

The JFTC issued cease and desist orders and surcharge payment orders against participants in biddings for pharmaceutical procurement for hospitals in Kyushu area ordered by National Hospital Organization

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Japan Fair Trade Commission

The Japan Fair Trade Commission (hereinafter referred to as the “JFTC”) today issued cease and desist orders and surcharge payment orders against five pharmaceutical wholesalers, ASTEM, Inc., SHOYAKU Co., LTD., Kyushu Toho Co., Ltd., Tomita Pharmaceutical Co., Ltd., and Alfresa Corporation in biddings for pharmaceutical procurement for hospitals in Kyushu area ordered by National Hospital Organization (hereinafter referred to as the “NHO”).

The JFTC found (i) that the participants had conspired and agreed to decide prospective bidders and to bid at prices allowing those successful bidders to win comprehensive pharmaceutical procurement contracts for 31 hospitals in Kyushu area, operated by the NHO; (ii) that based on the agreements, they agreed on a winner of bidders for each pharmaceutical category of the comprehensive procurement contracts in advance and allowed the winner to put in a winning bid; (iii) that by these conducts from 2016 to 2019, namely, by, in concert with one another, designating the winner of bidders the participants substantially restrained competition in the field of the above pharmaceutical procurement, contrary to the public interest.

The conducts fall under unreasonable restraint of trade prescribed in Article 2, paragraph (6) of the Antimonopoly Act (hereinafter referred to simply as the “Act”) and the participants violated Article 3 of the Act. The total amount of surcharge is 627.28 million yen. In addition, Reduction System for Cooperation in Investigation that was introduced by Amendment to the Antimonopoly Act (Act No. 45 of 2019) was first applied in this case.

\* This announcement is tentative translation. Please refer to the original text written in Japanese for more details.