

COSEL CO. LTD.

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Ref. # OSD1402

March 24, 2011

To:

Dear Valued Customers,

## Impact of 3/11 Earthquake

We would like to express sincere sorrow and concern to the people who underwent the large earthquake that hit north-eastern Japan on March 11, 2011.

We think it is imperative that we keep you informed of the earthquake's impacts on Cosel's operation of business. Please pay attention to the following:

## 1. Production

None of our factories including our contract manufactures have suffered any human or physical damage and they are operating normally.

## 2. Supply of Materials

Some of our suppliers located in the affected areas have received a severe damage from the earthquake and we are in the process of assessing the magnitude of the impacts. Some key components such as electrolytic capacitors and semiconductors have become harder to come by and we are seeing a delay in production. Therefore, delivery time of your backorders may have to be rescheduled. We have also tentatively stopped giving lead time indication to newly-entered orders.

## 3. Future Actions

As for the materials that have stopped arriving, we will consider changing to equivalents. In the event delay in delivery of your orders becomes certain, we will keep you informed in advance.

We would greatly appreciate your kind understanding of the situation and if you have any questions, please feel free to contact our sales representatives or distributors in your area.

Sincerely,

Yoshio Anda

General Manager

Overseas Sales Dept.

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