

Asahi Kasei Corp.
October 14, 2015

**Faulty installation of foundation piles, and diversion and modification
of data in installation report, by Asahi Kasei Construction Materials**

It has become clear that Asahi Kasei Construction Materials Corp., a subsidiary of Asahi Kasei Corp., performed faulty installation of a portion of foundation piles, and diverted and modified data in the corresponding installation report, in work subcontracted by Sumitomo Mitsui Construction Co., Ltd., the prime contractor for the construction of a condominium for Mitsui Fudosan Residential Co., Ltd. in Yokohama, Kanagawa, Japan.

Asahi Kasei Construction Materials Corp. is currently investigating the exact cause of the diversion and modification of the pile installation data, while Asahi Kasei Corp. has launched a fact-finding committee to elucidate the cause and prevent recurrence.

Asahi Kasei Construction Materials Corp. will bear all costs incurred for investigation as well as necessary reinforcement and repair. Appropriate efforts will now proceed in cooperation with Mitsui Fudosan Residential Co., Ltd. and Sumitomo Mitsui Construction Co., Ltd. with the highest priority given to the safety of the residents.

The financial effect of this matter on the consolidated performance of Asahi Kasei Corp. is unclear at this time. An announcement will be made promptly in the event that a material impact is confirmed.

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