

March 10<sup>th</sup>, 2020

## Notification Regarding Mitigation Measures for the Coronavirus Disease 2019

We would like to inform you of SMC Corporation's current mitigation measures taken to cope with the Coronavirus Disease 2019 (COVID-19) as described below.

### 1) Production and Shipment Situation

#### A) China Situation

- Since February 3<sup>rd</sup>, SMC's Chinese Factory has gradually resumed normal operations following the end of the Chinese New Year Holiday. Since then, near full scale production resumed from February 10<sup>th</sup>, 2020.
- Shipments and customs clearances for imports and exports to and from China fully recovered after February 3<sup>rd</sup>. Even though there have been slight delays in air freight shipments due to flight restrictions, we have seen no major effects to our shipments.
- SMC has sufficient stock of parts and products to supply our customers without interruption.
- Earlier issues related to logistical stagnation within supply chains have mostly been solved.

#### B) Japan Situation

SMC's Japanese Factories have been implementing the following measures to prevent the spread of the disease.

- Installation of alcohol disinfectants and implementing thorough hand disinfection.
- Installation of non-contact thermometers and prohibiting the entry of people who exhibit symptoms of the disease.
- Requesting that suppliers refrain from visiting our factories. (However, normal deliveries of goods are accepted.)
- The decrease of the ratio of employees able to work due to the closing of schools is still within our production estimations and has caused no interruptions.

## 2) Sales Situation

### A) China Situation

- Except for a few critical regions such as the Hubei Province, our other Chinese Sales branches are operating as normal.
- Japanese expatriates who were instructed to return to Japan have been gradually returning to China and standing by to resume work within the country.
- We have seen increased demands for medical goods production lines. As such we are utilizing our utmost efforts to fulfill our social responsibility to meet these increased demands.

### B) Japan Situation

- Our Japanese Sales Branches are operating as normal. For those customers that cannot accept visits by SMC salespersons, we are corresponding with them via email and telephone calls.
- In principle, we have postponed hosting or participating in exhibitions.

## 3) Other Mitigation Measures

We are taking the following measures to prevent the spread of the disease:

- Cancellation of business trips or meetings that are considered to be insignificant or non-urgent.
- Promoting the use of telephone or video conferences.
- Implementation of temporary flexible working hours (flex time) in high congestion areas such as Tokyo in order to avoid congested commuting times while using public transportation.

Respectfully,

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