



DAIHATSU DIESEL MFG. CO., LTD.

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Japan

October 18, 2017

Daihatsu Diesel MFG. Co., Ltd.

Investigation against improper conduct by Kobe Steel, Ltd.

Osaka - Daihatsu Diesel MFG. Co., Ltd. (President: Shigeki Kinoshita) today issues the following statement regarding the impact related to Kobe Steel, Ltd.

Regarding the subject matter in the title, a series of announcements have been made by Kobe Steel, Ltd. since October 8, 2017.

According to the content of these announcements, Kobe Steel Ltd. and its group companies carried out improper conduct, including falsification of data, for products that did not comply with the product specifications agreed upon with its customers, and shipped these products as having met the specifications concerned. This improper conduct concerns products including aluminum and copper products as well as steel wires.

We are seeking confirmation from Kobe Steel, Ltd. whether or not nonconforming products were shipped to us in order to verify if nonconforming products are used in the engines we have manufactured. Currently we have not received any information from Kobe Steel, Ltd. to the effect that nonconforming products were shipped to us.

In particular, we are endeavoring to confirm if crankshafts, which are the most important components of engines, were affected by improper conduct, but we have not been contacted by Kobe Steel, Ltd. about the discovery or existence of the aforementioned improper conduct in relation to crankshafts. At this stage, we believe that crankshafts were not subject to improper conduct.

We are continuing to request Kobe Steel, Ltd. for the provision of related information. In the event that nonconforming products in connection with us are discovered, we will contact the users of such products.

We regret the inconvenience and concern caused to our customers by this matter, but we will continue do our best to take appropriate action, and we appreciate your understanding.

(Reference information)

Kobe Steel, Ltd. website: http://www.kobelco.co.jp/english/releases/1197835_15581.html

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