



Dear customers and friends

I am sure that all of you have heard about the very large earthquake and resulting tsunami in Japan. This tragic natural disaster will affect all of us in some manner. The human toll is tragic and our thoughts and prayers go out to those touched by this disaster. I am happy to report that all 2,600 (+) of our Japanese employees and their immediate families are safe and well.

As you may know Fukuda Denshi has many factories around the world in addition to the several located throughout Japan. Since the earthquake I have been in close contact with both the top managers of our company and managers of the manufacturing facilities that provides products to our United States customers. I am very happy to announce that these managers have all confirmed to me that the earthquake and the tsunami will have very little impact, if any on the delivery of the goods and services we provide to our United States customers.

In addition, a 'planned' rolling electrical blackout has been implemented to save energy. Please understand that this is not a random loss of power. These are carefully planned, published and scheduled shut downs of power to certain areas for less than three hours per day. Our production facility in Shiroi for example is only normally active for one eight (8) hour shift. Therefore, it is quite easy to work around any rolling blackout period to achieve normal production output. In addition, we can easily implement a second production shift if required to achieve additional production capacity if necessary.

Regarding the shipment of goods from Narita airport, we anticipate possible minor delays due inbound relief efforts and outbound airline scheduling. We are not limited to Narita Airport and have many other shipping options readily available if needed.

Although the initial assessment is that any impact is minimal, we will continue to monitor and manage this situation as things unfold.

We will inform you if we become aware of any delay and we trust that you will understand. Again, our thoughts and prayers are with everyone personally affected by this terrible situation.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Usukura", written over a horizontal line.

Ray Usukura
President
Fukuda Denshi USA