



## Important Trade Update

We want to keep you informed about the current trade situation and how it may affect your business with Nidec Drives. As you may know, there is significant uncertainty in the trade environment with Canada, Mexico, China, and other regions around the world. We are staying on top of the situation in this fluid international trade environment to ensure we can respond swiftly and effectively to any changes which may affect our products.

Recently, additional tariffs have been imposed by the United States on imports with country-of-origin Mexico and Canada and retaliatory tariffs have been imposed by Canada on goods with U.S. country of origin. These tariffs were already set to go into effect prior to the date of this letter, but have been paused temporarily while negotiations take place between these countries.

In addition, the U.S. has placed an additional tariff on any existing tariffs for goods entering the United States with country-of-origin China.

Although the tariffs between the U.S., Mexico, and Canada are currently paused, a **surcharge equal to the value of the additional tariff levied will go into effect when and if the relating tariff goes into effect.**

In the event any tariffs or surcharges are implemented, stated here or otherwise, Nidec Drives will be forced to pass along these costs to you. These costs will be added as a separate line-item charge for each item affected by these additional tariffs. The tariff line will be added starting the day the tariffs or surcharges are in effect by the United States Government and/or by the Government of Canada and/or by any other government imposing additional tariffs on goods originating from the U.S.

We apologize for the inconvenience, but this price dynamic is completely out of our control. Our hope is that these tariffs are temporary in nature. Further, to ensure you continue to receive the best service and avoid any potential disruptions for your products, our sales and customer service teams are available to assist in **expediting current and new orders and minimizing the potential impact from these scheduled tariffs for goods with country-of-origin Mexico, Canada and the United States.** We encourage you to reach out to our customer service team to address any concerns you may have.

Thank you for your continued partnership. Together, we can navigate these challenges and continue to drive success.