

To Our Valued Customers



August 2025

CKD Nikki Denso Co., Ltd.

Current Measures Regarding China's Rare Earth Export Regulations

Dear Valued Customers,

We hope this message finds you well. We would like to express our sincere appreciation for your continued support of our products.

As an update to our July 2025 report, we would like to inform you of the latest developments regarding the impact of China's strengthened export controls on rare earth elements and our corresponding measures.

With respect to magnets containing the restricted elements, which had previously been subject to a complete export suspension from China, we reported in July that phased shipments had begun. Since then, additional approvals have been granted, and procurement of magnets between late August and mid-September has been confirmed, enabling us to secure production outlooks.

However, the approval process for magnet export applications remains uncertain. To mitigate potential risks, we will continue implementing our scheme of transferring certain processes to our China factory, while maintaining domestic production in parallel, thereby minimizing the impact on our customers.

Regarding delivery schedules, our sales representatives are providing individual updates to each customer. Should you have any questions or concerns, please feel free to contact us at any time.

We greatly appreciate your continued understanding and cooperation.

Sincerely yours,

CKD Nikki Denso Co., Ltd.