

Price Updated Notice and Market Trend

Dear Valued Customer,

Since early this year, the passive capacitor market has faced sharp price increases and supply shortages, driven by rising costs and surging AI demand, especially for MLCCs. Major suppliers such as Murata, Samsung, Yageo and Walsin have raised prices, while limited capacity and priority for AI applications have extended schedules for general MLCCs, creating significant lead-time risks.

At present, prices remain volatile and continue to rise, while lead times are steadily extending. With major manufacturers' order books already fully committed until Q1 2028, the situation further underscores the prevailing uncertainty across the market. We have worked hard to prepare in advance early this year, but the current market shortages, rising prices, and extended lead times have gone beyond what we anticipated.

Although prices continue to rise unpredictably, Hitano will make every effort to maintain the pricing as long as we can do for you. It is also our goal to stabilize your costs and supply needs as many as possible. However, quotations are now tied to the factory's shipment price. We have no choice but have to follow this situation for the future plan. For all undelivered orders placed before September 8, we will have to adjust it to cost level when the quoted price is below cost at any time. For orders placed after September 8, the final quotation will be aligned with the factory shipment price at the time of delivery.

HITANO remains committed to working closely with you to maintain stable supply and reasonable lead times, though we appreciate your understanding that overall market conditions may affect outcomes beyond our control. We sincerely appreciate your understanding and cooperation, and we remain committed to working alongside you to navigate these challenging market conditions.

Yours sincerely

For and on behalf of
HITANO ENTERPRISE CORP.

Authorized Signature

HITANO ENTERPRISE CORP.