

Earthquake Report No. 3

Munich, 15 March 2011

Dear Customers,

Epson wishes to express its deepest condolences to those affected by the earthquake that struck the Tohoku area of Japan on March 11.

Unfortunately Epson, like many other Japanese companies, has been affected by the recent earthquake and tsunami. Our primary focus at this time is on the safety of our employees as well as securing our business operations.

At present, it is unclear as to the exact effect that these events will have on our operations, but every effort is being made to ensure that it is minimized.

Today's new information and the revisions to Report No. 2 are as follows:

1. **Epson employees:** No casualties have been reported at this stage.
2. **Epson manufacturing plants:**

Followings are the latest information given from our Headquarter regarding the current situation at our Japanese manufacturing plants:

  - **EPSON TOYOCOM CORPORATION, FUKUSHIMA PLANT**

Location: Minamisoma-shi, Fukushima pref.  
Related products: crystal oscillators  
Situation: Manufacturing operation has been shutting down due to damage by earthquake. Part of manufacturing building and facility were damaged. Also, Japanese Government made evacuation order for all residents who stay within 20km from Fukushima atomic power plant #1. Our Fukushima Plant is located approx. 16km away from Fukushima atomic power plant #1, so tentative shut down at this plant was decided.
  - **EPSON ATMIX CORPORATION**

Location: Hachinohe-shi, Aomori pref.  
Related products: synthetic quartz  
Situation: Manufacturing operation has been shutting down due to damage by 1 meter height Tsunami (Seismic sea wave). Resumption of manufacturing operation has not been decided yet. There was no damage to the artificial crystal manufacturing facilities (autoclaves) at Epson Atmix.
  - **AKITA EPSON CORPORATION**

Location: Yuzawa-shi, Akita pref.  
Related products: quartz crystals  
Situation: Manufacturing operation has been shutting down due to electric power outage. However, damage of facilities and buildings were minor.  
**Unfortunately due to power shortage we could not restart operation on the 15<sup>th</sup> of March.**
  - **SEIKO EPSON CORPORATION, SAKATA PLANT TOHOKU EPSON CORPORATION**

Location: Sakata-shi, Yamagata pref.  
Related products: semi-conductors  
Situation: Manufacturing operation has been shutting down due to electric power outage and under checking for damage of all facilities. Resumption of manufacturing operation has not

been decided yet.

- **EPSON TOYOCOM CORPORATION, INA PLANT**

Location: Ina-shi, Nagano pref.

Related products: quartz crystals, crystal oscillator

Situation: No damage, normal operation.

- **EPSON TOYOCOM CORPORATION, MIYAZAKI PLANT**

Location: Miyazaki-shi, Miyazaki pref.

Related products: synthetic quartz, quartz crystals, optical devices

Situation: no damage, normal operation.

- **SEIKO EPSON CORPORATION, FUJIMI PLANT**

Location: Suwa-gun, Nagano pref.

Related products: semi-conductors

Situation: no damage, normal operation.

**3. Impact of power cuts (Tokyo area)**

**We tentatively closed sales offices in Tokyo on March 14<sup>th</sup>, however we resumed operation on March 15<sup>th</sup>.**

Will keep you updated, as soon as any additional information will be available.

EEG will continuously collect as many information as possible and will keep all customers informed of the latest situation regarding your orders and delivery as well as our Japan side situation. We sincerely apologize for giving much inconvenience. Your kind understanding and patience with our limited information will be highly appreciated.

Thank you for your understanding,

  
Takeshi Kurokochi