

# News Release

Nippon Chemiphar Co., Ltd.

June 7, 2019

## **Nippon Chemiphar Announces Recurrence Prevention Measures and Administrative Action Against Executives, etc. Taken in Response to Announcements from the Fair Trade Commission**

On June 4, 2019, the Fair Trade Commission served one company responsible for the manufacture and sale of the orally disintegrating (OD) lanthanum carbonate tablet with a cease-and-desist order and an order for payment of surcharge based on stipulations of the Anti-Monopoly Act. Although no administrative action was taken against Nippon Chemiphar Co., Ltd., it was determined to have been involved in illegal activity.

The Company takes this matter seriously and has made the following decisions regarding recurrence prevention measures and administrative action against responsible parties:

### **1. Recurrence prevention measures**

Until now, the Company has aimed for thorough Group-wide compliance through a variety of regulations and education regarding legal compliance, which involved the creation of a legal compliance handbook and training of Group executives and staff. In addition to these efforts, we will implement the following recurrence prevention measures under strong readership from our management team.

- (1) Establishment and revision of regulations
  - i. Establishment of regulations concerning compliance with the Anti-Monopoly Act, etc.
  - ii. Establishment of guidelines that serve as subsidiary rules for the implementation of these regulations
  - iii. Revision of employment regulation
- (2) Enhancement of education and training
  - i. Anti-Monopoly Act training for all executives and staff
  - ii. Regularized and mandatory compliance training focused on the Anti-Monopoly Act
- (3) Other
  - i. Strengthening of internal reporting system
  - ii. Enhancement of internal auditing

### **2. Administrative action taken against executives, etc. (performed on June 7, 2019)**

- Voluntary return of compensation from president and CEO and three directors with oversight responsibilities
- Administrative action against other related parties based on internal regulations

Beginning with top management, all executives and staff throughout the Nippon Chemiphar Group have firmly resolved to eliminate all illegal activity. Based on this resolve, we will work to restore confidence by further strengthening regulatory compliance and ensuring thorough legal compliance.