

Condolences related to the Japan earthquake and announcement of our Company situation – March 15, 2011

We would like to express our deepest condolences for the extensive damage and loss of life from the recent major earthquake and subsequent huge tsunami that took place near the Northeastern Pacific Coast of Japan. The impact from both events has resulted in a tragedy that all of Japan is saddened by. Though Japan is still trying to uncover the entire impact of this tragedy and there is a lot still to understand and plan for, Shinano Kenshi sincerely prays for a quick recovery to the nation and to those citizens who particularly suffered the greatest of tragedies.

From the business side, Shinano Kenshi has tried to continue our business in a similar fashion as we had done prior to the earthquake and tsunami. Despite this effort, we have found it difficult to communicate and transport with the areas of Japan that received major damage. There may be instances in the coming days and weeks where inconveniences for our business partners and customers could occur. We appreciate your patience, understanding and possibly your support as we do our best to overcome such difficulties.

[Primary update to the current status of Shinano Kenshi]

(1) Production Facility: There is no direct damage to our factory or to the equipment in our facility located in Nagano prefecture.

(2) Supply Chain/Logistics: We expect some shortage of supply of parts and components due to the transportation delay, mainly caused by traffic restrictions and by the difficulty of procurement of parts sourced from disaster areas. We are contacting our customers to make sure they are informed and if they have any concerns or requests. We appreciate their attention in this matter.

Shinano Kenshi has established a Crisis Center through which frequent updates and status will be provided to our partners and customers. Such updates will be shared through our website, through local offices and via our subsidiaries located around the world.

Sincerely yours,

Motoaki Kaneko
President & CEO
Shinano Kenshi Co. Ltd