

The JFTC Issued a Warning to DAIZEN CO., LTD

December 13, 2024

Japan Fair Trade Commission

The Japan Fair Trade Commission (hereinafter referred to as the “JFTC”) today issued a warning to DAIZEN CO., LTD (hereinafter referred to as the “Daizen”). In this case, Daizen was likely to be in violation of the provision of Article 19 (falling under the Article 2, paragraph (9), item (v), (b) [Abuse of Superior Bargaining Position]) of the Antimonopoly Act (hereinafter referred to as the “Act”).

Summary of Warning

- (1) Daizen (Note 1) was found to have engaged in the following conducts with its suppliers who delivered products to Daizen continuously during the period from June 2022 to November 3, 2024, at the latest.

(Note 1) Daizen operates a retail chain of grocery stores and other goods under the name “DZ Mart.”

- a. During events such as new store opening sales, annual September fiscal year-end sales, and year-end sales in December held at its stores, Daizen required suppliers to provide monetary contributions under the pretext of sponsorship. This was done without clearly specifying the basis for calculating the amount, the purpose of the contributions, or any justification. Furthermore, suppliers were unable to gain any benefits, such as promotional effects, from their contributions.
 - b. For new store openings or renovations of its stores, Daizen required suppliers to dispatch their employees or staff to carry out opening preparation tasks, such as product displays, without clearly specifying the conditions for such dispatch in advance. Moreover, suppliers were unable to gain any benefits, such as promotional effects, from these dispatches.
- (2) The conducts of Daizen mentioned in (1) were likely to be in violation of the provision of Article 19 (falling under the Article 2, paragraph (9), item (v), (b) [Abuse of Superior Bargaining Position]) of the Act. Therefore, the JFTC issued a warning to Daizen to refrain from engaging in similar conducts described in (1) in the future by exploiting its superior bargaining position over its business counterpart.

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