

May 29, 2018

Kanto Ube Concrete Co., Ltd.

Statement regarding Certification Non-Conformities in Ready-Mix Concrete

TOKYO, May 29, 2018 — Kanto Ube Concrete Co., Ltd., a consolidated subsidiary of Ube Industries, Ltd., today released a statement regarding the discovery of certification non-conformities for ready-mix concrete shipped from its four plants in Toyosu, Urayasu, Mizonokuchi, and Yokohama. The non-conformities concern the use of aggregate sourced from a geographic location other than specified for certification by the Minister of Land, Infrastructure, Transport and Tourism (MLIT) and for Japanese Industrial Standards (JIS), details of which are outlined below. Kanto Ube Concrete deeply regrets the inconvenience and concern caused to stakeholders as a result of this incident.

1. Background

Kanto Ube Concrete Co., Ltd. manufactures ready-mix concrete using aggregate supplied by Ube Material Industries, Ltd. In November 2017, Kanto Ube Concrete was notified that Ube Material Industries had been supplying the four plants of Kanto Ube Concrete with mixed-source aggregate containing aggregate sourced from the Torigatayama Mine in Niyodogawa Town, Kochi Prefecture, contrary to specifications calling for aggregate sourced from the Isa Mine in Mine City, Yamaguchi Prefecture.

Ube Material Industries continued shipping the mixed-source aggregate to Kanto Ube Concrete through April 2018. Limestone aggregate sourced from the Torigatayama Mine is equivalent in quality to the specified aggregate and is widely used by ready-mix concrete plants in the Tokyo Metropolitan Area to manufacture standard JIS-certified ready-mix concrete and MLIT-certified high-strength ready-mix concrete.

Kanto Ube Concrete has found no irregular values in its acceptance inspections for aggregate, and in-process and product inspections for ready-mix concrete manufactured at its four plants.

Ube Material Industries originally started procuring and supplying Torigatayama-sourced aggregate on a spot basis in 2006, because demand exceeded the supply of Isa-sourced aggregate. While efforts were made to increase output of Isa-sourced aggregate, demand remained above the supply and Ube Material Industries subsequently continued to supply the mixed-source aggregate, which became standard practice.

2. Actions Taken to Date

- (1) Kanto Ube Concrete was notified of the mixed-source aggregate in November 2017, but failed to report the matter to the JIS accredited certification body and government authorities in a timely manner. As a result, Kanto Ube Concrete received notification on May 11, 2018 from the Japan Testing Center for Construction Materials, a JIS accredited certification body, stating that the body would investigate the matter and that Kanto Ube Concrete should voluntarily refrain from applying JIS certification to its JIS-certified ready-mix concrete until the completion of the investigation.

Effective May 14, Kanto Ube Concrete voluntarily suspended shipments of JIS-certified ready-mix concrete from its four plants located in Urayasu (Urayasu City, Chiba Prefecture), Toyosu (Koto City, Toyo), Mizonokuchi (Kawasaki City, Kanagawa Prefecture), and Yokohama (Yokohama City, Kanagawa Prefecture). Kanto Ube Concrete commissioned a third party body to investigate the safety of ready-mix concrete shipped from its plants, which concluded that the safety was not compromised by the use of mixed-source limestone aggregate that includes aggregate sourced from a geographic location other than specified.

For JIS-certified ready-mix concrete, conformance with JIS A 5308 is individually checked by Specified Local Governments. Accordingly, a building official or designated confirmation and inspection body works with the builder to submit necessary documentation (such as acceptance inspection documentation) in order to individually determine conformity with JIS standards during the interim inspection and completion inspection. With regard to MLIT-certified ready-mix concrete, 41 shipments of non-conforming ready-mix concrete were released, of which 11 shipments are being used in projects that are currently under construction. MLIT certification has been newly acquired for seven out of the 11 shipments.

*Based on the Building Standards Act

- (2) Kanto Ube Concrete is taking the same steps as above for ready-mix concrete shipped since 2006 from its four affected plants and used in civil engineering projects. Kanto Ube Concrete will take appropriate action based on the findings issued by a third party body.

3. Recurrence Prevention Measures

As part of the UBE Group, Kanto Ube Concrete is implementing recurring prevention measures under Group-wide initiatives to strengthen quality control.

4. Inquiries

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