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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Case:2:14-cr-20324
Judge: Battani, Marianne O.
MJ: Grand, David R.
Filed: 06-05-2014 At 10:55 AM
INDI USA V GIKOU NAKAJIMA (LG)

v.

GIKOU NAKAJIMA,

Violation: 15 U.S.C. § 1
(Conspiracy to Restrain Trade)

Defendant.

INDICTMENT

The Grand Jury charges:

The Defendant and Co-conspirators

At all times relevant to this Indictment:

1. The defendant, GIKOU NAKAJIMA, was a citizen of Japan.
2. NAKAJIMA was employed by Takata Corporation ("Takata") as Director of the Customer Relations Division from at least as early as June 2005 until at least June 25, 2009. NAKAJIMA was thereafter employed by Takata in a consulting capacity for certain periods after June 25, 2009, until a date unknown to the Grand Jury.
3. Takata was a Japanese company with its principal place of business in Tokyo, Japan.
4. The Customer Relations Division at Takata was responsible for the sale of automotive parts, including seatbelts, to Toyota Motor Corporation, Honda Motor Company,

Ltd., Nissan Motor Co., Ltd., Fuji Heavy Industries, Ltd. (Subaru), Mazda Motor Corporation, and/or certain of their subsidiaries (collectively, "Automobile Manufacturers").

5. Takata was engaged in the business of manufacturing and selling automotive parts, including seatbelts, to Automobile Manufacturers for installation in vehicles manufactured and sold in the United States and elsewhere.

6. Takata supplies automotive parts to Automobile Manufacturers in the United States through a subsidiary, TK Holdings Inc. ("TKH"), located in Auburn Hills, Michigan.

7. Various corporations and individuals, not made defendants in this Indictment, participated as co-conspirators in the offenses charged herein and performed acts and made statements in furtherance thereof. Whenever this Indictment refers to any act, deed, or transaction of any company, it means that the company engaged in the act, deed, or transaction by or through its officers, directors, employees, agents, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

Background of the Offense

8. During the period covered by this Information, NAKAJIMA and his co-conspirators supplied seatbelts to the Automobile Manufacturers for installation in vehicles manufactured and sold in the United States and elsewhere. During the period covered by this Information, NAKAJIMA and his co-conspirators manufactured seatbelts (a) in Japan and elsewhere for export to the United States and installation in vehicles manufactured and sold in the United States; and (b) in Japan and elsewhere for installation in vehicles manufactured in Japan for export to and sale in the United States.

9. Seatbelts are safety strap restraints designed to secure an occupant in position in a vehicle in the event of an accident. A seatbelt includes belt webbing, a buckle, a retractor, and

hardware for installation in a vehicle. It may also include, depending on the requirements of the vehicle manufacturer, a height adjuster, a pretensioner, or other devices associated with the seatbelt.

10. When purchasing seatbelts, Automobile Manufacturers issue Requests for Quotation (“RFQs”) to automotive parts suppliers, typically on a model-by-model basis. Automotive parts suppliers submit quotations, or bids, to Automobile Manufacturers in response to RFQs. Automobile Manufacturers award the business to the selected automotive parts supplier for the lifespan of the model, which is usually four to six years. Typically, the bidding process for a particular model begins approximately three years prior to the start of production of the model that is the subject of the RFQ. Automobile Manufacturers procure parts for U.S.-manufactured vehicles both in Japan and the United States.

Conspiracy to Restrain Trade

11. Takata and its co-conspirators participated in a combination and conspiracy to suppress and eliminate competition in the automotive parts industry in the Eastern District of Michigan and elsewhere, from at least as early as January 1, 2003 to at least February 2011, the exact dates being unknown to the Grand Jury, by agreeing to rig bids for, and to fix, stabilize, and maintain the prices of, seatbelts sold to Automobile Manufacturers in the United States and elsewhere. Nakajima participated in the conspiracy from at least September 2005 through at least June 25, 2009, the exact dates being unknown to the Grand Jury. The combination and conspiracy engaged in by NAKAJIMA and his co-conspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of the Sherman Antitrust Act, 15 U.S.C. § 1.

12. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among NAKAJIMA and his co-conspirators, the substantial terms of which were to rig bids for, and to fix, stabilize, and maintain the prices of, seatbelts sold to Automobile Manufacturers in the United States and elsewhere.

Manner and Means of the Conspiracy

13. For purposes of forming and carrying out the charged combination and conspiracy, NAKAJIMA and his co-conspirators did those things that they combined and conspired to do, including, among other things:

a. participating in, and directing, authorizing, or consenting to the participation of subordinate employees in, meetings, conversations, and communications in the United States and Japan to discuss the bids and price quotations to be submitted to Automobile Manufacturers in the United States and elsewhere;

b. agreeing, and directing, authorizing, or consenting to subordinate employees agreeing, during those meetings, conversations, and communications, on bids and price quotations to be submitted to Automobile Manufacturers in the United States and elsewhere;

c. agreeing, and directing, authorizing, or consenting to subordinate employees agreeing, during those meetings, conversations, and communications, to allocate the supply of seatbelts sold to Automobile Manufacturers in the United States and elsewhere on a model-by-model basis;

d. approving collusive and noncompetitive prices agreed upon by subordinates during those meetings, conversations, and communications in the United States and elsewhere;

- e. submitting bids and price quotations to Automobile Manufacturers in the United States and elsewhere in accordance with the agreements reached;
- f. selling seatbelts to Automobile Manufacturers in the United States and elsewhere at collusive and noncompetitive prices;
- g. accepting payment for seatbelts sold to Automobile Manufacturers in the United States and elsewhere at collusive and noncompetitive prices; and
- h. engaging in meetings, conversations, and communications in Japan and elsewhere for the purpose of monitoring and enforcing adherence to the agreed-upon bid-rigging and price-fixing scheme.

Trade and Commerce

14. During the period covered by this Information, NAKAJIMA and his co-conspirators sold to the Automobile Manufacturers located in various states in the United States substantial quantities of seatbelts shipped from outside the United States and from other states in a continuous and uninterrupted flow of interstate and foreign trade and commerce. In addition, substantial quantities of equipment and supplies necessary to the production and distribution of seatbelts sold by NAKAJIMA and his co-conspirators, as well as payments for seatbelts sold by NAKAJIMA and his co-conspirators, traveled in interstate and foreign trade and commerce. The business activities of NAKAJIMA and his co-conspirators in connection with the production and sale of seat belts that were the subject of the charged conspiracy were within the flow of, and substantially affected, interstate and foreign trade and commerce.

Jurisdiction and Venue

15. The combination and conspiracy charged in this Indictment was carried out, at least in part, within the Eastern District of Michigan within the five years preceding the filing of this Indictment.

All in violation of Title 15, United States Code, Section 1.

A TRUE BILL.

s/Grand Jury Foreperson
Grand Jury Foreperson

Dated: June 5, 2014

s/Brent C. Snyder
Brent C. Snyder
Deputy Assistant Attorney General
Antitrust Division
United States Department of Justice

s/Lisa M. Phelan
Lisa M. Phelan
Chief, Washington Criminal I Section
Antitrust Division
United States Department of Justice

s/Marvin N. Price, Jr.
Marvin N. Price, Jr.
Director of Criminal Enforcement
Antitrust Division
United States Department of Justice

Paul T. Gallagher
Paul T. Gallagher
Rebecca D. Ryan
George Baranko
Washington Criminal I Section
Antitrust Division
United States Department of Justice
450 5th St. NW, Suite 11300
Washington, DC 20530
(202) 532-4398
paul.gallagher2@usdoj.gov