

November 28, 2017
Toray Industries, Inc.
Toray Hybrid Cord, Inc.

Inappropriate overwriting of product inspection report data by Toray Hybrid Cord, Inc.

We regret to announce that it has been discovered that Toray Hybrid Cord, Inc. (head office: Nishio-shi, Aichi, President: Nobuhiro Suzuki, hereinafter referred to as “THC”) which is a subsidiary of Toray Industries, Inc. (head office: Chuo-ku, Tokyo, President: Akihiro Nikkaku, hereinafter referred to as “Toray”), has inappropriately overwritten data that was provided in inspection reports to customers.

Within the management of the Toray Group, business ethics and fairness are considered top priorities, and this is understood by all officers and employees. All efforts have been made to earn the trust of society, through appropriate trading and business activities based on the ideal of free, fair and transparent market competition. Therefore, we deeply regret having allowed this situation to occur, and sincerely apologize for all concern and inconveniences caused.

In addition, we are using this opportunity to investigate the operations of the entire Toray Group. At present, no legal violations or other problems relating to product safety have been found.

The Toray Group will redouble efforts relating to compliance adherence, and together with recurrence prevention measures, will do our utmost to recover the trust placed in our company..

A summary of this matter follows.

1. Subsidiary overview

- (1) Company name : Toray Hybrid Cord, Inc. (“THC”)
- (2) A d d r e s s : Shinnmyouji-3, Kamiyatacho, Nishio-shi, Aichi
- (3) P r e s i d e n t : Nobuhiro Suzuki
- (4) Shareholder : 100% Toray-owned subsidiary
- (5) Business outline : Processing industrial fibers for use in tire
cords, cords for industrial use and carpet pile threads

2. Overview of data overwriting incidents

THC inappropriately overwrote data in inspection reports for parts of products that were manufactured in its factory headquarters before being provided to customers, including car parts manufacturers, felt makers for paper production, and tire manufacturers.

- Product concerned:
Tire cords, cords for car hose belts, cords for paper making
- Amount of overwritten data:
Out of the approximately 40,000 data entries investigated, 149 data entries were overwritten to fall within the standards set in contracts with customers.
- Period: April 2008 to July 2016
- Number of customers concerned : 13

3. Effect on customers

- (1) The total number of data entries overwritten is very few. The amount by which the data was adjusted to fit customer contract standards was insignificant and it is thought that there is no substantial difference in the quality of the product produced.
- (2) We currently are reporting this issue to customers, but as of yet have not received reports of any problems in the performance and safety of the products concerned.

4. Responding to this matter

If a problem is reported about the products affected by this incident, we will respond quickly and sincerely.

In order to prevent a reoccurrence of this incident, in October 2016 we changed THC's quality guarantee system .

In addition, once the details of the incident are fully determined, we will decide as to how those employees responsible for overwriting the data should be disciplined.

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