Torrance, California, March 20, 2020

## Sakura Finetek USA continues to remain open in support of hospital and reference lab customers during the COVID-19 pandemic and the California state-wide 'safe-at-home' order.

Dear Valued Customer,

COVID-19 continues to affect supply chains all around the globe, and you may continue to wonder if this situation will affect the delivery of Sakura Finetek products and services to your organization or you.

As you may be aware, California State Governor, Gavin Newsom has mandated a California state-wide 'safe-at-home' order to significantly reduce the speed of the novel coronavirus (COVID-19) from spreading. This mandate directs all non-essential businesses to cease operations, and their employees are to remain at home, effective March 19 through April 19.

The good news is that Sakura Finetek USA, Inc is exempt from this mandate as we provide products and services that are critical to our hospitals and reference laboratories to enable them to provide cancer testing services.

We are happy to share with you that we are open and manned with adequate staffing levels to support our customers and currently have no backorder situations caused by supply issues due to COVID-19.

As we have already communicated, out of care for patients, some laboratories may want to preemptively counteract concerns about potential inventory supply issues in the future by placing large orders with a volume spanning several months of projected quantities. These actions may cause issues for many other laboratories as products may no longer be available to them, leading to an undesired backorder on our side which we may not be able to resolve immediately. Since the sources of our consumables are mainly located in the U.S.A. and Japan (primarily limited to Tissue-Tek Coverslipping Film<sup>®</sup>), we are confident that backorders under normal purchasing behaviors of our customers, will not occur in the future.

In the event that we notice customers placing large orders equivalent to multiple months of supply, especially for consumables belonging to closed systems, where no alternative is available, we will need to negotiate the ordering quantities with customers including a committed shipment schedule in order to ensure the continuous supply of products in our inventory.

We would like to thank you for the long-lasting partnership and for the opportunity for Sakura Finetek to support your laboratory's efforts to provide uncompromised best patient care.

George R. Kennedy

George R. Kennedy Senior Vice President of Sales and Marketing

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