Statement regarding Corona Virus – Update 6

Dear Valued Business Partner

I hope you are doing well. Please find below the latest update on NKK’s COVID-19-affected production situation:

Situation in China
In the notification sent on Friday, 20 March we informed about the operating rate of our Chinese production site having improved to circa 70%. By now, the factory has recovered to almost its regular production capacity. However, the operation rate of our Chinese subcontractors still varies and depending on the product, the lead time is still longer than usual. It is expected that it will take a little longer to return to the normal level.

Situation in the Philippines
In our last update sent on Thursday, 9 April we informed you about the scale of the Anti-Corona virus measures in the Philippines. After the end of the extended closedown period ordered by the government, our Mactan factory was set to reopen on Tuesday, 28 April. However, the authorities have informed us about a second extension of the closedown. The factory will be closed until Friday, 15 May and will resume operation after the weekend on Monday, 18 May.
We have almost finished the process of temporarily relocating the production of selected products to our factory in China. Please understand that it is not possible to shift production of all series to a different location for various reasons. As we are constantly looking for further ways to improve lead time, alternative production methods are currently under consideration.

Please kindly monitor our backlog report. Additional adjustments of lead time may become necessary. Due to the ‘Golden Week’ holidays starting this week in Japan, the next backlog report will be issued in CW20.

Yours sincerely

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