

Re: COVID-19 Update – March 24, 2020

Dear Valued Customers and Partners,

Firstly, from Panasonic I'd like to express our collective wish that you, your employees, and your families are safe and healthy, and remain so while we all navigate the unprecedented challenges that the Coronavirus is presenting us. Of course, Panasonic is following all recommended measures to keep our employees safe, but we remain open, fully functional, and hard at work to provide our customers with the products you need to conduct business. We are dedicated to delivering healthy indoor living solutions, and that is exactly what we intend to do during this COVID-19 crisis.

Manufacturing:

We are fortunate that most of our ventilation and indoor air quality products are manufactured at our facility in Tijuana, Mexico. Presently we are fully operational, we have flexibility to adjust production as needed, and we are increasing production of some key products in order to keep inventory levels optimized and safeguarded. While having experienced a slight delay in shipping and receiving certain raw materials and products produced in China, our suppliers have quickly ramped up to maintain a continuous supply, and we do not anticipate any major issues going forward.

Distribution:

Our three distribution centers remain fully operational. While you may have heard well publicized restrictions on non-essential US-Mexico border crossing, cross border trade continues without restrictions. Our Baja California distribution center, border crossings, cross dock warehouse and our carriers remain fully operational, and we can ship to the entire US from this location if necessary. Our distribution centers in City of Industry CA and Aurora IL are deemed essential critical infrastructure and remain open and operational as well. We have no reported issues w/ trucking and movement of product. Please be assured that our Logistics Team is constantly monitoring the evolving situation and are implementing contingency plans in real time.

Worker Safety & Prevention:

Employee safety is paramount, and we are practicing heightened safety measures as recommended to limit exposure to COVID-19. Non-essential employees are all working from home and abiding by travel restrictions, we have limited non-essential visitors to our factories, implemented additional cleaning/disinfecting of surfaces, and workers who feel ill or have otherwise reason to believe they have been exposed are ordered to stay at home and quarantine.

Communication:

All your regular contacts at Panasonic are working from home and can be reached via e-mail, text, and mobile phone. Our systems have been stress tested and are fully functional. So we remain fully operational and dedicated to support our customers. Communication is vital in these uncertain times, so we will continue to send out regular updates to keep you well informed of any changes, and we encourage you to do the same if there are any changes in your business situation.

You can be confident in knowing we at Panasonic are doing everything possible to keep service levels high, while keeping our team and your team's safety a primary concern in conducting business together. We appreciate your business and will continue to work diligently through this crisis to maintain your confidence.

Thank you and be well,

Steve Hamlin

Vice President, Sales, Marketing, Planning & Development

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