

## Notice regarding course of litigation against Asahi Kasei Construction Materials

April 14, 2024

Asahi Kasei Construction Materials Corp.

Asahi Kasei Corp.

On November 28, 2017, the plaintiff Mitsui Fudosan Residential Co., Ltd. filed suit in the Tokyo District Court seeking compensation for damages of approximately ¥45.9 billion (subsequently changed to approximately ¥50.6 billion) related to the cost of rebuilding a condominium complex in Yokohama City due to concerns of unsound installation of a portion of foundation piles, alleging malfeasance against the three companies of Sumitomo Mitsui Construction Co., Ltd., the prime contractor, Hitachi High-Tech Corp., a primary subcontractor, and Asahi Kasei Construction Materials Corp. (first lawsuit). In relation to this, Sumitomo Mitsui Construction Co., Ltd. filed suit seeking compensation against Hitachi High-Tech Corp. and Asahi Kasei Construction Materials Corp., and Hitachi High-Tech Corp. filed suit seeking compensation against Asahi Kasei Construction Materials Corp., both in the same court (second and third lawsuits).

The three lawsuits were consolidated and brought to mediation, and on March 13, 2025, the Tokyo District Court issued an order in lieu of mediation based on Article 17 of the Civil Mediation Act. The main substance of this order related to Asahi Kasei Construction Materials Corp. was to pay the plaintiff a settlement of ¥5,625 million and for the parties to confirm that there were no other credits or liabilities with respect to one another. On March 21, 2025, another party filed an objection based on Paragraph 1 of Article 18 of the Civil Mediation Act, rendering the abovementioned order ineffective, resulting in continuation of litigation proceedings. Asahi Kasei Construction Materials holds that there is no basis for the plaintiff's claim, and will continue to make this argument during the proceedings of the lawsuit.