

## The JFTC Issued Cease and Desist Orders and Surcharge Payment Orders against Manufacturers of Valves for Liquefied Petroleum Gas Cylinders

June 27, 2024

Japan Fair Trade Commission

The Japan Fair Trade Commission issued cease and desist orders and surcharge payment orders against manufactures of valves for liquefied petroleum gas cylinders (hereinafter referred to as the “LP gas valves”) pursuant to the provisions of the Antimonopoly Act (hereinafter referred to as the “Act”) today.

In this case, the manufacturers of LP gas valves violated the provision of the Article 3 (prohibition of unreasonable restraint of trade) of the Act.

### 1 Outline of the Violation

- (1) Among the five companies— Hamai Industries Ltd., Miyairi Valve Mfg. Co., Ltd., Miyairi Corporation, Miyairi Corporation Tokyo and Fuji Koki Co., Ltd. (hereinafter referred to as the “Five Companies”)—the four companies excluding Fuji Koki Co., Ltd. (hereinafter referred to as the “Four Companies”) reached an agreement at the latest by April 27, 2021, to raise the sales price of specified LP gas valves, to gas cylinders manufacturers etc. from June, 2021. As a background, the Four Companies had been holding discussions since around March 2021 regarding countermeasures to address the surge in the price of brass, the raw material for specified LP gas valves, and then, in order to secure their own profits, the Four Companies reached the agreement above.

Fuji Koki Co., Ltd. was informed of the contents of the meeting by Hamai Industries Ltd. and participated in the agreement at the latest by May 14, 2021.

- (2) Subsequently, the Four Companies, aiming to secure their own profits due to the continued surge in the price of brass, held a meeting attended by their sales managers at the latest by April 26, 2022. They agreed to raise the sales price of specified LP gas valves, to gas cylinders manufacturers etc. starting from June of the same year.

Fuji Koki Co., Ltd. was informed of the contents of the meeting by Hamai Industries Ltd. and participated in the agreement at the latest by May 16, 2022.

- (3) As described in (1) and (2) above, the Five Companies jointly agreed to raise the sales price of specified LP gas valves to gas cylinders manufacturers etc. thereby restraining competition in the field of the specified LP gas valves, contrary to public interest.

## 2. Outline of Surcharge Payment Orders

The Five Companies shall pay the amount of surcharge (709.64 million yen in total) by January 28, 2025.

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