

Status and Measures Taken With Respect to Non-Conforming Products

Mitsubishi Cable Industries, Ltd. (President Hiroaki Murata; paid-in capital of 8 billion yen) (“we” or the “Company”) has discovered certain misconduct, including the rewriting of inspection record data, resulting in a portion of the products manufactured and sold by the Company not being in compliance with customer or internal Company specifications (the “Non-Conforming Products”). We will need to promptly validate the safety of our products with the cooperation of our customers and we are announcing here the status of our review and handling of the Non-Conforming Products.

At the outset, we deeply apologize for any inconvenience caused to our customers and related parties as a result of these issues. We are determined to strengthen the Company’s quality control function in order to prevent recurrence of these issues.

1. Background

This past February, during an internal review initiated due to an internal quality audit by Mitsubishi Materials Corporation (“MMC”), our parent company, we identified certain misconduct within the Inspection Section of Minoshima Works, including the rewriting of inspection record data so that the measurements and/or material composition of seal products fell within the range of customer or internal Company specifications. These findings were reported by the Inspection Section to Company management in March and, beginning in May, an internal response team began verifying the underlying facts, identifying Non-Conforming Products and considering ways to ensure safety.

In light of the large number of products and customers, a significant amount of time was required to review the underlying facts. We were able to come to some understanding of the underlying facts

with respect to the scope of the Non-Conforming Products, so on October 23, we decided to suspend delivery of Non-Conforming Products, and on October 25, we reported our findings to MMC. We are currently looking into the status of deliveries made after October 23.

2. Affected Products

A. Seal Products

Mainly made from rubber, whose primary purpose is to prevent leakage of oil, water and air.

Generally called packings or gaskets

B. Potentially Affected Customers

The following chart sets forth the number of customers to which the Company may have delivered Non-Conforming Products and the number of customers we have already notified:

Industries of End Users	Number of Customers to which Non-Conforming Products May Have Been Delivered	Number of Customers Notified
① Aerospace	70	26
② Various industrial equipment (e.g., air pressure)	25	4
③ Electric Power equipment	12	7
④ Automobiles	7	2
⑤ Others※	115	1
Total	229	40

※ Companies in multiple business areas are included in "Others."

C. Verification Period for Non-Conforming Products

The Company has so far evaluated all products delivered during the two-and-a-half year period from April 1, 2015 to September 30, 2017.

D. Number of Products Delivered During the Verification Period

Seal products that may have nonconformities account for approximately 270 million units (approximately 6.8 billion yen) out of approximately 1.33 billion units (approximately 29.4 billion yen) delivered during the verification period.

*These figures are the current amounts based on the assumption that all possible Non-Conforming Products are actually non-conforming.

(Note) For FY2016, the Company's sales were 29.5 billion yen, of which 11.7 billion yen, or approximately 40% of sales, were from the seal product business.

E. Production Site

All Non-Conforming Products were manufactured at Minoshima Works.

F. Internal Quality Control Framework, JIS

Minoshima Works has obtained certifications under ISO9001, ISO14001 and Japanese Industrial Standards (JIS) Q 9100 (international standard for quality management systems relating to the aerospace and defense industry) from the Japan Quality Assurance Organization. The Company performs annual internal audits based on these standards. However, products manufactured at Minoshima Works are not certified by JIS.

Based on our review to date, we are not aware of any facts that indicate that Non-Conforming Products violate laws and regulations. We will work closely with our customers to determine whether any laws and regulations are violated as a result of the Non-Conforming Products.

3. Current Status

After we decided to suspend the delivery of Non-Conforming Products on October 23, we have been providing customers with reports on the Non-Conforming Products, as well as conducting testing

in accordance with specifications (including inventory products), We are also implementing measures to prevent the delivery of Non-Conforming Products.

In a further effort to eliminate data rewriting, beginning in December, we plan to implement systems that will automatically collect and preserve inspection data.

4. Additional Measures

To date, we have not identified any safety issues with the Non-Conforming Products. We will continue to do all that we can to report to and work with customers on identifying any additional issues, including validating the safety of any products delivered by the Company. If we become aware of any safety concerns, we will address this promptly and appropriately.

Moreover, while our internal response team has performed a fact-finding review, on November 13, 2017, we established an investigation committee, including outside counsel, to investigate the underlying facts and root causes of these issues. We will take additional remedial measures to prevent recurrence of the issues based on the results of this investigation.

Should you have any questions, please contact the Company's Administrative Division, Corporate Administration and Personnel Section at +81-3-3216-1551.