April 8, 2020

Regarding COVID-19 and the Declared State of Emergency

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As the threat of COVID-19 grows, we at Yamato are taking every effort to mitigate the risk to both our customers and our own employees. While Saitama Prefecture is currently under a declared state of emergency, our factory remains open, and we want to reassure our customers that the smooth and speedy delivery of your products remains our top priority in these uncertain times. To ensure the health and safety of our employees and the robustness of our business, we are implementing the following safety measures.

To all visitors, <u>upon arrival at our facilities we request that you please take your temperature and record</u> <u>it in the log.</u>

- 1. Regarding personnel
 - ① Technology seminars featuring guest instructors have been postponed until further notice.
 - Effective as of April 6 (Mon), sales representatives are working remotely on alternating days.
 As of April 8 (Wed), general affairs and production management teams will work in separate rooms.
 - ③ Those who commute by train (about 10% of employees) shall take precautions to avoid exposure such as commuting by earlier trains (to avoid rush hour) or by using company vehicles.
 - ④ The morning assemblies and debriefing sessions in which all employees gather in one room have been suspended, and instead meetings shall be held outside with sufficient space between each person.
 - ⑤ As of three weeks ago, all company employees and contractors have been taking and recording their temperatures daily. Company employees with a temperature above 37°C are to refrain from coming to work. Contractors with a temperature above 37.5°C may not enter the premises.
 - ⑥ Several of our departments currently utilize a rotating shift system, but in order to further mitigate the risk of work disruption, other departments will now work in shifts as well. Shifts are planned so that they do not overlap.
 - ⑦ Employees over the age of 65 and employees with underlying medical conditions such as diabetes and high blood pressure are not obligated to come into work.
- 2. Regarding raw materials and consumables
 - ① <u>None of our raw materials are manufactured in China, and currently we are not experiencing any</u> <u>significant material shortages or delays in the delivery of materials.</u>
 - ② To secure imported materials such as Ni and Al, orders will be placed two months in advance.
 - ③ Similarly, for other raw materials, orders will be placed roughly 2 months ahead of schedule.
 - We have assessed which consumables are absolutely necessary for use in each department and items with limited availability have been ordered early.

- 3. Regarding logistics (exclusive in-house delivery / route delivery)
 - ① We have confirmed with the president of our logistics partner, that they do not foresee the Japanese logistics industry experiencing any major shutdowns.
 - ② From April 6 (Mon), our logistics partner requires that drivers stay at home for a fixed period (two weeks) in the event that they have a fever of 37.5° C or above.
 - ③ In order to protect the interests of its customers, it is the policy of our logistics partner to allocate additional drivers in the case that their normal drivers are absent. Therefore:
 - ④ As of April 8 (Wed), major logistics companies that we do business with have confirmed with us that business will continue as usual.
- 4 . Regarding subcontractors (from a BCP perspective)

In the case that our main subcontractors cease operations, we are prepared to maintain production by shifting these operations in-house or to alternative subcontractors.

We apologize for any inconvenience these policies may cause. While this situation presents unprecedented challenges, our fighting spirit lives on, and we remain committed to manufacturing high-performance, high-quality materials to meet your needs. Thank you for your cooperation and understanding.

From the bottom of our hearts we pray for the quick recovery of those infected, for the souls of those who we have already lost, and for the speedy resolution of the current situation.