

May 30, 2012

Dear Valued Panasonic Ventilation Customers,

Unfortunately, I must inform you that our Panasonic factory, the primary source for capacitors used in all of our motors was struck by a tornado earlier this month. Due to the damage from the tornado, capacitor production was suspended precisely the same time we are experiencing record breaking demand. During the last four months, we have experienced the largest increase in sales volume in the history of our company. For that, we are grateful to you.

We are extremely sorry for the anxiety, frustration and lost opportunities that this situation has caused.

We are taking immediate corrective steps to quickly resolve this issue. Our capacitor factory resumed limited production last week, several weeks ahead of schedule. We have also secured capacitors from alternate vendors and have prioritized our production to ensure high demand models are manufactured first. Additionally, contractor pack production is being increased and air shipments will be utilized to keep critical situations from occurring. We will provide you with periodic updates and anticipate being back to full production capability no later than July.

A comprehensive plan has been initiated to improve forecasting, market analysis and procurement to improve our fill rate. Moreover, a contingency plan is being implemented to handle inventory difficulties in the future. As a result of these actions, we are confident that Panasonic Eco Products Division will emerge as a more reliable vendor. We are working overtime to maintain the trust you have placed in us over the years.

Thank you for the opportunity to serve you.

Sincerely,



National Sales & Marketing Manager  
Panasonic Eco Products Division