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Nippon Yusen Kabushiki Kaisha
Corporate Communication and CSR Group

Discontinuance of Lawsuit against Korea Fair Trade Commission on Airfreight Charges

In November 2010, the Korea Fair Trade Commission informed Nippon Cargo Airlines Co. Ltd. (NCA), one of NYK's subsidiaries, of the commission's decision to impose a fine for NCA's breach of Korea's monopoly regulation and fair trade law with respect to airfreight charges applied to the air cargo shipped on ex-Korea routes and ex-Japan Korea routes.

After carefully examining the decision of the Korea Fair Trade Commission, NCA decided on December 28, 2010, to file an appeal with the Seoul High Court, requesting the court to vacate the decision. The Seoul High Court instead affirmed the decision of the Korea Fair Trade Commission, ruling against NCA in its cases related to "airfreight charges on all ex-Korea routes" and "airfreight charges on ex-Japan Korea bound routes."

After carefully examining the decision of the Seoul High Court, NCA appealed to the Supreme Court, requesting the court to reexamine "airfreight charges on ex-Japan Korea bound routes" and "airfreight charges on all ex-Korea routes." On May 16, 2014, the Supreme Court rejected NCA's final appeal concerning "airfreight charges on ex-Japan Korea bound routes" but remanded the case involving "airfreight charges on all ex-Korea routes" back to the Seoul High Court.

The Supreme Court endorsed the original judgment, but asked the Seoul High Court to reexamine the calculation of the fine for the case related to "airfreight charges on all ex-Korea routes." Afterward, the Korea Fair Trade Commission accepted NCA's calculation resulting in a revised amount of 1,012 million Korean won. Therefore, NCA has decided to discontinue its lawsuit.

NCA had already recorded an extraordinary loss of 1,450 million Korean won as an anti-monopoly law allowance. Therefore, this revision will have only a minor impact on NYK's consolidated forecasts.