



**Nidec Corporation**  
**Tokyo Stock Exchange code: 6594**

Released on January 27, 2025, in Kyoto, Japan

**Regarding the Response to the Further Request Letter Received 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 (the “Transaction”) aimed at making the Target Company a wholly owned subsidiary of our company. On the same date, we submitted a letter of intent regarding the Transaction to the Target Company.

In connection with the above, on January 17, 2025, we submitted a document titled “Regarding the Request Letter Received from Your Committee” to the Special Committee of the Target Company. This document explained our recognition and understanding of the “Request Regarding Scheduled Commencement Date and Planned Number of Shares to be Purchased for Tender Offer,” which we had received from the Special Committee of the Target Company on January 15, 2025. Subsequently, on January 22, 2025, we received a document titled “Regarding Opinion on and Further Request Concerning Your Letter Dated January 17, 2025” (the “Further Request Letter”) from the Special Committee of the Target Company. In response, we have today submitted to the Special Committee of the Target Company a document (please refer to the attached) outlining our recognition and understanding of the Further Request Letter. We hereby inform you of this submission.

End.



## Attachment

January 27, 2025

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

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

### **Regarding the Further Request Letter Received from Your Committee**

We hereby provide our recognition and understanding, as detailed below, regarding the views expressed by your committee in the document titled “Regarding Opinion on and Further Request Concerning Your Letter Dated January 17, 2025” (the “Further Request Letter”), dated January 22, 2025, which we received from your committee. These views pertain to our document dated January 17, 2025, titled “Regarding the Request Received from Your Committee” (our “Previous Explanation”).

Regarding the article titled "Ticker: For Whom Does the Special Committee of Makino Work?" published on page 18 of the morning edition of the Nihon Keizai Shimbun on January 23, the following remarks were made:

“It is free for the Makino Milling Machine management to express dissatisfaction, but the Special Committee is fundamentally in a position to protect the interests of general shareholders. If it continues to exhibit strong resistance from the initial stages of pre-negotiation discussions, there is a risk that it may fail to safeguard the interests of general shareholders.”

“The Special Committee is originally established to address conflicts of interest with the company (management) and to ensure fairness, which places it in a position different from that of the company. If legal advisers selected by the management drafted statements that were then released as if authored by the Special Committee itself, this would be undesirable.”

As we have stated in our Previous Explanation, we are deeply concerned that your committee, whose mission is to ensure the fairness, transparency, and objectivity of the decision-making process within your Board of Directors, might proceed with deliberations influenced by misconceptions or misunderstandings regarding the content of the Letter of Interest, the Guidelines, M&A transaction practices, and other relevant matters, potentially affected by bias or preconceived notions.

As you are aware, the Guidelines set forth three fundamental principles: (i) The Principle of Corporate Value and Common Interests of Shareholders, which states that “whether an acquisition is desirable should be judged based on whether it ensures or enhances corporate value and, by extension, the common interests of shareholders”; (ii) The



Principle of Shareholder Intent, which asserts that “matters related to corporate control should rely on the reasonable will of shareholders”; and (iii) The Principle of Transparency, which emphasizes that “beneficial information for shareholders' decision-making should be appropriately and proactively provided by both the acquirer and the target company.”

We respectfully and sincerely request that your committee, based on a correct understanding and recognition of these principles, and free from any bias or preconceived notions, objectively proceed with further consideration of the Proposal from a fair and neutral perspective. This includes reevaluating the requests made by your committee to ensure the realization of the aforementioned three principles.<sup>1</sup>

## 1. **Regarding the Scheduled Commencement Date of the Tender Offer**

### **(1) Commencing the Tender Offer Before the Announcement of Year-End Financial Results**

Your committee has emphasized that shareholders of your company should be afforded time to evaluate the merits of the Proposal, taking into account the results of the fiscal year ending March 2025 before the commencement of the tender offer period. As the reason for this position, your committee highlighted that during the tender offer period, shareholders of the target company may find themselves in an unusually unstable position due to stock price fluctuations influenced by various speculative factors.

However, since we have announced April 4, 2025, as the scheduled commencement date of the Tender Offer, we believe that proceeding with the tender offer as planned is a sincere approach toward all stakeholders, including your company's shareholders. It also represents a reasonable course of action expected of a listed company. Conversely, unnecessarily delaying the commencement of the tender offer would place stakeholders, particularly your company's shareholders, in an unstable position. Assuming that your Board of Directors and your committee will continue their sincere deliberations through deepened dialogue with our company, it is entirely feasible for you to conduct a thorough and substantive review of the Proposal on or prior to April 3, 2025, the day before the scheduled commencement of the Tender Offer, even taking into account the occurrence of financial closing and other processes after the end of the fiscal year ending March 2025. Accordingly, there is no reasonable justification for postponing the commencement date of the Tender Offer. This is consistent with the explanation provided in our Previous Explanation.

Your committee has also noted, as a reason for ensuring that shareholders of your company are afforded time to consider the merits of the Proposal after the announcement of the fiscal year ending March 2025, that the Tender Offer was proposed without prior consultation with your company. Your committee has stated that

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<sup>1</sup> In the document titled "Request Regarding Scheduled Commencement Date and Planned Number of Shares to be Purchased for Tender Offer," dated January 15, 2025, which we initially received from your committee, there were statements likening our approach to implementing the Proposal to the so-called "Saturday Night Special" practices conducted in the United States during the 1970s. Additionally, there were statements suggesting that our method of announcing the Proposal without prior consultations or inquiries deviated from standard practices in the United States. However, these assertions were not specifically mentioned in the Further Request Letter recently received. We take this omission to mean that your committee has come to understand that these statements were based on clear misconceptions.



this necessitates a more cautious decision-making process regarding whether to tender shares. We surmise that this point may explain why your committee insists on commencing the Tender Offer after the announcement of the fiscal year-end results, despite the fact that there are numerous precedents where tender offers are announced simultaneously with the fiscal year-end results and commence on the following business day (In such cases, shareholders are not provided with ample time to evaluate the proposal in light of the fiscal year-end results before the tender offer period begins).

However, it remains unclear why the fact that the Proposal was made without prior consultation necessitates more cautious decision-making on the part of your shareholders regarding whether to tender their shares in the Tender Offer. Your company has already publicly disclosed its full-year consolidated earnings forecast for the fiscal year ending March 2025. In the event of a significant revision to this forecast, as is expected of a listed company, any such revision would be promptly disclosed even during the fiscal year. This ensures that your shareholders are provided with timely access to the information necessary for making investment decisions. Therefore, even if it is assumed that more cautious decision-making regarding participation in the Tender Offer is warranted, it does not logically follow that additional time must be secured before the commencement of the tender offer period for your shareholders to evaluate the Proposal in light of the fiscal year-end results.

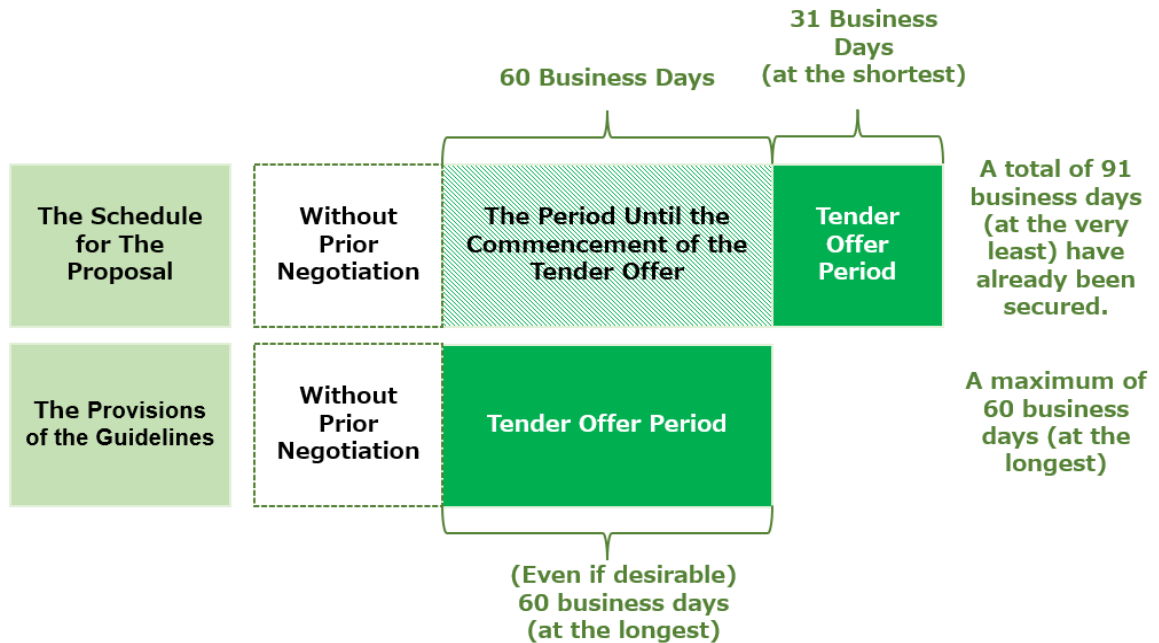
## **(2) The Period Until the Commencement Date of the Tender Offer**

We respectfully understand that your committee may hold the view that extending the period until the commencement date of the Tender Offer aligns with the Guidelines.

However, upon a thorough reading of the Guidelines, as we trust you will appreciate, it becomes clear that the Guidelines state as follows: “When a tender offer is initiated without prior negotiations with the target company, there is a possibility that the shareholders and the board of directors of the target company may have insufficient time to consider or prepare for the acquisition. While the tender offer system allows the target company to extend the tender offer period up to 30 business days, if this period is objectively deemed insufficient, it is desirable for the acquirer to set a longer tender offer period from the outset or extend the period within a reasonable range, taking into account the needs of the target company and its shareholders.” As you are likely aware, under the Financial Instruments and Exchange Act, the maximum tender offer period is 60 business days. Accordingly, the “reasonable range” referenced above would be interpreted as “up to 60 business days” at most.

In other words, even in cases where “a tender offer is initiated without prior negotiations with the target company,” the Guidelines merely state that it is “desirable” to extend the tender offer period to a maximum of 60 business days if it is objectively deemed that a period of 30 business days is insufficient. However, the period secured from the date the Proposal was made (December 27, 2024) to the commencement date of the tender offer (April 4, 2025) already exceeds “60 business days.” Furthermore, when adding the tender offer period of the Tender Offer (which is planned to be extended if the number of shares tendered reaches the

minimum threshold, but will be at least 31 business days at the shortest), a total of “91 business days” at minimum has been secured for the Proposal (see the diagram below). Therefore, it is entirely unreasonable to assert that requesting any further extension of this period aligns with the intent of the Guidelines.



Additionally, your committee has stated that, considering the unique circumstances that the Proposal was made without prior consultation or approach, which is “uncommon in Japan,” a period of “two months” is insufficient for your company and its shareholders to make an appropriate decision regarding the merits of the Proposal and whether to tender their shares.

However, the only unique aspect of the Proposal is that its contents were disclosed at the time the proposal was made. The statement by our First Senior Vice President that this approach is “uncommon in Japan” merely acknowledged this point. Unlike in the United States, where companies receiving acquisition proposals are, in certain circumstances, obligated to disclose such information publicly to avoid legal or regulatory violations, no equivalent regulation exists in Japan. As a result, there is a possibility that shareholders may not be provided with sufficient information or opportunities to make an informed decision. In line with the aforementioned three principles, we publicly disclosed the contents of the Proposal at the time it was made to ensure transparency for all stakeholders of your company, including its shareholders. We believe that securing transparency in the process surrounding the acquisition proposals and related discussions, while providing all stakeholders, including your shareholders, with the necessary information and a sufficient period for consideration in a publicly accessible manner, is the fairest approach. Even if stakeholders are formally provided with a certain period of time, if the transparency of the process is not ensured, there is a risk that they will lack adequate information for decision-making, which could hinder fair judgment by all stakeholders.

Given the influence of the Guidelines, acquisition proposals without prior consultation or approach

(referred to as “unsolicited offers” in the Guidelines) are no longer “uncommon” in Japan. We understand that your committee may hold the view that a longer consideration period should be set for unsolicited offers. However, whether an offer is unsolicited depends solely on the intent and perspective of the management of the target company. As stated in the aforementioned three principles, the evaluation and decision-making regarding an acquisition proposal should rely on the reasonable judgment of the shareholders. For a special committee, whose mission is to independently and neutrally evaluate the merits of an acquisition proposal, irrespective of the management's stance, adjusting the approach to evaluation based on whether the proposal is unsolicited would not align with the committee’s mission.

As noted in the aforementioned article in the Nihon Keizai Shimbun, continuing such exchanges risks narrowing the scope for “healthy and fair negotiations.” Therefore, we earnestly request that, under the schedule outlined in the Letter of Intent, you significantly increase the opportunities for dialogue and discussions with your Board of Directors and your committee. We also ask that these discussions be conducted transparently to enable substantive deliberation and consideration regarding the Proposal.

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

First, as outlined in our Previous Explanation, the Tender Offer is intended to align with the example described on page 31 of the Secretariat's presentation materials from the fourth meeting of the “Study Group on Fair Acquisition Practices,” which was convened to consider the formulation of the Guidelines. Specifically, it is categorized as an acquisition where “coerciveness is significantly mitigated.” In detail, this acquisition involves the following: “there is no upper limit set (a full purchase), a lower threshold is established to ensure that the percentage of shareholding after the purchase exceeds the majority, and if the threshold is met, the tender offer period will be extended. All of these conditions are publicly disclosed at the commencement of the tender offer.” Although on this point, your committee’s Further Request Letter makes no mention whatsoever, we kindly ask you to understand that adopting this approach clearly demonstrates that the Tender Offer does not subject your company's shareholders to coerciveness.

In response to the points raised by your committee, we would like to provide the following explanation. Your committee has stated that the expectation that the proposal for the Share Consolidation will be approved at your company’s extraordinary general meeting of shareholders if the Tender Offer is successfully completed is unreasonable and lacks basis. As the first reason for this view, you have indicated that the perspective that “the voting rights exercise ratio of shareholders other than the tender offeror for the share consolidation proposal (squeeze-out proposal) after the successful completion of the tender offer is expected to decline significantly compared to the voting rights exercise ratio at annual general meetings of shareholders during normal periods” is not applicable to the Tender Offer. However, as we explicitly stated in our Previous Explanation, if the Tender Offer is successfully completed, the expectation that the proposal for the Share Consolidation will be approved is based on the following considerations provided by Mita Securities Co., Ltd.: (i) Even if the voting rights exercise ratio at your company’s extraordinary general meeting of shareholders, at which the Share Consolidation proposal



is to be submitted, were assumed to be equivalent to the highest voting rights exercise ratio recorded at any of your company's annual general meetings of shareholders over the most recent five fiscal years, or (ii) Even if the voting rights exercise ratio were assumed to be 100%, the proposal for the Share Consolidation would still be approved. This expectation is not premised on the view that "the voting rights exercise ratio of shareholders other than the tender offeror for the share consolidation proposal (squeeze-out proposal) after the successful completion of the tender offer is expected to decline significantly compared to the voting rights exercise ratio at annual general meetings of shareholders during normal periods." We respectfully request that your committee kindly review the Letter of Intent once again.

Your committee has also raised a second point, asserting a lack of consistency between the analysis conducted during our 2023 tender offer for Takisawa Machine Tool Co., Ltd. ("Takisawa") and the current analysis. However, it is important to note that in conducting this type of analysis, simply applying the assumptions used in past analyses in a formulaic manner does not yield accurate results. Instead, it is essential to carefully examine and consider the unique circumstances of each individual case. Your committee has pointed out differences in the treatment of cross-shareholdings, but even based on publicly available information, such as the annual securities reports of the target company (specifically the section on specific investment shares), there are a variety of factors to consider. These include the purpose of cross-shareholding as indicated, the industries to which the target company and cross-shareholders belong, trends in the unwinding of cross-shareholdings as inferred from disclosures (in cases where the cross-shareholder is a listed company), and prospects for the exercise of voting rights. Ignoring these factors and mechanically applying the same criteria to every case would not be reasonable. The differences noted by your committee arise from objective and reasonable considerations specific to each case, including the attributes of cross-shareholders (e.g., whether they belong to the same corporate group as the target company's shareholder registry administrator) and the number of shares held. For both the current case and the Takisawa case, we have consistently adopted an approach of verifying individual circumstances and conducting case-specific analyses of the likelihood of voting rights being exercised. This methodology ensures a consistent and rational approach, which can objectively and reasonably explain the differences identified.

Additionally, as the third reason, your committee asserts, without providing any specific grounds, that "it is unreasonable to assume that Machine Tool Engineering Foundation would agree to the proposal regarding the Share Consolidation." However, the analytical process underlying our assumption has already been explained in detail in the Letter of Intent previously submitted. We respectfully request that you kindly review the Letter of Intent once again on this matter.

### **3. Regarding the Interview Article Featuring the Representative of Our Global Group**

Your committee has pointed out statements made in an interview with our Global Group Representative, Shigenobu Nagamori, published in *Nikkei Business*, and has asserted that these statements may have the effect of discouraging other operating companies from submitting competing proposals.

However, as we believe will be evident upon carefully reviewing the context of this article, the statement



highlighted by your committee was intended to express our strong resolve to complete the Tender Offer, based on the belief that your company's advanced technological capabilities are essential for Japanese companies to prevail in global competition. There was absolutely no intention to discourage other operating companies from submitting competing proposals. As stated in the Letter of Intent, we are confident that by uniting our company and yours, we can overcome the intense global competitive pressures faced by major machine tool manufacturers and work together to become one of the "world's leading comprehensive machine tool manufacturers." We respectfully request your committee to deliberate on the Proposal with no reservations and give it your earnest consideration.

#### **4. Request from Our Company**

Finally, as we have repeatedly stated, we remain committed to sincerely providing explanations to your Board of Directors and your committee to gain your support for the Tender Offer prior to its commencement. Furthermore, should your Board of Directors or your committee request the provision of additional information—reasonably deemed necessary for forming an opinion on the Tender Offer, in addition to the information outlined in the Letter of Intent—we intend to respond earnestly to such requests. We strongly hope to have the opportunity to meet directly with your management team, including your representative director, to explain our perspective and intentions.

In addition, while we had the opportunity to meet with your committee on January 17, 2025, the meeting time was limited to a maximum of one hour as designated by your committee. As a result, we believe that we have not yet been able to provide sufficient explanations to your committee. Therefore, we strongly hope to have more frequent opportunities to meet with members of your committee, as well as your company's management team, to not only further explain our position but also engage in discussions regarding the strategic business opportunities for both companies. We earnestly and respectfully request your positive consideration of this matter.

End.



[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.