

Kluwer Competition Law Blog

Main Developments in Competition Law and Policy 2024 – Japan

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Intro

The year 2024 witnessed significant legislative developments and active enforcement of the Antimonopoly Act (“AMA”) by the Japan Fair Trade Commission (“JFTC”). The year also saw increased scrutiny of digital markets amid legislative efforts targeting major platform operators, reflecting broader global trends to regulate gatekeeping behavior and ensure fair competition. This blog entry is an overview of these developments.

Legislative Developments

One of the notable legal reforms in 2024 was the enactment of the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators (popularly known as the “Freelance Act”). This legislation addresses long-standing concerns that freelancers, including gig workers and other independent contractors, fall into a regulatory gap. Although Japan had already adopted the AMA and the Subcontract Act (cf. [JFTC Subcontract Act Overview](#)) to various commercial relationships, neither instrument fully protects individuals who provide specialized services without backing a traditional employer-employee setup.

Over the past decade, Japan has seen an increase in platform-based gig work across sectors such as design, programming, consulting, and content creation. Freelancers often had few legal avenues to challenge delayed payments, unilateral changes to terms, or exploitative contract clauses. The Subcontract Act focuses on “main subcontracting entrepreneurs” and “subcontractors,” especially in manufacturing and specific service industries. However, not all freelance relationships fall neatly within its scope.

The Freelance Act thus seeks to ensure robust legal safeguards for such workers. The Freelance Act aims to clarify the rights and obligations of commissioning parties and freelancers, imposing requirements on transparency, timely payments, and procedures for dispute resolution.

In tandem with the Freelance Act, the JFTC published revised guidelines that illustrate how the AMA’s prohibition of unfair trade practices (such as abuse of superior bargaining position) can apply in freelance transactions (cf. [JFTC Report, 19 January 2024](#) and [JFTC Revised Guidelines, 18 October 2024](#)). The JFTC Report above provides case studies of potential abuses. Also, the

updated guidelines provide a more transparent framework for fair contracting, payment timelines, and minimum disclosure standards.

In parallel with global efforts to regulate gatekeeper platforms, Japan introduced the “Act on Promotion of Competition for Specified Smartphone Software” (cf. [e-Gov Database](#); often referred to as the “Smartphone Competition Promotion Law”). Drawing partial inspiration from the EU’s Digital Markets Act, this statute addresses transparency and fairness in app store and mobile platform transactions. Under the new law, platform operators controlling major app stores must disclose how they rank and feature apps, as well as any fees or commissions they charge. Inspired by the principle of preventing self-preferencing—where a platform might give unfair advantage to its own services—Japan’s approach focuses on ensuring a level playing field for domestic and foreign developers alike.

The new law works in concert with the Act on Improving Transparency and Fairness of Digital Platforms (the “Transparency Act”) to promote fair and free competition in specific markets highly affected by innovations. (cf. [Japanese Law Translation](#)).

These legislative changes signal Japan’s growing willingness to address digital gatekeeping issues proactively. While the Smartphone Competition Promotion Law is narrower than the EU’s DMA, it reflects the policy of the JFTC and other authorities to safeguard smaller developers and preserve consumer choice in app ecosystems.

Enforcement of the Antimonopoly Act

The JFTC wields considerable authority to investigate and sanction anti-competitive conduct under the AMA. In 2024, enforcement focused on cartels, private monopolization, vertical restraints, tying arrangements, and merger control. In addition, the JFTC took action against alleged abuses of superior bargaining position, warning both large corporations and trade associations of the potential harm to fair market competition.

Cartels and Bid-Rigging

Chubu Electric Power Co., Inc. and its affiliate, Chubu Electric Power Miraiz Co., Inc., were ordered cease-and-desist and surcharges by JFTC regarding electricity price-fixing (cf. [JFTC Press Release, 4 March 2024](#)). Similarly, in October 2024, a cartel in non-life insurance led to cease-and-desist orders and surcharges (cf. [JFTC Press Release, 31 October 2024](#)). The JFTC also intervened in other collusive practices: woodworking drill manufacturers (cf. [JFTC Press Release, 28 March 2024](#)), municipal school lunch bidders in Nagoya (cf. [JFTC Press Release, 22 May 2024](#)), and LP gas valve suppliers (cf. [JFTC Press Release, 27 June 2024](#)).

This case highlights the JFTC’s resolve to maintain open competition in vital infrastructure sectors, an area of ongoing reform since the partial deregulation of Japan’s energy markets in the mid-2010s.

Private Monopolization

Private monopolization refers to conduct by a single firm (or a small group) that excludes or controls another enterprise's business, thereby causing, contrary to the public interest, a substantial restraint of competition in any particular field of trade. In 2024, the most high-profile case was the Google LLC case.

Notably, the JFTC approved a commitment plan by Google LLC to resolve concerns over potential private monopolization in the digital sector (cf. [JFTC Press Release, 22 April 2024](#)). Under the plan, Google revised its contractual provisions, ensuring that third parties (including Yahoo Japan) could offer competing services without undue restrictions.

Vertical Restraints

Early in 2024, IBJ Corporation, which provides a marriage agency network, faced suspicions of foreclosing users from other competitive networks (cf. [JFTC Press Release, 22 January 2024](#)). The JFTC approved the company's commitment plan, emphasizing open access for competitors. In May, fishery cooperatives in the Ariake Sea region were found to have restricted "out-of-network" seaweed sales (cf. [JFTC Press Releases, 15 May 2024](#) and [another 15 May release](#)), prompting cease-and-desist orders. Meanwhile, NISSIN FOOD PRODUCTS CO., LTD. received a warning (cf. [JFTC Press Release, 22 August 2024](#)) over possible resale price maintenance, and Seki Furniture Co., Ltd. was subject to enforcement for similar RPM concerns (cf. [JFTC Press Release, 19 December 2024](#)).

Tying

There are two cases of tying in 2024, and interestingly, these are all related to modifications of the product design. First, ASP Japan G.K. was ordered to cease tying phtharal (a type of disinfectant) to its automated endoscope reprocessors by integrating a data matrix code system on disinfectant bottles and the reprocessors (cf. [JFTC Press Release, 26 July 2024](#))[*]. Second, in private litigation, Ecorica challenged Canon's modification of its ink cartridge as an illegal tie of a genuine ink cartridge by Canon. Still, the Tokyo High Court held that the modification was not unlawful. An appeal is pending before the Japanese Supreme Court.

Merger Control

Merger reviews remain a central function of the JFTC, reflecting Japan's global integration and the government's desire to foster efficient market structures.

The JFTC concluded its review of Korean Air's share acquisition of Asiana Airlines in January 2024 (cf. [JFTC Press Release, 31 January 2024](#)), endorsing remedies that addressed international competition concerns. In July, the JFTC published its ex-post review of the 2017 Daishi Bank and Hokuetsu Bank integration, offering insights into the long-term effects on regional banking competition.

Other Noteworthy Cases

A major case concerning whether the change in algorithm by platform can be an abuse of a superior bargaining position had been pending for several years, and in 2024, the High Court handed down its ruling. Under this prohibition, a business operator that is relatively dominant over its trading partner—and exploits that dominance to engage in improper acts such as unjust reductions in payments or forced returns—may violate the AMA. The Tokyo High Court concluded that Tabelog, a major restaurant review platform, had not abused a superior bargaining position by adjusting rating algorithms.

The JFTC warned the Nippon Professional Baseball (NPB) about restrictive rules on player agents (cf. [JFTC Press Release, 19 September 2024](#)). The JFTC noted that rules restricting player agents could limit athletes' bargaining power and hamper contract negotiations. Although no fines were levied, the warning spotlights the Commission's readiness to examine pro sports leagues for potential labor market constraints.

Finally, MC Data Plus, Inc. faced cease-and-desist orders for interfering with data portability in cloud-based labor safety services (cf. [JFTC Press Release, 24 December 2024](#)). MC Data Plus, offering cloud-based safety services to the construction industry, was found to have blocked users from exporting vital data to rival service providers. The JFTC's order reaffirmed that data portability is increasingly viewed as central to fair competition.

Other Activities of the JFTC

Generative AI Report

In October 2024, the JFTC released a report on generative AI, contemplating potential competition concerns in this rapidly evolving sphere (cf. [JFTC Press Release, 2 October 2024](#)). Noting the rapid adoption of large language models and image-generation tools, the JFTC analyzed the potential for data hoarding, algorithmic collusion, and locked-in user bases. This forward-looking document could pave the way for new guidelines on AI governance under the AMA.

Green Society Guidelines

Earlier in April, the Commission revised its guidance toward realizing Green Society (cf. [JFTC Press Release, 24 April 2024](#)). The revised guidelines clarify the JFTC's approach to eco-focused collaborations under the AMA. They confirm that sustainability initiatives, such as joint R&D or standard-setting, may be allowed if they bring genuine environmental benefits without severely restricting competition. Firms should ensure openness to potential participants, maintain proportionality between restraints and ecological gains, and avoid hidden cartels or price-fixing disguised as green efforts.

Market Study on Ensuring Fair Transactions to Support Creators

At the end of 2024, JFTC conducted a Market Study on Transactions Between Performers and Entertainment Agencies in the Music and Broadcasting Industry to promote fair and free competition in the human resource and entertainment fields (cf. [JFTC Press Release, 24 April 2024](#)). The study showed that some conduct in transactions between performers and entertainment agencies, transactions between broadcasters and entertainment agencies/performers, and transactions between record companies and entertainment agencies/performers could violate AMA.

Short Summary

In 2024, Japan's competition law saw two key legislative reforms—the Freelance Act and the Smartphone Competition Promotion Law—aimed to protect smaller market participants and preserve the fairness of the digital ecosystem. On the enforcement side, the JFTC took a robust stance against cartels, especially in infrastructure and financial services, while also addressing private monopolization in Google's commitment plan to avoid lengthy litigation. Cases involving vertical restraints and tying demonstrate difficult challenges such as the proof of the market foreclosure by the contract to restrict “out of network” sales or a modification of the design of products. Merger reviews remained crucial, as seen with Korean Air/Asiana Airlines and Daishi Bank/Hokuetsu Bank, emphasizing the Commission's ongoing oversight of post-integration conduct. Other notable actions included clarifications on algorithm changes (Tabelog), labor market restraints (NPB), and data portability (MC Data Plus). Meanwhile, broader policy efforts—generative AI guidance, revised Green Society Guidelines, and a new portal for entertainment contracts—underscore the JFTC's forward-looking approach. As 2025 approaches, Japan is prepared to refine its competition law further and maintain a reputation as an innovative regulator in a rapidly evolving global economy.

[] Declaration of conflict of interests: In the ASP Japan G.K. case referenced above, I prepared an opinion statement on behalf of the defendant. No additional conflicts of interest are declared.*

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