

Supply Chain Alert



10/24/2017

To: Valued Customer

From: Rich Stauffer, Vice President - Supply Chain/Operations/Quality

RE: Kobe Steel - Improper Conduct Concerning Aluminum and Copper Products

On October 8, 2017 Kobe Steel (also referred to as KOBELCO) announced that materials from certain lots and locations are noncompliant to specification requirements. Kobe Steel acknowledged that Inspection Certificates were altered to match customer specifications and industry specification during various time periods since 2007. (http://www.kobelco.co.jp/english/releases/1197808_15581.html)

Kobe Steel has stated that the following materials could have been affected: Aluminum, Copper, Steel Powder, Sputtering Target Materials, Steel Wires, Spring Wire, Special Steel and Stainless Steel Wire.

The products may have been shipped under company names including Kobe Steel, Kobelco, and its subsidiaries:

- Takasago Works
- Shinko Metal Products
- Kobelco & Materials Copper Tube
- Shinko Aluminum Wire
- Suzhou Kobe Copper Technology
- Jiangyin Sugita Fasten Spring Wire
- Kobelco Spring Wire
- Foshan Spring Wire
- Nippon Koshuha Steel
- Shinko Wire Stainless Company

Our primary Aluminum raw material supplier is Shinko Aluminum Wire. We have been in contact with them and have been assured that the material Sherex has purchased from them is compliant and has not been affected negatively. (Please see attached communication from Shinko Aluminum)

Additionally, all of our products currently and during the time these events occurred at Kobe would have passed our stringent quality testing before leaving our facility, as our standard operating procedure is to performance test all of our products before selling to our customers.

Our primary steel wire raw material suppliers are China Steel (Taiwan based) and several U.S. based companies - none of whom are affiliated with Kobe Steel. Therefore, our complete line of steel products is not affected by the Kobe announcement.

Sherex Fastening Solutions, LLC

400 Riverwalk Parkway, Suite 600 Tonawanda, NY 14150

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We remain steadfast in our mission to provide high-quality products to our customers and will continue to communicate with Shinko Aluminum Wire and to monitor our materials throughout the supply chain to ensure that all Sherex products adhere to our stringent quality standards.

If you would like further information, please contact me directly at rstauffer@sherex.com or (716) 332-4861.

Shinko memo:

2017年10月16日 10時15分	綴4854 P. 1/1
To: SHINE-WORLD COMMERCE LTD	2017.10.13
	SHINKO ALUMINUM WIRE CO., LTD Sales dept. Manager, KATUSHI YAMASHITA <i>K. Yamashita</i>
Thank you for your support always.	
We would like to apologize for causing you concern. We purchase aluminum billet from our mother company, KOBE STEEL LTD. After that, we manufacture related product in our company, and our products have nothing to do with the issue occurred at KOBE STEEL LTD this time.	
Our main process includes: billet heating, hot rolling, drawing (multiple times), heat treatment, inspection and packaging. And, it is confirmed that there is no affair for manipulation of inspection data within our company.	
Sincerely Yours	