



Department of Justice

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YAZAKI CORP., DENSO CORP. AND FOUR YAZAKI EXECUTIVES AGREE TO PLEAD GUILTY TO AUTOMOBILE PARTS PRICE-FIXING AND BID-RIGGING CONSPIRACIES

Companies Agree to Pay a Total of \$548 Million in Criminal Fines—Includes Second Largest Criminal Fine Ever for an Antitrust Violation; Executives Agree to Serve Prison Time

WASHINGTON – Two Japanese suppliers of automotive electrical components—Yazaki Corporation and DENSO Corporation—have agreed to plead guilty and to pay a total of \$548 million in criminal fines for their involvement in multiple price-fixing and bid-rigging conspiracies in the sale of parts to automobile manufacturers in the United States, the Department of Justice today announced. Four executives, all Japanese nationals, have also agreed to plead guilty and to serve prison time in the United States.

Yazaki has agreed to pay a \$470 million criminal fine—the second largest criminal fine obtained for a Sherman Act antitrust violation—and DENSO has agreed to pay a \$78 million criminal fine. The four executives from Yazaki—Tsuneaki Hanamura, Ryoji Kawai, Shigeru Ogawa and Hisamitsu Takada—will serve prison time ranging from 15 months to two years. The two-year sentences would be the longest term of imprisonment imposed on a foreign national voluntarily submitting to U.S. jurisdiction for a Sherman Act antitrust violation. The fine amount and prison sentences are subject to court approval.

“As a result of the Antitrust Division’s ongoing criminal investigation of price fixing and bid rigging in the auto parts industry, more than \$748 million in fines have been obtained—which already surpasses the total amount in criminal fines obtained by the division for all of last fiscal year,” said Sharis A. Pozen, Acting Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “Criminal antitrust enforcement remains a top priority and the Antitrust Division will continue to work with the FBI and our law enforcement counterparts to root out this kind of pernicious cartel conduct that results in higher prices to American consumers and businesses.”

“I would like to commend the employees of the FBI’s Detroit Field Office and the Department of Justice Antitrust Division, for their fine work on this very important antitrust investigation. This team has devoted countless hours to the investigation and I appreciate their devotion to the mission. The companies involved in this case conspired to the price fixing and bid rigging of automotive parts. This criminal activity has a significant impact on the automotive

manufacturers in the United States, Canada, Japan and Europe and had been occurring at least a decade. The conduct had also affected commerce on a global scale in almost every market where automobiles are manufactured and/or sold,” said FBI’s Special Agent in Charge Andrew G. Arena.

According to court documents filed today in U.S. District Court for the Eastern District of Michigan in Detroit, Yazaki, DENSO, Hanamura, Kawai, Ogawa, Takada and their co-conspirators carried out the conspiracies by agreeing, during meetings and conversations, to allocate the supply of the named products on a model-by-model basis and to coordinate price adjustments requested by automobile manufacturers in the United States and elsewhere. They sold automotive electrical components to automobile manufacturers at inflated prices and engaged in meetings and conversations for the purpose of monitoring and enforcing adherence to the agreed-upon bid-rigging and price-fixing scheme.

According to a three-count felony charge, Yazaki engaged in three separate conspiracies: to rig bids for and fix, stabilize and maintain the prices of automotive wire harnesses and related products from 2000 through 2010; to rig bids for and fix, stabilize and maintain the prices of instrument panel clusters from 2002 through 2010; and to fix, stabilize and maintain the prices of fuel senders from 2004 through 2010. All three conspiracies involved products sold to customers in the United States and elsewhere. Automotive wire harnesses are automotive electrical distribution systems used to direct and control electronic components, wiring and circuit boards in cars. Instrument panel clusters, also known as meters, are the mounted array of instruments and gauges housed in front of the driver of an automobile. Fuel senders reside in the fuel tank of an automobile and measure the amount of fuel in the tank.

According to a two-count felony charge, DENSO engaged in conspiracies to rig bids for and to fix, stabilize and maintain the prices of electronic control units (ECUs) and heater control panels (HCPs) sold to customers in the United States and elsewhere. An ECU is an embedded system that controls one or more of the electronic systems or subsystems in a motor vehicle. HCPs are located in the center console of an automobile and control the temperature of the interior environment of a vehicle.

According to four separate one-count felony charges, Hanamura, Kawai, Ogawa and Takada each engaged in a conspiracy to rig bids for and to fix, stabilize and maintain the prices of automotive wire harnesses and related products sold to customers in the United States and elsewhere. The department said that the individuals participated in the conspiracies at various times from at least as early as January 2000, until at least February 2010. During the conspiracies, the individuals held the following positions: Hanamura was a branch manager at Yazaki North America in Columbus, Ohio, and a Honda division sales manager in Japan; Kawai was director of Toyota Sales of Yazaki North America in Lexington, Ky., and vice division head of Yazaki’s Toyota Business Unit in Japan; Ogawa was assistant section manager and later section manager in Yazaki’s Honda Business Unit in Japan, and branch manager in Yazaki’s Honda Sales Unit and later director at Yazaki North America in Columbus; Takada was assistant manager in Yazaki’s Toyota Business Unit, director of Yazaki North America in Lexington, and manager of a sales department of Yazaki’s Toyota Business Unit in Japan. According to the plea agreements, which are subject to court approval, Ogawa and Takada have each agreed to serve

15 months in a U.S. prison. Hanamura and Kawai have each agreed to serve two years in a U.S. prison. Each of the four executives has also agreed to pay a \$20,000 criminal fine. According to the plea agreements, Yazaki, DENSO, Hanamura, Kawai, Ogawa and Takada have all agreed to assist the department in its ongoing investigation into the automotive parts industry.

On Nov. 14, 2011, Furukawa Electric Co. Ltd. pleaded guilty and was sentenced to pay a \$200 million fine for its role in the wire harnesses price-fixing and bid-rigging conspiracy. Three of Furukawa's executives also pleaded guilty. The court sentenced two of the executives to 15 and 18 month prison sentences, to be served in the United States. Sentencing of the third executive, who agreed to serve a year and a day in prison in the United States, is scheduled for Feb. 28, 2012.

Yazaki and DENSO are charged with price fixing in violation of the Sherman Act, which carries a maximum \$100 million criminal fine for a corporation. Hanamura, Kawai, Ogawa and Takada are also charged with a violation of the Sherman Act, which carries a maximum sentence of 10 years in prison and a \$1 million criminal fine for an individual. The maximum fine for both a company and 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.

Today's charges arise from an ongoing federal antitrust investigation into bid rigging, price fixing and other anticompetitive conduct in the automotive parts industry, which is being conducted by the Antitrust Division's National Criminal Enforcement Section and the FBI's Detroit Field Office with the assistance of the FBI headquarters' International Corruption Unit. Anyone with information concerning the focus of this investigation is urged to call the Antitrust Division's National Criminal Enforcement Section at 202-307-6694 or the FBI's Detroit Field Office at 313-965-2323.

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