

FILED

OCT 26 2017

SUSAN Y. SOONG
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

JACKLIN CHOU LEM (CSBN 255293)
HOWARD J. PARKER (WSBN 07233)
PARADI JAVANDEL (CSBN 295841)
U.S. Department of Justice
Antitrust Division
450 Golden Gate Avenue
Box 36046, Room 10-0101
San Francisco, CA 94102
Telephone: (415) 934-5300
jacklin.lem@usdoj.gov

Attorneys for the United States

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA

v.

MATSUO ELECTRIC COMPANY
LIMITED,

Defendant.

) No.

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

VIOLATION: 15 U.S.C. § 1
Price Fixing

PLEA AGREEMENT

The United States of America and Matsuo Electric Company Limited ("defendant"), a corporation organized and existing under the laws of Japan, hereby enter into the following Plea Agreement pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure ("Fed. R. Crim. P."):

RIGHTS OF DEFENDANT

1. The defendant understands its rights:
 - (a) to be represented by an attorney;
 - (b) to be charged by Indictment;

1 (c) as a corporation organized and existing under the laws of Japan, to decline
2 to accept service of the Summons in this case, and to contest the jurisdiction of the
3 United States to prosecute this case against it in the United States District Court for the
4 Northern District of California;

5 (d) to plead not guilty to any criminal charge brought against it;

6 (e) to have a trial by jury, at which it would be presumed not guilty of the
7 charge and the United States would have to prove every essential element of the charged
8 offense beyond a reasonable doubt for it to be found guilty;

9 (f) to confront and cross-examine witnesses against it and to subpoena
10 witnesses in its defense at trial;

11 (g) to appeal its conviction if it is found guilty; and

12 (h) to appeal the imposition of sentence against it.

13 **AGREEMENT TO PLEAD GUILTY AND WAIVE CERTAIN RIGHTS**

14 2. The defendant knowingly and voluntarily waives the rights set out in
15 subparagraphs 1(b)-(g) above. The defendant also knowingly and voluntarily waives the right to
16 file any appeal, any collateral attack, or any other writ or motion, including but not limited to an
17 appeal under 18 U.S.C. § 3742, that challenges the sentence imposed by the Court if that
18 sentence is consistent with or below the recommended sentence in Paragraph 9 of this Plea
19 Agreement, regardless of how the sentence is determined by the Court. For purposes of the
20 waiver of appeal, the sentence imposed is deemed consistent with or below the recommended
21 sentence in Paragraph 9 even if the sentence imposed includes a term of probation if it is
22 otherwise consistent with or below the recommended sentence in Paragraph 9, unless the length
23 of the term of probation exceeds the length authorized by 18 U.S.C. § 3561(c). This agreement
24 does not affect the rights or obligations of the United States as set forth in 18 U.S.C. § 3742(b)-
25 (c). Nothing in this paragraph, however, will act as a bar to the defendant perfecting any legal
26 remedies it may otherwise have on appeal or collateral attack respecting claims of ineffective
27 assistance of counsel or prosecutorial misconduct. The defendant agrees that there is currently
28 no known evidence of ineffective assistance of counsel or prosecutorial misconduct. Pursuant to

1 Fed. R. Crim. P. 7(b), the defendant will waive indictment and plead guilty to a one-count
2 Information to be filed in the United States District Court for the Northern District of California.
3 The Information will charge the defendant with participating, from at least as early as November
4 2001 until in or about January 2014 , in a conspiracy to suppress and eliminate competition by
5 fixing prices and rigging bids of certain electrolytic capacitors in the United States and
6 elsewhere, in violation of the Sherman Antitrust Act, 15 U.S.C. § 1.

7 3. The defendant will plead guilty to the criminal charge described in Paragraph 2
8 above pursuant to the terms of this Plea Agreement and will make a factual admission of guilt to
9 the Court in accordance with Fed. R. Crim. P. 11, as set forth in Paragraph 4 below.

10 **FACTUAL BASIS FOR OFFENSE CHARGED**

11 4. Had this case gone to trial, the United States would have presented evidence
12 sufficient to prove the following facts:

13 (a) For purposes of this Plea Agreement, the “relevant period” is the period
14 beginning at least as early as November 2001 until in or about January 2014. During the
15 relevant period, the defendant was a corporation organized and existing under the laws of
16 Japan. The defendant had its principal place of business in Osaka, Japan. During the
17 relevant period, the defendant manufactured tantalum electrolytic capacitors and was
18 engaged in the sale of such electrolytic capacitors in the United States and elsewhere.
19 Electrolytic capacitors are a major subcategory of capacitors, fundamental components of
20 electrical circuits used primarily to store and regulate electrical current. Tantalum
21 capacitors are a type of electrolytic capacitor.

22 (b) During the relevant period, the defendant, through its officers and
23 employees, including high-level personnel of the defendant, participated in a conspiracy
24 among manufacturers of electrolytic capacitors, the primary purpose of which was to fix
25 prices and rig bids of certain electrolytic capacitors sold in the United States and
26 elsewhere. In furtherance of the conspiracy, the defendant, through its officers and
27 employees, at times engaged in discussions and attended meetings with representatives of
28 other manufacturers of electrolytic capacitors. During certain of these discussions and

1 meetings, the conspirators agreed to fix the price and/or rig bids of certain electrolytic
2 capacitors to be sold in the United States and elsewhere.

3 (c) During the relevant period, the defendant and its coconspirators
4 manufactured certain electrolytic capacitors outside the United States and sold them in
5 the United States or for delivery to the United States. During the relevant period, one or
6 more of the conspirator firms sold certain foreign-manufactured electrolytic capacitors
7 outside the United States for incorporation into products that were sold in or for delivery
8 to the United States. During the relevant period, certain electrolytic capacitors sold by
9 one or more of the conspirator firms traveled in interstate commerce.

10 (d) Acts in furtherance of this conspiracy were carried out within the Northern
11 District of California. Certain electrolytic capacitors that were the subject of this
12 conspiracy were sold by one or more of the conspirators to customers in this District.

13 **ELEMENTS OF THE OFFENSE**

14 5. The elements of the charged offense are that:

15 (a) the conspiracy described in the Information existed at or about the time
16 alleged;

17 (b) the defendant knowingly became a member of the conspiracy; and

18 (c) the conspiracy described in the Information either (1) substantially
19 affected interstate and U.S. import trade or commerce in electrolytic capacitors or
20 occurred within the flow of interstate or U.S. import trade or commerce in electrolytic
21 capacitors, or (2) had a direct, substantial, and reasonably foreseeable effect on interstate
22 or U.S. import trade or commerce in certain electrolytic capacitor-containing products
23 and that effect, in part, gives rise to the charge in the Information.

24 **POSSIBLE MAXIMUM SENTENCE**

25 6. The defendant understands that the statutory maximum penalty which may be
26 imposed against it upon conviction for a violation of Section One of the Sherman Antitrust Act is
27 a fine in an amount equal to the greatest of:

28 (a) \$100 million (15 U.S.C. § 1);

1 (b) twice the gross pecuniary gain the conspirators derived from the crime (18
2 U.S.C. § 3571(c) and (d)); or

3 (c) twice the gross pecuniary loss caused to the victims of the crime by the
4 conspirators (18 U.S.C. § 3571(c) and (d)).

5 7. In addition, the defendant understands that:

6 (a) pursuant to § 8D1.2(a)(1) of the United States Sentencing Guidelines
7 (“U.S.S.G.,” “Sentencing Guidelines,” or “Guidelines”) or 18 U.S.C. § 3561(c)(1), the
8 Court may impose a term of probation of at least one year, but not more than five years;
9 and if the defendant violates any condition of probation, the Court may, pursuant to 18
10 U.S.C. § 3565, (i) continue the defendant on probation, with or without extending the
11 term or modifying or enlarging the conditions or (ii) revoke the sentence of probation and
12 resentence the defendant;

13 (b) pursuant to U.S.S.G. §8B1.1 or 18 U.S.C. § 3563(b)(2) or § 3663(a)(3),
14 the Court may order it to pay restitution to the victims of the offense; and

15 (c) pursuant to 18 U.S.C. § 3013(a)(2)(B), the Court is required to order the
16 defendant to pay a \$400 special assessment upon conviction for the charged crime.

17 **SENTENCING GUIDELINES**

18 8. The defendant understands that the Sentencing Guidelines are advisory, not
19 mandatory, but that the Court must consider, in determining and imposing sentence, the
20 Guidelines Manual in effect on the date of sentencing unless that Manual provides for greater
21 punishment than the Manual in effect on the last date that the offense of conviction was
22 committed, in which case the Court must consider the Guidelines Manual in effect on the last
23 date that the offense of conviction was committed. The parties agree there is no *ex post facto*
24 issue under the November 1, 2016 Guidelines Manual. The Court must also consider the other
25 factors set forth in 18 U.S.C. § 3553(a) in determining and imposing sentence. The defendant
26 understands that the Court will make Guidelines determinations by applying a standard of
27 preponderance-of-the-evidence. The defendant understands that although the Court is not
28 ultimately bound to impose a sentence within the applicable Guidelines range, its sentence must

1 be reasonable based upon consideration of all relevant sentencing factors set forth in 18 U.S.C. §
2 3553(a).

3 SENTENCING AGREEMENT

4 9. Pursuant to Fed. R. Crim. P. 11(c)(1)(C) and subject to the full, truthful, and
5 continuing cooperation of the defendant and its related entities, as defined in Paragraph 13 of this
6 Plea Agreement, the United States and the defendant agree that the appropriate disposition of this
7 case is, and agree to recommend jointly that the Court impose, a sentence requiring the defendant
8 to pay to the United States a criminal fine of \$4.17 million, payable in installments as set forth
9 below with interest accruing under 18 U.S.C. § 3612(f)(1)-(2), no order of restitution, and a five-
10 year term of probation ("the recommended sentence"). The parties agree that there exists no
11 aggravating or mitigating circumstance of a kind, or to a degree, not adequately taken into
12 consideration by the U.S. Sentencing Commission in formulating the Sentencing Guidelines
13 justifying a departure pursuant to U.S.S.G. § 5K2.0. The parties agree not to seek at the
14 sentencing hearing any sentence outside of the Guidelines range nor any Guidelines adjustment
15 for any reason that is not set forth in this Plea Agreement. The parties further agree that the
16 recommended sentence set forth in this Plea Agreement is reasonable.

17 (a) The United States and the defendant agree to recommend, in the interest of
18 justice pursuant to 18 U.S.C. § 3572(d)(1), that the fine be paid in the following
19 installments: within thirty (30) days of imposition of sentence – \$695,000 (plus any
20 accrued interest); at the one-year anniversary of the imposition of sentence
21 ("anniversary") – \$695,000 (plus any accrued interest); at the two-year anniversary –
22 \$695,000 (plus any accrued interest); at the three-year anniversary – \$695,000 (plus any
23 accrued interest); at the four-year anniversary – \$695,000 (plus any accrued interest); at
24 the five-year anniversary – \$695,000 (plus any accrued interest); provided, however, that
25 the defendant will have the option at any time before the five-year anniversary of
26 prepaying the remaining balance (plus any accrued interest) then owing on the fine.

27 //

28 //

1 (b) The defendant understands that the Court will order it to pay a \$400
2 special assessment, pursuant to 18 U.S.C. § 3013(a)(2)(B), in addition to any fine
3 imposed.

4 (c) In light of the availability of civil cases filed against the defendant,
5 including *In Re: Capacitors Antitrust Litigation* (14-CV-03264-JD), filed in the United
6 States District Court, Northern District of California, which potentially provide for a
7 recovery of a multiple of actual damages, the recommended sentence does not include a
8 restitution order for the offense charged in the Information.

9 (d) The United States and the defendant agree to recommend jointly that the
10 Court order a five-year term of probation, with the following conditions: (1) the
11 development of a corporate compliance program consistent with U.S.S.G. § 8B2.1,
12 including antitrust compliance standards and procedures to be followed by all officers,
13 directors, and employees who have any responsibility for the sale or marketing of
14 electrolytic capacitors; (2) the implementation of the corporate compliance program,
15 including: (i) training on a periodic basis concerning the requirements of the antitrust
16 laws and the above standards and procedures; and (ii) periodic communications by high-
17 level personnel reinforcing the defendant's commitment to the corporate compliance
18 program and adherence to the antitrust laws; and (3) the submission of annual written
19 reports by the defendant to the Antitrust Division of the U.S. Department of Justice and
20 the United States Probation Office on the defendant's progress in implementing the
21 corporate compliance program. In addition, pursuant to U.S.S.G. § 8D1.3(a), the
22 defendant will not commit another federal, state, or local crime during the term of
23 probation. The development and implementation of the corporate compliance program
24 shall apply to the defendant, its subsidiaries, and any entity in which, after the date of
25 signature of this Plea Agreement, the defendant has a greater than 50% ownership
26 interest. The parties agree that the term and conditions of probation imposed by the
27 Court will not void this Plea Agreement.

28 //

1 (e) The United States and the defendant jointly submit that this Plea
2 Agreement, together with the record that will be created by the United States and the
3 defendant at the plea and sentencing hearings, and the further disclosure described in
4 Paragraph 11, will provide sufficient information concerning the defendant, the crime
5 charged in this case, and the defendant's role in the crime to enable the meaningful
6 exercise of sentencing authority by the Court under 18 U.S.C. § 3553. The United States
7 and defendant agree to request jointly that the Court accept the defendant's guilty plea
8 and impose sentence on an expedited schedule as early as the date of arraignment, based
9 upon the record provided by the defendant and the United States, under the provisions of
10 Fed. R. Crim. P. 32(c)(1)(A)(ii), U.S.S.G. § 6A1.1, and Rule 32-1(b) of the Criminal
11 Local Rules. The Court's denial of the request to impose sentence on an expedited
12 schedule will not void this Plea Agreement.

13 10. The United States and the defendant agree that the applicable Guidelines fine
14 range exceeds the fine contained in the recommended sentence set out in Paragraph 9 above.
15 Subject to the full, truthful, and continuing cooperation of the defendant and its related entities,
16 as defined in Paragraph 13 of this Plea Agreement, and prior to sentencing in this case, the
17 United States agrees that it will make a motion, pursuant to U.S.S.G. § 8C4.1, for a downward
18 departure from the Guidelines fine range in this case and will request that the Court impose the
19 fine contained in the recommended sentence set out in Paragraph 9 of this Plea Agreement
20 because of the defendant's and its related entities' substantial assistance in the government's
21 investigation and prosecutions of violations of federal criminal law in the electrolytic capacitors
22 industry.

23 11. Subject to the full, truthful, and continuing cooperation of the defendant and its
24 related entities, as defined in Paragraph 13 of this Plea Agreement, and prior to sentencing in this
25 case, the United States will fully advise the Court and the Probation Office of the fact, manner,
26 and extent of the defendant's and its related entities' cooperation and their commitment to
27 prospective cooperation with the United States' investigation and prosecutions, all material facts
28 relating to the defendant's involvement in the charged offense, and all other relevant conduct.

1 12. The United States and the defendant understand that the Court retains complete
2 discretion to accept or reject the recommended sentence provided for in Paragraph 9 of this Plea
3 Agreement.

4 (a) If the Court does not accept the recommended sentence, the United States
5 and the defendant agree that this Plea Agreement, except for subparagraph 12(b) below,
6 will be rendered void.

7 (b) If the Court does not accept the recommended sentence, the defendant will
8 be free to withdraw its guilty plea (Fed. R. Crim. P. 11(c)(5) and (d)). If the defendant
9 withdraws its plea of guilty, this Plea Agreement, the guilty plea, and any statement made
10 in the course of any proceedings under Fed. R. Crim. P. 11 regarding the guilty plea or
11 this Plea Agreement or made in the course of plea discussions with an attorney for the
12 government will not be admissible against the defendant in any criminal or civil
13 proceeding, except as otherwise provided in Fed. R. Evid. 410. In addition, the defendant
14 agrees that, if it withdraws its guilty plea pursuant to this subparagraph of this Plea
15 Agreement, the statute of limitations period for any offense referred to in Paragraph 15 of
16 this Plea Agreement will be tolled for the period between the date of signature of this
17 Plea Agreement and the date the defendant withdrew its guilty plea or for a period of
18 sixty (60) days after the date of signature of this Plea Agreement, whichever period is
19 greater. The "date of signature of this Plea Agreement," as used in this Agreement,
20 means the date that the United States signs this Agreement.

21 **DEFENDANT'S COOPERATION**

22 13. The defendant and its subsidiaries that are engaged in the sale or production of
23 electrolytic capacitors, including, but not limited to, Shimane Matsuo Electronic Co., Ltd.,
24 (collectively "related entities") will cooperate fully and truthfully with the United States in the
25 prosecution of this case, the current federal investigation of violations of federal antitrust and
26 related criminal laws involving the manufacture or sale of electrolytic capacitors, any federal
27 investigation resulting therefrom, and any litigation or other proceedings arising or resulting
28 from any such investigation to which the United States is a party (collectively "Federal

1 Proceeding”). Federal Proceeding includes, but is not limited to, an investigation, prosecution,
2 litigation, or other proceeding regarding obstruction of, the making of a false statement or
3 declaration in, the commission of perjury or subornation of perjury in, the commission of
4 contempt in, or conspiracy to commit such offenses in, a Federal Proceeding. The defendant’s
5 subsidiaries for purposes of this Plea Agreement are entities that the defendant had a greater than
6 50% ownership interest in as of the date of signature of this Plea Agreement. The full, truthful,
7 and continuing cooperation of the defendant and its related entities will include, but not be
8 limited to:

9 (a) producing to the United States all documents, information, and other
10 materials, wherever located, not protected under the attorney-client privilege or the work-
11 product doctrine, (and with translations into English), in the possession, custody, or
12 control of the defendant and its related entities, that are requested by the United States in
13 connection with any Federal Proceeding; and

14 (b) using its best efforts to secure the full, truthful, and continuing cooperation
15 of the current and former directors, officers, and employees of the defendant and its
16 related entities as may be requested by the United States, but excluding the individuals
17 listed in Paragraph 2 of Attachment A filed under seal. Such efforts will include, but not
18 be limited to, making these persons available in the United States and at other mutually
19 agreed-upon locations, at the defendant’s expense, for interviews and the provision of
20 testimony in grand jury, trial, and other judicial proceedings in connection with any
21 Federal Proceeding. Current directors, officers, and employees are defined for purposes
22 of this Plea Agreement as individuals who are directors, officers, or employees of the
23 defendant or any of its related entities as of the date of signature of this Plea Agreement.

24 14. The full, truthful, and continuing cooperation of the current directors, officers,
25 and employees of the defendant and its related entities, and the individuals listed in Paragraph 1
26 of Attachment A filed under seal, will be subject to the procedures and protections of this
27 paragraph and will include, but not be limited to:

28 //

1 (a) producing in the United States and at other mutually agreed-upon
2 locations all documents, including claimed personal documents, and other materials,
3 wherever located, not protected under the attorney-client privilege or the work-product
4 doctrine, (and with translations into English), that are requested by attorneys and agents
5 of the United States in connection with any Federal Proceeding;

6 (b) making himself or herself available for interviews in the United States and
7 at other mutually agreed-upon locations, not at the expense of the United States, upon the
8 request of attorneys and agents of the United States in connection with any Federal
9 Proceeding;

10 (c) responding fully and truthfully to all inquiries of the United States in
11 connection with any Federal Proceeding, without falsely implicating any person or
12 intentionally withholding any information, subject to the penalties of making a false
13 statement or declaration (18 U.S.C. §§ 1001, 1623), obstruction of justice (18 U.S.C. §
14 1503, *et seq.*), or conspiracy to commit such offenses;

15 (d) otherwise voluntarily providing the United States with any material or
16 information not requested in (a) – (c) of this paragraph and not protected under the
17 attorney-client privilege or work-product doctrine that he or she may have that is related
18 to any Federal Proceeding;

19 (e) when called upon to do so by the United States in connection with any
20 Federal Proceeding, testifying in grand jury, trial, and other judicial proceedings in the
21 United States fully, truthfully, and under oath, subject to the penalties of perjury (18
22 U.S.C. § 1621), making a false statement or declaration in grand jury or court
23 proceedings (18 U.S.C. § 1623), contempt (18 U.S.C. §§ 401-402), and obstruction of
24 justice (18 U.S.C. § 1503, *et seq.*); and

25 (f) agreeing that, if the agreement not to prosecute him or her in this Plea
26 Agreement is rendered void under subparagraph 16(c), the statute of limitations period
27 for any Relevant Offense, as defined in subparagraph 16(a), will be tolled as to him or her
28 for the period between the date of signature of this Plea Agreement and six (6) months

1 after the date that the United States gave notice of its intent to void its obligations to that
2 person under this Plea Agreement.

3 This Paragraph 14 does not apply to the individuals listed in Paragraph 2 of Attachment A filed
4 under seal, regardless of their employment status, or to any former director, officer, or employee
5 of the defendant or its related entities, except those listed in Paragraph 1 of Attachment A filed
6 under seal.

7 **GOVERNMENT'S AGREEMENT**

8 15. Subject to the full, truthful, and continuing cooperation of the defendant and its
9 related entities, as defined in Paragraph 13 of this Plea Agreement, and upon the Court's
10 acceptance of the guilty plea called for by this Plea Agreement and the imposition of the
11 recommended sentence, the United States agrees that it will not bring further criminal charges
12 against the defendant or any of its related entities for any act or offense committed before the
13 date of signature of this Plea Agreement that was undertaken in furtherance of an antitrust
14 conspiracy involving the manufacture or sale of electrolytic capacitors. The nonprosecution
15 terms of this paragraph do not apply to (a) any acts of subornation of perjury (18 U.S.C. § 1622),
16 making a false statement (18 U.S.C. § 1001), obstruction of justice (18 U.S.C. § 1503, et seq.),
17 contempt (18 U.S.C. §§ 401-402), or conspiracy to commit such offenses; (b) civil matters of
18 any kind; (c) any violation of the federal tax or securities laws or conspiracy to commit such
19 offenses; or (d) any crime of violence.

20 16. The United States agrees to the following:

21 (a) Upon the Court's acceptance of the guilty plea called for by this Plea
22 Agreement and the imposition of the recommended sentence and subject to the
23 exceptions noted in subparagraph 16(c), the United States agrees that it will not bring
24 criminal charges against any current director, officer, or employee of the defendant or its
25 related entities, or any individual listed in Paragraph 1 of Attachment A filed under seal,
26 for any act or offense committed before the date of signature of this Plea Agreement and
27 while that person was acting as a director, officer, or employee of the defendant or its
28 related entities that was undertaken in furtherance of an antitrust conspiracy involving the

1 manufacture or sale of electrolytic capacitors (“Relevant Offense”), except that the
2 protections granted in Paragraph 16 do not apply to the individuals listed in Paragraph 2
3 of Attachment A filed under seal, regardless of their employment status, or to any former
4 director, officer, or employee of the defendant or its related entities, except those listed in
5 Paragraph 1 of Attachment A filed under seal;

6 (b) Should the United States determine that any current director, officer, or
7 employee of the defendant or its related entities, or any individual listed in Paragraph 1 of
8 Attachment A filed under seal, may have information relevant to any Federal Proceeding,
9 the United States may request that person’s cooperation under the terms of this Plea
10 Agreement by written request delivered to counsel for the individual (with a copy to the
11 undersigned counsel for the defendant) or, if the individual is not known by the United
12 States to be represented, to the undersigned counsel for the defendant;

13 (c) If any person requested to provide cooperation under subparagraph 16(b)
14 fails to comply fully with his or her obligations under Paragraph 14, then the terms of this
15 Plea Agreement as they pertain to that person and the agreement not to prosecute that
16 person granted in this Plea Agreement will be rendered void, and the United States may
17 prosecute such person criminally for any federal crime of which the United States has
18 knowledge, including, but not limited to, any Relevant Offense;

19 (d) Except as provided in subparagraph 16(e), information provided by a
20 person described in subparagraph 16(b) to the United States under the terms of this Plea
21 Agreement pertaining to any Relevant Offense, or any information directly or indirectly
22 derived from that information, may not be used against that person in a criminal case,
23 except in a prosecution for perjury or subornation of perjury (18 U.S.C. §§ 1621-22),
24 making a false statement or declaration (18 U.S.C. §§ 1001, 1623), obstruction of justice
25 (18 U.S.C. § 1503, *et seq.*), contempt (18 U.S.C. §§ 401-402), or conspiracy to commit
26 such offenses;

27 (e) If any person who provides information to the United States under this
28 Plea Agreement fails to comply fully with his or her obligations under Paragraph 14 of

1 this Plea Agreement, the agreement in subparagraph 16(d) not to use that information or
2 any information directly or indirectly derived from it against that person in a criminal
3 case will be rendered void;

4 (f) The nonprosecution terms of this subparagraph 16 do not apply to civil
5 matters of any kind; any violation of the federal tax or securities laws or conspiracy to
6 commit such offenses; any crime of violence; or perjury or subornation of perjury (18
7 U.S.C. §§ 1621-22), making a false statement or declaration (18 U.S.C. §§ 1001, 1623),
8 obstruction of justice (18 U.S.C. § 1503, *et seq.*), contempt (18 U.S.C. §§ 401-402), or
9 conspiracy to commit such offenses; and

10 (g) Documents provided under subparagraphs 13(a) and 14(a) will be deemed
11 responsive to outstanding grand jury subpoenas issued to the defendant or any of its
12 related entities.

13 17. The United States agrees that when any person travels to the United States for
14 interviews, grand jury appearances, or court appearances pursuant to this Plea Agreement, or for
15 meetings with counsel in preparation therefor, the United States will take no action, based upon
16 any Relevant Offense, to subject such person to arrest, detention, or service of process, or to
17 prevent such person from departing the United States. This paragraph does not apply to an
18 individual's commission of perjury or subornation of perjury (18 U.S.C. §§ 1621-22), making a
19 false statement or declaration (18 U.S.C. §§ 1001, 1623), obstruction of justice (18 U.S.C. §
20 1503, *et seq.*), contempt (18 U.S.C. §§ 401-402), or conspiracy to commit such offenses.

21 18. The defendant understands that it may be subject to suspension or debarment
22 action by state or federal agencies other than the United States Department of Justice, Antitrust
23 Division, based upon the conviction resulting from this Plea Agreement, and that this Plea
24 Agreement in no way controls what action, if any, other agencies may take. However, the
25 Antitrust Division agrees that, if requested it will advise the appropriate officials of any
26 governmental agency considering such action of the fact, manner, and extent of the cooperation
27 of the defendant and its related entities as a matter for that agency to consider before determining
28

1 what action, if any, to take. The defendant nevertheless affirms that it wants to plead guilty
2 regardless of any suspension or debarment consequences of its plea.

3 **REPRESENTATION BY COUNSEL**

4 19. The defendant has been represented by counsel and is fully satisfied that its
5 attorneys have provided competent legal representation. The defendant has thoroughly reviewed
6 this Plea Agreement and acknowledges that counsel has advised it of the nature of the charge,
7 any possible defenses to the charge, and the nature and range of possible sentences.

8 **VOLUNTARY PLEA**

9 20. The defendant's decision to enter into this Plea Agreement and to tender a plea of
10 guilty is freely and voluntarily made and is not the result of force, threats, assurances, promises,
11 or representations other than the representations contained in this Plea Agreement and
12 Attachment A. The United States has made no promises or representations to the defendant as to
13 whether the Court will accept or reject the recommendations contained within this Plea
14 Agreement.

15 **VIOLATION OF PLEA AGREEMENT**

16 21. The defendant agrees that, should the United States determine in good faith,
17 during the period that any Federal Proceeding is pending, that the defendant or any of its related
18 entities have failed to provide full, truthful, and continuing cooperation, as defined in Paragraph
19 13 of this Plea Agreement, or have otherwise violated any provision of this Plea Agreement,
20 except for the conditions of probation, violations of which are subject to 18 U.S.C. § 3565, the
21 United States will notify counsel for the defendant in writing by personal or overnight delivery,
22 email, or facsimile transmission and may also notify counsel by telephone of its intention to void
23 any of its obligations under this Plea Agreement (except its obligations under this paragraph),
24 and the defendant and its related entities will be subject to prosecution for any federal crime of
25 which the United States has knowledge, including, but not limited to, the substantive offenses
26 relating to the investigation resulting in this Plea Agreement. The defendant may seek Court
27 review of any determination made by the United States under this paragraph to void any of its
28 obligations under this Plea Agreement. The defendant agrees that, in the event that the United

1 States is released from its obligations under this Plea Agreement and brings criminal charges
2 against the defendant or its related entities for any offense referred to in Paragraph 15 of this Plea
3 Agreement, the statute of limitations period for such offense will be tolled for the period between
4 the date of signature of this Plea Agreement and six (6) months after the date the United States
5 gave notice of its intent to void its obligations under this Plea Agreement.

6 22. The defendant understands and agrees that in any further prosecution of it or its
7 related entities resulting from the release of the United States from its obligations under this Plea
8 Agreement because of the defendant's or any of its related entities' violation of this Plea
9 Agreement, any documents, statements, information, testimony, or evidence provided by it, its
10 related entities, or their current or former directors, officers, or employees, to attorneys or agents
11 of the United States, federal grand juries, or courts, and any leads derived therefrom, may be
12 used against it or its related entities. In addition, the defendant unconditionally waives its right
13 to challenge the use of such evidence in any such further prosecution, notwithstanding the
14 protections of Fed. R. Evid. 410.

15 **ENTIRETY OF AGREEMENT**

16 23. This Plea Agreement and Attachment A constitute the entire agreement between
17 the United States and the defendant concerning the disposition of the criminal charge in this case.
18 This Plea Agreement cannot be modified except in writing, signed by the United States and the
19 defendant.

20 24. The undersigned is authorized to enter this Plea Agreement on behalf of the
21 defendant as evidenced by the Resolution of the Board of Directors of the defendant attached to,
22 and incorporated by reference in, this Plea Agreement.

23 25. The undersigned attorneys for the United States have been authorized by the
24 Attorney General of the United States to enter this Plea Agreement on behalf of the United
25 States.

26 //

27 //

28 //

1 A facsimile or PDF signature will be deemed an original signature for the purpose of executing
2 this Plea Agreement. Multiple signature pages are authorized for the purpose of executing this
3 Plea Agreement.

4 Respectfully submitted,

5
6
7 BY: _____
8 Yoshihiro Amitani
9 Director and Executive Officer
10 General Affairs and Accounting Division
11 Manager
12 Matsuo Electric Company Limited

BY: Paradi Javandel
JACKLIN CHOU LEM
HOWARD J. PARKER
PARADI JAVANDEL

Trial Attorneys
U.S. Department of Justice
Antitrust Division

13 Dated: _____

Dated: February 7, 2017

14 BY: Curtis E Woods
15 CURTIS E. WOODS
16 Dentons US LLP
17 Counsel for Matsuo Electric
18 Company Limited

19 Dated: 10-25-17
20 (2-7-17 original)
21
22
23
24
25
26
27
28

1 A facsimile or PDF signature will be deemed an original signature for the purpose of executing
2 this Plea Agreement. Multiple signature pages are authorized for the purpose of executing this
3 Plea Agreement.

4 Respectfully submitted,

5
6 BY: 網谷嘉寛
7 Yoshihiro Amitani
8 Director and Executive Officer
9 General Affairs and Accounting Division
10 Manager
11 Matsuo Electric Company Limited

BY: _____
JACKLIN CHOU LEM
HOWARD J. PARKER
PARADI JAVANDEL

Trial Attorneys
U.S. Department of Justice
Antitrust Division

12 Dated: February 7, 2017

13 Dated: _____

14 BY: Curtis E Woods
15 CURTIS E. WOODS
16 Dentons US LLP
17 Counsel for Matsuo Electric
18 Company Limited

19 Dated: February 7, 2017
20
21
22
23
24
25
26
27
28

議長	代表取締役社長	常俊 清治	
	取締役	網谷 嘉寛	
	取締役	古賀 寛之	
	取締役	石井 啓之	
	監査役	織田 真一	
	監査役	塩川 吉孝	
	監査役	山本 茂文	

CERTIFICATE

I, Hiroyuki Koga, Director and Executive Officer, Sales Division Manager of Matsuo Electric Co., Ltd., a company organized and existing under the laws of Japan and having its head office at 3-5-3 Sennari-cho, Toyonaka-shi, Osaka 561-8558 Japan, do hereby certify, as a member of the Board participated, that the attached resolutions adopted by the Board of Directors of Matsuo Electric Co., Ltd. at the Board of Directors Meeting held on February 3, 2017, are true, correct and complete, and the said resolutions have not been amended or repealed, modified and remain in full force and effect, as of the date hereof.

Signed in Osaka, this 3rd day of February, 2017 by

古賀 寛之

Hiroyuki Koga

Director and Executive Officer, Sales Division Manager

Matsuo Electric Co., Ltd.

English Translation

MINUTES OF BOARD OF DIRECTORS MEETING

1. Date: Friday, February 3, 2017 opening at 9:30 a.m.
closing at 10:00 a.m.
2. Venue: Third Meeting Room at Matsuo Electric Co., Ltd.
3. Attendees: Total number of directors 4 Number of Directors present 4
Total number of auditors 3 Number of Auditors present 3
4. Chairperson: Mr. Kiyoharu Tsunetoshi, Representative Director

Mr. Kiyoharu Tsunetoshi, Representative Director, took the chair and announced the meeting was duly convened.

5. Issue for Decision: Entering Plea Agreement with United States Department of Justice

The chairperson, Mr. Kiyoharu Tsunetoshi, Representative Director, explained that the United States Department of Justice had proposed the Plea Agreement between Matsuo Electric Co., Ltd. and the United States Department Justice in substantially the form attached hereto as Exhibit 1, and recommended that approval of execution, delivery, and performance of the Plea Agreement is granted by the Board in order to resolve this matter promptly. Mr. Kiyoharu Tsunetoshi, Representative Director, also explained the following item and requested the directors present to act upon these matters; whereupon, after full discussion it was unanimously:

RESOLVED, that execution, delivery and performance of the Plea Agreement between the United States Department Justice and Matsuo Electric Co., Ltd., in the substantially the form attached hereto as Exhibit 1, is hereby approved;

RESOLVED, that Mr. Yoshihiro Amitani, Director and Executive Officer, General Affairs and Accounting Division Manager, hereby is authorized, empowered and directed, for and on behalf of the Matsuo Electric Co., Ltd., to execute and deliver the Plea Agreement; and

RESOLVED, that Mr. Yoshihiro Amitani, Director and Executive Officer, General Affairs and Accounting Division Manager, hereby is authorized to represent Matsuo Electric Co., Ltd. at any hearing in order to waive any and all rights of Matsuo Electric Co., Ltd. referred to under section 2 of the Plea Agreement and to plead guilty at such

hearing, for and on behalf of Matsuo Electric Co., Ltd. in accordance with the provisions of the Plea Agreement.

RESOLVED, that Mr. Yoshihiro Amitani, Director and Executive Officer, General Affairs and Accounting Division Manager, hereby is, authorized to take individually any and all actions required or appropriate in order to carry out the intent and purpose of the preceding resolutions.

There being no further items of business to be considered, the Chairperson declared the meeting closed at 10:00 a.m. This meeting minutes was produced in accordance with the provisions of the Companies Act, and each director and auditor present hereby affixed his seal aside of the printed name.

February 3, 2017

Board of Directors of Matsuo Electric Co., Ltd.

Chairperson,

Representative Director Kiyoharu Tsunetoshi

Director Yoshihiro Amitani

Director Hiroyuki Koga

Outside Director Hiroyuki Ishii

Auditor Shinichi Oda

Outside Auditor Yoshitaka Shiokawa

Outside Auditor Shigefumi Yamamoto