

The JFTC Issued a Warning to NISSIN FOOD PRODUCTS CO., LTD.

August 22, 2024

Japan Fair Trade Commission

The Japan Fair Trade Commission (hereinafter referred to as the “JFTC”) today issued a warning to NISSIN FOOD PRODUCTS CO., LTD. (hereinafter referred to as the “Nissin Food Products”). In this case, Nissin Food Products is likely to be in violation of the provision of Article 19 (falling under the Item 4, Paragraph 9, Article 2 [Resale Price Maintenance]) of the Antimonopoly Act (hereinafter referred to as the “Act”).

1. Company Subject to Warning

Enterprise identification number	7120001133929
Corporate Name	NISSIN FOOD PRODUCTS CO., LTD.
Address	4-1-1 Nishinakajima, Yodogawa-ku, Osaka
Representative	Noritaka Ando
Outline of business	Manufacture and sale of instant noodles, etc.

2. Summary of Warning

(1) Nissin Food Products had been internally setting standard prices for the instant noodles it manufactures and sells, which served as the basis for determining both regular sale prices (Note 1) and special sale prices (Note 2) applied by retailers (Note 3). In June 2022 and June 2023, Nissin Food Products revised the standard prices in preparation for raising the shipment prices to its wholesale partners.

(Note 1) “Regular sale prices” refers to the retail prices set by retailers during normal periods when no special sales are conducted.

(Note 2) “Special sale prices” refers to the retail prices set by retailers during special sale periods when special promotions are conducted.

(Note 3) “Retailers” refers to those retailers that sell instant noodles manufactured and sold by Nissin Food Products, excluding convenience stores.

(2) For the five relevant products (Note 4), Nissin Food Products set both regular sale prices and special sale prices based on the revised standard prices mentioned in (1) above (hereinafter collectively referred to as the “proposed prices”). The company adopted a policy of enforcing these proposed prices to retailers. Under this policy, since February 2022 and February 2023,

Nissin Food Products has directly engaged in the following actions to retailers, while instructing its wholesale partners to carry out the following actions.

(a) In normal periods, Nissin Food Products has been requesting retailers to raise their regular sale prices to the proposed prices by informing them that similar requests have been made to other retailers, or by suggesting that no special sale terms (Note 5) would be offered until the request is accepted. Through these actions, the company has successfully enforced sales at the proposed prices since the increase in the shipment prices mentioned in (1).

(b) During special sales, Nissin Food Products has been requesting retailers to raise their special sale prices to the proposed prices by making the conditions for special sales terms upon selling at the proposed prices. Through this action, the company has successfully enforced sales at the proposed prices since the increase in the shipment prices mentioned in (1).

(Note 4) “The five relevant products” refers to regular-sized instant noodles manufactured and sold by Nissin Food Products, under the brand names “Cup Noodle Original,” “Cup Noodle Seafood,” “Cup Noodle Curry,” “Nissin Donbei Kitsune Udon,” and “Nissin Yakisoba U.F.O.”

(Note 5) “special sale terms” refers to temporarily lowering the price at which wholesalers sell to retailers when a retailer conducts a special sale, with Nissin Food Products covering the cost of the price reduction.

(3) The conducts of Nissin Food Products mentioned in (2) are likely to fall under the Item 4 (a) and (b), Paragraph 9, Article 2 of the Act, and are likely to violate the provisions of the Article 19 of the Act. Therefore, the JFTC issued a warning to Nissin Food Products to cease the conduct described in (2) and refrain from engaging in similar conduct in the future.

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