

December 12, 2017

To All Concerned,

Century Medical, Inc.

Regarding Cease and Desist Order from the Japan Fair Trade Commission

The Japan Fair Trade Commission (the “JFTC”) today issued a cease and desist order under Article 7, paragraph 2 of the Antimonopoly Act to Century Medical, Inc. (“CMI”) for its activities in violation of the Antimonopoly Act regarding the bidding for personal protective wear to be ordered by the Tokyo Metropolitan Government, as stated below.

CMI has provided its full cooperation to the JFTC in its on-site inspection and its subsequent investigation as to this matter. Although CMI has been committed to ensuring strict compliance with laws and regulations, CMI regrets to announce this result. CMI expresses its sincere apologies to its customers and other stakeholders for any concerns this matter may have caused.

All of the officers and employees of CMI take this matter very seriously and will take comprehensive measures to reinforce compliance with laws and regulations including the Antimonopoly Act, in order to prevent any recurrence.

1. Outline of Cease and Desist Order

CMI was ordered to confirm that CMI has ceased the activities to adjust the bids for personal protective wear to be ordered by the Tokyo Metropolitan Government. Also, it ordered CMI not to engage in any similar activities in the future.

2. CMI’s Response

CMI has taken various measures to improve awareness on compliance, updating the “Code of Conduct” every year in relation to applicable laws and regulations including the Antimonopoly Act, and providing training programs regarding the Antimonopoly Act with all of its officers and employees. Nevertheless, in light of receipt of the cease and desist order, CMI takes the

situation very seriously. Accordingly, CMI will make utmost efforts to ensure stricter compliance and to prevent any recurrence by taking further measures, including improvement of internal rules which restate the obligations of the officers and employees to comply with the Antimonopoly Act and provide the system to monitor their contacts with their competitors, and revision of related manuals concerning the compliance with the Antimonopoly Act.

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