

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

1:13 Cr 104

UNITED STATES OF AMERICA

v.

JTEKT Corporation,

Defendant.

Criminal No.

Filed:

Violation:

Count I: 15 U.S.C. § 1

Count II: 15 U.S.C. § 1

INFORMATION

**COUNT ONE
CONSPIRACY TO RESTRAIN TRADE
(15 U.S.C. § 1)**

THE UNITED STATES, ACTING THROUGH ITS ATTORNEYS, CHARGES:

Defendant and Co-Conspirators

1. JTEKT Corporation ("Defendant") is a corporation organized and existing under the laws of Japan with its registered headquarters in Osaka, Japan. During the period covered by this Count, Defendant, and its predecessors, were engaged in the manufacture and sale of bearings to Toyota Motor Company, certain of its subsidiaries, and other Japanese automobile manufacturers and Japanese automobile component manufacturers ("Japanese automobile and component manufacturers") for installation in vehicles manufactured and sold in the United States and elsewhere.

2. Various corporations and individuals, not made defendants in this Count, participated as co-conspirators in the offense charged in this Count and performed acts and made statements in furtherance thereof.

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SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

3. Whenever in this Count reference is made to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, agents, employees, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

Background of the Offense

4. During the period covered by this Count, Defendant and its co-conspirators manufactured and sold bearings to Japanese automobile and component manufacturers for installation in vehicles manufactured and sold in the United States and elsewhere. During the period covered by this Count, Defendant and its co-conspirators manufactured and sold bearings: (a) in the United States and elsewhere for installation in vehicles manufactured and sold in the United States; (b) in Japan and elsewhere for export to the United States and installation in vehicles manufactured and sold in the United States; and (c) in Japan and elsewhere for installation in vehicles manufactured in Japan and elsewhere for export to and sale in the United States.

5. Bearings are widely used in industry in numerous applications for many products. Bearings reduce friction and help things to roll smoothly past on another; they "bear" the load. When purchasing bearings, Japanese automobile and component manufacturers typically issue Requests for Quotation ("RFQs") to automotive parts suppliers on a model-by-model basis for model specific parts. Automotive parts suppliers submit quotations, or bids, to the Japanese automobile and component manufacturers in response to the RFQs, and the Japanese automobile and component 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. Japanese

automobile and component manufacturers procure parts for U.S.-manufactured vehicles in the United States and elsewhere.

Conspiracy to Restrain Trade

6. From at least as early as 2000 and continuing until as late as July 2011, the exact dates being unknown to the United States, Defendant and its co-conspirators participated in a combination and conspiracy to suppress and eliminate competition in the automotive parts industry by agreeing to allocate markets, rig bids for, and to fix, stabilize, and maintain the prices of bearings sold to Japanese automobile and component manufacturers in the United States and elsewhere. The combination and conspiracy engaged in by Defendant and its co-conspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

7. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among Defendant and its co-conspirators, the substantial terms of which were to allocate markets, rig bids for, and to fix, stabilize, and maintain prices of, bearings sold to Japanese automobile and component manufacturers in the United States and elsewhere.

Manner and Means of the Conspiracy

8. For the purpose of forming and carrying out the charged combination and conspiracy, Defendant and its co-conspirators did those things that they combined and conspired to do, including, among other things:

- (a) participating in meetings, conversations, and communications in the United States and elsewhere to discuss the bids and price quotations to be submitted to Japanese automobile and component manufacturers in the United States and elsewhere;

(b) agreeing, during those meetings, conversations, and communications on bids and price quotations to be submitted to Japanese automobile and component manufacturers in the United States and elsewhere;

(c) agreeing, during those meetings, conversations, and communications, to allocate the supply of bearings sold to Japanese automobile and component manufacturers in the United States and elsewhere;

(d) agreeing, during those meetings, conversations, and communications, to coordinate price adjustments requested by Japanese automobile and component manufacturers in the United States and elsewhere;

(e) submitting bids, price quotations, and price adjustments to Japanese automobile and component manufacturers in the United States and elsewhere;

(f) selling bearings to Japanese automobile and component manufacturers in the United States and elsewhere at collusive and noncompetitive prices;

(g) accepting payment for bearings sold to Japanese automobile and component manufacturers in the United States and elsewhere at collusive and noncompetitive prices;

(h) engaging in meetings, conversations, and communications in the United States and elsewhere for the purpose of monitoring and enforcing adherence to the agreed-upon market allocation, bid-rigging, and price-fixing scheme; and

(i) employing measures to keep their conduct secret, including, but not limited to, using code names and meeting at remote locations.

Trade and Commerce

9. During the period covered by this Count, Defendant and its co-conspirators sold to Japanese automobile and component manufacturers located in various states in the United States substantial quantities of bearings 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 manufacture and sale of bearings sold by Defendant and its co-conspirators, as well as substantial payments for bearings sold by Defendant and its co-conspirators, traveled in interstate and foreign trade and commerce. The business activities of Defendant and its co-conspirators in connection with the manufacture and sale of bearings 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

10. The combination and conspiracy charged in this Count was carried out within the United States, at least in part, within the five years preceding the filing of this Information.
ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

COUNT TWO CONSPIRACY TO RESTRAIN TRADE (15 U.S.C. § 1)

THE UNITED STATES, ACTING THROUGH ITS ATTORNEYS, CHARGES:

Defendant and Co-Conspirators

11. JTEKT Corporation ("Defendant") is a corporation organized and existing under the laws of Japan with its registered headquarters in Osaka, Japan. During the period covered by this Count, Defendant, and its predecessors, were engaged in the manufacture and sale of electric

powered steering assemblies to Nissan Motor Company Ltd. and certain of its subsidiaries ("Nissan") for installation in vehicles manufactured and sold in the United States and elsewhere.

12. Various corporations and individuals, not made defendants in this Count, participated as co-conspirators in the offense charged in this Count and performed acts and made statements in furtherance thereof.

13. Whenever in this Count reference is made to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, agents, employees, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

Background of the Offense

14. During the period covered by this Count, Defendant and its co-conspirators manufactured and sold electric powered steering assemblies to Nissan for installation in vehicles manufactured and sold in the United States and elsewhere. During the period covered by this Count, Defendant and its co-conspirators manufactured and sold electric powered steering assemblies: (a) in the United States and elsewhere for installation in vehicles manufactured and sold in the United States; (b) in Japan and elsewhere for export to the United States and installation in vehicles manufactured and sold in the United States; and (c) in Japan and elsewhere for installation in vehicles manufactured in Japan and elsewhere for export to and sale in the United States.

15. Electric powered steering assemblies provide electronic power to assist the driver to more easily steer the automobile. Electric powered steering assemblies link the steering wheel to the tires, and include the column, intermediate shaft, and electronic control unit, among other parts, but do not include the steering wheel or tires. When purchasing electric powered steering

assemblies, automobile manufacturers typically issue Requests for Quotation ("RFQs") to automotive parts suppliers on a model-by-model basis for model specific parts. Automotive parts suppliers submit quotations, or bids, to the automobile manufacturers in response to the RFQs, and the 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 more than three years prior to the start of production. Automobile manufacturers procure parts for U.S.-manufactured vehicles in the United States and elsewhere.

Conspiracy to Restrain Trade

16. From at least as early as 2005 and continuing until as late as October 2011, the exact dates being unknown to the United States, Defendant and its co-conspirators participated in a combination and conspiracy to suppress and eliminate competition in the automotive parts industry by agreeing to allocate markets, rig bids for, and to fix, stabilize, and maintain the prices of electric powered steering assemblies sold to Nissan in the United States and elsewhere. The combination and conspiracy engaged in by Defendant and its co-conspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

17. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among Defendant and its co-conspirators, the substantial terms of which were to allocate markets, rig bids for, and to fix, stabilize, and maintain prices of, electric powered steering assemblies sold to Nissan in the United States and elsewhere.

Manner and Means of the Conspiracy

18. For the purpose of forming and carrying out the charged combination and

conspiracy, Defendant and its co-conspirators did those things that they combined and conspired to do, including, among other things:

- (a) participating in meetings, conversations, and communications to discuss the bids and price quotations to be submitted to Nissan;
- (b) agreeing, during those meetings, conversations, and communications on bids and price quotations to be submitted to Nissan;
- (c) agreeing, during those meetings, conversations, and communications, to allocate the supply of electric powered steering assemblies sold to Nissan in the United States and elsewhere;
- (d) submitting bids and price quotations to Nissan;
- (e) selling electric powered steering assemblies to Nissan in the United States and elsewhere at collusive and noncompetitive prices;
- (f) accepting payment for electric powered steering assemblies sold to Nissan in the United States and elsewhere at collusive and noncompetitive prices; and
- (g) employing measures to keep their conduct secret, including, but not limited to, using code names and meeting at remote locations.

Trade and Commerce

19. During the period covered by this Count, Defendant and its co-conspirators sold to Nissan located in the United States substantial quantities of electric powered steering assemblies shipped from other states in a continuous and uninterrupted flow of interstate trade and commerce. In addition, substantial quantities of equipment and supplies necessary to the manufacture and sale of electric powered steering assemblies sold by Defendant and its co-conspirators, as well as substantial payments for electric powered steering assemblies sold by


Defendant and its co-conspirators, traveled in interstate and foreign trade and commerce. The business activities of Defendant and its co-conspirators in connection with the manufacture and sale of electric powered steering assemblies that were the subject of the charged conspiracy were within the flow of, and substantially affected, interstate and foreign trade and commerce.

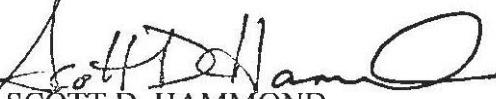
Jurisdiction and Venue


20. The combination and conspiracy charged in this Count was carried out within the United States, at least in part, within the five years preceding the filing of this Information.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.


Dated:


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