

Approval of the Commitment Plan submitted by TOHO Cinemas Ltd.

October 3, 2023

Japan Fair Trade Commission

The Japan Fair Trade Commission (hereinafter referred to as the "JFTC") has investigated TOHO Cinemas Ltd. (hereinafter referred to as "TOHO") in accordance with the provisions of the Antimonopoly Act (hereinafter referred to as the "Act") and suspected that TOHO's conduct described below might violate the Article 19 of the Act (Paragraph 12 (Trading on Restrictive Terms) of Unfair Trade Practices).

Recognizing that competition would be promptly restored, through the Commitment Procedures, by measures to be swiftly taken by TOHO to eliminate its conduct, the JFTC issued the Notice of Commitment Procedures to TOHO on June 28, 2023, pursuant to the Article 48-2 of the Act.

TOHO submitted the Commitment Plan to the JFTC for approval of measures necessary to eliminate its conduct described below, pursuant to the Article 48-3, paragraph 1 of the Act.

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

It is noted that today's approval of the Commitment Plan does not mean that the JFTC found TOHO's conduct described below violated the Act.

1. Summary of the alleged violation

Since around November 2016 at the latest, TOHO had asked film distribution companies who distribute movie films to TOHO, that they have to treat TOHO more favorably than other movie theater chains. In addition, TOHO had forced the distribution companies to comply with TOHO's request by informing them that TOHO would no longer accept distributing their movie films if they do not comply with the request.

2. Application of the Act

(1) It would be problematic if an influential enterprise in markets enters into a transaction with its trading partners under conditions that restrict their business activities, such as

restrictions on transactions with competitors of the enterprise, thereby creating a risk that new entrants or existing competitors may be excluded or that their business opportunities will be reduced (Paragraph 12 (Trading on Restrictive Terms) of Unfair Trade Practices).

(2) For operating movie theaters, it is important to secure many attractive movie films to maintain and increase the number of spectators. Movie theater chains compete with each other to receive distribution of movie films from film distribution companies in order to secure movie films played at their own theaters.

The conduct described in 1 above could reduce opportunities for movie theater chains other than TOHO to receive offers from film distribution companies, and consequently reduce opportunities for the other movie theater chains to receive distribution of movie films.

3. Abstract of the Commitment Plan

TOHO will cease the conduct described in 1 above, immediately notify film distribution companies and its employees of the measures taken, no longer repeat similar conduct, and take other necessary measures including report of implementation.

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