

May 7, 2021

To: Our Valued Customers
From: Shiro Hatasaki, President, Nachi America Inc.
Subject: Update on Nachi Operating Status During COVID-19 Pandemic

As we move further into 2021, and move toward more normal operations, I would like to take this opportunity to provide an update on our status at Nachi America. At Nachi, the health and safety of our associates and their families remains our top priority. Our Indianapolis headquarters continues to operate between 60 – 75% capacity on a rotating basis. The bulk of our customer service staff is working from the office, as is our engineering department. Our customer support system is in place to service all customer requirements.

Our Indianapolis facility/campus consists of two manufacturing plants, administrative offices and a large warehouse operation for multiple Nachi product lines – bearings, cutting tools and hydraulics. We are once again allowing visitors in our facilities, and we are also continuing to strictly follow CDC guidelines in regard to frequent cleanings, social distancing and mask wearing.

Nachi is operating with a full staff at our Indiana and California warehouses, as we continue to receive product from our factories and ship to customers per their requirements. We are doing our best to maintain significant inventories at both of our locations, but delays in receiving shipments from our factories in Japan, due to ongoing heavy traffic at the nation's ports of entry, have resulted in some stock outages. Delays at the ports have been happening for the last seven to eight months, which has also led to a shortage of shipping containers, as containers are spending more time on the water and not getting turned around as quickly as in the past. Our lead time for ocean freight from Japan has increased from four weeks to ten weeks or more. We have used air freight where possible to keep product on our shelves and to meet customer requirements – we're doing all we can to have available the product required by our customers.

Our outside sales teams are currently visiting customers, where possible and where needed. Travel by our outside salespeople is being monitored by their managers, so that both our customers and our team remain safe and healthy. Our sales teams continue to follow CDC guidelines of wearing masks and practicing social distancing during customer visits. Please contact your Nachi salesperson if needed, as our team has company approval to visit our valued customers.

Please contact me or your regular Nachi contacts with any questions, issues or comments. Nachi appreciates your ongoing support of our products.

Sincerely,



Shiro Hatasaki
President
Nachi America Inc.