



DAIHATSU DIESEL MFG. CO., LTD.

1-30, Oyodo Naka1-chome, Kita-ku, Osaka, 531-0076
Japan

November 2, 2017

Daihatsu Diesel MFG. Co., Ltd.

Investigation against improper conduct by Kobe Steel, Ltd.
(second report)

Osaka - Daihatsu Diesel MFG. Co., Ltd. (President: Shigeki Kinoshita) today issues the following statement regarding improper conduct by Kobe Steel, Ltd.

Regarding the subject matter in the title, following the announcement by Kobe Steel, Ltd. on October 8, 2017 about improper conduct concerning its products, a series of announcements have been made.

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. To date, we have not yet officially received any information from Kobe Steel, Ltd. to the effect that nonconforming products were shipped to us.

Regarding crankshafts, which are the most important components of engines, we have received reports from Kobe Steel, Ltd. that there was no improper conduct.

We audited the results of self-inspection and verification by Kobe Steel, Ltd., analyzed substantial strength and chemical composition of the crankshaft materials by crosschecked against the Mill Test Certificates. We also conducted own investigation by taking sample of the actual crank shaft and confirmed that the result conforms with the Mill Test Certificates by. Kobe Steel, Ltd.

As a result, no abnormality was detected concerning the crankshaft materials manufactured by Kobe Steel, Ltd.

We hereby report that our customers can continue to use our crankshafts with confidence.

We are continuing to request Kobe Steel, Ltd. for the provision of related information. In the event that improper products 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 to do our best to take appropriate action, and we appreciate your understanding.



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(Reference information)

Kobe Steel, Ltd. website: http://www.kobelco.co.jp/english/information/1197841_16244.html

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