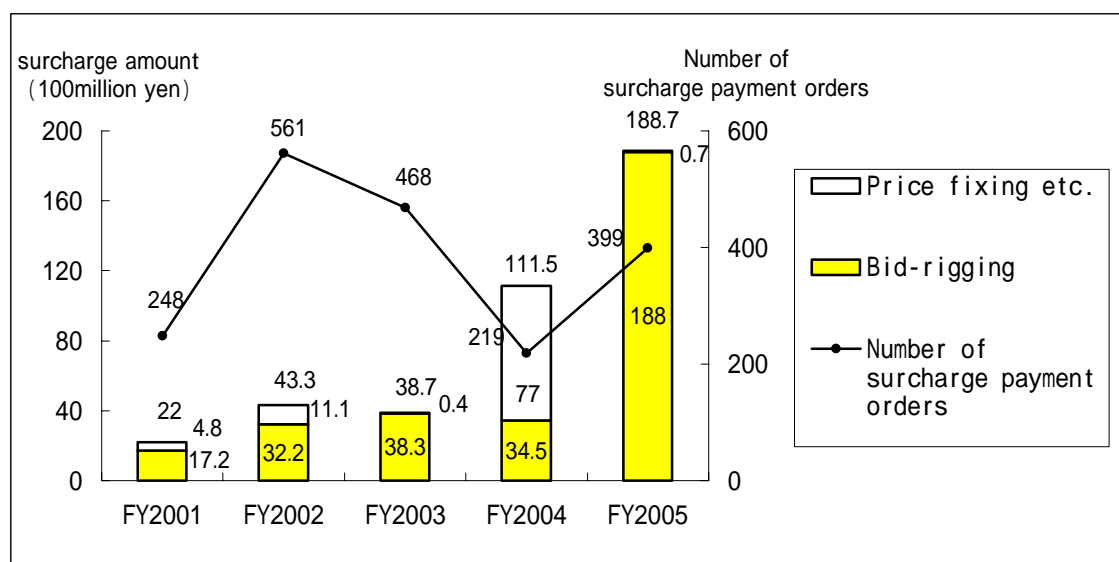
The JFTC requested remedial actions based on Act Concerning Elimination and Prevention of Involvement in Bid rigging etc. to the president of the JHPC in connection with the bid-rigging case for steel bridge construction projects ordered by the JHPC.

With respect to surcharge payment orders, the amount of payment confirmed in FY2005 was up to 18.87014 billion yen against 399 entrepreneurs. ( record-high amount )

**Figure 1 “Number of cases under legal measures and their recipients”**



**Figure 2 “Trend in surcharge amount etc.”**



## **2. Main cases in FY2005**

### **(1) Strict enforcement on bid-riggings and price-fixing cartels**

**Bid-riggings for steel bridge constructions ordered by Kanto, Tohoku and Hokuriku Regional Bureaus of the MLIT ( Recommendations were issued on September 29,2005 , Recommendation decisions were issued for 40 companies on November 18,2005, Decisions to commence hearing procedures for 5 companies at the same date. ( One of the 5 companies agreed to accept the Consent decision on May 15, 2006 )**

**Bid-riggings for electric information board construction projects ordered by the JHPC ( Recommendations were issued for 6 companies on April 7,2005 ( including companies involved in cases of bid-riggings for electric information board construction projects ordered by the Kanto, Chubu, Kinki and Chugoku Regional Bureaus of the MLIT ))**

**Bid-riggings for civil engineering work projects ordered by Okinawa Prefecture( Cease and desist orders were issued for 152 companies on March 29, 2006 ( including companies involved in cases of bid-riggings relating to construction work projects ordered by the same. ))**

**This is a case in which both cease and desist order and Surcharge Payment Order were issued at the same time, based on the Amended AMA.**

**Price-fixing cartels for aluminum foil by 7 manufacture-sale companies ( Recommendations were issued for 7 companies on November 11,2005, Recommendation decisions were issued on December 12,2005 )**

**Price-fixing cartels for residential glass wool by 3 manufacture-sale companies ( Recommendations were issued for 3 companies on October 20, 2005, Recommendation decisions were issued on November 18, 2005 )**

### **(2) Strict and prompt enforcement on violations causing unfair disadvantage to SMEs.**

**Abuse of dominant bargaining position by which a major bank coerced its finance-related clients to purchase interest swap transactions. ( Recommendation was issued on December 2, 2005, Recommendation decision was issued on December 26,2005 )**

**Abuse of dominant bargaining position by which a large-scale retailer coerced its supplier ( Recommendation was issued on April 15,2005, Recommendation decision was issued on May 12,2005 )**

**(3) Enforcement on dumping in a public procurement field**

Dumping in bids ordered by the Ministry of Finance for works of operational assistant to sell gold coins of the modern age through Internet auction etc.  
( Warnings were issued for 2 companies on December 9,2005 )

**(4) Active enforcement in Information Technology and public utilities sectors**

Discriminatory treatment relating to business activities to promote All-electric houses ( Warning was issued on April 21,2005 )

Investigation into exclusive contract on listing advertisements on the web  
( Closure, Public announcement was issued on October 21,2005 )

**(5) Strict enforcement on exclusive conducts etc.**

Restriction on the establishment of medical institutions by Fukuyama City Medical Association ( Warning was issued on December 27,2005 )

Restriction on business activities of member schools by Miyagi Prefecture Private Schools Association ( Warning was issued on December 15,2005 )

**3. Hearings and hearing decisions**

In FY2005, the JFTC rendered 24 decisions after completing the hearing proceedings, while the number of cases in which hearing proceedings were newly commenced was 19.

The number of cases pending before the hearing officers in FY2005 was 144 and 115 among them were the cases of complaints against surcharge payment orders. The number of hearing cases has been maintained at a high level for the past few years.

The number of cases doesn't include that of the Premiums and Representations Act violations cases.

**Figure 3 “Trend in Number of Hearing pending”**

