

Panasonic Electric Works Europe AG

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PRESIDENT

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Announcement on the influence of flooding in Thailand

Dear Customer,

Thank you for your cooperation and support of Panasonic products. As you know from the news, the situation in Thailand is serious due to unexpectedly severe flooding. We have production plants in Thailand, one of which has been directly impacted by the flood. We would therefore like to inform you about our current situation regarding the activities and production of our Automation Control products.

1. Impact on ACBU production

On October 19, it was reported that water had penetrated our Thai factory building in Navanakorn Industrial Park. The ground floor of the building is now flooded to a depth of around 1.5 m.

At the moment there still are no flood issues in the Khon Kaen area where the PEWTH satellite Khon Kaen factory is located.

2. Expected production situation

The recovery of the PEWTH production (including the Khon Kaen factory) will greatly depend on how quickly the infrastructure (including power) can be restored after the water has been removed. At this time, it is difficult to predict exactly how long we will need to resume production, though it may take more than 3 months. In addition, many of our suppliers are suffering from the catastrophe and have had to shut down their own production facilities. As a result, we are trying to anticipate expected difficulties and to secure the necessary parts for our production.

Production is running for the time being in the Khon Kaen factory with the available parts on hand. However, given the disruption in the supply chain, it is impossible for our factories to continue operation. With all possible haste, we are examining various alternatives to obtain the necessary piece parts (e.g. substitute suppliers) and restart production (e.g. relocating production sites).

We apologize for the troubles caused by the disaster. Your kind understanding and continued cooperation would highly be appreciated. We will keep you informed to the best of our ability as the situation unfolds and concrete plans and schedules for recovery can be made.

Yours sincerely

Panasonic Electric Works Europe AG



Johannes Spatz
President

