

To Valued customers

Impact of product supply due to the situation in the Middle East (1)

Due to the deterioration of the situation in the Middle East, it has been pointed out that the international energy supply network and the procurement of related materials may be affected. In these situations, we will give top priority to stable supply and understand the situation and coordinate with suppliers, we may ask you to pay part of the burden as follows. We, therefore, appreciate your understanding and cooperations.

① Possible difficulty in obtaining raw materials and supplies

At present, the impact of difficulties in procuring raw materials and supplies, delivery delays, and price increases have been confirmed in some products. We use raw materials and supplies derived from petrochemical products in many of our products, and we are concerned about the following impacts due to the deterioration and prolongation of the situation.

1. Rising product prices (soaring raw material costs)

There may be delays or shortages in the supply chain of raw materials and supplies, as well as higher procurement prices.

2. Delayed delivery, Suspension of product supply (difficulty in procuring raw materials and materials)

If raw materials and supplies cannot be procured due to the depletion of each inventory or the Force Majeure Declaration, it is predicted that production will not be possible and product supply will not be possible

3. Rising domestic energy and fuel prices (rising production costs)

There are concerns that it will affect electricity and gas prices, transportation costs, and raw material prices.

② Request to our customers (for all products)

1. Order Quantity

In order to secure supply to all customers, please place new orders in the same amount as the previous year. Depending on the situation at the time of ordering, we may not be able to meet your request.

2. Price

It is predicted that product price could be suddenly revised.

3. Delivery

Depending on the procurement status of raw materials and supplies, we may not be able to accept requests for delivery adjustments or orders.

Since the situation changes daily, we will adjust and consult with you about Order acceptance, Sales quantity, Price, and Delivery date.

We will continue to closely monitor the latest information and make every effort to ensure a stable supply. We apologize for any inconveniences and concerns this may cause to our customers, but we appreciate your understanding.

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