

UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF PENNSYLVANIA

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UNITED STATES OF AMERICA	:	Criminal No. 01-421
v.	:	Filed: 7/25/01
ISHIHARA SANGYO KAISHA, LTD., TAKASHI AKIZAWA, ATUSO KINOSHITA, and YOSHIAKI TSUJIMURA,	:	Violation: 15 U.S.C. § 1
Defendants.	:	

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INDICTMENT

The Grand Jury charges:

1. Ishihara Sangyo Kaisha, Ltd., Takashi Akizawa, Atuso Kinoshita, and Yoshiaki Tsujimura are hereby indicted and made defendants on the charge stated below.
2. Beginning at least as early as 1991 and continuing until at least April 1998, the exact dates being unknown to the Grand Jury, the defendants and co-conspirators entered into and engaged in a combination and conspiracy in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).
3. The aforesaid combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendants and co-conspirators, the substantial terms of which were to fix prices and allocate customers for the sale of

magnetic iron oxide particles in the United States and elsewhere.

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

(a) meeting to discuss the price of magnetic iron oxide particles sold to customers located in the United States and elsewhere;

(b) agreeing to charge prices at specified levels for magnetic iron oxide particles to customers located in the United States and elsewhere;

(c) agreeing to allocate among co-conspirators the customers of magnetic iron oxide particles located in the United States and elsewhere;

(d) implementing agreed upon prices for the sale of magnetic iron oxide particles in the United States and elsewhere; and

(e) issuing price announcements and price quotations in accordance with the agreements reached.

DEFENDANTS AND COCONSPIRATORS

5. Ishihara Sangyo Kaisha, Ltd. (“ISK Japan”) is a corporation organized and existing under the laws of Japan with its principal place of business in Osaka, Japan. From 1991 until at least 1998, ISK Japan was engaged in, among other things, the sale of magnetic iron oxide particles in the United States and elsewhere. ISK Magnetics, Inc. (“ISKM”) is a U. S. subsidiary of ISK Americas, Inc., located in San Francisco, California.

ISK Americas is a subsidiary of ISK Japan. From 1991 until 1998, ISKM was located in Bethlehem, Pennsylvania, and, under the direction of its parent ISK Japan, was engaged in the sale of magnetic iron oxide particles in the United States and elsewhere.

6. For a substantial part of the time from 1991 until 1998, Takashi Akizawa was president of ISK Japan. Takashi Akizawa is a resident and citizen of Japan.

7. For a substantial part of the time from 1991 until 1998, Atuso Kinoshita was Senior Managing Director of ISK Japan and Chairman of ISKM. Atuso Kinoshita is a resident and citizen of Japan.

8. For a substantial part of the time from 1991 until 1998, Yoshiaki Tsujimura was Deputy General Manager of ISK Japan. Yoshiaki Tsujimura is a resident and citizen of Japan.

9. Various persons and companies, not made defendants herein, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

10. Whenever in this indictment reference is made to any act, deed, or transaction of any corporation, such allegation shall be deemed to mean that the corporation engaged in such act, deed, or transaction by or through its officers, directors, agents, employees, or representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

INTERSTATE AND FOREIGN TRADE AND COMMERCE

11. Magnetic iron oxide particles are sold to manufacturers of video and audio tapes, and to other customers as well. The magnetic iron oxide particles are a powder that is used to coat polyester film base in the manufacture of video and audio tapes. The magnetic iron oxide particles give the tapes their magnetic quality to pick up sound and images.

12. During the period covered by this Indictment, substantial quantities of magnetic iron oxide particles were manufactured by ISK Japan, ISKM, and co-conspirators in plants located in Japan, the United States, and other locations. ISK Japan, ISKM, and co-conspirators sold a substantial quantity of magnetic iron oxide particles across state lines and into and out of the United States in a continuous and uninterrupted flow of interstate and foreign trade and commerce. During the period covered by this Indictment, sales of magnetic iron oxide particles in the United States were in excess of \$200 million.

13. During the period covered by this Indictment, the activities of the defendants and co-conspirators with respect to the manufacture and sale of magnetic iron oxide particles were within the flow of, and substantially affected, interstate and foreign trade and commerce.

JURISDICTION AND VENUE

14. The aforesaid combination and conspiracy was carried out, in part, within the Eastern District of Pennsylvania within the five years preceding the filing of this Indictment.

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

Dated: 7/25/01

/s/ _____
FOREPERSON

/s/ _____
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Assistant Attorney General

/s/ _____
JAMES M. GRIFFIN
Deputy Assistant Attorney General

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