



News Release (Translation only)

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Daiwa House Issues Correction of Number of Rental Housing Properties **Affected by Off-Specification Components**

Daiwa House Industry Co., Ltd. (“Daiwa House” or “the company”) wishes to correct the number of affected rental housing properties reported in its “Off-Specification Components in and Remedial Work on Daiwa House Single-Family Houses and Rental Housing” announcement published on 12 April 2019.

We apologize for any inconvenience and confusion this has caused stakeholders.

I. Correct number of properties with possibility of insufficient fire-safety and off-specification columns

On 12 April, we released our initial announcement about rental housing properties being delivered with possible fire-safety deficiencies or with structural members deviating from type-certified specifications due to installation of off-specification external second-floor side-corridor supports (inverted-L columns). Since then, further investigation has uncovered several instances of omission and misidentification due to shortcomings of our data-extraction and identification methods.

Daiwa House has therefore repeated the extraction processes and rescreened the data closely to accurately identify buildings with problems. The following table shows the updated numbers.

1. Numbers of affected buildings, by issue (numbers reported on 12 April in parentheses)

		Off-specification columns		Total
		Approved and permitted on mistaken assumption of type-certification	Approved and permitted via usual procedures on no assumption of type-certification	
Possibility of insufficient fire-safety	possible fire-resistance deficiencies	73 buildings (69 buildings)	4 buildings (4 buildings)	77 buildings* ¹ (73 buildings)
	fireproofing unnecessary	119 buildings (119 buildings)	16 buildings (8 buildings)	135 buildings (127 buildings)
	Total	192 buildings* ² (188 buildings)	20 buildings (12 buildings)	212 buildings (200 buildings)

*1. Breakdown: Tokyo (48 buildings), Kanagawa Pref. (9 buildings), Chiba Pref. (18 buildings), Saitama Pref. (2 buildings)

*2. Breakdown: Tokyo (133 buildings), Kanagawa Pref. (18 buildings), Chiba Pref. (32 buildings), Saitama Pref. (7 buildings), Ibaraki Pref. (1 building), Gunma Pref. (1 building)

2. Background

1) Upon reassessment of the data after complementing the omissions in our customer management records with other data: Sixteen previously unidentified properties came to light; among them, four have the possibility of insufficient fire-safety.

2) Three properties having possible fire-safety deficiencies were discovered among those previously judged to not need fireproofing.

3) Among the properties built with off-specification columns, four were discovered to no longer have the affected corridor supports due to renovation; these were removed from the number of affected buildings.

II. Progress of remedial work

Daiwa House's first step on discovering these additional affected properties will be to contact their owners and negotiate with them so we can immediately initiate remedial work on those properties with possible fire-safety deficiencies as directed by the building inspectorates of the competent building control bodies.

With regard to the rental housing properties with the possibility of insufficient fire-safety (73 buildings) and buildings built with components deviating from type-certified specifications (888 single-family houses with off-specification pad footings, 188 rental housing properties with off-specification columns, and 990 rental housing properties with off-specification pad footings) disclosed on 12 April 2019, we have finished notifying owners and are now in the process of visiting and briefing them individually on the situation and their options.

With regard to the originally announced 73 buildings that could be insufficiently firesafe, as of today remedial work has been completed on 68 of the 70 requiring it after our resurvey resulted in three properties being removed from the affected list. Work to ensure that the remaining two properties are up to specification and code will begin as soon as their owners give the go-ahead.

III. Moving forward

On 26 April 2019, Daiwa House empaneled an external investigative committee consisting of an external auditor and third-party experts and charged it with looking into the details of these incidents. The Company intends to cooperate fully with the committee's factfinding work and its survey of the appropriateness of our internal investigations, and we will immediately inform the public of any pertinent new discoveries.

End

Disclaimer:

This English translation has been prepared for general reference purposes only. The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text of the press release dated May 13, 2019.