Figure 1: Locations of the firms
\[ \tau = \frac{t}{2} \]

- \( h = 0 \)
  - \( \nabla \) the location of an upstream firm
  - \( \vartriangle \) the location of a downstream firm

- \( h = \frac{1}{4} \)
  - \( \nabla \)
  - \( \vartriangle \)

- \( h = \frac{1}{2} \)
  - \( \nabla \)
  - \( \vartriangle \)

\[ \tau = \frac{3t}{4} \]

- \( h = 0 \)
  - \( \nabla \)
  - \( \vartriangle \)

- \( h = \frac{2}{7} \)
  - \( \nabla \)
  - \( \vartriangle \)

- \( h = \frac{5}{28} \)
  - \( \nabla \)
  - \( \vartriangle \)

- \( h = \frac{1}{14} \)
  - \( \nabla \)
  - \( \vartriangle \)

**Figure 2: Location patterns of the upstream and downstream firms**
Figure 3: Asymmetric locations of the upstream firms
Figure 4: Locations of the integrated firms
Figure 5: Location patterns (endogenous location choice)