

Additional Report on Non-conformities with MLIT Certified Construction Specifications

Sumitomo Forestry Co., Ltd. announced today that it reported the following to the Building Guidance Division, Housing Bureau of the Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT) .

Regarding the Company's August 16 announcement on semi-fireproof construction, an additional 95 properties were found to not conform to some MLIT specifications. Sumitomo Forestry apologizes for the inconvenience and concern caused to customers and related parties.

In addition to hitherto reported partitions with a semi-fire-resistance rating of 45 minutes, non-conformities were found with partitions with a semi-fire-resistance rating of 60 minutes (32 mm length screws as opposed to nails with a length of 45mm or longer, and six buildings without furring strips) and with the fastening method for gypsum board used on the room-side of the exterior wall (32 mm length screws instead of nails with a length of 45mm or longer) for the 95 buildings, which includes three-story multi-unit residential housing in quasi-fire prevention districts.

Of the 1,342 buildings with partitions with a semi-fire-resistance rating of 45 minutes, reported on August 16, some 167 buildings also used the fastening method for gypsum board used on the room-side of the exterior wall (32 mm length screws instead of nails with a length of 38 mm or longer), which were the same non-conformity as stated above.

The Company intends to quickly take corrective measures, under the guidance of the MLIT and the specific municipal authorities concerned for a total of 4,961 housing structures—including 3,524 structures built using the wooden post-and-beam construction method and 1,342 structures built using the two-by-four construction method, all with partitions with a semi-fire-resistance rating of 45 minutes, as disclosed on August 10 and 16, respectively.

Given the discovery of these non-conformities, the Company conducted a close inspection and verification of the 215 specifications and construction methods used which have received MLIT certification. Sumitomo Forestry is taking this matter seriously. We will establish a new department where with specialists dedicated to compliance, technology, and construction. We aim to do our utmost to prevent a future recurrence and to deal with customers sincerely.