

Price Increase Notice Effective January 1st, 2024

September 15, 2023

Dear Valued customers,

Although the hike in a 40-year record high inflation seems to have started calming down, as is widely reported, service prices and rents are still increasing. Due to the inflation and manpower shortages, there are organized labor strikes everywhere especially in dock workers, truck drivers and warehouse workers. The news that Yellow Corporation, one of major transportation companies, filed for bankruptcy is still fresh in our memories.

Unfortunately, we also received massive price increases in both service and warehousing charges. We were forced to accept almost all of those requests, and these increases have already been in effect since the end of May. Overall, everyone is facing difficulties to keep warehouses and workers. Due to the skyrocketing demands for storage and inventories for E-commerce and other industries, warehousing space is very tight. Although we considered the possibility to move to other warehouses, it was not realistic.

Under this situation, we have continuously endeavored to keep the cost increase to a minimum, and improved our internal productivity and processes to limit this. We were able to partly compensate the rising cost by increasing the efficiency. However, in the meantime, we are still facing massive increases in warehousing cost, freight charge which cannot be further compensated. Unfortunately, we feel impelled to have a price increase.

We therefore will increase our sales prices for all products for orders as of January 1st, 2024.

As for details, please refer to the new price sheet and programs which will be provided following this letter. Orders placed before January 1st will be honored at the current pricing and all orders must be shipped by January 15th, 2024.

Thank you very much for your understanding.

Yours Sincerely,



Yasuo Tanaka

President & CEO

TAJIMA TOOL CORPORATION