

Dear Customers,

Sep 1, 2021

Due to global increasing demand of semiconductors, lead time of the parts for our products is getting longer. In order to allow enough time for our customers to place their orders in advance, we'd like to inform you that we will modify the standard lead time of Nemicon Online shop from current 2 months to 4 months.*

*For the products of Quick delivery types (7S, 38SG, 38HG series), the lead time would be from current 1 week to 2 weeks.

At the same time, considering there may be requests for very urgent delivery from customers, we will start an express delivery service with short lead time. Because we need to get necessary parts with premium prices and arrange the manufacturing specially, we will charge an express fee to our customers and the amount depends on the requested lead time. Please refer to the details below.

(1) Possible delivery within 1 week, 2 weeks, 4 weeks and 8 weeks (1 week means 5 working day)

- Possible fast delivery depends on product family, parts inventory, order quantity, etc.
- We start to calculate lead time after Nemicon acknowledges an order to the customer.
- If we cannot realize fast delivery due to unexpected reasons, we will not ask for express fee to customers but no other compensation for it.

(2) Calculation method of express fees

- A basic charge of USD200 for each express order
- Additional unit price:
 - +50% for delivery within 1 week
 - +25% for delivery within 2 weeks
 - +15% for delivery within 4 weeks
 - +5% for delivery within 8 weeks

A calculation example of total order amount for 2ea 38S encoder (e.g. unit price = USD150) with fast delivery request of 1 week:

Normal lead time (4 months): $USD150 \times 2ea = USD300$

1 week lead time: $USD200 + USD150 \times 150\% \times 2ea = USD650$

(3) Steps for placing an order with request of express delivery

- i. Customers select "yes" for requesting the express delivery and the expected lead time when an order is placed.
- ii. If the express delivery is possible, Nemicon will quote the express fee to the customer.
- iii. After the customer confirmed, Nemicon will request the payment of the express fee to the customer by email.
- iv. Customers pay the express fee within 5 days after receiving the email.

Best regards,
Nemicon Corporation