



Department of Justice

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AT
(202) 514-2007
TTY (866) 544-5309

JAPANESE MANUFACTURER AGREES TO PLEAD GUILTY TO FIXING PRICES FOR SUSPENSION ASSEMBLIES USED IN HARD DISK DRIVES

Company Agrees to Pay \$28.5 Million Criminal Antitrust Fine

WASHINGTON – NHK Spring Co. Ltd. (NHK Spring), a Japanese manufacturer of suspension assemblies used in hard disk drives, has agreed to plead guilty for its role in a global conspiracy to fix prices, the Department of Justice announced today.

According to a one-count felony charge filed today in the U.S. District Court for the Eastern District of Michigan in Detroit, NHK Spring reached agreements with co-conspirators to refrain from price competition and allocate their respective market shares for suspension assemblies used in hard disk drives. Pursuant to their agreements not to compete, NHK Spring and its co-conspirators exchanged pricing information including anticipated pricing quotes, which they used to inform their negotiations with U.S. and foreign customers that purchased suspension assemblies and produced hard disk drives for sale in, or delivery to, the U.S. and elsewhere. NHK Spring participated in the conspiracy from at least as early as May 2008 and continuing until at least April 2016. Subject to court approval, the company has agreed to plead guilty, to pay a \$28.5 million criminal fine, and to cooperate in the ongoing investigation.

“Today’s charge affirms the Antitrust Division’s commitment to eradicate price fixing by companies, foreign or domestic,” said Assistant Attorney General Makan Delrahim of the Antitrust Division. “While these parts are physically small, they are critical to the operation and performance of electronic devices, and their impact on American consumers and businesses is direct and substantial.”

“The FBI will aggressively investigate price-fixing schemes to ensure American businesses and consumers are not negatively impacted,” said Assistant Director of the FBI’s Criminal Investigative Division Robert Johnson. “Our international corruption squads will pursue these cases at home or abroad in order to uncover this type of illegal activity. No one should underestimate the broad reach of the FBI.”

“Activities related to illegal price-fixing and market allocation do not promote an environment conducive to open competition. When this occurs, the consumer is not guaranteed the best products at the lowest prices,” said Special Agent in Charge Scott Pierce, U.S. Postal Service Office of Inspector General. “The U.S. Postal Service spends hundreds of millions of

dollars every year on supplies and services related to information technology, including computers and associated hardware. Along with the Department of Justice and our federal law enforcement partners, the USPS Office of Inspector General will aggressively investigate those who would engage in this type of harmful conduct.”

Suspension assemblies are components of hard disk drives, which are used to store information electronically and are incorporated into computers or sold as stand-alone electronic storage devices. Hard disk drives use magnetic recording heads to read from and write onto rapidly spinning disks. Suspension assemblies hold the recording heads in close proximity to the disks and provide the electrical connection from the recording heads to the hard disk drives’ circuitry.

The charge against NHK Spring resulted from an ongoing investigation being conducted by the Antitrust Division’s Washington Criminal II Office, the International Corruption Unit of the FBI, and the United States Postal Service Office of Inspector General. Anyone with information in connection with this investigation is urged to call the Washington Criminal II Section at 202-598-4000, or visit <https://www.justice.gov/atr/contact/newcase.html>.

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