

March 10, 2017
Kuraray Co., Ltd.

Cease and Desist Order from the Japan Fair Trade Commission

Kuraray today received a cease and desist order from the Japan Fair Trade Commission (JFTC) regarding violations of the Antimonopoly Act in connection with bidding to supply certain vinylon products to the Acquisition, Technology & Logistics Agency (the Ministry of Defense of Japan). Details are notified as outlined below.

Kuraray has not been ordered to pay any administrative surcharge because Kuraray applied for the leniency program which was approved by the JFTC.

Kuraray expresses its sincere apologies to shareholders, business partners and other stakeholders for the concern caused by this matter.

We take this order extremely seriously and will do our utmost to further strengthen compliance frameworks, including those related to the compliance with the Antimonopoly Act, in order to prevent recurrences and repair trust in the Company as quickly as possible.

1. Outline of Cease and Desist Order

Kuraray was ordered to confirm that conducts in violation of Article 3 (unreasonable restraint of trade) of the Antimonopoly Act related to the supply of certain vinylon products to the Acquisition, Technology & Logistics Agency is ceased and to take necessary measures to prevent similar conduct in the future.

2. Kuraray's Response

Since last year, Kuraray has been working to reinforce its framework for ensuring compliance with the Antimonopoly Act. Measures to this end have included messages from the President to officers and employees of the Kuraray Group on the importance of ensuring thoroughgoing compliance, revising the guidelines for compliance with the Antimonopoly Act, promoting compliance awareness through lectures by external experts, reviewing the Rules of Employment, and adopting rules on contacting competitors. We will continue to implement these measures in order to prevent a recurrence of any violation.