

October 23, 2017

RE: Kobe Steel Falsified Quality Data

The initial investigation on this matter pertained to Copper & Aluminum based products.

The misreported data concerned the strength of the product(s) (Hardness/Tensile) and these products were in the form of “metal tubing”. Subsequently, this investigation has caused concern and opened up scrutiny on all Kobe Steel products produced. As of now, there is no evidence of other properties (other than hardness/tensile) were effected.

How does this matter effect any “wire” product? .... It should not.

For example, if the investigation showed a false report on the tensile of any rod item, then the producing wire mill would see those effects during the wire drawing process. If the finished product did not meet the required industry standard or specification, then the product would not be released to the marketplace.

Should the formal investigation result in other properties being falsified, for instance “chemicals”, most wire manufacturers audit their rod inventory by checking chemistries and tensile of rods as purchased to ensure that they meet the Purchase Order requirements prior to use in manufacturing.

Currently, there is no wire product(s) at any Industrial Steel & Wire facility produced from any “Kobe” heat of steel.

As further information in regards to this topic is available, our statement would be amended to reflect any changes that may affect wire products sold by Industrial Steel & Wire Company.

Sincerely,



John Dickman  
Vice-President  
Operations/Purchasing  
ISW Corporate Office-Chicago