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IMPACT AFTER NATURAL DISASTER IN JAPAN ON MARCH 11TH

Dear Customers:

In common with the rest of the world, we were all very shocked at the terrible loss of life and the devastation caused by the recent earthquake (M9.0) and tsunami. Who could ever have predicted that such a strong earthquake, the worst in 100 years, would strike with such terrible consequences?

First and foremost, all our thoughts and prayers are with the families of the victims and those directly involved. We would like to thank you for the many messages of sympathy and goodwill that we have received here and at our offices in the USA and in the UK. We are very thankful that no Asahi Seiko employee sustained any kind of injury.

We can report that neither our office nor our two factories sustained any damage. Our factories have now resumed normal production and our supplier chain is also intact. We do not anticipate that any of the planned power outages will affect our operations either. We forecast that we will be able to continue to meet our customers' needs with our production capacity as scheduled.

Nevertheless, there are still problems with some domestic transport. These issues could inevitably cause small delivery delays in the near future. We will endeavour to minimise the effect of these problems and we will do our best to keep you up to date with all developments.

Thank you for your understanding and continued support.

Hiroshi Abe

HIROSHI ABE
C.E.O. & President
Asahi Seiko Co., Ltd.