

November 28, 2017

To whom it may concern:

Mitsui Fudosan Co., Ltd.

Notice Concerning the Filing of a Lawsuit in Connection with a Condominium Complex
Located in Yokohama and Sold by Group Company

Since it came to light that some of the foundation piles were faulty at a condominium complex located in the city of Yokohama that were sold by Mitsui Fudosan Residential Co., Ltd., a Mitsui Fudosan Group company, the decision was made to commission an investigation report. At the same time, and in outlining its stance toward corrective measures including the reconstruction of the condominium complex impacted by faulty installation as well as compensation, Mitsui Fudosan Residential executed an agreement with the condominium association on May 8, 2016, confirming that the company would shoulder all expenses. Later, on September 19, 2016, the condominium association resolved that it would seek the complete reconstruction of the entire condominium complex. Demolition work has already begun.

In addition to confirming that certain foundation piles at the condominium complex failed to reach the necessary depth and required bearing layer, the aforementioned report received from Sumitomo Mitsui Construction Co., Ltd. noted that construction records had been diverted and modified in connection at the time foundation piles were installed. While Mitsui Fudosan Residential had already announced details of its stance toward claims for damages under such remedies as tort liability and warranties against defects, under these circumstances, Mitsui Fudosan Residential has today (November 28, 2017) filed a lawsuit seeking damages including reconstruction costs as well as expenses relating to the temporary housing of residents during the period of construction under such remedies as tort liability and warranties against defects from Sumitomo Mitsui Construction, as well as Hitachi High-Technologies Corporation and Asahi Kasei Construction Materials Corporation, who installed the foundation piles, for a total amount of around ¥45.9 billion. In the future, the company will assert its claims regarding reimbursement through the courts.

Irrespective of this lawsuit, the Mitsui Fudosan Group as a whole in continuing to fulfill its responsibilities as the seller, is wholeheartedly committed to prioritizing the safety and peace of mind of all customers and ensuring that they can live in peace and comfort at the earliest possible opportunity.