

Asahi Kasei Corp.  
January 13, 2016

**Asahi Kasei Construction Materials receives administrative dispositions  
in accordance with Construction Business Act**

Asahi Kasei Construction Materials Corp., a subsidiary of Asahi Kasei Corp., today received the following administrative dispositions from the Kanto Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, in accordance with Paragraphs 1 and 3 of Article 28 and Paragraph 1 of Article 41 of the Construction Business Act.

Asahi Kasei Corp. and Asahi Kasei Construction Materials Corp. take these administrative dispositions with the utmost gravity, and will reinforce efforts to achieve thorough legal compliance and to prevent any recurrence.

I. Administrative dispositions

1. Instructions in accordance with Paragraph 1 of Article 28 of the Construction Business Act

(1) Content of instructions

- i. Implement the following measures at the minimum as required to prevent recurrence of the violation.
  - a. Make officers and employees familiar with the content of the violation and the content of the corresponding administrative dispositions without delay.
  - b. Plan training and education to obtain thorough compliance with the Construction Business Act and related laws and ordinances within the company, and continuously implement the necessary training and education for officers and employees.
  - c. Perform investigation and inspection of the company's work operation method, and strengthen and enhance the company's work management system.
- ii. Report in writing without delay regarding measures implemented in accordance with each of the above items (including relevant measures other than the above, if any).

(2) Reason for instructions

In work to install precast concrete piles for a condominium complex in Yokohama, Kanagawa, Japan, Asahi Kasei Construction Materials Corp. did not assign the chief engineer as a full-time employee for the construction site, but assigned the same chief engineer as a part-time employee for different construction sites. This is a violation of Paragraph 3 of Article 26 of the Construction Business Act.

2. Order to suspend business in accordance with Paragraph 3 of Article 28 of the Construction Business Act

(1) Content of order

- i. Duration  
The 15-day period from January 28, 2016, to February 11, 2016
- ii. Scope of business suspension ordered  
No acceptance of new orders for private-sector construction work involving scaffolding and excavation within Ibaraki Prefecture, Tochigi Prefecture, Gunma Prefecture, Saitama Prefecture, Chiba Prefecture, Tokyo Metropolis, Kanagawa Prefecture, Yamanashi Prefecture, and Nagano Prefecture.

(2) Reason for order

In the abovementioned construction project, Asahi Kasei Construction Materials Corp. undertook the subcontract from Hitachi High-Technologies Corp. as a blanket

subcontract. This is a violation of Paragraph 2 of Article 22 of the Construction Business Act.

3. Recommendation in accordance with Paragraph 1 of Article 41 of the Construction Business Act

(1) Content of recommendation

Devote all attention to enriching the company's system to thoroughly prevent recurrence, and report without delay concrete measures implemented (including measures already implemented).

(2) Reason for recommendation

As a subcontractor for precast concrete pile installation for construction projects including the abovementioned construction project, Asahi Kasei Construction Materials Corp. manipulated pile installation data in the installation reports submitted to the prime contractors. This is a dishonest act as a construction business operator.

II. Financial impact of the administrative dispositions

The impact of these administrative dispositions on the consolidated performance of the Asahi Kasei Group is immaterial.

*For more information, please contact:*

Asahi Kasei Corp.

Corporate Communications

Phone: +81-(0)3-3296-3008

Fax: +81-(0)3-3296-3162