

June 7, 2016

To whom it may concern:

Mitsui Fudosan Residential Co., Ltd.

Measures to Prevent a Recurrence of Faulty Foundation Pile Installation
at Condominiums Sold by the Company

Since it came to light that some of the foundation piles were faulty at condominiums located in the city of Yokohama that were sold by the Company, we have continued to wholeheartedly prioritize the safety and peace of mind of condominium owners and residents.

We recognize that poor workmanship and improper on-site management were the causes of this problem. In order to restore our credibility with customers and fulfill our responsibilities, we will take all necessary steps to prevent a recurrence of the problem in the future.

■ Measures to prevent a recurrence of faulty foundation pile installation (strengthening both on-site management and preparation/maintenance of records)

In its role as the seller, Mitsui Fudosan Residential Co., Ltd. is responsible for ensuring the transfer of condominiums to customers in accordance with the terms and conditions, including hand over date, stipulated in the relevant sales and purchase agreements. In order to fulfill this responsibility, the Company will take definitive steps to ensure that the construction work of building contractors is properly monitored and that construction supervisors verify the status of construction as well as construction management on a timely basis. At the same time, the Company will strengthen on-site inspection of work conducted by building contractors and construction supervisors while newly implementing third-party on-site inspections of construction work to ensure the early identification and appropriate response in the event that a fault is discovered.

Mitsui Fudosan Residential Co., Ltd. will also place considerable emphasis on ensuring that building contractors and construction supervisors properly prepare and maintain records to facilitate verification throughout the entire construction process.

The Company will also reinforce its own procedures for confirming the status of operations by building contractors and construction supervisors.

[Building contractor]

- In addition to the standard practice of attending and inspecting test pile installation, steps will be taken to conduct inspections for all piles.

- The schedule for submitting construction records to the construction supervisor will be amended from the day after pile installation completion to each following day after confirming details on a daily basis.

[Construction supervisor]

- In addition to the standard practice of attending and inspecting test pile installation, steps will be taken to conduct arbitrary inspections for other piles on a select basis by block, support layer, and pile diameter.
- In addition to amending the schedules for submitting construction records for building contractors outlined above, steps will be taken to verify construction records submitted by the building contractor on a daily basis and a report will be made to the Company.

[Third party]

- A third party including a housing performance evaluation institution will newly conduct inspections of select piles.

[Mitsui Fudosan Residential Co., Ltd.]

- In addition to the standard practice of attending and inspecting test pile installation, steps will be taken to conduct inspections of select piles.
- Steps will be taken to confirm daily reports from the construction supervisor.

Note: Test pile: The first pile installed.