

The JFTC filed a criminal accusation on the bid-rigging over subway construction procured by the City of Nagoya

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Japan Fair Trade Commission

The Japan Fair Trade Commission (“JFTC”), having conducted a criminal investigation into bid-rigging over construction for extending Subway line 6 from Nonami to Tokushige procured by the Transportation Bureau of the City of Nagoya. As a result of the investigation, the JFTC found a criminal violation of the Antimonopoly Act (“AMA”), and filed a criminal accusation with the Prosecutor-General against five companies including Obayashi Corporation, in accordance with Article 74 (1) of the AMA.

Outline of the accusation is as follows.

1 Accused Companies

Name of Accused Companies	Representative Directors
Obayashi Corporation	Norio Wakimura
Kajima Corporation	Mitsuyoshi Nakamura
Shimizu Corporation	Tetsuya Nomura
Okumura Corporation	Takanori Okumura
Maeda Corporation	Yasuji Maeda

2 Ground of Criminal Accusation

(1) Fact

In around mid-December 2005, the above five accused companies agreed, with other construction companies, to prearrange a bid winner from among special joint ventures for each competitive tender on construction for extending Subway line 6 from Nonami to Tokushige procured by the Transportation Bureau of the City of Nagoya, and also agreed to make a bidding price convenient for a prearranged winner to win a bid. In accordance with the agreement, the five companies decided in advance the bid winners, and thereby, contrary to the public interest, substantially restrained competition in the field of trade on the said construction by mutually restricting and conducting their business activities.

(2) Applicable articles

Article 89 (1) (i), Article 95 (1) (i), and Article 3 (prohibition of unreasonable restraint of trade) of the AMA, Article 60 of the Penal Code