

The JFTC issued a cease and desist order to Japan Post

January 25, 2007

Japan Fair Trade Commission

The Japan Fair Trade Commission (“JFTC”) had conducted an investigation into representations of parcel delivery services called “Yu-pack” by Japan Post. As a result of the investigation, the JFTC found a violation of Section 4, paragraph 1 (1) of the Act against Unjustifiable Premiums and Misleading Representations (“Premiums and Representation Act”), and therefore, the JFTC issued a cease and desist order to Japan Post.

1 Outline of the company

Company name	Address	Representative
Japan Post	Tokyo	Masaharu Ikuta

2 Summary of the cease and desist order

(1) Outline of the violation

Japan Post had used the following representations concerning its parcel delivery service called “Yu-pack” on the leaflets given out to consumers in post offices in the Hokkaido area and convenience stores to which Japan Post has entrusted parcel delivery business in the same area since around November 2005.

Contents of Representation	While describing “Hokkaido version” on the front page and “Map indicating delivery fare from Hokkaido” on the 4th page of the leaflet, the company had used following representations; 1. “Yu-pack is delivered the next day!!” “covered population ratio is 84.5%” “We meet your need for delivering parcel the next day” “We deliver parcels for wide area the next day. More for you!!” on the front page, 2. “Covered population ratio is 84.5%” “We meet your need for delivering parcel the next day” on the second page, which showed as if parcels received in Hokkaido would be delivered to most regions in Japan the next day.
In reality	“Covered population ratio” means the ratio to overall population of those who live in the region where Japan Post can deliver a parcel the next day if Japan Post receive a parcel between 0pm to 6pm. “84.5%” is the national average of

“covered population ratio”, but the covered population in case parcels are received in Hokkaido is only 8%, which means that regions where Japan Post can deliver parcels the next day are quite limited if the parcels are received in Hokkaido.

(2) Outline of the cease and desist order

- a. Notify to general consumers that the representations cited above show much better than actual services.
- b. Take appropriate measures to prevent the same kind of violation and inform all board members and employees of the measures taken.
- c. Not to use the same kind of representations again in the future.