



September 22, 2007

Dear Customers:

You may have heard about the recent petition filed with The United States International Trade Commission (ITC) regarding the importing of Chinese and Taiwanese flexible magnetic products. MagX America, Inc. was one of the over 150 companies contacted by the ITC regarding this matter and we have responded accordingly.

We would like to make you aware of the fact that MagX America, Inc. is neither a manufacturer nor an importer of any Chinese or Taiwanese flexible magnetic products. Our parent company, Magx Co., Ltd. is headquartered in Tokyo, Japan. We began developing the flexible magnet in 1965 many years before our Chinese, Taiwanese or even our American competitors existed. We have a long and proud history in the flexible magnetic industry and are considered to be the global leader in flexible magnetic technology.

The International Trade Commission's investigation will likely extend well into the 2008 calendar year. As part of the proceedings, the Department of Commerce has also launched its own investigation. Our legal counsel advises that our company and its products are not the focus of any these investigations and that we will remain virtually unaffected by any action taken. However, our Chinese and Taiwanese competitors may not be so fortunate.

Please be assured that throughout this period and beyond, MagX's high quality flexible magnetic products will remain readily available at extremely competitive prices and without the threat of any interruption. If we can assist you with any of your flexible magnetic requirements please feel free to contact us at 1-800-979-1150.

Sincerely,
MagX America, Inc.

A handwritten signature in blue ink, appearing to read 'John C. Kanis', is written over a light green rectangular background.

John C. Kanis
Director of Sales and Marketing