

Released on January 17, 2025, in Kyoto, Japan

**Regarding the Request Letter from the Special Committee  
of Makino Milling Machine Co., Ltd. (Securities Code: 6135)**

As announced in our notice dated December 27, 2024, titled “Notice Regarding Scheduled Commencement of Tender Offer for Makino Milling Machine Co., Ltd. (Securities Code: 6135)”, we have decided to acquire the common shares of Makino Milling Machine Co., Ltd. (listed on the Tokyo Stock Exchange Prime Market, the "Target Company") through a tender offer as part of a series of transactions aimed at making the Target Company a wholly owned subsidiary of our company (the "Transaction"). On the same date, we submitted a letter of intent regarding the Transaction to the Target Company.

In connection with this, on January 15, 2025, we received a "Request Regarding the Planned Commencement Timing and Number of Shares to Be Acquired in the Tender Offer" (please refer to the attached document) from the Special Committee of the Target Company. We hereby announce that in response, as of today, we have submitted a written explanation outlining our recognition and understanding of the aforementioned request letter to the Special Committee of the Target Company (please refer to the attached document).

End.

(Attachment 1) "Regarding the Request Letter Received from Your Committee," dated January 17, 2025

(Attachment 2) [Translation] "Request Regarding the Planned Commencement Timing and Number of Shares to Be Acquired in the Tender Offer," dated January 15, 2025

## Attachment 1

January 17, 2025

To: The Special Committee of Makino Milling Machine Co., Ltd.

From: Mitsuya Kishida,  
Representative Director, President, and Executive Officer,  
Nidec Corporation

### Regarding the Request Letter Received from Your Committee

We acknowledge receipt of the "Request Regarding the Planned Commencement Timing and Number of Shares to Be Acquired in the Tender Offer" dated January 15, 2025 (the "Request Letter"), from your committee. In the Request Letter, we have received your requests (the "Requests") regarding the postponement of the planned commencement timing of the tender offer by us (the "Tender Offer") for the common shares of Makino Milling Machine Co., Ltd. ("your company" or "you") and the modification of the minimum number of shares to be purchased in the Tender Offer.

In order to sincerely consider the Requests, we have carefully reviewed the Request Letter. During this process, we have identified that the "issues" pointed out in the Request Letter by your committee in the relation to our proposal (the "Proposal") to make your company a wholly owned subsidiary, as outlined in our "Letter of Intent, Merger Proposal for the Maximization of Corporate Value" dated December 27, 2024 (the "Letter of Intent"), contain numerous misunderstandings or misinterpretations concerning the content of the Letter of Intent, the "Guidelines for Corporate Takeovers – Enhancing Corporate Value and Securing Shareholders' Interests –" published by the Ministry of Economy, Trade and Industry on August 31, 2023 (the "Guidelines"), and M&A transaction practices. We presume that these misunderstandings or misinterpretations may have arisen from advice provided to your committee or your company by its advisors. Anyway, we are deeply concerned that your committee, whose mission is to ensure fairness, transparency, and objectivity in the decision-making process of your company's board of directors, may proceed with deliberations based on inaccurate, unfair, or subjective advice from such advisors. This situation risks leading to decisions founded on misunderstandings or misinterpretations, which we view with significant apprehension.

Accordingly, we would like to provide our recognition and understanding regarding the "issues" related to the Proposal as pointed out by your committee in the Request Letter, as detailed below. Since the Request Letter has been described as a "preliminary" communication of your committee's deliberations and requests, we respectfully ask that your committee objectively reconsider the Requests, taking into full account our explanations, and continue to conduct further deliberations on the Proposal from the perspective of fairness and impartiality.

As stated in the Letter of Intent, we reiterate our commitment to sincerely providing explanations to your company's board of directors and your committee to seek their support for the Tender Offer. We aim to increase the frequency of opportunities for direct meetings, such as the one we had today, before the commencement of the Tender Offer. Furthermore, we assure you that if your board of directors or your committee reasonably determines that additional information, beyond what is described in the Letter of Intent, is necessary for forming an opinion on the Tender Offer and requests its provision, we will respond sincerely to such requests.

#### 1. Regarding the Planned Commencement Timing of the Tender Offer

##### (1) Regarding Lack of Prior Consultations or Inquiries

Your committee has expressed concerns, likening our decision to proceed with the Proposal without prior consultations or inquiries to the "Saturday Night Special" practices observed in the United States during the 1970s.

However, the "Saturday Night Special" refers to a tactic used in an era under U.S. law when tender offers could be completed within seven days, involving an exceptionally short tender offer period. Currently, both U.S.

and Japanese legal frameworks mandate a minimum tender offer period of 20 business days, making acquisition strategies similar to the "Saturday Night Special" impossible to implement. In fact, the Proposal ensures a period of three months or more between the Proposal and the scheduled commencement date of the Tender Offer. Additionally, by setting the minimum tender offer period at 31 business days, the Proposal is designed to provide your company and its shareholders with ample time for deliberation. This approach is entirely distinct from the "Saturday Night Special."

Furthermore, your committee has referenced Alimentation Couche-Tard's acquisition proposal for Seven & i Holdings, along with other examples of unsolicited acquisitions in the U.S., to argue that our approach of announcing the Proposal without prior consultations deviates from customary practices in Japan and the U.S.

However, even among highly notable cases, there are numerous examples where no prior consultations or inquiries were conducted, or where only minimal consultation periods were provided. These include Oracle's acquisition of PeopleSoft, Microsoft's acquisition proposal for Yahoo!, Valeant's acquisition proposal for Allergan, Teva's acquisition proposal for Mylan, and Elon Musk's acquisition of Twitter. We are compelled to conclude that your committee may have determined that the Proposal and its announcement constitute a "dishonest approach" based on insufficient or biased information. The explanation provided above is based on advice we received from one of the leading U.S. law firms retained by us. We are confident that, upon consultation with appropriate advisors, your committee will come to a similar understanding.

As noted in our press release dated December 27, 2024, titled "Notice Regarding Scheduled Commencement of Tender Offer for Makino Milling Machine Co., Ltd. (Securities Code: 6135)" (the "Press Release Announcing the Scheduled Commencement of the Tender Offer"), our decision to proceed with the Proposal and its announcement without prior consultations was made in consideration of the principles outlined in the Guidelines. Specifically, the "principle of shareholder primacy" and the "principle of transparency" required for acquisitions aiming to obtain management control of listed companies were key considerations. From the very outset of this transaction, we have sought to communicate the full context to your company's shareholders (and the market) through a completely transparent process. This approach was intended to encourage the appropriate and proactive provision of useful information by both our company and your company, enabling your shareholders to make informed decisions about the merits and terms of the transaction. Our intention is entirely aligned with the spirit of the Guidelines, and there is no intent whatsoever to deprive your company or its shareholders of sufficient time for thorough consideration.

**(2) Regarding the Scheduled Commencement Date of the Tender Offer Being Four Days After the End of Your Company's Fiscal Year Ending March 2025**

Your committee has expressed concerns that April 3, 2025, the day before the scheduled commencement date of the Tender Offer, is a "particularly busy period for a company with a March fiscal year-end due to year-end closing tasks and related matters." Based on this, your committee has raised the issue that the Proposal schedules the commencement of the Tender Offer "during a time when it is difficult to secure sufficient resources for a thorough review of the Proposal."

However, it is not uncommon in Japanese practice for tender offers to commence, and opinions to be issued, during the period between the fiscal year-end of the target company and the date of its financial results announcement (inclusive of that date). We wish to emphasize that there is no intent on our part to deprive your company or your committee of adequate time to thoroughly review the Proposal.

Additionally, we made the Proposal on December 27, 2024, three months or more prior to the fiscal year-end of March 2025. Since your company's board of directors and your committee have already begun their review of the Proposal following the Proposal, we believe that, assuming your company's board of directors and your committee continue their diligent consideration during the period leading up to the fiscal year-end of March 2025, there will not be a situation post-fiscal year-end that requires significantly more resources for further examination of the Proposal.

**(3) Regarding the Relation to the Information Provision Period and Review Period of So-Called Advance Warning-Type Takeover Defense Measures**

Your committee has expressed concerns that the Proposal, which schedules the commencement date of the Tender Offer for April 4, 2025, does not provide sufficient time for review, citing the information provision period of 60 days and the board review period of 60 to 90 days (a total of 120 to 150 days) under so-called advance warning-type takeover defense measures.

However, in practice in Japan, the average period required by a special committee to consider the merits of a tender offer is approximately two months. The periods specified in advance warning-type takeover defense measures are not necessarily essential for the target company's review. As stated in Appendix 3 to the Guidelines: "2. (1) a) Securing Time, Information, and Opportunities for Negotiation", "time, information, and opportunities for negotiation must not be used to allow indefinite demands for information from the acquirer or to arbitrarily extend the review period for acquisition proposals." The aforementioned periods are not the minimum time required for the acquirer to provide information and for the target company to review the acquisition proposal. We recognize that the aforementioned periods are the maximum allowable time to prevent arbitrary delays. Additionally, advance warning-type takeover defense measures are typically adopted with shareholder approval and are publicly disclosed in advance to enhance predictability for acquirers, shareholders, and other stakeholders (Chapter 5 of the Guidelines: "5.1 Approach to Acquisition Response Policies and Defensive Measures"). In the case of your company, where neither shareholder approval nor prior public disclosure of such measures has occurred, asserting that securing the aforementioned periods under advance warning-type takeover defense measures is mandatory retroactively lacks reasonable grounds. It is equivalent to asserting that the discipline of advance warning-type takeover defense measures generally applies, a perspective we believe to be a misinterpretation.

Therefore, the absence of a total of 120 to 150 days from the Proposal to April 3, 2025, the day before the scheduled commencement date of the Tender Offer, does not imply that your company's board of directors and your committee lack sufficient time for consideration. Assuming your company's board of directors and your committee continue their diligent review, we are confident that a thorough and substantive review of the Proposal can be conducted on or prior to April 3, 2025.

**(4) Regarding the Extension of the Scheduled Commencement Date of the Tender Offer Requested by Your Committee**

Your committee has requested that the commencement date of the Tender Offer be extended to May 9, 2025, approximately one week after the announcement of your company's financial results for the fiscal year ending March 2025. This request is based on the premise that "ensuring sufficient time to consider the Proposal in light of these financial results for the fiscal year ending March 2025 is essential."

However, it cannot be said that commencing a tender offer approximately one week after the announcement of year-end financial results is a general practice in Japan. Despite this, the Proposal provides no explanation as to why it is indispensable for your company's shareholders to have additional time to consider the Proposal specifically in light of "the company's financial results for the fiscal year ending March 2025." Consequently, we are unable to assess the validity of your committee's request to extend the commencement date of the Tender Offer to May 9, 2025.

Even assuming, for argument's sake, that "the company's financial results for the fiscal year ending March 2025" could constitute important information for shareholders in considering the merits of the Proposal, the Guidelines clearly state that "the respect for shareholder intent in acquisitions is typically achieved by obtaining shareholder judgment through tender offer participation" (Chapter 2 of the Guidelines: "2.2.3. Respect for Shareholder Intent and Ensuring Transparency"). As long as a certain period is secured between the

announcement of financial results for the fiscal year ending March 2025 and the end of the tender offer period, your company's shareholders would have ample opportunity to carefully consider "the company's financial results for the fiscal year ending March 2025", decide whether to tender their shares in the Tender Offer or not, and express their opinions on the merits of this Proposal. If your company's financial results are announced on May 2, 2025, and the commencement date of the Tender Offer remains April 4, 2025, with a tender offer period of 31 business days, there would be 12 business days between the announcement of financial results and the end of the tender offer period. This does not provide a basis for justifying the necessity of postponing the scheduled commencement date of the Tender Offer (April 4, 2025).

## **2. Regarding the Planned Number of Shares to Be Purchased in the Tender Offer**

### **(1) Regarding the Coerciveness in the Tender Offer**

Your committee has expressed concerns that, despite the Proposal's aim to make your company a wholly owned subsidiary, setting the minimum number of shares to be purchased in the Tender Offer at 50% of your company's total voting rights subjects your shareholders to undue coercion, as outlined in the Guidelines.

First, we would like to clarify the correct interpretation of the Guidelines. While the Guidelines note that even a full tender offer "may create coercion similar to a partial tender offer," this concern arises "when there is either no minimum threshold set, or the threshold is set very low." This results in a situation where, "even if the tender offer is successful, a subsequent squeeze-out may not be guaranteed, leaving minority shareholders in an uncertain position." It is important to emphasize that the Guidelines do not state that coerciveness inherently arises because the minimum number of shares to be purchased falls below two-thirds of the total voting rights. As detailed in the Letter of Intent, it is reasonably expected that a proposal for a share consolidation (the "Share Consolidation"), to effectuate the squeeze-out, would be approved at your company's shareholders' meeting if the Tender Offer is successful. Furthermore, your committee has stated that our explanation does not provide reasonable grounds to conclude that setting the minimum number of shares to be purchased in the Tender Offer at 50% of your company's total voting rights would not result in coerciveness. However, as detailed in section (2) below, our explanation in the Letter of Intent is based on content that has undergone review by the Kanto Local Finance Bureau.

Your committee has stated that it is inappropriate to apply the analysis (the "Analysis")—which concludes that the voting rights exercise ratio of shareholders other than the tender offeror in a proposal for a share consolidation (squeeze-out proposal) after the tender offer would significantly decrease compared to the voting rights exercise ratio at a regular general meeting of shareholders—to this Proposal.

However, as described in the Letter of Intent, Mita Securities Co., Ltd. states that even if the voting rights exercise ratio at the extraordinary shareholders' meeting for the Share Consolidation were the same as the highest voting rights exercise ratio observed at your company's annual shareholders meetings over the most recent five fiscal years, or even if the voting rights exercise ratio were 100%, the proposal for the Share Consolidation is reasonably expected to be approved. We have determined the minimum number of shares to be purchased in the Tender Offer based on this opinion of Mita Securities Co., Ltd., setting the threshold at a level that maximizes the likelihood of the Tender Offer's success while ensuring that the proposal for the Share Consolidation can reasonably be expected to pass. As such, the Analysis is provided solely as a reference, and even in the absence of this Analysis, we firmly believe that if the Tender Offer is successful, the proposal for the Share Consolidation can reasonably be expected to be approved at your company's extraordinary shareholders' meeting. We kindly ask that you recognize this point accurately.

Additionally, as stated in the Letter of Intent, the Tender Offer includes a provision to extend the tender offer period. If the aggregate number of tendered shares reaches the minimum purchase threshold (50% of the total voting rights of your company) during the tender offer period, we will promptly disclose this fact and extend the

tender offer period by 10 business days, starting from the next business day after such disclosure. In page 31 of the materials presented during the 4th meeting of the "Study Group on Fair M&A Practices," which deliberated on the drafting of the Guidelines, it is noted that acquisitions where "no upper limit is set (a full tender offer), the minimum threshold is set to ensure the shareholding ratio exceeds a majority post-purchase, and the tender offer period is extended if the minimum threshold is met, as disclosed at the commencement of the tender offer," are categorized as examples where "coerciveness is significantly mitigated," similar to tender offers with a minimum purchase threshold set at two-thirds of the total voting rights. In light of the above, it is evident that the Tender Offer does not subject your company's shareholders to coercion.

**(2) Regarding the Relation to the Tender Offer Disclosure Guidelines**

Your committee has noted that the "Points to Consider Regarding Disclosure in Tender Offers (Tender Offer Disclosure Guidelines)," published by the Financial Services Agency's Planning and Markets Bureau in October 2024, identifies the consistency between the purpose of the tender offer and the upper and lower limits of the number of shares to be purchased as a review item. Based on this, your committee has stated that there is insufficient rationale for setting the minimum threshold of the Tender Offer below two-thirds of the total voting rights.

We are fully aware of the requirements set forth in the Tender Offer Disclosure Guidelines. However, the press release announcing the Press Release Announcing the Scheduled Commencement of the Tender Offer was issued following prior consultation with the Kanto Local Finance Bureau. During this consultation, the Bureau reviewed the content of the press release, including the consistency between the stated purpose of the Tender Offer (our goal to make your company a wholly owned subsidiary) and the minimum threshold (50% of total voting rights), in accordance with the Tender Offer Disclosure Guidelines. The explanations provided in the Letter of Intent regarding the minimum threshold of shares to be purchased are identical to the content reviewed by the Kanto Local Finance Bureau in accordance with the Tender Offer Disclosure Guidelines.

Accordingly, we believe that the Letter of Intent and the Press Release Announcing the Scheduled Commencement of the Tender Offer provide sufficient explanation of the consistency between the purpose of the Tender Offer and the minimum threshold.

End.

[Translation] (Note <sup>1</sup>)

## Attachment 2

January 15, 2025

To: Mitsuya Kishida  
Representative Director, President and Executive Officer, NIDEC CORPORATION

From: Kazuo Takahashi  
Chairman, Special Committee of Makino Milling Machine Co., Ltd.

**Re: Request Regarding the Planned Commencement Timing and Number of Shares to Be Acquired in the Tender Offer**

We hope this letter finds you well.

Makino Milling Machine Co., Ltd. (the “**Company**”) acknowledges receipt of your letter dated Friday, December 27, 2024, entitled “Letter of Intent Regarding Management Integration Aimed at Maximizing Corporate Value” (the “**Letter**”). According to the Letter, you propose to conduct a tender offer (the “**Tender Offer**”) with the aim of making the Company a wholly owned subsidiary of NIDEC CORPORATION (“**NIDEC**”, your proposal to make us a wholly owned subsidiary of NIDEC, the “**Proposal**”).

As you are aware, as the Proposal is an acquisition proposal intended to obtain control over the management of the Company, which is a publicly listed company, for the purpose of examining the Proposal, the Board of Directors of the Company (the “**Board**”) has established a special committee (the “**Committee**”) composed of the Company’s independent outside directors, in compliance with the “Guidelines for Corporate Takeovers—Enhancing Corporate Value and Securing Shareholders’ Interests” (the “**Guidelines**”) issued by the Ministry of Economy, Trade, and Industry (METI) on August 31, 2023. The Board has been diligently examining the Proposal and its conditions from the perspective of not only enhancing corporate value but also protecting shareholder interests.

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<sup>1</sup> This translation is made by NIDEC CORPORATION, not by Makino Milling Machine Co., Ltd.

As detailed below, the Letter lacks several pieces of essential information critical for the Company to make a decision regarding your proposal, including specifics regarding the potential synergies. Furthermore, we have identified a number of issues that require careful consideration from the perspective of corporate value enhancement and shareholder protection. We anticipate that a comprehensive examination of the Tender Offer and its conditions will take time, but in the interim, we would like to convey the current status of the Company and our initial requests. Please note that the issues mentioned below are based on our preliminary review and are not exhaustive.

## **1. The Planned Timing for the Commencement of the Tender Offer**

Regarding the timing of the commencement of the Tender Offer, the Letter states that you consider securing a period of “at least two months” as necessary from the viewpoint of ensuring adequate and sufficient time for (i) the Board and the Committee to form an opinion on the Tender Offer after receiving sufficient information from you, and (ii) the Company and its shareholders to make appropriate judgments regarding the Proposal and whether to tender their shares. In addition to this, taking into account the expected time required for procedures under domestic and international competition laws and foreign investment regulations necessary for implementing the Tender Offer, you indicate in the Letter that the expected commencement date of the Tender Offer is scheduled for April 4, 2025.

While the Guidelines suggest that providing sufficient time for shareholders of the target company to make an informed judgment is critical, the Letter does not clarify why the proposed two-month period is deemed appropriate for the periods stated in points (i) and (ii) above. **The Committee notes that the Letter only contains general and abstract statements on the synergies expected from making the Company your wholly owned subsidiary, with no mention of specific synergies. Therefore, it is extremely difficult to ascertain whether and to what extent the Proposal will enhance corporate value based solely on the information currently provided, and we believe that a thorough examination will require considerable time.**

Furthermore, **the Company received the Letter on December 27, 2024 (Friday), the final business day of the year for many Japanese companies, including the Company. Moreover, as you admitted in the Letter, until receiving the Letter, there had been no prior negotiations or even informal inquiries regarding the Proposal from you. This approach is reminiscent of the “Saturday Night Special,” a tactic used in hostile takeovers in the U.S. during the early 1970s, thereby depriving the Board and the Committee of adequate time for a thorough consideration on behalf of the Company’s shareholders, ultimately forcing the Company’s shareholders to decide whether the Proposal realizes the Company’s corporate value and the**



**common interests of shareholders without the necessary time and information for consideration. This approach is highly regrettable in our view.**

In contrast, there are some precedent transactions such as:

1. The proposed acquisition by Alimentation Couche-Tard of Seven & I Holdings Co,
2. The well-known unsolicited takeover case in the U.S. where Kraft Foods Inc. acquired Cadbury plc,
3. Recent cases such as Arkhouse Management Co. LP's proposal to acquire Macy's, Inc. (where a proxy fight for director election occurred at Macy's' shareholder meeting after Macy's rejected the proposal) and Choice Hotels International, Inc.'s proposal to acquire Wyndham Hotels & Resorts, Inc.,
4. Most recently, the case of Cintas Corporation's acquisition proposal to UniFirst Corporation on January 7, 2025,

In all of which, it was reported that the acquirer engaged in prior negotiations or consultations with target companies before publicly announcing the acquisition intention. (We understand that the same was the case for your acquisition proposal to TAKISAWA.) We believe your method of publicly announcing the acquisition without any prior consultation deviates from the normal practices in both Japan and the U.S. and is considered bad faith.

Moreover, **the practical deadline set by you for the Company to consider the proposal—Thursday, April 3, 2025, just before the planned commencement date of the Tender Offer—falls right after the end of the Company's fiscal year-end in March 2025, which is an extremely busy period for companies with March fiscal year-ends, including the Company. Given this, it will be challenging for the Company to allocate the necessary resources to conduct a proper review of the Proposal at this time. Thus, from the perspective of maximizing corporate value and protecting the common interests of shareholders, the Committee finds this deadline to be highly questionable.**

Even setting aside these points, as mentioned in Section 2 below, **the Committee believes that the Proposal contains numerous aspects requiring thorough examination from the perspective of maximizing the Company's corporate value and the common interests of shareholders. In evaluating the advisability of this Proposal, a considerable period of time is necessary for comprehensive information collection and careful deliberation (including, but not limited to, exploring possibilities for competing proposals).**

Looking at current practices in our country, when a notice of intention to conduct a tender offer is given without the prior consent of the target company, it is customary for companies that have introduced peace-time takeover defense plans (so-called advanced warning takeover defense measures) to have a period of 60 days for information gathering (where the target can require the offeror to provide information) plus 60 to 90

days for examination by the board of directors (totaling 120 to 150 days) before the commencement of the tender offer, in accordance with the Guidelines. Considering these practices, the Proposal, which effectively sets the beginning of the examination as the start of the year and the *de facto* end of the examination as April 3, 2025, does not secure an adequate period for examination as required by the Guidelines, nor the adequate time for the thorough consideration you recognize as necessary for advancing the Proposal fairly as mentioned in points (i) and (ii) above.

In conclusion, **the Committee believes it is essential to ensure an adequate period of time during which the Company's shareholders can thoroughly consider the contents of the Company's fiscal year 2025 announcement and deliberate on the Proposal from the perspectives of maximizing the Company's corporate value and the common interests of the Company's shareholders.**

Therefore, **the Committee earnestly requests that the commencement date of the Tender Offer be postponed to May 9, 2025, a date approximately one week after the scheduled date for the announcement of the Company's fiscal year 2025 results (about 4.5 months after the day the Company received the Letter).**

## **2. The Number of Shares Planned to Be Acquired in the Tender Offer**

Regarding the number of shares planned to be acquired through the Tender Offer, the Proposal suggests that there will be no upper limit and a lower limit of 11,694,400 shares, representing 50% of the total voting rights of the Company's outstanding shares.

The Guidelines state that the acquirer should avoid implementing coercive acquisition methods, such as coercive two-step acquisitions, and raise as an example a tender offer that sets the lower limit too low where minority shareholders are left with no guarantee of a cash-out option in the second step. In light of this, **despite the fact that the Proposal is intended to result in the Company becoming your fully-owned subsidiary, the proposed lower limit of 50% of the total voting rights in the Tender Offer, which is below the two-thirds required for approval at a shareholder meeting of a consolidation of shares for a squeeze-out, exposes the Company's shareholders to strong coercion.**

Concerning this point, the Letter suggests that even if the total number of the Company's shareholders' applications for the Tender Offer exceeds but remains around its lower limit above, there exists a reasonable expectation that approximately 74.12% of the voting rights would approve the consolidation of shares at the Company's shareholder meeting, as certain shareholders of the Company such as domestic passive index investment funds, insiders of the Company, and cross-held share partners are "expected to exercise voting rights to approve" (assuming they do not apply for the Tender Offer). However, no rational basis is provided for the expectation that such shareholders will exercise "voting rights to approve" in this situation, nor are there

compelling reasons to assume from the current context, especially considering the insufficient evaluation period provided for the Company's shareholders as detailed in Section 1, that such shareholders would support the Proposal. Hence, the Committee believes that your explanation does not offer substantial reasoning for the absence of coercion with the proposed lower limit of 50% of the total voting rights in the Tender Offer.

Additionally, regarding a transaction where a consolidation of shares is selected as a squeeze-out method, the Letter suggests, "the percentage of voting rights exercised by shareholders other than the tender offeror at the target company's shareholder meeting after the consummation of the tender offer concerning the agenda for consolidation of shares will significantly decrease compared to the voting rights exercised during regular annual general shareholder meetings." **This analysis is premised on typical circumstances where the tender offeror already holds more than two-thirds of voting rights at the shareholders meeting deciding on consolidation of shares, rendering the approval evident, and resulting in minority shareholders other than offeror opting not to exercise their voting rights. Applying this reasoning to the Proposal, where securing two-thirds of voting rights is not guaranteed, appears inappropriate.**

Furthermore, concerning the lower purchase limit in a tender offer aimed at acquiring all shares of the target company, the "Guidelines on Disclosures concerning Tender Offers" published by the Financial Services Agency's Planning and Markets Bureau in October 2024 requires scrutinizing the alignment between the purpose of the tender offer and the upper and lower limits proposed therein. Specifically, the guidelines necessitate that "when setting a lower limit in a tender offer aiming to make the target company wholly owned subsidiary of the offeror that might result in acquiring less than two-thirds of the total voting rights after the tender offer, the tender offeror needs to explicitly state the reasons why the lower purchase limit is deemed necessary and appropriate for achieving the acquisition objectives." (emphasis added) Given the Financial Services Agency's guidelines, in principle, setting the lower limit in the tender offer aiming to make the target company a wholly owned subsidiary of the offeror, including the Tender Offer, less than the two-thirds of the total voting rights, lacks in sufficient reasonableness.

Therefore, **to eliminate coercion arising from the Tender Offer and to protect the interests of the Company's public shareholders, the Committee strongly urges that the lower limit of the number of shares planned to be acquired in the Tender Offer be adjusted to 15,564,200 shares, corresponding to two-thirds of the total voting rights of the Company's shares.**



[Restrictions on solicitation] This press release is intended to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Tender Offer Explanation Statement concerning the Tender Offer and make an offer to sell their shares at their own discretion. This press release shall neither be, nor constitute a part of, an offer to sell or purchase, or solicitation to sell or purchase, any securities, and neither this press release (or a part of this press release) nor its distribution shall be interpreted to constitute the basis of any agreement in relation to the Tender Offer, and this press release may not be relied upon at the time of entering into any such agreement.

[Future Forecasts] This press release may contain forward-looking statements, including those related to the future business of Nidec Corporation (the "Tender Offeror" or the "Offeror") and other companies, such as "anticipate," "expect," "intend," "plan," "believe," and "assume." Such statements are based on the Tender Offeror's current business prospects and may change as a result of future developments. The Tender Offeror is under no obligation to update any forward-looking statements in this information to reflect actual business performance or changes in various circumstances or conditions. This press release contains "forward-looking statements" as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the Securities Exchange Act. The actual results may be grossly different from the projections implied or expressly stated as "forward-looking statements" due to known or unknown risks, uncertainties or other factors. None of the Offeror or its affiliates assures that such express or implied projections set forth herein as "forward-looking statements" will eventually prove to be correct. "Forward-looking statements" contained herein were prepared based on the information available to the Tender Offeror as of the date of this press release and, unless required by laws and regulations, neither Tender Offeror nor its related parties including related companies shall have the obligation to update or correct the statements made herein in order to reflect the future events or circumstances.

[U.S. Regulations]

The Tender Offer shall be implemented in compliance with the procedures and information disclosure standards provided by the Financial Instruments and Exchange Act of Japan, which procedures and standards are not necessarily identical to the procedures and information disclosure standards applied in the United States. Specifically, Section 13(e) or Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; "Securities Exchange Act") or the rules promulgated under such Sections do not apply to the Tender Offer, and the Tender Offer is not necessarily in compliance with the procedures and standards thereunder. It is not necessarily the case that all financial information in this press release is equivalent to financial statements of companies in the United States. It may be difficult to enforce any right or claim arising under U.S. federal securities laws because the Offeror and Makino Milling Machine Co., Ltd. ("the Target") are incorporated outside the United States and their directors are non-U.S. residents. Shareholders may not be able to sue a company outside the United States and its directors in a non-U.S. court for violations of the U.S. securities laws. Furthermore, there is no guarantee that shareholders will be able to compel a company outside the United States or its subsidiaries and affiliates to subject themselves to the jurisdiction of a U.S. court.

The financial advisors of the Offeror or Target and their respective affiliates may, within their ordinary course of business, purchase, or conduct any act toward the purchase of, the shares of the common stock of the Target for their own account or for their customers' accounts outside the Tender Offer prior to the commencement of, or during, the period of the Tender Offer, etc. in accordance with the requirements of Rule 14e-5(b) under the Securities Exchange Act to the extent permissible under the financial instruments and exchange laws and other applicable laws and regulations in Japan. If any information concerning such purchase is disclosed in Japan, the disclosure of such information will be made in the United States in a similar manner. All the procedures in connection with the Tender Offer shall be taken in the Japanese language. While a part or all of the documents in connection with the Tender Offer may be prepared in English, the Japanese documents shall prevail in case of any discrepancies between Japanese documents and corresponding English documents.

[Other Countries] Some countries or regions may impose restrictions on the announcement, issue or distribution of this press release. In such cases, please take note of such restrictions and comply with them. In countries or regions where the implementation of the Tender Offer is illegal, even upon receiving this press release, such receipt shall not constitute a solicitation of an offer to sell or an offer to buy shares relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.