



Department of Justice

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AT
(202) 514-2007
TTY (866) 544-5309

TWO EXECUTIVES OF JAPANESE AUTOMOTIVE PARTS MANUFACTURERS INDICTED FOR THEIR ROLE IN A CONSPIRACY TO FIX PRICES AND RIG BIDS

WASHINGTON – A Kentucky federal grand jury returned a one-count indictment against two executives of Japanese automotive parts manufacturers for their participation in a conspiracy to fix prices and rig bids of bearings, the Department of Justice announced today.

The indictment, filed late yesterday in the U.S. District Court for the Eastern District of Kentucky in Covington, charges Hiroya Hirose an executive at NSK Ltd., and Masakazu Iwami an executive at Jtekt Corporation, with conspiring to fix the prices of bearings sold to Toyota Motor Corporation and Toyota Motor Engineering & Manufacturing North America Inc. (collectively, “Toyota”) in the United States and elsewhere, beginning at least as early as 2001 and continuing until as late as July 2011.

“The division will continue to pursue executives who violate the antitrust laws,” said Assistant Attorney General Bill Baer for the Antitrust Division. “American consumers deserve the benefit of free competition between auto parts suppliers.”

Hirose was a group sales manager in NSK’s Mid-Japan Automotive Department Office from at least as early as January 2006 until at least 2009, and a general manager in that office from 2009 until at least 2011. Iwami was a Section Manager, then General Manager, in Jtekt’s Toyota Branch office from at least as early as 1999 until at least October 2007, and then Vice Branch Manager in that office from October 2007 until at least June 2009.

The indictment alleges, among other things, that Hirose, Iwami, and co-conspirators participated in, and directed, authorized, or consented to the participation of subordinate employees in, meetings, conversations, and communications to discuss the bids and price quotations to be submitted to Toyota in the United States and elsewhere. Hirose, Iwami, and their co-conspirators submitted bids and price quotations in accordance with the agreements reached at these meetings.

NSK is a corporation organized and existing under the laws of Japan with its principal place of business in Tokyo, Japan. On Oct. 28, 2013, NSK pleaded guilty and agreed to pay a \$68.2 million criminal fine for its role in the conspiracy. Jtekt is a corporation organized and existing under the laws of Japan with its registered headquarters in Osaka, Japan. On Dec. 3, 2013, Jtekt pleaded guilty and agreed to pay a \$103.27 million criminal fine for its role in the conspiracy. Both NSK and Jtekt were engaged in the business of manufacturing and selling

bearings to Toyota in the United States and elsewhere for installation in vehicles manufactured and sold in the United States and elsewhere.

Including Hirose and Iwami, 46 individuals have been charged in the government's ongoing investigation into market allocation, price fixing, and bid rigging in the auto parts industry. Twenty-six of these individuals have pleaded guilty and have been sentenced to serve prison terms ranging from a year and one day to two years. Additionally, 30 companies have pleaded guilty or agreed to plead guilty and have agreed to pay a total of nearly \$2.4 billion in fines.

Hirose and Iwami are charged with price fixing and bid rigging in violation of the Sherman Act, which carries a maximum penalty of 10 years in prison and a \$1 million criminal fine for individuals. The maximum fine for an individual may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Yesterday's indictment is the result of an ongoing federal antitrust investigation into price fixing, bid rigging and other anticompetitive conduct in the automotive parts industry, which is being conducted by four of the Antitrust Division's criminal enforcement sections and the FBI. Today's charge was brought by the Antitrust Division's Chicago Office and the FBI's Cincinnati Field Office. Anyone with information on price fixing, bid rigging, and other anticompetitive conduct related to other products in the automotive parts industry should contact the Antitrust Division's Citizen Complaint Center at 1-888-647-3258, visit www.justice.gov/atr/contact/newcase.html, or call the FBI's Cincinnati Field Office at 513-421-4310.

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