

April 14, 2011

Subject: NKK Update on Impact of Tohoku Earthquake (2nd update)

We at NKK Switches extend our heartfelt condolences to all affected by this disaster.

Employee Status

We have confirmed that all employees are safe.

Product Availability for North America

NKK Switches of America and its 28 authorized distributors have millions of dollars of inventory in stock to service customers. We expect that most customers will NOT be affected. Only about 10% of product sold in North America is manufactured in the affected area. We are continuing to assess potential lead time impacts for these products, based on demand and current stock.

Manufacturing Impact

The only NKK facility in the affected area is the Iwaki City plant (Fukushima prefecture). There was no major damage to buildings, but there was some damage to equipment. Equipment has been repaired, and on April 1, the Iwaki City plant resumed operations. The plant is now operating at nearly 100% of capacity.

Supply Chain and Logistics

It is possible that there may be some impact on procurement of raw materials and transportation. Scheduled blackouts could reduce output at other NKK plants and suppliers' plants in Japan. This situation and alternatives are currently under evaluation.

Lead Time Impacts

Lead times for new shipments from the Iwaki City plant are expected to be impacted by approximately 3 weeks. With the strong inventory position at North American distributors and NKK in Arizona, we expect the impact to most customers will be minimal.

Updates

As important news is available, we will post it on our website.

We appreciate your understanding in these matters.

Sincerely,

NKK Americas Team