

Attorneys for the United States

JD

CR No. 15 0163 [REDACTED]

VIOLATION: 15 U.S.C. § 1  
Price Fixing

Defendant.

**FILED UNDER SEAL**

The Grand Jury charges that:

1. TAKURO ISAWA (“defendant” or “ISAWA”) is made a defendant on the charge stated below.

INDICTMENT (ISAWA)

2. From at least as early as September 1997 and continuing until in or about January 2014, coconspirators of the defendant entered into and engaged in a combination and conspiracy to suppress and eliminate competition by fixing prices, rigging bids, and limiting the production of electrolytic capacitors in the United States and elsewhere. The combination and conspiracy engaged in by the defendant and his coconspirators 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).

3. The defendant knowingly joined and participated in the charged conspiracy from in or about August 2002 until at least March 18, 2010.

4. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendant and coconspirators, the substantial terms of which were to fix prices, rig bids, and limit production of electrolytic capacitors.

## II. BACKGROUND

5. Capacitors, also known as condensers, are a fundamental component of electrical circuits and are used primarily to store and regulate electrical current. Electrolytic capacitors, including aluminum and tantalum types, are a major sub-category of capacitors. Electrolytic capacitors are ubiquitous and are found in many products that use electricity, run on a battery, or plug into a socket. Desktop and notebook computers, flat-screen televisions, DVD players, video and still digital cameras, gaming systems, car engine and airbag systems, home appliances, office equipment, and motherboards and other printed circuit boards are some of the products that contain electrolytic capacitors.

### III. DEFENDANT AND COCONSPIRATORS

6. From at least as early as August 2002 until at least as late as March 18, 2010, ISAWA was a resident and citizen of Japan and was employed by Company A. While employed at Company A, ISAWA was, at times, a manager involved in the sale of electrolytic capacitors and held the title “Global Sales General Manager.”

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7. During the time period identified in paragraph 2, Company A, a corporation organized and existing under the laws of Japan, manufactured electrolytic capacitors sold in the United States and elsewhere.

8. During the time period identified in paragraph 2, ISAWA's coconspirators included business organizations other than Company A that manufactured electrolytic capacitors sold in the United States and elsewhere.

9. Various business organizations and individuals, not made defendants in this Indictment, participated as coconspirators in the offense charged in this Indictment and performed acts and made statements in furtherance of it.

10. Whenever in this Indictment reference is made to any act, deed, or transaction of a business organization, the allegation means that the business organization engaged in the act, deed, or transaction by or through its officers, directors, employees, agents, or other representatives, or by or through the officers, directors, employees, agents, or other representatives of its majority-owned and controlled subsidiaries, while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

#### IV. MEANS AND METHODS OF THE CONSPIRACY

11. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant and coconspirators did those things that they combined and conspired to do, including, among other things:

a) participated in meetings, conversations, and communications with each other in China, Germany, Japan, Singapore, Taiwan, the United States, and elsewhere to discuss prices, bids, and the production of electrolytic capacitors;

b) agreed during various meetings, conversations, and communications to fix, increase, maintain, and stabilize prices, rig bids, and limit the production of electrolytic capacitors;

c) negotiated prices, submitted bids, and issued price announcements for electrolytic capacitors in accordance with the agreements reached;

1 d) manufactured electrolytic capacitors in accordance with the agreements  
2 reached;

3 e) sold, distributed, and accepted payments for electrolytic capacitors at  
4 collusive, non-competitive prices and bids in accordance with the agreements reached;

5 f) collected, exchanged, monitored, and discussed information on prices,  
6 bids, sales, supply, demand, shipping, and the production of electrolytic capacitors for the  
7 purpose of reaching agreements on prices, bids, and production and monitoring and  
8 enforcing adherence to the agreements reached;

9 g) authorized, ordered, and consented to the participation of subordinate  
10 employees in the conspiracy; and

11 h) took steps to conceal the conspiracy and conspiratorial meetings,  
12 conversations, and communications through various means, such as using code names to  
13 refer to coconspirators, limiting and discouraging retention and distribution of documents  
14 reflecting conspiratorial contacts, and providing misleading justifications for prices and  
15 bids provided to customers to cover up their collusive conduct.

16 These means and methods of the conspiracy all involved electrolytic capacitors sold to customers  
17 located within the United States and elsewhere, including to customers that manufactured and/or  
18 sold in the United States under major United States and other brands significant quantities of  
19 electronic goods containing electrolytic capacitors, such as computers, televisions, and gaming  
20 systems.

## 21 V. TRADE AND COMMERCE

22 12. During the time period identified in paragraph 2, Company A and its  
23 coconspirators manufactured electrolytic capacitors in Japan, Thailand, China, the United States,  
24 and elsewhere and sold them in the United States or for delivery to the United States. The  
25 charged combination and conspiracy involved trade or commerce within the United States and  
26 U.S. import trade or commerce in electrolytic capacitors.

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1           13.     During the time period identified in paragraph 2, Company A and its  
2 coconspirators also sold foreign-manufactured electrolytic capacitors outside the United States  
3 for incorporation into other products, including computers, televisions, and gaming systems, that  
4 were sold in or for delivery to the United States. The charged combination and conspiracy had a  
5 direct, substantial, and reasonably foreseeable effect on trade or commerce within the United  
6 States or U.S. import trade or commerce in these electrolytic capacitor-containing products, and  
7 that effect, in part, gives rise to this charge.

8           14.     During the time period identified in paragraph 2, Company A and its  
9 coconspirators sold and shipped substantial quantities of electrolytic capacitors in a continuous  
10 and uninterrupted flow of interstate and U.S. import trade or commerce from the United States  
11 and foreign countries to customers located in various states in the United States, including states  
12 other than where the electrolytic capacitors were manufactured. In addition, substantial  
13 quantities of equipment and supplies necessary for the manufacture, sale, and distribution of  
14 electrolytic capacitors, as well as substantial payments for such electrolytic capacitors sold by  
15 Company A and its coconspirators, traveled in interstate and U.S. import trade or commerce.  
16 During the time period identified in paragraph 2, the business activities of Company A and its  
17 coconspirators that are the subject of this Indictment were within the flow of, and substantially  
18 affected, interstate and U.S. import trade or commerce. During the time period identified in  
19 paragraph 2, the charged combination and conspiracy had a substantial and intended effect in the  
20 United States, including on trade or commerce within the United States and U.S. import trade or  
21 commerce in electrolytic capacitors and products containing electrolytic capacitors.

## 22 23                                   VI.     JURISDICTION AND VENUE

24           15.     The combination and conspiracy charged in this Indictment was carried out, in  
25 part, in the Northern District of California, and continued within the five years preceding the  
26 return of this Indictment.

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


Dated: March 12, 2015.


A TRUE BILL.

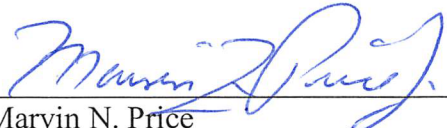
  
FOREPERSON

  
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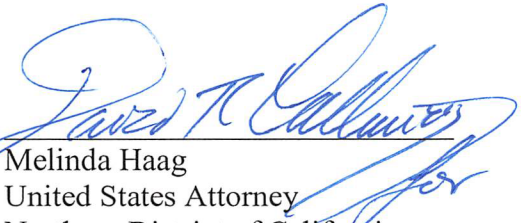
  
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