



Department of Justice

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HITACHI METALS LTD. AGREES TO PLEAD GUILTY FOR FIXING PRICES AND RIGGING BIDS ON AUTOMOBILE PARTS INSTALLED IN U.S. CARS

Company Agrees to Pay \$1.25 Million Criminal Fine

WASHINGTON – Hitachi Metals Ltd., an automotive parts manufacturer based in Tokyo, Japan, and successor in interest to Hitachi Cable Ltd. (collectively Hitachi), has agreed to plead guilty and to pay a \$1.25 million criminal fine for its role in a conspiracy to fix prices and rig bids for automotive brake hose installed in cars sold in the United States and elsewhere, the Department of Justice announced today.

According to the one-count felony charge filed today in the U.S. District Court for the Northern District of Ohio in Toledo, Hitachi conspired to fix the prices of automotive brake hose sold to Toyota Motor Corporation and certain of its subsidiaries, affiliates and suppliers, in the United States and elsewhere (collectively Toyota). In addition to the criminal fine, Hitachi has agreed to cooperate in the department’s ongoing investigation. The plea agreement will be subject to court approval.

“Today’s guilty plea demonstrates the Antitrust Division’s commitment to hold companies accountable for engaging in illegal anticompetitive conduct,” said Brent Snyder, Deputy Assistant Attorney General for the Antitrust Division’s criminal enforcement program. “The division is dedicated to its mission to protect U.S. consumers and businesses.”

According to the charge, Hitachi and its co-conspirators conspired through meetings and conversations in which they discussed and agreed upon bids and price quotations to be submitted to Toyota, and to allocate the supply of automotive brake hose to Toyota. In furtherance of the agreement, Hitachi sold automotive brake hose at non-competitive prices to Toyota in the United States and elsewhere. Hitachi’s involvement in the automotive brake hose conspiracy lasted from at least as early as November 2005 until at least September 2009.

Hitachi manufactures and sells a variety of automotive parts, including automotive brake hoses, which are flexible hoses that carry brake fluid through the hydraulic brake system of automobiles. The charges against Hitachi are the latest in the department’s on-going investigation into anticompetitive conduct in the automotive parts industry. These are the first charges filed relating to automotive brake hose sold to automobile manufacturers.

To date, 44 individuals have been charged in the government's ongoing investigation into price fixing and bid rigging in the auto parts industry. Including Hitachi, 30 companies have pleaded guilty or agreed to plead guilty and have agreed to pay a total of nearly \$2.4 billion in fines.

Hitachi is charged with price fixing and bid rigging in violation of the Sherman Act, which carries a maximum penalty for corporations of a \$100 million criminal fine for each violation. The maximum fine 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 charge is the result of an ongoing federal antitrust investigation into price fixing, bid rigging and other anticompetitive conduct in the automotive parts industry, which is being conducted by the Antitrust Division's criminal enforcement sections and the FBI. Today's charge was brought by the Antitrust Division's Chicago Office and the FBI's Cleveland Field Office, Lima Resident Agency, with the assistance of the FBI headquarters' International Corruption Unit and the U.S. Attorney's Office for the Northern District of Ohio. Anyone with information on price fixing, bid rigging and other anticompetitive conduct related to other products in the automotive parts industry should contact the Antitrust Division's Citizen Complaint Center at 1-888-647-3258, visit www.justice.gov/atr/contact/newcase.html or call the FBI's Cleveland Field Office at 216-522-1400.

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