

Approval of a commitment plan submitted by the Fukuoka Ariake Sea Fisheries Cooperative Association

June 27, 2023

Japan Fair Trade Commission

The Japan Fair Trade Commission (hereinafter referred to as the "JFTC") has investigated the Fukuoka Ariake Sea Fisheries Cooperative Association (hereinafter referred to as "the Association") in accordance with the provisions of the Antimonopoly Act (hereinafter referred to simply as the "Act") and suspected that the Association's conduct described below might violate the provisions of Article 19 of the Act (Paragraph 11 (Trading on Exclusive Terms) or paragraph 12 (Trading on Restrictive Terms) of Unfair Trade Practices).

Recognizing that competition may be promptly restored, through the Commitment Procedure, by measures taken by the Association in a rapid manner to eliminate its conduct, the JFTC issued the Notice of Commitment Procedures to the Association on April 17, 2023, pursuant to Article 48-2 of the Act.

The Association submitted the commitment plan to the JFTC for an approval of measures necessary to eliminate its anticompetitive conduct relating Trading on Exclusive Terms and Trading on Restrictive Terms pursuant to the provisions of Article 48-3, paragraph 1 of the Act.

The JFTC today approved the commitment plan pursuant to the provisions of Article 48-3, paragraph 3 of the Act recognizing that the plan is sufficient to eliminate the alleged conduct and it is expected to be reliably implemented.

It is noted that the JFTC's approval of the Commitment Plan does not represent a determination that the Association's above-mentioned conduct constitutes a violation of the Act.

- 1 The Association, through members of fishery cooperatives, is entrusted with the sale of dried seaweed by the producers and sell the dried seaweed to designated trading companies through a tender of the dried seaweed conducted by the Association.
 - (1) The Association requests producers, through its members, to stipulate, in a written pledge, conditions under which they would ship all the dried seaweed produced to the fishery cooperative that each producer belongs to, and to comply with the conditions stipulated in the written pledge.
 - (2) The Association requests its members to stipulate in a written memorandum of understanding, the conditions under which they would ship all the dried seaweed collected from producers to the Association, and to comply with the conditions

stipulated in the memorandum.

- (3) The Association stipulates in writing the conditions that trading companies would purchase producers' seaweed only through tenders organized by the Association, at "the Kyushu District Fishery Federation Dried Seaweed Joint Sales Council" of which the Association is a member. The association also requests the trading companies to comply with the conditions in the writing.

2 Overview of the commitment plan

- (1) The Association will cease the conducts described in 1 above.
- (2) The Association, as part of (1) above, will take the measures to address concerns in relation to the conducts described in 1 above.
- (3) The Association will immediately notify, through the members of fishery cooperatives, the producers of measures described in 2(2) above. Additionally, the Association will notify the designated trading companies of the measures and make sure that board of director (BOD) and staff of the Association and the fishery cooperatives will thoroughly understand it.
- (4) The Association will not carry out the same conducts as described in 1 and it will implement this measure for the next three years.
- (5) The Association will create code of conduct and make sure that board of director (BOD) and staff of the Association and the fishery cooperatives will thoroughly understand it. The Association will also provide regular training on compliance with the Act and conduct regular audits by third parties with respect to the trade of dried seaweed to BOD and staff of the Association and the fishery cooperatives.
- (6) The Association will report to the JFTC on the status of implementation of the commitment plan above.

The JFTC certified the commitment plan submitted by the Association, recognizing that the plan complies with all the requirements for certification provided in the Act.

*This announcement is a tentative translation.

Please refer to the original text written in Japanese for more details.