

News Release

Nippon Chemiphar Co., Ltd.

July 22, 2020

Notice of structural reforms to the Nippon Chemiphar Group

At a meeting held on July 22, 2020, Nippon Chemiphar's Board of Directors resolved to implement Group structural reforms aimed at responding to rapid changes in business environment and converting to a business structure that will achieve sustainable growth in all environments.

1. Summary of structural reforms

(1) Restructuring of Group pharmaceutical sales organizations

We will establish a Group Pharmaceutical Sales Headquarters that will centrally supervise pharmaceutical sales divisions within both the Company and its subsidiary, Nihon Pharmaceutical Industry Co., Ltd. Furthermore, we will consider continuing to expand sales support services that are performed through shared services.

(2) Reorganization of domestic bases

We will eliminate and consolidate domestic bases to achieve cost efficiency and raise the profitability of our businesses.

(3) Promoting digital transformation

With the goals of adapting to new, post-COVID-19 workstyles and improving the productivity of our corporate activities, we will refine our information infrastructure and raise MR productivity by introducing new sales support systems.

(4) Offer early retirement package to staff

We will offer early retirement package to eligible employees as part of our efforts to optimize the organization of our staff and to provide support for the increasingly diverse life plans of our personnel.

- i. Eligible employees: Pharmaceutical sales department employees that are stationed at or assigned to branch offices or sales offices
- ii. Number of early retirees: About 30

2. Future outlook

The impact of these measures on consolidated financial results for the fiscal year ending March 31, 2021 is currently uncertain because we do not presently have a full understanding of several factors, including which or how many employees will apply for early retirement. We will make prompt disclosures as soon as this information becomes available.