

The JFTC Issued Cease and Desist Orders and Surcharge Payment Orders against Manufacturers of Wood Working Drill Bits

March 28, 2024
Japan Fair Trade Commission

The Japan Fair Trade Commission today issued cease and desist orders and surcharge payment orders against manufacturers of wood working drill bits (Note 1) pursuant to the provisions of the Antimonopoly Act (hereinafter referred to as the “Act”).

In this case, the manufacturers of wood working drill bits violated the provision of the Article 3 (prohibition of unreasonable restraint of trade) of the Act.

(Note 1) The term “wood working drill bits” refers to a steel cone used mainly for drilling into wood.

1 Outline of the Violation

- (1) The two companies, STAR-M CORPORATION and ONISHI MANUFACTURING CO., LTD (hereinafter referred to as the “two companies”), reached an agreement by September 26, 2019 at the latest, to raise the wholesale price of the specified wood working drill bits by 12% from the order received on April 1, 2020 for STAR-M CORPORATION and from the order received on June 1 of the same year for ONISHI MANUFACTURING CO., LTD, in order to secure their own profit.
- (2) The two companies reached an agreement by October 7, 2022 at the latest, to raise the wholesale price of the specified wood working drill bits by 10% from the order received on April 1, 2023 for STAR-M CORPORATION and from the order received on June 1 of the same year at the latest for ONISHI MANUFACTURING CO., LTD, in order to secure their own profit.
- (3) As described in (1) and (2) above, by jointly agreeing to raise the wholesale price of the specified wood working drill bits, the two companies substantially restrained competition in the field of the specified wood working drill bits and their equivalents, contrary to the public interest.

2 Outline of Surcharge Payment Orders

The two companies shall pay the amount of surcharge (93.96 million yen in total) by October 29, 2024.

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