



July 13, 2023

To: The Board of Directors of Takisawa Machine Tool Co., Ltd.

NIDEC CORPORATION

President and Chief Executive Officer Hiroshi Kobe

Executive Vice President Tatsuya Nishimoto

Letter of Intent

on Management Integration Aimed at Maximization of Corporate Value

Thank you very much for your kind attention.

Between January and March last year, NIDEC CORPORATION (hereinafter referred to as "us") proposed a capital and business alliance between you and our subsidiary NIDEC DRIVE TECHNOLOGY CORPORATION (formerly known as NIDEC SHIMPO CORPORATION). Now, as part of a series of transactions (hereinafter referred to as the "Transaction") to make you our wholly-owned subsidiary, we hereby officially propose to implement a tender offer (hereinafter referred to as the "Tender Offer") for your shares with us as a tender offeror (such proposal set forth in this Statement of Intent hereinafter referred to as the "Proposal").

We have not been clearly informed of the reasons why you have rejected our proposal last year. In light of this, we request the members of your special committee based on the Board of Directors of your company and the Large-scale Purchase Rule in which you have introduced (which was approved by the Board of Directors of your company by resolution dated May 14, 2021 and approved at your 91st Ordinary General Meeting of Shareholders held on June 25, 2021, hereinafter referred to as the "Large-Scale Purchase Rule") to have an opportunity to explain the contents of this Proposal and our intentions as soon as possible from today onward so that you will be able to understand our proposal correctly and agree to this tender offer.

As for the details of this proposal, we would like you to refer to the contents below, but we believe that (i) by making your company a wholly owned subsidiary, the synergy between the two companies is highly likely to maximize corporate value, and (ii) the price of the Tender Offer (hereinafter referred to as the "TOB Price") is also set at 2,600 yen per share, with a premium of 104.89%, 104.40%, and 112.94%, respectively, relative to the average closing price of the shares of your company for the past month, 3 months, and 6 months, setting yesterday as the base date. As a result, we believe that the "benefits that should be shared by the shareholders" referred to in the Guidelines for Corporate Takeovers (Draft) (hereinafter referred to as the "Guidelines for Corporate Takeovers (Draft)")

announced by the Ministry of Economy, Trade and Industry on June 8, 2023, namely the “value that can be realized without the acquisition” can be sufficiently offered to your shareholders. We believe that our Proposal is very attractive to your shareholders as well, and the Transaction, as a whole, is a “desirable acquisition” as recommended in the Guidelines for Corporate Takeovers (Draft).

Based on the belief that the Transaction will enhance the corporate value of your company and appropriately secure the shareholder value that are beneficial not only to your company and your shareholders, but also to the Japanese economy and society as a whole, as mentioned below, we are designing in detail the process for complying with the Guidelines for Corporate Takeovers throughout the whole Transaction, and we are fully compliant with all the processes required by the Guidelines. Furthermore, as mentioned above, it is anticipated that at the time when this Tender Offer commences, an official guideline based on the Guidelines will have been determined. Considering your company's status as a listed company and a participant in the securities market, we also assume that your company will naturally undertake measures in accordance with the Guidelines.

1. About Our Group

Since our founding in July 1973, we have set the goal of becoming a world-class company representing Japan. We have used the name of “Nihon Densan Kabushiki-gaisha” to date, but in celebrating our 50th anniversary, we have changed our name to “NIDEC Kabushiki-gaisha”. For the time being, our group (collectively, us, our subsidiaries and affiliates, hereinafter the same) have continued to grow rapidly. In the fiscal year ended March 31, 2023, we recorded consolidated net sales of 2,242.8 billion yen, operating income of 100.1 billion yen, capital investment of 137.8 billion yen, and R&D expenditure of 81.3 billion yen. At the same time, we continued to achieve dramatic growth in the Group's total of 347 Group companies including 343 consolidated subsidiaries and 4 equity method affiliates in 46 countries worldwide, including 106,592 employees. In the stock market, the market value is 4,392.2 billion yen (based on the closing price yesterday).

This growth was impossible without the participation of companies with high precision and high efficiency technologies in our group. Since our founding, we have actively engaged in M&A on a global scale, and 71 companies have joined the Group. After joining the Group, such companies have achieved steady growth by incorporating our Group's management methods and realizing synergies with other Group companies. For example, as a result of thorough PMI (Post Merger Integration) activities, NIDEC ADVANCE TECHNOLOGY CORPORATION (formerly NIDEC READ CORPORATION), which develops, manufactures and sells inspection equipment products that

joined our group in 1997, achieved approximately 36 times higher sales and 121 times higher operating income than before joining the Group, making it an exceptionally rapid growth among our group companies. In 2003, NIDEC INSTRUMENTS CORPORATION joined our Group (formerly NIDEC SANKYO CORPORATION), which was founded in 1946 and was temporarily in a slump. As a result, NIDEC INSTRUMENTS CORPORATION joined the Group to overcome this situation. Since joining the Group, NIDEC INSTRUMENTS CORPORATION have expanded the scope of business to include motors, motor drive units, card readers, and industrial robots, which are highly compatible with the company's existing technologies and are capable of making use of the technology and management know-how we have accumulated in the Group. While continuing the production of music box movement, which is their original business and a symbol of the company's corporate culture, NIDEC INSTRUMENTS CORPORATION have reformed the profit structure of their existing businesses and became profitable through organic growth by introducing our Group's management methods that our Group has cultivated through the business operations of other Group companies. In addition, NIDEC INSTRUMENTS CORPORATION have grown into a company that engages proactively in M&As of NIDEC MATERIAL CORPORATION, TOKYO MARUZEN INDUSTRY CO., LTD., NIDEC GENMARK AUTOMATION, INC. in the U.S., and other companies, as well as PMI thereafter. Together with our group companies, we will continue to grow over the next 100 years as a group of companies that combine our technological capabilities to become the world's No.1 solution company that solves many issues faced by humankind.

Against this backdrop, in recent years, we have positioned the Machine Tool Business as a new business pillar and welcomed MITSUBISHI HEAVY INDUSTRIES MACHINE TOOL CO., LTD. (currently NIDEC MACHINE TOOL CORPORATION) in 2021, OKK CORPORATION (currently NIDEC OKK CORPORATIONW) in 2022, and Italian machine tool manufacturer PAMA S.P.A. and its affiliates in 2023. Before joining our Group, NIDEC MACHINE TOOL CORPORATION had an operating loss for 16 consecutive months. However, in just 2 months after joining the Group, NIDEC MACHINE TOOL CORPORATION achieved a single-month profit, and in the fiscal year ended March 2023, NIDEC MACHINE TOOL CORPORATION achieved a double-digit operating profit margin. In the year ended March 31, 2022, when NIDEC OKK CORPORATION joined our Group, NIDEC OKK CORPORATION posted an operating loss, but in the first quarter of the following fiscal year NIDEC OKK CORPORATION posted a profit. All of these companies have succeeded in reforming their business structure since joining the Group, and are steadily growing as a new pillar of the Group's business. When the above three companies joined our Group, as in the case of M&A that we have conducted in the past, we continue to strengthen profitability, growth, and competitiveness through PMI activities that combine our principles

and management policies since our founding, while taking advantage of the advantages of the corporate culture cultivated by each of our newly joined companies.

2. Reasons why we place importance on machine tool business as a new business pillar

Initially, the main objective of the acquisition of NIDEC MACHINE TOOL CORPORATION was to generate synergies with other businesses of the Group. However, as we conducted PMI activities and deepened our knowledge of the machine tool industry, in early November, 2021, we decided that the machine tool business is the business that we should focus on as a new business pillar for the future of the Group for the following reasons.

In other words, machine tools have been one of the important industries supporting Japan's manufacturing industry for a long time. Especially recently, the Ministry of Economy, Trade and Industry announced the "Policy on Measures to Ensure a Stable Supply of Machine Tools and Industrial Robots" (hereinafter referred to as the "Policy of METI") on January 19, 2023. It is envisaged that the roles required of machine tools at domestic and overseas production sites will expand in both quality and quantity in the medium to long term irreversibly due to the promotion of digital transformation following the global spread of new coronavirus infections and the growing demand for the production of a wide range of industrial products that contribute to the realization of carbon neutrality, including electric vehicles. In particular, the importance of machine tools that contribute to the sophistication and automation of manufacturing processes is important in Japan's manufacturing industry, in view of the fact that Japan is facing a population decline and the aging of skilled workers and the growing shortage of labor is becoming more pronounced at manufacturing sites.

However, according to our understanding, the Japanese machine tool industry is home to more than 100 manufacturers in the 1.0 trillion yen plus market, leading to fierce price competition during the recession. In anticipation of such a situation, the profits accumulated during the boom period are accumulated internally without being appropriated for growth investment, and there is a tendency to spill out the profits reserved during the recession. Accordingly, with the exception of some major manufacturers, there has been no continuous growth investment based on long-term strategies, and many of the Japanese machine tool manufacturers are suffering from a lack of competitiveness and falling into a low-growth cycle.

In light of the current state of the Japanese machine tool industry, if European manufacturers with high international competitiveness in the expanding international market actively enter the

Japanese market, or if manufacturers in China and other emerging countries, which outpace growth in the future, become more powerful, as seen in other industries, Japanese companies with world-class competitiveness may be deprived of their market share by European, Chinese and other emerging country manufacturers without having any solutions. Furthermore, as pointed out by Policy of METI, if the international competitiveness of Japan's machine tool industry continues to deteriorate and a disruption in supply by domestic companies occurs in the future, the business base of Japan's manufacturing industry itself could be shaken, and it is clear that this could directly affect the competitiveness of Japan's manufacturing industry as a whole. As a world-class manufacturer representing Japan, we cannot overlook this crisis in the Japanese manufacturing industry.

Based on this sense of crisis, our group, which has a global perspective, aggressive investment strategy, and extensive experience in acquiring companies, desire to contribute to maintaining and improving the global competitiveness of Japan's machine tool industry as well as Japan's manufacturing industry by becoming the world's leading manufacturer of machine tools and lead the machine tool industry, and we have decided to place the machine tool business as a new pillar of our business in early November, 2021.

In light of the current situation described above, we have continued to think about what we need to do in order for our group to demonstrate a strong presence in the machine tool market and acquire international competitiveness. One of the conclusions was that as a step toward gaining a strong position in the machine tool industry, we considered an alliance with your company, which is expected to generate significant synergy with our group.

When you join our group, with the goal of becoming the world's leading machine tool manufacturer group, you can utilize all of the resources we have cultivated in the global business operations, including know-how, financial resources, human resources, and technological capabilities, while making the most of our past efforts, as well as our M&A activities. This will enable you to achieve rapid growth, which is difficult to achieve by continuing the measures that you have taken independently. Through these measures, we are confident that, together with the three machine tools companies that joined our group, you will be a world leader in machine tool manufacturing, and will be able to achieve significant growth and sustainable development with strong competitiveness.

3. Our view on your current business operations

Looking at the achievement status of your medium-term management plan for the past 10 years from fiscal year 2013, we can see that the plan for operating income for each fiscal year, except for fiscal years 2017 and 2018, has not been achieved, and that you have struggled to manage your business in the machine tool industry, which has experienced severe economic fluctuations.

Taking into consideration such past unachieved targets and the harsh business environment such as competition with overseas manufacturers, which are increasing competitiveness as described above, we must judge that it is extremely difficult for you, even though a leading machine tool manufacturer, to achieve the targets set forth in the mid-term management plan "Value-Up 2024" announced on May 13, 2022 for sales of 31.0 billion yen and an operating profit margin of 8%.

More specifically, in Value-Up 2024, you cite the following important issues as business issues for achieving the above-mentioned performance "expand sales to new markets such as semiconductor manufacturing equipment-related, aerospace, and offshore wind power generation", "strengthen development of new high-end to mid-range machines", "modularization strategy to increase added value throughout the "development to manufacturing" process", etc. However, due to the following reasons: (i) sales, operating income, and operating income margin for the year ended March 31, 2023, which is the first year of Value-Up 2024, were not achieved; and (ii) despite the plan to increase sales, operating income, and operating income margins over the three-year period from the year ended March 31, 2023 to the year ending March 31, 2025 (approximately 11%, 79%, and 60%, respectively), the forecast of sales and operating profit for the fiscal year ending March 31, 2024, which you announced in May 2023, is lower than even the actual results for the fiscal year ended March 31, 2023, which did not meet the "Value-Up 2024" plan, no aggressive growth investments have been made to realize the above issues set forth in the mid-term management plan and (iv) even in the second fiscal year after the announcement of the medium-term management plan, you have not announced any other results that would lead to a leap forward in operating profit margin, etc. toward the fiscal year ending March 31, 2025, etc., we understand that it would be extremely difficult for you to successfully implement these new initiatives and overcome the product and price competitiveness of domestic and foreign machine tool manufacturers if you were to operate your business on your own.

Therefore, in order for your company to be highly competitive and achieve sustained and significant growth in the future, we believe that you are at the stage where you need to enter into a reasonable and meaningful partnership with other companies with a strong foundation

like us, rather than managing our business by yourselves alone.

4. Assumptive synergies with our group

Through the Group's experience of incorporating numerous external companies into our group and subsequent post-merger integration (PMI) activities, we have placed emphasis on the following three points as important factors for achieving success in increasing corporate value after joining the Group: (1) complementing existing businesses with products and markets; (2) promoting the dispersion of global bases in sales, production, and services and local production for local consumption; and (3) securing purchasing and production benefits by expanding business scale. Your company meets all of these requirements as follows and believes it is possible to raise the corporate value of your company by joining our group.

① To complement products and markets

- About the products

Despite your company's lathe machines, which account for approximately 30% of the machine tool market, being a major force in the industry, our group has not yet entered the market, and the two companies have very complementary capabilities.

- About the markets

While your company focuses mainly on China and Taiwan, our group has important sales bases in Europe (PAMA S.p.A. (Italy)) and the United States (a U.S. subsidiary of NIDEC MACHINE TOOL CORPORATION), and we can complement overseas markets by utilizing our group's overseas sales bases.

② Promotion of decentralization of bases and local production for local consumption

Our Group has production bases in Europe, the United States, and India, where you do not have production bases. By joining our group, you can establish and expand production bases in these regions and promote local production for local consumption on a global scale.

③ Business expansion

By your company joining our group, the total sales of our group and your machine tool business would exceed 100 billion yen, and you can enjoy the advantages of scale, such as cost reduction of purchasing and production, and qualitative improvement of sales and services.

④ Other

In addition, the following are some of the factors that we consider you as the best partner.

- Since the target users of your company and NIDEC OKK CORPORATION are common, it is expected that synergies such as cross selling and integrated proposals will be realized quickly.

- In Japan and China, the bases of your company and our group companies are close geographically and close cooperation is expected.

- Your company is similar in size, business model, history, and shareholder composition to NIDEC OKK CORPORATION, which joined our group in 2022, and we are able to promote smooth cooperation by taking advantage of its PMI experience.

In addition, we reviewed your company's management plan "Value-Up 2024" and analyzed how the Group's management resources can be utilized in light of your business issues and how we can realize business synergies. As a result, we believe that the following is a result of our analysis.

① Sales and production

(a) Support for entry into growth markets

We believe that we can accelerate the development of growth markets for EV-related, semiconductors, aerospace, and offshore wind power through our group network.

(b) Optimization of overseas distributors

With the backdrop of the combined sales volume of the two companies, we believe that we can promote mutual introduction and optimization while increasing our influence on existing overseas distributors.

(c) Strengthening the U.S. and European markets

By using our funds and existing factories to secure production bases in Europe and North America, we are able to reduce costs, shorten delivery times, and improve customer service in overseas markets.

② **Development**

(a) Product lineup

By forming a product lineup with us that does not overlap, we are able to expand sales through a product lineup that is not cannibalized, a comprehensive proposal to customers, and cross selling.

(b) Development of high-end machines

By combining our technologies for machining centers, milling, and five-axis machining with your lathe technology, we can swiftly develop competitive five-axis machining and composite processing machines.

(c) Introduction of modularization

The modularization of our group is preceded by PAMA S.p.A.. By sharing the case studies and know-how that we have cultivated in the course of our business operations, we can provide a clue for a change in development mindset.

In general, modularization leads to cost reduction through the standardization and consolidation of components. For our group, we are able to enjoy the benefits of cost reduction by exchanging information with our group and introducing low-cost suppliers immediately after joining the group without waiting for modularization.

③ **Organizational structure and financing**

(a) Reducing listing maintenance costs and workloads

In the event that the company becomes unlisted, it can enjoy the benefits of being part of a listed company group, such as improved external credibility and reputation, while also reducing costs and workload as an individual entity, leading to faster decision-making.

(b) Strengthening cooperation with TAIWAN TAKISAWA TECHNOLOGY CO., LTD. (TAIWAN TAKISAWA)

TAIWAN TAKISAWA is an important subsidiary that supports your sales profit on a consolidated basis. We believe that we can utilize our management resources and alliance know-how to offer proposals for strengthening collaboration from a new perspective to TAIWAN TAKISAWA.

(c) Boosting Funding Capability

Through our Group Finance, we are able to swiftly and cost-effectively procure capital investment, such as the construction and expansion of new domestic production bases and sales and service bases, as well as working capital required for operation.

For details of the above, please refer to the attached supplementary materials.

5. About Tender Offer

Based on the considerations mentioned above, we intend to implement the Tender Offer (Article 27-2 and its subsequent articles of the Financial Instruments and Exchange Act) for your shares under the following conditions. We firmly believe that your board of directors and special committees will agree with this proposal as the best way to improve the corporate value of your company and the common interests of shareholders, and in light of the specific actions of the directors and the board of directors outlined in the Guidelines for Corporate Takeovers (Draft).

(Outline of Tender Offer)

①	Tender Offeror	NIDEC CORPORATION
②	Target Company	Takisawa Machine Tool Co., Ltd.
③	Type of securities subject to Tender Offer	Common Share
④	TOB Price	The Offer Price is set to be 2,600 yen per share (hereinafter referred to as the "TOB Price").

		<p>When compared to the average closing prices of your company's stock over the past 1 month, 3 months, and 6 months, including the most recent closing price, as of the reference date of July 12, 2023, the TOB Price carries the following premiums:</p> <ul style="list-style-type: none"> - Reference Date Closing Price: 1,447 yen (a premium of 79.68%) - Month Average: 1,269 yen (a premium of 104.89%) - Month Average: 1,272 yen (a premium of 104.40%) - 6-Month Average: 1,221 yen (a premium of 112.94%)
⑤	Lower limit of the planned number of shares	<ul style="list-style-type: none"> - No upper limit. - Lower limit: 3,194,100 shares, which represents a majority of the issued shares (excluding treasury stock owned by your company). <p>(Note) The lower limit of the planned number of shares to be acquired is calculated based on the number of voting rights equivalent to at least one-half of the total voting rights (31,941 voting rights, rounded up) calculated by deducting the number of treasury stock owned by your company (189,939 shares) as of the same date specified in your company's 93rd annual securities report submitted on June 29th (hereinafter referred to as the "Annual Securities Report"). The total number of issued shares of your company as of March 31, 2023, as stated in your company's securities report (6,578,122 shares), after deducting the number of treasury stock, is 6,388,183 shares. The calculated number of voting rights is multiplied by the number of shares per unit (100 shares) to obtain the number of shares.</p>

⑥	Tender Offer Commencement Date	We anticipate commencing the Tender Offer around late September 2023, in accordance with the provisions of the extensive acquisition rules, to allow sufficient time for consideration and obtaining the consent and understanding of the target individuals and their shareholders. We will promptly inform you of the detailed schedule for the Tender Offer once it is determined.
⑦	Tender Offer Period	30 Business Day. However, if it is reasonably confirmed during this period that the minimum threshold has been reached through a valid method of confirmation, we will make a public announcement to that effect. We intend to extend the Tender Offer Period by an additional 10 business days from the date of the announcement, ensuring a total of 10 business days from the announcement for the remaining period.
⑧	Tender Offer Agent	Mita Securities Co., Ltd. Monex, Inc. (Sub-Agent)
⑨	Financial Capability	The acquisition funds will be financed from our cash and cash equivalents, with a balance of 186.1 billion yen as of the end of March 2023 (on a consolidated basis). Our company group possesses substantial financial resources, and the availability of financing has no impact on the feasibility of this matter whatsoever.

Please note that the TOB Price is based on the assumption that your company will not declare any dividend or repurchase any treasury stock as of the settlement start date and will not engage in any M&A transactions that would result in a 30% decrease in consolidated net sales for the fiscal year ended in March 2023.

6. In other respects

The Board of Directors of your company has decided on May 14, 2021 to continue the Large-scale Purchase Rules of your company. The Proposal falls under the category of the proposal for Large-scale Purchase as set forth in the Large-scale Purchase Rules of your company. Accordingly, we have answered by this document (including the Exhibit) regarding the Large-scale Purchase Information provided by the Large-scale Purchase Rules of your company.

However, from January to March of last year, we proposed a capital and business alliance with our subsidiary NIDEC DRIVE TECHNOLOGY CORPORATION (formerly NIDEC SHIMPO CORPORATION) to your company. As the Guidelines for Corporate Takeovers (Draft) stipulates that "It is not acceptable for the board of directors to design and operate a system that allows the board of directors to endlessly request information from the acquirer in order to secure time, information, and negotiation opportunities, or to operate in an arbitrary manner such as unnecessarily prolonging the period for considering a takeover proposal", the Board of Directors of your company is requested to publish its views on the Proposal within sixty days from the date of this document. Needless to say, in the event that a reasonable request is made by the Special Committee of your company so that the Board of Directors, Special Committee of your company and Shareholders can fully consider the matter, we will not hesitate to consider the response to the schedule to the extent reasonable, but we intend to start the Tender Offer by the middle of September 2023 at the latest.

In accordance with the fact that Guidelines for Corporate Takeovers (Draft) require transparency in the negotiation process for acquisitions (transparency principles), we are scheduled to issue a press release dated today as described in the Exhibit " **Notice Regarding Scheduled Commencement of Tender Offer for Takisawa Machine Tool Co., Ltd. (Securities Code: 6121)**". Please refer to the specific details of the Tender Offer conditions as outlined in the respective press release.

For details of the Proposal, please refer to the following.

Notes

1. Our corporate profile

(1) Overview of our group

Please refer to the first paragraph of the Statement of Intent "1. About Our Group" and the following public materials.

- Securities Report: <https://www.nidec.com/en/ir/library/reports/>
- Financial Results: <https://www.nidec.com/en/ir/library/earnings/>
- Integrated Report: https://www.nidec.com/en/ir/library/integrated_report/

Outline of NIDEC CORPORATION

English trade name	NIDEC CORPORATION
Date of establishment	July 23, 1973
Location	338 Kuzetonoshiro-cho, Minami-ku, Kyoto 601-8205, JAPAN
Description of Business	Development, manufacturing and sales of precision compact motors, motors for automotive, consumer electronics, and commercial and industrial applications, equipment devices, electronic and optical components, and other products
Issued shares	596,284,468 shares (as of the end of March 2023)
Shares	Tokyo Stock Exchange Priming Market (Listing code:6594)
Fiscal year-end	March 31
Representative	President and Chief Operating Officer Hiroshi Kobe
Employees	Consolidated: 106,592 (as of the end of March 2023)
Net sales	Consolidated: 2,242,824 million yen (for the year ended March 31, 2023)

(2) Achievements of M&A in Our Group

Please refer to the second paragraph of "1. About Our Group" of this Statement of Intent and our company's M&A history on our official website at <https://www.nidec.com/en/corporate/about/ma/>.

2. Significance of the Tender Offer

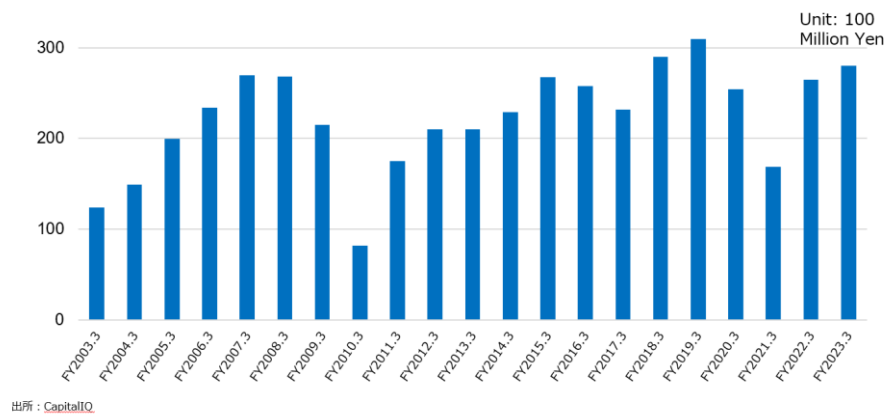
(1) Business operations and issues that our Group sees

Based on objective data, we are aware that the following is a supplement to your issues.

(i) Limited growth potential and profitability

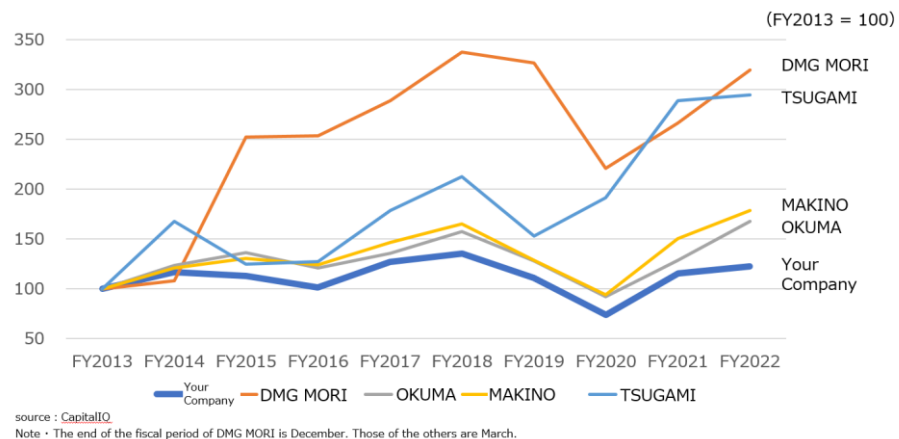
Your company has excellent lathe products and global sales performance, but its size and investment capacity are small, and its growth potential and profitability are limited. Sales fluctuate repeatedly in tandem with economic fluctuations, and it seems that you have not been able to establish a business model that exceeds the barrier of 30 billion yen in sales on an ongoing basis.

<Changes in sales of your company over the past 20 years>



The average rate of growth in sales over the past 10 years has been 2% per year, which is significantly lower than other major companies in the same industry.

<Comparison of sales with other major competitors in the same industry (FY2013 = 100)>



(ii) Difficulty in achieving medium-term management plan and long-term vision due to sluggish profitability

Although net sales have recovered to around the level before Covid19 due to the recovery in overseas demand and construction equipment demand, operating income has remained at a low level, less than 40% of the pre- Covid19 peak due to cost increases and other factors, while other companies in the same industry have recovered to or exceeded the pre- Covid19 level. In the Medium-Term Management Plan and Long-Term Vision, your company has set targets of 31 billion yen in net sales and 2.5 billion yen in operating income for FY2024 and 40 billion yen in net sales and 4.8 billion yen in operating income for FY2030. However, in light of the current performance of your company amid a recovery trend in the industry as a whole, the achievement of these targets is extremely uncertain.

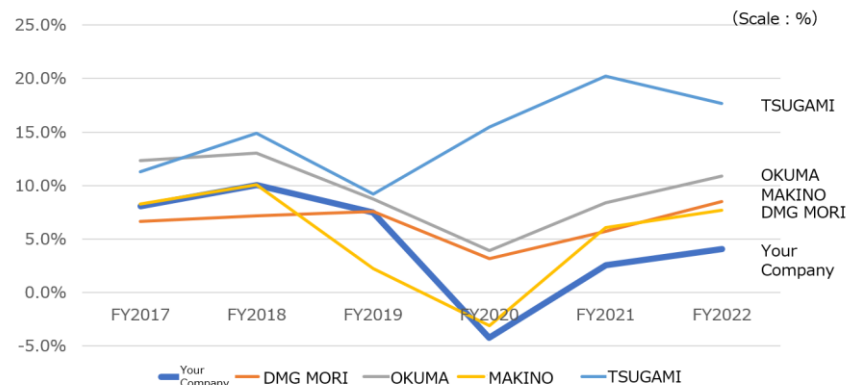
<Rate of failure to achieve/status of failure to achieve targets for each medium-term management plan for the past 10 years>

2 Year Mid-Term Plan Listed on Annual Securities Report (ASR)			Recorded Profit and Rate of Achievement for the next 2 years		
ASR Year	March Target	March Target	Record Year	Record	Ratio
March 2013 ASR	17	23	March 2014 Record	16	▲8%
Operating Profit	8.1%	9.8%	Ratio	▲1.2 pt	▲5%
March 2014 ASR	26	33	March 2015 Record	22	▲16%
Operating Profit	10.0%	11.8%	Ratio	▲1.8 pt	▲4%
March 2015 ASR	30	35	March 2016 Record	17	▲43%
Operating Profit	10.7%	12.1%	Ratio	▲1.0 pt	▲5%
March 2016 ASR	21	26	March 2017 Record	16	▲22%
Operating Profit	8.2%	10.0%	Ratio	▲1.4 pt	▲10%
March 2017 ASR	21	26	March 2018 Record	16	+11%
Operating Profit	8.4%	10.0%	Ratio	+0.2 pt	+0%
March 2018 ASR	24	26	March 2019 Record	23	+30%
Operating Profit	8.0%	8.7%	Ratio	+2.1 pt	▲7%
March 2019 ASR	24	25	March 2020 Record	19	▲20%
Operating Profit	8.3%	8.6%	Ratio	▲0.8 pt	▲10%
March 2020 ASR	8	17.5	March 2021 Record	7	▲15%
Operating Profit	3.7%	7.0%	Ratio	▲1.1 pt	▲3%
March 2021 ASR	14	25	March 2022 Record	11	▲19%
Operating Profit	5.0%	8.1%	Ratio	▲0.9 pt	-
March 2022 ASR	14	25	March 2023 Record	11	▲19%
Operating Profit	5.0%	8.1%	Ratio	▲0.9 pt	-

(Unit:100 million Yen,%)
 ○ : Achieved
 ✖ : Not Achieved

Note:
 1. You make and publish the Mid-Term Management Plan for the next two years at the end of every fiscal year on your ASR.
 2. The medium-term management plan is quoted from each ASR. However, there was no disclosure of the medium-term management plan as of the end of the fiscal year ending in March 2020.

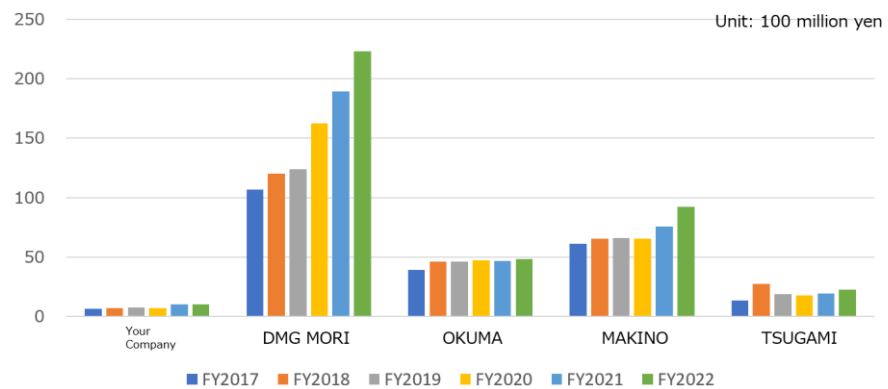
<Comparison of operating profit margin with other major competitors>



(iii) The absolute amount of capital investment and R&D expenses is small, and it is not easy to maintain and improve competitiveness.

Your company's capital investment and R&D expenses are lower in absolute terms than those of other companies in the same industry because of the scale of the company. If you continue to compete on your own in the future, it will become increasingly difficult to maintain your competitiveness by further expanding the gap in the quality and quantity of capital investment, research and development between other companies in the same industry.

<Comparison of R&D expenses with other major competitors>



Source: "R&D Activities" in each company's annual securities report and materials from financial results presentation
Note: The end of the fiscal period of DMG MORI is December. Those of the others are March

(iv) Stock price remains sluggish

As mentioned on the next page, your company's stock price has been experiencing a period of decline.

(2) Strategic significance and synergy of this proposal

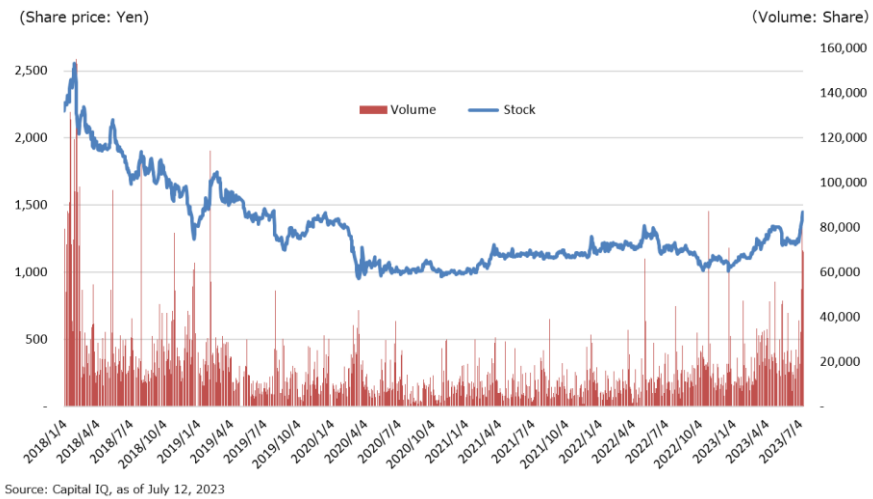
Please refer to "3. The Significance of Our Proposals" in the main text of this Statement of Intent, and "Supplementary Materials to the Statement of Intent (Business Edition)"

(3) Evaluation of the Company from the Perspective of Shareholders and Share Price and Position of the Proposal

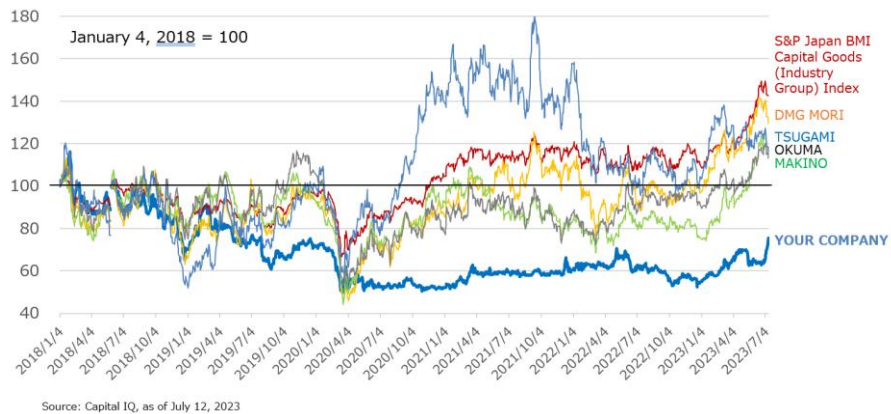
(i) Valuation in the stock market

Your valuation in the stock market is unfortunately not high. While stock prices of many listed companies in the same industry have recovered or exceeded their pre-corona levels, your stock prices have stagnated to almost half of their peak five years ago, and the high-profile PBR (market-to-book equity ratio), which Tokyo Stock Exchange requires less than one-fold companies to disclose improvement plans, has remained at a very low level.

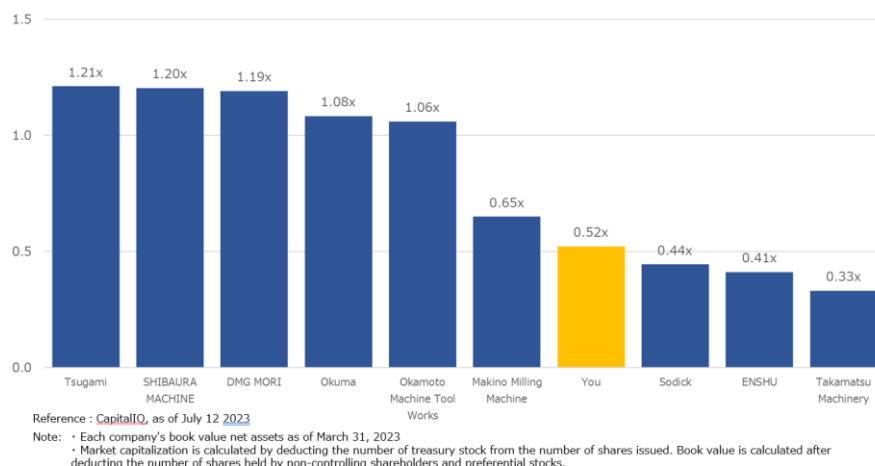
Share Price Transition since 2018



<Comparison of stock prices with major competitors from 2018 onward>



<Comparison of PBR to domestic machine tool manufacturers>



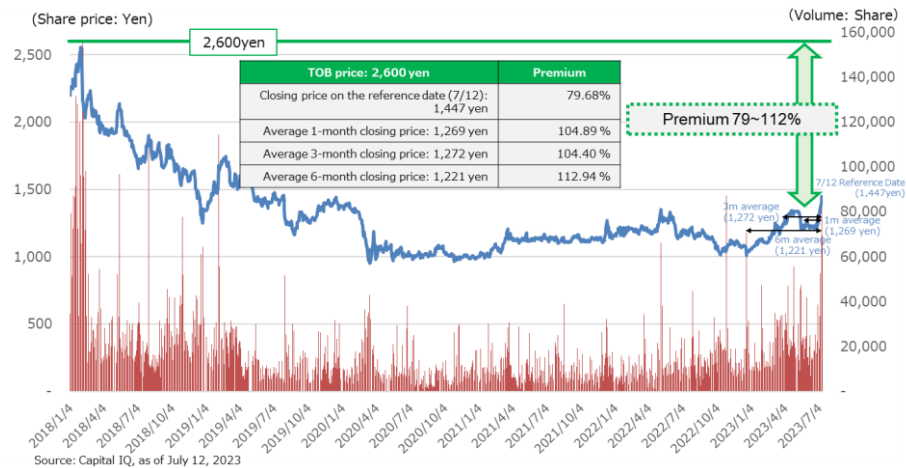
(ii) Position of the proposal from the perspective of shareholders and share price

The TOB Price is scheduled to be 2,600 yen per share, with a significant premium of 79-112% as compared to the previous day's closing price of the company's stock and average of the company's stock market closing prices for the preceding one, three, and 6 months. While it is unlikely that the stock price will rise significantly for the time being, we believe that it will provide investors with the opportunity to realize an ideal investment profit which is unlikely to be realistic if you continue to operate independently.

- Previous Business Day: 79.68%
- Average of the last month: 104.89%
- Average of the last 3 months: 104.40%
- Average of last 6 months: 112.94%

The TOB Price also exceeds the maximum of your share price for at least the past five years. This means it is assumed that all shareholders who acquired shares in the market for the past five years will be able to secure profits.

<Premium Assumed by TOB Price>



(4) Benefits for employees, local communities, business partners, and other stakeholders

Through this proposal, we aim to conduct transactions that benefit not only your company and its shareholders, but also your employees, local communities, business partners, and other stakeholders.

(i) Employees

- By participating in our group, we expect to expand the scope of our business through capital investment and strengthening of our sales network. As a result, we expect that the number of posts will increase, thereby expanding the opportunities for your employees to play active roles.
- Our basic policy is to provide reward according to the degree of contribution and performance of employees, regardless of their educational background, age, gender, race, or the origin as an employee of the acquired company or not. For employees who are earnest about their work, there is a greater possibility of promotion and pay raises.

(ii) Local communities

- By participating in our group, you will be able to further invest in existing factories and start up new factories, as well as expand your business by

strengthening the sales network. It is expected that the population of the region will increase through the creation of employment opportunities, and consumption activities will become more active as a result.

- Furthermore, through interaction with our group, you are expected to see new business opportunities with local companies.
- Through these efforts, we believe we can revitalize local economies and communities.

(iii) Business partners

- By expanding the scope of your business through your participation in our Group, you are expected to expand your business opportunities with our business partners.
- In addition to the business with you, business partners are also expected to expand the scope of their business by engaging in new transactions with our group companies.

3. Management policy after this transaction

(1) Management policy after privatization

(i) The management system will be determined after consultation with you.

In the event that this Tender Offer is made, we are considering sending a director to your company. However, the specific management system will be decided upon in good faith after consultation with you starting today with a view to further enhancing the corporate value of both companies.

(ii) We support management reforms based on the management know-hows we have cultivated over the years.

- In order to realize synergies with our group as soon as possible after this Transaction and to realize the potential corporate value of your company, we will support the realization of management reforms using the management know-hows accumulated from our M&A and PMI experience. Specifically, in light of the experiences of each of our group companies, we believe that by (i) placing emphasis on speed and thoroughness as represented by the Group's corporate philosophy of "Do it now; do it without hesitation; do it until completed" and (ii) thoroughly putting the customer first, and (Mita Securities Co., Ltd.) instilling in your business management policies such as fair evaluation methods based on the results achieved by executives and employees by eliminating their self-reliance and self-esteem, we will be able to realize synergies with our Group (synergies in sales, development and production, synergies created through strengthened cooperation with your Taiwanese subsidiary, enhanced financial and procurement capabilities, etc.) by drawing out your company's potential to the fullest. The Group will support the management reforms needed to achieve this goal.
- We believe that it is only a milestone for your company to become a sustainable growth company, and that it is important for you to be a company that continues to grow together with our Group for a long time after this transaction. To this end, it is essential that you maintain the excellent corporate culture that you have cultivated, and that your employees, who are responsible for such a corporate culture, play an active role with high motivation and high hopes. We intend to discuss and decide on the specific personnel assignment with your company in the future. However, as with other group companies that joined us, the dispatch from our Group after the execution of this Transaction will be limited to the minimum extent possible.
- On the other hand, in order to realize synergies with our group as soon as possible, using the management know-hows accumulated from our M&A and PMI experience, not only top management of our group, such as Shigenobu Nagamori, our CEO, Hiroshi Kobe, our President and Chief Operating Officer, and Tatsuya Nishimoto, our Executive Vice President, but also the managers at the field level will visit your company on an ongoing basis, consult directly with the executives and employees of

your company, and actively exchange opinions on the problems and improvements that your company faces on the ground. In this way, we are committed to and supporting your company's management reforms.

(iii) It is in our current opinion to maintain your brand.

As for the trade name, the company that we joined is in principle to include the name "NIDEC CORPORATION" in their trade names. However, in light of the fact that your brand is already known in the machine tool industry and that the name has been changed in recent years, we intend to carefully consider the maintenance of the brand name.

The above is our current opinion regarding the management policy after your participation in our Group much of which will be determined after faithful consultation with you and to that end and to this date, we have been analyzing and preparing various materials so that you agree to this Tender Offer. Therefore, if the Tender Offer is successful without obtaining the approval of your company's board of directors, we plan to consider the subsequent management policies and organizational structure after the completion of the Tender Offer in a specific manner. We are in the opinion that your board and special committee will approve the Proposal and this Tender Offer.

(2) Scenario where we cannot acquire enough stocks to surely implement the squeeze-out on its own

Since this Transaction is intended to make your company a wholly-owned subsidiary, we plan to implement this squeeze-out procedure for shareholders who have not been offered this Tender Offer. However, we intend to grant a consideration that does not cause any economic disadvantage to the shareholders who did not offer this Tender Offer compared to the TOB Price.

Specifically, if the Tender Offer is completed and if we do not hold two-thirds of the voting rights of all shareholders of your company by this Tender Offer, we will request you to consolidate your shares in accordance with Article 180 of the Companies Act (hereinafter referred to as the "Consolidation of Shares"), and to hold an Extraordinary General Meeting of Shareholders, which includes a proposal to partially amend the

Articles of Incorporation to abolish the provisions on the number of shares per unit, subject to the effect of the Consolidation of Shares, because we believe that your participation in our Group will increase the corporate value of your company, increase the competitiveness of the machine tool industry, and increase the competitiveness of Japanese manufacturing industry to the world.

Even in such a case, the consideration to be delivered to each shareholder shall be a reasonable valuation that is not economically evaluated to be disadvantageous to the shareholder of the Company as compared to the TOB Price.

Moreover, although there is a possibility that the proposal for the Consolidation of Shares may not be approved at this Extraordinary General Meeting of Shareholders, even if such approval is not obtained, to fully acquire all of your company's shares (excluding treasury stock owned by your company), we plan to proceed with additional acquisitions of your company's shares through market transactions, as well as off-market purchases (to the extent permitted by law), until we reach the number of shares equivalent to two-thirds of the voting rights exercised at the upcoming General Meeting of Shareholders, multiplied by the number of shares represented by those voting rights. The price for such additional acquisitions will be determined considering the market price at the time of the acquisition, ensuring that it is a reasonable price that is not economically disadvantageous to shareholders when compared to the TOB Price. If we acquire a sufficient number of shares or anticipate the approval of the proposal related to the share consolidation at the General Meeting of Shareholders, we plan to request another Extraordinary General Meeting to be held with your company. However, depending on the timing, there is also a possibility that the proposal will be presented at the regular General Meeting of Shareholders in 2024.

4. Assumed schedule

The schedule for this Transaction, including this Tender Offer, which we currently envision, is summarized in "(1) Assumed Schedule" below.

In connection with the schedule, please refer to "(2) Status and outlook for clearance" below for the current statuses and future outlooks regarding the competition laws and foreign capital regulations in each country in which we are required to implement this Transaction.

(1) Assumed schedule

Date of submission of this document	July 13, 2023 (Thurs)
Acquisition of clearance under Competition Law (Japan)	June 27, 2023 (Tue): Receipt of notification stating that no exclusion measures will be taken. July 2, 2023 (Sun): Expiry of the prohibition period for stock acquisition.
Submission of a Declaration under the Foreign Capital Regulations (U.S.)	July 18, 2023 (Scheduled)
Acquisition of clearance under Competition Law (Vietnam)	Mid-September 2023 (Scheduled)
Date of announcement of the commencement of the tender offer	September 14, 2023 (Thurs) (Scheduled)
Date of Submission of Tender Offer Notification	September 14, 2023 (Thurs) (Scheduled)
Tender Offer Period	September 14, 2023 (Thurs) – November 13, 2023 (Mon) (Scheduled) ※ The above describes the period for the Tender Offer when the Tender Offer Period is extended by 10 business days after confirming that the minimum number of tender offers has been met in the initial Tender Offer Period as stated above.
Date of publication of Tender Offer report	November 14, 2023 (Tue) (Scheduled)
Effective date of this Squeeze-Out	- In Case of the consolidation of shares Early in February 2024 (Scheduled) - In Case of Request for Sale of Shares, etc. Mid-December 2023 (scheduled)

(2) Response status and prospects of clearances

Based on the results of our careful investigation conducted by domestic and overseas law firms based on the public information available to date, we believe that we need to follow (i) the process based on competition laws and regulations in Japan and Viet Nam, and (ii) the process based on investment laws and regulations in the United States to execute of the Transaction.

In the future, if your cooperation is obtained, there is a possibility that we will conduct further investigation on the existence of applicable laws and regulations other than the above. However, as a result of the investigation over 4 months based on the advice of local lawyers in each country regarding the scope of the acquisition of permits and approvals and other necessary procedures based on domestic and overseas competition laws and regulations that may be necessary for the implementation of the Transaction and investment laws and regulations and other relevant laws and regulations, we are not aware of any other procedures required other than the above-mentioned procedures (Competition law and regulation and procedures based on investment laws and regulations of the country). Therefore, as of today, we plan to commence the Tender Offer around middle of September 2023, which is the expected timeframe, provided that all necessary approvals and required procedures, including the completion of these procedures, are obtained or completed by the day before the last day of the Tender Offer period.

As of today, we have already taken the necessary actions, based on the advice of local legal counsel in each country, to ensure that enable any of the above procedures for the permits and approvals, etc. in each country that you recognize as necessary can be completed by the commencement of the Tender Offer Period or by the last day of the Tender Offer Period. The current situation and future outlook are as follows. All of them are expected to be completed by the last day of the Tender Offer Period at the latest.

Region	Base law	Current situation	Expected completion date (Scheduled)
Japan	Act on Prohibition of Private Monopolization and Maintenance of Fair Trade	Filed	Completed *On June 27, 2023, we received a notification stating that no exclusion measures would be taken. The prohibition period for stock acquisition expired on July 2, 2023.

Vietnam	Vietnam Competition Law	Filed	Mid-September 2023
United States	Regulations of the Foreign Investment Commission (CFIUS)	Declaration (Scheduled to be submitted on July 18)	Mid-August 2023 (Scheduled) (at the end of the 30-day waiting period after receipt of the Declaration)

5. Fairness of procedures in the Transaction based on the Guidelines for Corporate Takeovers (Draft), including our thoughts on the Large-Scale Purchase Rules of the Company

As stated above, this proposal and this Tender Offer correspond to the proposal for "Large-scale Purchase" as set forth in the Large-scale Purchase Rules of your company. We hereby reply to the Large-scale Purchase Information as set forth in the rules with this Statement of Intent.

In addition, we believe that the Transaction is a "desirable acquisition" as stated in the Guidelines for Corporate Takeovers (Draft) because it would increase the corporate value of your company in a discontinuous manner through the realization of synergies with our group, and at the same time, make it possible to distribute fair consideration with a substantial premium on the market share price to your shareholders. In implementing this Transaction, we intend to give utmost consideration to the fairness of procedures, such as by disclosing information useful for the judgment of shareholders of your company in an appropriate and positive manner (Principles of Transparency), ensuring that your shareholders have reasonable opportunities to make decisions, and we will be ultimately relying on the judgment of your shareholders (Principles of Shareholder's Will). Specifically, we would like to propose the implementation of this Transaction by complying with the Guidelines for Corporate Takeovers (Draft) as follows.

(1) "Realization" of "Informed Judgment"

We believe that we provide necessary and sufficient information to the Board of Directors and shareholders of your company through this document (including the Exhibits) and the press releases issued by us as of today. In addition, since we plan to commence the Tender Offer at the middle of September and the Tender Offer Period

is scheduled to be 30 business days, the Tender Offer will provide a longer period than the Board of Directors' Evaluation Period (60 days) stated in your Large-scale Offer Rules from today to the last day of the Tender Offer Period, and therefore, we believe that the Tender Offer will provide your Board of Directors and your shareholders with sufficient time to consider the Transaction.

Accordingly, it is clear that we are not aiming to gain unreasonable profits at the expense of your company and your shareholders. We comply with the "Principles of Shareholder Will" and the "Principles of Transparency" set forth in the Guidelines for Corporate Takeovers (Draft), and we believe that necessary information is appropriately provided, transparency and fairness are adequately ensured, and your shareholders are given sufficient opportunity to make a decision (Informed Judgment) on whether or not to accept the acquisition of shares by the acquirer.

In order to allow your Board of Directors, the Special Committee, and shareholders to fully consider the Transaction, we will consider answering additional questions (If there is anything we have failed to provide you with, we will consider answering them.) to the extent reasonable, taking into account the request of your Special Committees, and adjusting the timetable for the Transaction to that end. However, as stated above, since we have already provided sufficient information as of today and have provided a consideration period that exceeds the evaluation period stipulated in your Large-scale Purchase Rule, we plan to commence the Tender Offer by the middle of September 2023 at the latest.

(2) Exclusion of "Coercion"

① "Setting the planned number of purchases" for the purpose of "privatization"

- In this Tender Offer, we intend to finally acquire all of your shares (excluding your own shares) and do not limit the number of shares to be purchased.
- In addition, (i) if this Tender Offer is made and we have acquired two-thirds or more of the voting rights of all shareholders of your company, we intend to implement this squeeze-out procedure, and (ii) if this Tender Offer is completed, we will request you to hold this Extraordinary General Meeting of Shareholders even if we have not acquired two-thirds of the voting rights of all shareholders of

your company as a result of this Tender Offer. Even if we fail to obtain approval at the Extraordinary General Meeting of Shareholders, we intend to ultimately acquire all of your shares (excluding treasury stock held by you). Therefore, (Mita Securities Co., Ltd.) until we acquire the number of shares that reaches the number of shares equivalent to the number of voting rights obtained by multiplying the number of voting rights exercised by 2/3 of the number of voting rights in the proposal for going private that was rejected at the Extraordinary Shareholders' Meeting, we will acquire additional shares of your company's stock at the price to be determined by taking into account the market share price at the time of additional acquisition (Provided that such price shall be reasonable and shall not be evaluated as economically disadvantageous to the shareholders who sells their shares in response to the additional acquisitions in comparison with the TOB Price.) through in-market transactions or off-market purchases other than tender offers (limited to cases permitted under the law) at a price that does not exceed the TOB Price and (iv) ultimately, plan to acquire additional shares of your company's stock until we have acquired a number of shares equivalent to two-thirds of the number of voting rights represented by the number of shares obtained by subtracting the number of treasury shares held by your company from the total number of your company's outstanding shares.

- In this squeeze-out procedure and the aforementioned additional acquisition, the consideration we pay to your shareholders will be at a reasonable price, which is not considered economically disadvantageous to your shareholders, as compared to the TOB Price.

② Consideration in the method of setting the Tender Offer Period, which is intended to provide shareholders with opportunities to judge both the "tender offer" and "the pros and cons of the transaction"

In this Tender Offer, we set the minimum number of shares to be purchased as 3,194,100 and if (i) the total number of share certificates, etc. (hereinafter referred to as "Tendered Share Certificates, etc.") applied for this tender offer is less than 3,194,100, we will not purchase all of the Tendered Share Certificates, etc. but (ii) if we confirm that the total number of Tendered Share Certificates, etc. has reached 3,194,100 or more by a reasonable method by the end of this Tender offer period, We

plan to extend the Tender Offer Period to ensure a period of 10 business days as the Tender Offer Period, starting from the announcement date, after making the necessary public announcement regarding this matter.

(i) We will provide your shareholders with an opportunity to make a decision (for or against) on the pros and cons of the Transaction, in addition to the opportunity to express their intention whether or not to tender their shares in the Tender Offer, through the procedures described in (1) "Realization" of "Informed Judgment" above.

(ii) In addition, as a result of the measures described in ① above, we intend to acquire additional shares of your company until we have acquired a number of shares equivalent to two-thirds (2/3) of the number of voting rights represented by the number of your company's outstanding shares less the number of treasury shares held by your company as a result of the Tender Offer, and then we will proceed with the Squeeze-Out Procedure. This proposal is, in effect, an "all or nothing" offer, as described in the Guidelines for Corporate Takeovers (Draft), and we believe that this will eliminate any coercion and provide ample opportunity for more of your company's shareholders to apply for the shares (we are originally proposing this proposal with the intention of eliminating any coercion, but we also intend to be prepared for cases where coercion of any kind is theoretically possible.).

(3) Summary

In short, through this transaction, we have prepared a process that gives maximum consideration to the Shareholder Voting Principles and the Transparency Principles presented in the Guidelines for Corporate Takeovers (Draft) as follows.

① This Transaction achieves the "Informed Judgment" recommended by the Guidelines for Corporate Takeovers (Draft) by providing sufficient information and review periods to the Board of Directors and shareholders of your company, and is equipped with a process that gives maximum consideration to the consideration by the Board of Directors of and shareholders of your Company, which is substantially equivalent to, or even greater than, those set forth in the Large-Scale Purchase Rules of your company.

- ② This Transaction provides shareholders, (i) in a non-coercive manner, with an opportunity to assess the merits of this Tender Offer and the Transaction, individually and adequately.

Accordingly, we believe that the Board of Directors of your company will be satisfied with our proposal. However, even if you do not agree with our proposal, in light of the Code of Conduct of your Board of Directors which has received the proposal, described in the Corporate Acquisition Action Guidelines, we believe that your company will not take countermeasures against this Transaction based on your Large-Scale Purchase Rules or other rules.

6. The Proposal is reasonable and pays a sufficient premium to the Shareholders.

The TOB Price is 2,600 yen per share, but the TOB Price is 2,600 yen, which is the TOB Price, at a level of sufficient premium added to the price of your shares in the Standard Market of the Tokyo Stock Exchange starting on July 12, 2023.

Base stock price	Premium rate
Closing price on the previous business day of the announcement date (1,447 yen).	79.68%
Simple average closing price in the past month (1,269 yen)	104.89%
Simple average closing price in the last 3 months (1,272 yen)	104.40%
Simple average closing price in the last 6 months (1,221 yen)	112.94%

We believe that the premium offered significantly exceeds the average level of premiums granted in past cases of public tender offers for complete subsidiary acquisition by entities other than your company. Taking into account the trading volume and price trends of your company's shares in the past five years, all of your current shareholders should be able to enjoy a substantial premium. At the current stage (without having discussions with your company), it is difficult to quantify the synergy effects that your company intends to achieve through this Transaction. However, we believe that this Transaction, including the Tender Offer, not only ensures the minimum guarantee of "benefits that shareholders should receive" as stated in the Guidelines for Corporate Takeovers (Draft), i.e., the "value

achievable without the acquisition," but also provides a fair distribution of "value that cannot be realized without the acquisition," thus offering a reasonable opportunity for investment recovery to all of your shareholders.

Since this Transaction is intended to make your company a wholly-owned subsidiary, we plan to implement this squeeze-out procedure for shareholders who have not been offered this Tender Offer. However, we intend to grant a consideration that does not cause any economic disadvantage to the shareholders who did not offer this Tender Offer compared to the TOB Price.

7. Matters to be Represented

- (1) This document is legally binding and is valid for 5 months after submission (including thereafter, if the Tender Offer is commenced).
- (2) During the term of this document, we will not modify or withdraw its contents except with your company's consent.

8. Contact information, etc.

Corporate Strategy Office, NIDEC CORPORATION
Contact: Nakagawa, Matsumoto, Fujino, Hatadan
Telephone number: 075-280-7250

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