

Released on December 27, 2024, in Kyoto, Japan

**Notice Regarding Scheduled Commencement of Tender Offer  
for Makino Milling Machine Co., Ltd. (Securities Code: 6135)**

Nidec Corporation (the "Tender Offeror") hereby announces that (i) at the meeting of the Board of Directors held on December 26, 2024, it is resolved that the Tender Offeror will acquire the shares of Makino Milling Machine Co., Ltd. (the "Target Company"), which is listed on the Prime Market of the Tokyo Stock Exchange, Inc., as part of a series of transactions (the "Transaction") for the purpose of making the Target Company a wholly owned subsidiary of the Tender Offeror. The Company resolved to acquire the shares of common stock of the Target Company (the "Target Company's Stock") through a tender offer (the "Tender Offer") pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended). (ii) The Tender Offeror hereby announces that it will submit a letter of intent (see attached) to the Target Company today, which contains detailed proposals by the Tender Offeror regarding the Transaction (hereinafter referred to as the "Letter of Intent") as follows.

The Tender Offer is subject to the satisfaction of all the Tender Offer Preconditions (defined in "<Tender Offer Preconditions>" in "1. Outline of the Tender Offer". The same applies hereinafter) or the waiver of the Tender Offer Prerequisite (may waive only (2) of the Tender Offer Preconditions as defined in "<Tender Offer Preconditions>" in "1. Outline of the Tender Offer"). The Tender Offer is scheduled to commence on April 4, 2025 (or, in the event of a delay in the date on which all of the Tender Offer Preconditions are satisfied or waived by the Tender Offeror, as soon as practicable after such date). An outline of the Tender Offer is shown in the column below, and further details are provided on page 3 and thereafter.

The purpose of this press release is to ensure that the contents of the Letter of Intent are properly understood by the Target Company and its shareholders, and to provide a sufficient period of time for consideration to gain the understanding and approval of the Target Company and its shareholders for the Transaction.

Prior to the submission of the Letter of Intent and the publication of this press release, the Tender Offeror has not made any proposal for discussion, etc. with the Target Company regarding the Transaction. This is in accordance with the "Guidelines for Corporate Takeovers - Enhancing Corporate Value and Securing Shareholders' Interests" (the "Guidelines for Corporate Takeovers") published by the Ministry of Economy, Trade and Industry on August 31, 2023. In light of the fact that the "Principle of Shareholders' Intent" and the "Principle of Transparency" are required for acquisitions of management control of listed companies in general in the Guidelines for Corporate Takeovers, we will provide information useful for shareholders to make their decisions through a transparent process from the proposal stage of this Transaction, by informing all shareholders of the Target Company of the situation and by providing them with the information necessary for the Target Company's management to make a decision. The Tender Offeror intends to encourage the Target Company's shareholders to be provided with appropriate and positive information by the Tender Offeror and the Target Company, thereby ensuring that the shareholders of the Target Company are able to make the correct choice regarding the merits of the Transaction and the terms and conditions of the Transaction.

As described in "(2) Background, Purpose and Decision-Making Process of the Tender Offer, and Management Policy after the Tender Offer" in "2. Purpose, etc. of the Tender Offer, etc.", we understand the strength of the Target Company as a major machine tool manufacturer and believe that through the Transaction, we will be able to build a relationship to become "the world's leading comprehensive machine tool manufacturer" together, and we sincerely propose the Transaction.

## 1. Outline of the Tender Offer

①	Tender Offeror	Nidec Corporation
②	Target of Tender Offer	Makino Milling Machine Co., Ltd.
③	Type of Share Certificates, etc. to be Tendered, etc.	Common stock
④	Price of Tender Offer, etc.	<p>11,000 yen per share (the "Tender Offer Price") (See "Tender Offer Price" below)</p> <p>The Tender Offer Price is based on the closing price of the Target Company's Stock on the TSE Prime Market on December 26, 2024 (the base date), which is the business day immediately prior to the announcement of the scheduled commencement of the Tender Offer, and the simple average closing prices (rounded to the nearest whole number for the last 1 month, 3 months, and 6 months prior to that date. The same applies hereinafter to the simple average closing price.)</p> <p>The following premiums (rounded off to two decimal places) are added to such amount.</p> <ul style="list-style-type: none"> <li>- 41.94% of the closing price of 7,750 yen on the base date</li> <li>- 54.67% of the 1-month simple average closing price of 7,112 yen</li> <li>- 67.89% of the 3-month simple average closing price of 6,552 yen</li> <li>- 74.24% of the 6-month simple average closing price of 6,313 yen</li> </ul>
⑤	Number of Shares to be Purchased	<ul style="list-style-type: none"> <li>- Upper limit: None</li> <li>- Lower limit: 11,694,400 shares (Note 1)</li> </ul> <p>(Note 1) The minimum number of shares to be purchased is calculated based on the total number of issued shares of the Target Company as of November 30, 2024 (24,893,841 shares), which is stated in the status report on the purchase of treasury stock submitted by the Target Company on December 10, 2024 (the "Target Company's Status Report on Purchase of Own Shares"). The number of shares (11,694,400 shares) (Ownership Percentage (Note 2): 50.00%) is calculated by multiplying the number of voting rights (116,944 units), which is a majority of the number of voting rights (233,887 units), by the number of shares constituting one unit (100 shares) of the Target Company. The minimum number of shares to be purchased may be adjusted based on the total number of issued shares and the number of treasury shares of the Target Company as of the commencement of the Tender Offer.</p> <p>(Note 2) "Shareholding ratio" is the ratio (rounded to two decimal places) of the number of shares (23,388,772 shares) obtained by subtracting the number of treasury shares (1,505,069 shares) held by the Target Company as of November 30, 2024, as stated in the Target Company's Report on the Status of Purchase of Own Shares, from the total number of issued shares (24,893,841 shares). The same applies hereafter.</p>
⑥	Commencement of Tender Offer	<p>The Tender Offeror intends to (i) from today until the commencement of the Tender Offer, provide the Target Company's Board of Directors and any special committee expected to be established by the Target Company in the future (the "Target Company's Special Committee") with a good-faith explanation to obtain its support for the Tender Offer. In addition, if the Target Company's Board of Directors and the Target Company's Special Committee request the Target Company to provide any additional information that is reasonably considered necessary to form an opinion on the Tender Offer, in addition to the information stated in this Letter of Intent, the Tender Offeror will sincerely respond to such request. The Tender Offeror (ii) intends to ensure a period of consideration sufficient to obtain the understanding and approval of the Target and its shareholders for the Transaction, and has determined that a period of two months or more is desirable as such period. The Tender Offeror has also taken into consideration the expected completion date (early April 2025) of the Procedures for Obtaining Necessary Permits, etc. (defined below in "Tender Offer Preconditions"), and assumes that the Tender Offer will be launched on April 4, 2025. Details of the Tender Offer schedule will be announced as soon as they are determined. Even if the Board of Directors of the Target Company and the Target Company's Special Committee do not approve of the Tender Offer, the Tender Offeror plans to commence the Tender Offer as scheduled if all of the Tender Offer Preconditions are satisfied or waived by the Tender Offeror.</p>

⑦	Tender Offer Period	31 business days. However, during the tender offer period (the "Tender Offer Period"), share certificates and other securities tendered in the Tender Offer (the "Tendered Shares") will be purchased by the Tender Offeror. However, if the total number of Tendered Shares during the Tender Offer Period reaches the minimum number of share certificates, etc. to be purchased, the Tender Offeror will promptly notify the relevant shareholder of such fact and extend the Tender Offer Period to ensure 10 business days from the business day following such announcement date (however, if the total number of Tendered Shares reaches the minimum number of shares to be purchased within 21 business days from the commencement date of the Tender Offer, the Tender Offeror will not extend the Tender Offer Period because it has secured 10 business days from the business day following the date of the announcement to that effect to the last day of the Tender Offer Period). For details, please refer to <Tender Offer Period> below.
⑧	Tender Offer Agent	Mita Securities Co., Ltd. Monex, Inc. (Sub-Agent)

For details of the Transaction, please refer to the following, but as described in "(i) Purpose and Decision-Making Process Leading to the Decision to Conduct the Tender Offer" in "(2) Background, Purpose and Decision-Making Process of the Tender Offer, and Management Policy after the Tender Offer" in "2. Purpose, etc. of the Tender Offer, etc.", (i) by making the Target Company a wholly-owned subsidiary, the Tender Offeror believes that there is a high probability that synergies between the two companies will be realized in terms of products and technologies, production, and sales network and services, and that the two companies will maximize their corporate value. (ii) The Tender Offer Price has a premium of 41.94%, 54.67%, 67.89%, and 74.24% over the closing price of the Target Company's shares on the Prime Market of the TSE on December 26, 2024, the business day before the announcement of the scheduled commencement of the Tender Offer (base date) of the Tender Offer Price (7,750 yen), the simple average of the closing prices of the Target Company's shares on the Prime Market for the past one month (7,112 yen), the simple average of the closing prices for the past three months (6,552 yen) and the simple average of the closing prices for the past six months (6,313 yen), respectively, as described below in "Tender Offer Price". The premiums to the simple average closing prices of the most recent one-month, three-month, and six-month periods prior to the record date of the Tender Offer Price are based on 105 cases of tender offers for the acquisition of shares in target companies (excluding Tokyo PRO Market) by persons other than the issuer and its parent company, where the tender offeror (including its special related parties) had acquired the shares of the target company prior to the commencement of the tender offer and the tender offeror's shareholding ratio of the target company was below 33.34% before the tender offer (Note that cases involving REITs, unsuccessful cases, two-step tender offers and so-called discount tender offers, and cases in which the share price fluctuated due to competing tender offers, etc. prior to the commencement of the tender offer were excluded from the above analysis. Similar cases are excluded from the above analysis. (hereinafter referred to as "similar cases")). The premium is 11.62 points, 23.08 points, and 26.26 points higher than the median premium (43.05%, 44.81%, and 47.98%, respectively, of the simple average closing price for the last 1 month, 3 months, and 6 months prior to the announcement date) of the share price of the Company's common stock in the previous tender offer cases (the median premium for the last 1 month, 3 months, and 6 months prior to the announcement date is 43.05%, 44.81%, and 47.98%, respectively). (iii) As the PBR of the Target Company is less than 1x as of December 26, 2024, and the Tender Offer Price is equivalent to PBR of 1.19x, the Tender Offeror believes that the Tender Offer Price is a price at which the shareholders of the Target Company will enjoy a large premium.

In light of the above facts, we believe that the Transaction as a whole is a truly "desirable acquisition" as recommended for implementation in the Guidelines for Corporate Takeovers.

The Tender Offeror believes that the implementation of a transaction that enhances the corporate value of the Target Company and distributes fair consideration to the shareholders of the Target Company will be beneficial not only to the Target Company and its shareholders, but also to the Japanese economy and society as a whole, and as described in "(6) Fairness of the Transaction Procedures in Consideration of the Guidelines for Corporate Takeovers" under "'2. Purpose, etc. of the Tender Offer, etc.'" below. The Tender Offeror believes that it has complied with all the processes required of a tender offeror under the Guidelines for Corporate Takeovers throughout the Transaction, and it is assumed that the Target Company

will also take actions (Note 1) in line with the Guidelines. The Tender Offeror has appointed TMI Associates as its legal advisor for the Transaction and has received legal advice from the said law firm.

(Note 1) The Guidelines for Corporate Takeovers states, "In principle, upon receipt of a takeover proposal to acquire control of a company, the proposal shall be submitted or reported to the Board of Directors as soon as possible." "The Board of Directors will give 'serious consideration' to a 'serious takeover proposal'." "When the board of directors proceeds with 'serious consideration' of a 'serious acquisition proposal,' it will consider the pros and cons of the acquisition from the perspective of whether or not it will contribute to enhancing corporate value, while obtaining additional information about the acquisition proposal from the acquirer. At this time, (omitted) if the proposal is one that could reasonably be expected to increase corporate value because it indicates a purchase price that is reasonably higher than past share price levels, the directors and the board of directors should give it due consideration. It is also advisable for the board of directors to fully compare and consider, from a quantitative perspective, the acquisition price and corporate value enhancement measures proposed by the acquirer and those proposed by the current management team if they are to be managed by the current management team."

As of today, the Tender Offeror expects to commence the Tender Offer on April 4, 2025, in order to ensure a sufficient consideration period to obtain the understanding and approval of the Target Company and its shareholders for the Transaction, and in consideration of the expected completion date of the Procedures for Obtaining Necessary Permits, etc. Even if the Target Company requests to postpone the commencement of the Tender Offer, the Tender Offeror does not plan to postpone the commencement at this time, although it will depend on individual circumstances at that time. Although the Tender Offeror is not aware of any facts that would materially hinder the fulfillment of the Tender Offer Preconditions as of today, if additional time is required for the Tender Offeror to comply with regulations in various countries due to the discovery of circumstances regarding the Target Company Group's business that cannot be ascertained based on public information, etc., or for any other reason and in the event of any change in the assumed commencement date of the Tender Offer in the future, the Tender Offeror will promptly announce such change and the details of the schedule of the Tender Offer will be promptly announced as soon as they are determined.

### <Tender Offer Price>

The Tender Offer Price is expected to be 11,000 yen. However, the Tender Offer Price will be determined on the assumption that (a) no event has occurred that would permit the withdrawal of the Tender Offer as set forth in the proviso of Article 27-11, Paragraph 1 of the Act, and (b) no decision has been made by the Target Company's body that determines the execution of its business affairs regarding the distribution of surplus with a base date prior to the commencement date of settlement for the Tender Offer (the "Settlement Commencement Date") or the acquisition of treasury stock with an acquisition date. In the event of any event different from the assumptions in (a) or (b) above, the Tender Offeror may review the Tender Offer Price based on an amount equivalent to the per share impact of such event on the shares of the Target Company, and if the Tender Offeror decides to review the Tender Offer Price, it will conduct such review by the time of commencement of the Tender Offer.

In addition, (a) of the grounds on which withdrawal of the tender offer is permitted under the proviso of Article 27-11, Paragraph 1 of the Act, "Matters equivalent to the matters listed in (1) through (19) above" as set forth in Article 14, Paragraph 1, Item (i)(20) means (x) if the body that determines the execution of the Target Company's business affairs determines (i) a distribution of surplus with a base date before the Settlement Commencement Date (excluding those expected to be less than an amount equivalent to 10% (10,450 million yen (Note 2) of the book value of the net assets on the non-consolidated balance sheet of the Target Company as of the end of the most recent fiscal year) and (ii) in the event that the Target Company decides to pay a dividend of surplus with a base date before the Settlement Commencement Date without indicating a specific amount, and there is a possibility that such amount will be larger than an amount equivalent to 10% of the book value of the net assets on the non-consolidated balance sheet of the Target Company as of the last day of the most recent fiscal year, (y) if the

body that determines the execution of the Target Company's business affairs determines (i) to acquire all or part of the Target Company's shares (excluding those expected to be less than an amount equivalent to 10% (10,450 million yen) of the book value of the net assets on the non-consolidated balance sheet of the Target Company as of the end of the most recent fiscal year) and (b) if the Target Company's board of directors decides to submit a proposal for the acquisition of treasury stock to its general meeting of shareholders and (z) if the body that determines the execution of the Target Company's business affairs determines (i) to transfer, acquire, suspend or abolish the business, or dispose or transfer important assets, or (b) the decision is made to submit a proposal for the transfer, acquisition, suspension, or abolition of all or part of the above business, or the disposal or transfer of material assets to a general shareholders meeting of the Target Company. In addition, among the grounds for withdrawal of the Tender Offer set forth in the proviso of Article 27-11, Paragraph 1 of the Act, "facts similar to the facts listed in (1) through (9)" set forth in Article 14, Paragraph 1, Item 3(10) of the Enforcement Order means: (x) with respect to statutory disclosure documents filed by the Target Company in the past, there are false statements with respect to material matters, or material matters that should be stated are lacking and (y) in the case where a fact listed in (1) through (7) of the same item occurs in a material subsidiary of the Target Company.

(Note 2) According to "5. Status of Accounting 2 [Financial Statements, etc.] (1) [Financial Statements] 1) Balance Sheet" of the 85th Annual Securities Report (the "Target Company's Annual Securities Report") filed by the Target Company on June 21, 2024, the amount of net assets on the non-consolidated balance sheet of the Target Company as of March 31, 2024 was 104,502 million yen (net assets per share: 9,325.04 yen). According to the "Summary of Financial Statements for the Second Quarter (Interim) of the Fiscal Year Ending March 31, 2025 [Japanese GAAP] (Consolidated)" filed by the Target Company on October 31, 2024, the Target Company plans to pay a dividend of 100 yen per share at the end of the fiscal year ending March 31, 2025, which is equivalent to 10% of the amount of net assets per share on the non-consolidated balance sheet of the Target Company for the fiscal year ending March 31, 2024 (9,325.04 yen). This is far below the amount (932.50 yen) equivalent to 10% of the net asset value of the Target Company for the fiscal year ending March 31, 2024.

The Tender Offer Price (11,000 yen) (i) represents a premium of 41.94%, 54.67%, 67.89%, and 74.24% over the closing price of the Target Company's Stock on the Prime Market of the TSE (7,750 yen), the simple average closing price of the Target Company's shares for the most recent one-month period ending on the date of the Tender Offer (7,112 yen), the simple average closing price for the most recent three-month period ending on the date of the Tender Offer (6,552 yen), and the simple average closing price for the most recent six-month period ending on the date of the Tender Offer (6,313 yen), respectively. The premiums to the simple average closing price of the Tender Offer Price for the one-month, three-month, and six-month periods prior to the record date are 11.62%, 23.08%, 23.08%, and 23.08% points higher than the median premiums granted in similar cases (43.05%, 44.81%, and 47.98%, respectively, to the simple average closing prices for the one-month, three-month, and six-month periods prior to the business day prior to the announcement date), respectively. (ii) The record high price of the Target Company's Stock was 9,600 yen (June 1990, on an adjusted closing price basis), and the share price has never exceeded the Tender Offer Price since the Target Company's listing (iii) As of December 26, 2024, the PBR of the Target Company is less than 1x, and the Tender Offer Price is equivalent to PBR of 1.19x, and therefore the Tender Offeror believes that the Tender Offer Price is a price at which the shareholders of the Target Company can enjoy a large premium. Although it is difficult to quantify the synergies that the Target Company intends to realize through the Transaction at this time, the Tender Offeror believes that the Transaction, including the Tender Offer, will provide the shareholders of the Target Company with a reasonable opportunity to recover their investment that not only guarantees at a minimum the "benefits to be enjoyed by shareholders," that is, "value that can be realized without an acquisition," as stated in the Guidelines for Corporate Takeovers, but also fully guarantees a fair distribution of "value that cannot be realized without an acquisition."

#### <Tender Offer Period>

The Tender Offeror intends to set the Tender Offer Period at 31 business days. The Tender Offeror will (i) from today until the commencement of the Tender Offer, provide the Target Company's Board of Directors and the Target Company's Special Committee, which is expected to be established by the Target Company in the future, with a good faith explanation to obtain support for the Tender Offer, and in addition to the information in the Letter of Intent, the Tender Offeror will sincerely respond to any request from the Target Company's Board of Directors and the Target Company's Special Committee to provide additional information reasonably considered necessary to form an opinion on the Tender Offer, and will secure a necessary and sufficient period of time to do so; and (ii) to provide the Target Company and its shareholders with sufficient time to properly determine whether the Transaction is appropriate and whether the shareholders should tender their shares in the Tender Offer. Therefore, the Tender Offeror has decided to secure more than two months for such period, taking into consideration the expected completion date of the procedures for the Procedures for Obtaining Necessary Permits, etc., and has scheduled the Tender Offer Period to be 31 business days, which means that the Tender Offeror plans to commence the Tender Offer on April 4, 2025. In light of the fact that the Tender Offer is scheduled to commence on April 4, 2025, and that the Tender Offer Period is scheduled to be 31 business days, the Tender Offeror believes that, taken together, the Tender Offer provides the Target and its shareholders with more than four months to consider the Transaction from today until the last day of the Tender Offer Period, and thus provides sufficient time for the Target and its shareholders to consider the Transaction. In addition to the above, as described in "(ii) Setting of Conditions Intended to Eliminate Coercion" in "(6) Fairness of the Transaction Procedures in Consideration of the Guidelines for Corporate Takeovers" in "2. Purpose, etc. of the Tender offer, etc.", if the total number of shares tendered reaches the minimum number of shares to be purchased (11,694,400 units) (for details regarding such minimum number of shares to be purchased, please refer to "(1) Outline of the Tender Offer" in "2. Purpose, etc. of the Tender Offer, etc."), the Tender Offeror will promptly announce such fact (Note 3) and extend the Tender Offer Period to ensure 10 business days from the business day following the date of such announcement (provided, however, that if the total number of shares tendered reaches the minimum number of shares to be purchased, the Tender Offeror will not extend the Tender Offer Period because it has secured 10 business days from the business day following the date of the announcement to that effect to the last day of the Tender Offer Period). The Tender Offeror believes that this will allow it to separate the indication of intention (approval or disapproval) regarding the merits of the Transaction from the indication of intention whether or not to tender shares in the Tender Offer, thereby eliminating coercion, and will also provide an opportunity for more shareholders of the Target Company to tender their shares in the Tender Offer.

(Note 3) As a specific method of confirmation, the Tender Offeror will confirm that the total number of Tendered Shares has reached the minimum number of shares to be purchased (11,694,400 shares) during the Tender Offer Period (in the event that the Tender Offeror confirms, by the method described in this Note, that the total number of shares tendered has reached the minimum number of shares to be purchased and the Tender Offer Period is extended, during the Tender Offer Period after such extension. The same shall apply during the Tender Offer Period after such extension). The Tender Offeror plans to have the Tender Offer Agent (i) count the number of shares actually tendered in the Tender Offer Agent's securities account as of 3:30 p.m. every business day as a base time, and (ii) report to the Tender Offeror by 5:00 p.m. on the same day. If the total number of shares tendered as of such time reaches the minimum number of shares to be purchased (11,694,400 shares), the Tender Offeror plans to make a public announcement to that effect on the same day or the following business day based on such report. However, if the Tender Offeror cannot confirm that the total number of tendered shares has reached the minimum number of shares to be purchased by the base time of the business day immediately preceding the last day of the Tender Offer Period, and if the total number of Tendered Shares reaches the minimum number of shares to be purchased (11,694,400 shares) as of 3:00 p.m. on the last day of the Tender Offer Period, the Tender Offeror plans to announce such fact on the same day.

#### <Tender Offer Preconditions>

The Tender Offer is subject to the following preconditions (precondition (i) is hereinafter referred to as "Tender Offer Precondition (i)" and precondition (ii) as "Tender Offer Precondition (ii)"; collectively, the "Tender Offer Preconditions"). The Tender Offeror commence the Tender Offer Precondition (ii) only if all of the Tender Offer Preconditions are satisfied or waived by the Tender Offeror (provided, however, that the Tender Offeror may waive only the Tender Offer Precondition (ii)).

- ① All procedures required under domestic and foreign competition laws and foreign investment regulations to execute the Transaction (the "Procedures for Obtaining Necessary Permits, etc. ") have been completed or are reasonably expected to be completed by the end of the Tender Offer Period.
- ② (a) no event has occurred that would permit the withdrawal of the Tender Offer as provided for in the proviso of Article 27-11, Paragraph 1 of the Act; and (b) no decision on the distribution of surplus with a record date prior to the Settlement Commencement Date or the acquisition of treasury stock with an acquisition date prior to the Settlement Commencement Date has been made by the body that determines the Target Company's business execution.

(a) Recognition of the Tender Offeror with respect to the Tender Offer Precondition (i)

With respect to the specific details of the Procedures for Obtaining Necessary Permits, etc. set forth in the Tender Offer Precondition (i), the Tender Offeror has determined, based on the public information available as of today and to date, and after carefully examining the same using domestic and foreign law firms, that in order to execute the Transaction, (i) procedures under competition laws in Japan, the United States, China, EU, and Turkey, and (ii) procedures under foreign investment regulations in the United States, Germany, France, Italy, Slovakia, Spain and the Czech Republic will be necessary. Since the Tender Offeror has not discussed the Procedures for Obtaining Necessary Permits, etc. with the Target Company, if the details of the Target Company Group's business, which have not been publicly disclosed, become clear in the future and the Procedures for Obtaining Necessary Permits, etc. other than those mentioned above becomes necessary in light of such business details or the opinion of the supervisory authorities, the Tender Offeror will make a public announcement to that effect and the Tender Offeror will immediately take necessary measures to complete such procedures. However, as the Tender Offeror is not aware of any procedures other than those described above (procedures based on the competition laws of 4 countries and 1 jurisdiction and foreign investment restrictions in 7 countries) that may be required as a result of a careful examination of the Procedures for Obtaining Necessary Permits, etc. that may be necessary for the implementation of the Transaction based on advice from local legal counsel in each country, as described above, we plan to commence the Tender Offer on April 4, 2025, after taking steps to complete these procedures.

As of today, the Tender Offeror is taking necessary actions to complete the procedures for the Procedures for Obtaining Necessary Permits, etc., which the Tender Offeror recognizes to be necessary by the commencement of the Tender Offer Period, based on advice from attorneys in Japan and other countries, and the current status and future prospects are as follows. Even if the procedures are not completed by the commencement of the Tender Offer Period, all the procedures for the Procedures for Obtaining Necessary Permits, etc. are expected to be completed by the last day of the Tender Offer Period at the latest.

Jurisdiction	Relevant Laws and Regulations	Status Quo	Estimated Completion Date (tentative)
Japan	Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Competition Law)	Submissions are expected after today and before mid-January 2025.	Mid-March 2025
United States of America	Hart-Scott-Rodino Antitrust Improvements Act of 1976	Submissions are expected after today and before early	Early February 2025

	(Competition Law)	January 2025.	
China	Antitrust Law of the People's Republic of China (Competition Law)	Submissions are expected after today and before early January 2025.	Early April 2025
EU	Council Regulation No. 139/2004 of the European Union (Competition Law)	Submissions are expected after today through mid-January 2025.	Early April 2025
Turkey	Turkish Competition Law (Competition Law)	Submissions are expected after today and before early January 2025.	Early April 2025
United States of America	Committee on Foreign Investment in the United States (CFIUS) regulations (Foreign Investment Regulations)	The simplified notification (Declaration) scheduled to be submitted after today and before early January 2025.	Early April 2025 (at the lapse of the 30-day waiting period after receipt of the simplified notification (Declaration))
Germany	Order for Enforcement of the German Foreign Economic Law (Foreign Investment Regulations)	Submissions are expected after today and before early January 2025.	Early April 2025
France	French Monetary and Financial Code (Foreign Investment Regulations)	Submissions are expected after today and before early January 2025.	Early April 2025
Italy	Italian Legislative Decree No. 21/2012 (Golden Power Law) (Foreign Investment Regulations)	Submissions are expected after today and before early January 2025.	Early April 2025
Slovakia	Slovakia Foreign Trade Control Act (Foreign Investment Regulations)	Submissions are expected after today and before early January 2025.	Early April 2025
Spain	Spanish Foreign Investment Law (Foreign Investment Regulations)	Submissions are expected after today and before early January 2025.	Early April 2025
Czech Republic	Czech Republic Foreign Investment Screening Act (Foreign Investment Regulations)	Submissions are expected after today and before early January 2025.	Early April 2025

(b) Tender Offer Precondition (ii)

The Tender Offeror is not aware of the occurrence of any event falling under Tender Offer Precondition (ii) of the Tender Offer as of today. The Tender Offeror will waive the Tender Offer Precondition (ii) when revising the Tender Offer Price, even if any event that falls under the Tender Offer Precondition (ii) has occurred.

As of today, the Tender Offeror plans to commence the Tender Offer on April 4, 2025, after taking steps to complete the Procedures for Obtaining Necessary Permits, etc.; however, the Tender Offeror may postpone the commencement of the Tender Offer due to circumstances that cannot be ascertained on the basis of public information, etc. concerning the Target Company Group, which may require the Tender Offeror additional time to comply with regulations in various countries. However, the Tender Offeror will promptly announce the details of the schedule of the Tender Offer as soon as they are determined.

Although the Board of Directors of the Target Company has not yet given its approval for the execution of the Transactions, including the Tender Offer, as of today, the Tender Offeror has submitted to the Target Company a Letter of Intent dated today, which contains a detailed explanation of the details of the proposal including the significance and purpose of the Transactions, including the synergy effects of the implementation of the Transactions, the appropriateness of the consideration, and the transparency and fairness of the procedures. The Tender Offeror plans (i)



to provide the Target Company's Board of Directors and the Target Company's Special Committee, which is expected to be established by the Target Company in the future, with an explanation in good faith so that they may approve the Tender Offer from today until the commencement of the Tender Offer; and (ii) to respond sincerely to any request from the Target Company's Board of Directors and the Target Company's Special Committee to provide additional information reasonably considered necessary to form an opinion on the Tender Offer (the Tender Offeror will ensure a necessary and sufficient period for such purpose, and the Tender Offeror intends to provide the shareholders of the Target Company with sufficient time to make an appropriate decision on the merits of the Transaction and the application for the Tender Offer, and has determined that a period of at least two months is desirable as such period, and therefore, in light of the expected completion date of the Procedures for Obtaining Necessary Permits, etc., the Tender Offeror intends to commence the Tender Offer on April 4, 2025.)

However, the Tender Offeror plans to commence the Tender Offer as scheduled even if the Target Company's Board of Directors and the Target Company's Special Committee do not approve of the Tender Offer, if all of the Tender Offer Preconditions are satisfied or waived by the Tender Offeror. Even if the Target Company requests to postpone the commencement of the Tender Offer, the Tender Offeror does not plan to postpone the commencement at this time, although it will depend on individual circumstances at that time.

#### <Schedule for the Transaction, including the Tender Offer>

The following is a summary of the schedule for the Transaction, including the Tender Offer, as currently envisioned by the Tender Offeror.

Date of Submission of this Letter of Intent	Friday, December 27, 2024
Obtaining clearance under the Competition Law (Japan)	Mid-March 2025
Obtaining clearance under the Competition Act (U.S.)	Mid-March 2025
Obtaining clearance under the Competition Law (China)	Mid-March 2025
Obtaining clearance under Competition Law (EU)	Mid-March 2025
Obtaining clearance under the Competition Law (Turkey)	Mid-March 2025
Submission of a simplified notification (Declaration) in accordance with the Foreign Investment Regulations (U.S.) and the lapse of such waiting period	Early April 2025
Obtaining clearances in accordance with foreign investment regulations (Germany)	Early April 2025
Obtaining clearances in accordance with foreign investment regulations (France)	Early April 2025
Obtaining clearances in accordance with foreign investment regulations (Italy)	Early April 2025
Obtaining clearance under the Foreign Investment Regulation (Slovakia)	Early April 2025
Obtaining clearances in accordance with foreign investment regulations (Spain)	Early April 2025
Obtaining clearances in accordance with the Foreign Investment Regulation (Czech Republic)	Early April 2025
Date of Public Notice of Commencement of Tender Offer	Friday, April 4, 2025 (tentative)
Filing date of the Tender Offer Notification	Friday, April 4, 2025 (tentative)

## 2. Purpose, etc. of the Tender Offer, etc.

### (1) Outline of the Tender Offer

At a meeting of the Board of Directors held on December 26, 2024, the Tender Offeror resolved to conduct a tender offer for all of the shares of the Target Company (excluding treasury stock) listed on the Tokyo Stock Exchange Prime Market, subject to the condition that all of the preconditions for the tender offer are satisfied or waived by the Tender Offeror, with the aim of making the Target Company a wholly-owned subsidiary of the Tender Offeror.

As of today, the Tender Offeror does not own any shares in Target Company. However, there is a possibility that Tender Offeror will acquire 100 shares (shareholding ratio: 0.00%) by the time the tender offer begins, from the perspective of ensuring the possibility of exercising our rights as Target Company's shareholders, such as requesting to view or photocopy Target Company's shareholder register.

In order to avoid a situation where the Tender Offer fails to be implemented and the "desirable acquisition," the Transaction does not take place, despite the fact that the Tender Offer received a level of applications that would reasonably be expected to result in the approval of the proposal for the Share Consolidation (defined in "5. Policy on organizational restructuring post Tender Offer (i.e. matters concerning so-called two-step acquisition" below. The same applies hereinafter.), the Tender Offeror has set the minimum number of shares to be purchased through the Tender Offer at 11,694,400 shares (Ownership Ratio: 50.00%) (Note 1, 2), and (i) if the total number of Tendered Shares is less than 11,694,400 shares, the Tender Offeror will not purchase all of the Tendered Shares, but (ii) if the total number of Tendered Shares reaches 11,694,400 shares during the Tender Offer Period (for the method of confirmation, etc., please refer to "(Note 3) of '<Tender Offer Period>' below), Tender Offeror plans to promptly announce this and extend the Tender Offer Period so that Tender Offeror can secure 10 business days from the business day following the date of the announcement (However, if the total number of Tendered Shares reaches the minimum number of shares to be purchased within 21 business days from the start of the Tender Offer Period, Tender Offeror will not extend the Tender Offer Period, as Tender Offeror will have secured 10 business days from the business day following the date of the announcement to the last day of the Tender Offer Period.). As a result, shareholders who oppose the Transaction will have 10 business days from the announcement that the total number of Tendered Shares has reached the minimum number of shares to be purchased (i.e. that the Tender Offer is expected to be successful) to indicate their opposition to the transaction by not tendering their shares in the tender offer, and if there is a public announcement that the total number of Tendered Shares has reached the minimum number of shares to be purchased (i.e., that the Tender Offer is expected to be successful), they will be able to indicate their intention as to whether or not to tender their Tender Shares in the Tender Offer within 10 business days from the date of such public announcement. Therefore, Tender Offeror can separate their expression of intent regarding the pros and cons of the transaction (approval or disapproval) from the expression of intent regarding whether or not to apply for the Tender Offer, and Tender Offeror intends to eliminate coercion by doing so. The Tender Offeror also believes that Tender Offeror can provide more of Target Company's shareholders with the opportunity to apply. On the other hand, since Tender Offeror intends to make Target Company a wholly owned subsidiary of the Tender Offeror by acquiring all of Target Company's shares (excluding treasury stock held by the Target Company) through the Tender Offer, Tender Offeror have not set the maximum number of shares to be purchased, and if the total number of Tendered Shares exceeds the minimum number of shares to be purchased (11,694,400 shares), Tender Offeror will purchase all of the Tendered Shares.

(Note 1) The minimum number of shares to be purchased is 11,694,400 shares (Ownership Ratio: 50.00%), which is calculated by multiplying the number of voting rights (116,944) that is a majority of the number of voting rights (233,887) associated with the number of shares (23,388,772) by the number of shares that is the number of Target Company's trading units (100). The number of shares (23,388,772) is obtained by deducting the number of treasury shares (1,505,069 shares) held by Target Company as of November 30, 2024, as stated in the Target Company's report on the status of purchase of treasury shares, from the total number of issued shares of the Target Company (24,893,841 shares) as of the same date, as stated in the Target Company's report on the status of purchase of treasury shares. The minimum number of shares to be purchased may be adjusted based on the

total number of Target Company's outstanding shares and treasury shares at the time of commencement of the Tender Offer.

(Note 2) As the fair M&A guidelines formulated by the Ministry of Economy, Trade and Industry (METI) on June 28, 2019, noted that “in recent years, the scale of passive index investment funds (Note 3) has been expanding as a trend in Japan's capital markets, and among these funds, there are investors who, in principle, do not apply for tender offers regardless of the appropriateness of the terms and conditions of the offer,” Tender Offeror understands that, while some of the domestic passive index funds that own Target Company's shares will not, in principle, tender their shares in the tender offer regardless of the appropriateness of the terms of the offer, there are those that, in light of past cases, have a policy of exercising their voting rights in favor of proposals for share consolidation at the general meeting of shareholders in subsequent squeeze-out procedures. Furthermore, based on the shareholder situation (hereinafter referred to as the “Shareholder Situation of Target Company”) described in the securities report of Target Company, it is considered that there is a certain number or more of Target Company's shares owned by such domestic passive index management funds, and therefore, our company has requested Mita Securities Co. (“Mita Securities”) to estimate the number of Target Company's shares that are expected to be held by domestic passive index management funds and the number of Target Company's shares that are expected to be tendered in the Tender Offer given the premium level of the Tender Offer Price, based on publicly available information and information from information vendors that provide data on financial markets and other topics. The Tender Offeror also believe that there are a certain number of shareholders who hold Target Company's shares for the purpose of policy holding or similar purposes, and that if Target Company were to express an opinion other than approval of the Tender Offer, there would be a certain number of shareholders who would understand the opinion of Target Company's board of directors and refrain from tendering their shares. Therefore, in addition to the above request, Tender Offeror also asked Mita Securities to consider the voting behavior of shareholders at the Extraordinary Ordinary Shareholders' Meeting (as defined in “5. Policy on organizational restructuring post Tender Offer (i.e. matters concerning so-called two-step acquisition” below. The same applies hereinafter.) for the proposal of the Share Consolidation, which would be expected in the event that the Tender Offer is successful and Tender Offeror comes to hold more than 50.00% of Target Company's shares (i.e., in the event that Tender Offeror becomes Target Company's parent company), even though it is not expected that any of Target Company's shares will be tendered in the event that Target Company expresses an opinion other than approval of the Tender Offer. As a result, Tender Offeror received a report from Mita Securities as follows; while it is uncertain at this point whether or not to tender to the Tender Offer, it is expected that the voting rights for the proposal regarding the Share Consolidation will be exercised, and while it is difficult to make a precise estimate, in addition to the number of Target Company's shares held by domestic passive index management funds (approximately 13.05 %) (Note 4), as well as the number of shares held by Target Company's related parties (the foundation whose representative director is Jiro Makino, the founder and former representative director of the Target Company (the “Foundation”), and the officers of the Target Company) (3.82%) and the number of shares held by Target Company's cross-shareholding partners (7.25%) (Note 5), it is expected that the percentage of shares held will reach approximately 24.12%, and even if the number of shares of Target Company held by Tender Offeror after the Tender Offer is close to the minimum number of shares to be purchased, it is expected that the requirements for the approval of the resolution for the Share Consolidation will be met. Therefore, even if the number of Target Company's shares held by Tender Offeror after the completion of the Tender Offer is the minimum number of shares to be purchased (over approximately 50.00%), it is expected that the number of Tender Offeror's shares for which voting rights in favor of the proposal for the Shares Consolidation will be exercised will reach approximately 74.12%. Even if the voting rate at the Extraordinary Shareholders' Meeting were 100%, it is expected to exceed the two-thirds majority required for a special resolution to be passed, and in fact, the number of shares required to pass the resolution on the Share Consolidation is equivalent to the maximum voting rate (approximately 84%) (Note 6) , it is estimated that the

number of the Target Company's shares for which voting rights are expected to be exercised in favor of the proposal for the Share Consolidation (approximately 74.12%) will easily exceed this level. Therefore, even when conservatively estimated, it is expected that the requirements for the approval of the proposal regarding the Share Consolidation will be met. Based on this opinion, the Tender Offeror, which aims to make the Target Company its wholly-owned subsidiary through the Tender Offer, confirmed that there was nothing unreasonable in Mita Securities' opinion, and decided on the minimum number of shares to be purchased as the minimum number of shares to be purchased, which would maximize the probability of the Tender Offer's success, at a level where the approval of the proposal for the Share Consolidation is reasonably expected.

(Note 3) "Passive index management funds" are funds that aim to secure a rate of return on investment that is on par with the market average by managing investment assets, including stocks, with the aim of linking investment results to indices such as stock price indices that serve as market benchmarks.

(Note 4) The Tender Offeror has obtained the following opinion from Mita Securities, and the Tender Offeror agrees with this opinion. Namely, although there are some passive index funds that hold Target Company's shares and have exercised their voting rights against proposals for reverse stock splits aimed at squeezing out other companies in the past, citing reasons such as the fact that the economic conditions are insufficient and the transaction does not benefit general shareholders, the Tender Offer Price (¥11,000 per share) is 1) the closing price of Target Company's shares on the Tokyo Stock Exchange Prime Market on December 26 2024, which is the business day before the announcement of the scheduled launch of the Tender Offer (¥7,750), the simple average of the closing prices for the most recent one month up to that date (¥7,112), the simple average of the closing prices for the most recent three months up to that date (¥6,552), and the simple average of the closing prices for the most recent six months up to that date (¥6,313), and the price is the sum of a premium of 41.94%, 54.67%, 67.89%, and 74.24% respectively, and compared to the median of the premiums granted in Similar Transactions (i.e. final simple average price for the one-month, three-month, and six-month period up to the business day before the announcement of 43.05%, 44.81%, and 47.98% respectively), the figures are higher by 11.62 points, 23.08 points, and 26.26 points respectively; 2) since listing, Target Company's share price has not exceeded the Tender Offer Price since peaking at 9,600 yen (June 1990, adjusted closing price); and 3) as of December 26, 2024, Target Company's PBR (price book-value ratio) is less than 1, while the Tender Offer Price is equivalent to a PBR of x1.19 (for details, please refer to "Tender Offer Price"), Tender Offeror believes that the Transaction falls outside aforementioned reasons, and that it can be expected to receive affirmative votes from all passive index funds that hold Target Company's shares.

(Note 5) The Tender Offeror believes that the Transaction falls under the category of a "desirable acquisition" under the Guidelines for Corporate Takeover and will not only contribute to the improvement of the Target Company's corporate value, but is also an attractive transaction for its shareholders and business partners, and the Tender Offeror is confident that many shareholders, including shareholders of business corporations, will endorse and tender their shares. However, given the situation of the Target Company's shareholders, there are a certain number of shareholders who hold the Target Company's Stock as policy holdings or for similar purposes, and it is possible that the Tender Offeror's Ownership Ratio will remain between 50% and two-thirds, even if the Tender Offer is successfully finished. In addition to the domestic passive index management funds, the Tender Offeror assumes that some of the shareholders which do not tender their shares in the Tender Offer, and which hold the Target Company's Stock for the purpose of policy holding or similar purposes will vote in favor of the proposal for the Share Consolidation at the Extraordinary Shareholders' Meeting, as described below. Specifically, the Tender Offeror has obtained the following views from Mita Securities, which is scheduled to serve as the tender offer agent for the Tender Offer, and the Tender Offeror agrees with such views. (i) With respect to the Target Company's Stock owned by the Foundation among the Target Company's Stock owned by the related parties of the Target Company, the Foundation, in its Articles of Incorporation, has the philosophy of sound development of the machine tool industry to which the Target Company belongs while using the Target Company's Stock as basic assets, and no conflict of interest has been confirmed between the Target

Company and the Foundation. Therefore, it is considered that the Foundation will respect the opinions of the Board of Directors of the Target Company, and with respect to the Target Company's Stock held by the directors of the Target Company, it is considered that the Board of Directors of the Target Company is unlikely to take any action contrary to the decision making of the Target Company, given the relationship that the Board of Directors of the Target Company is a collegial body composed of directors, If the Target Company expresses an opinion other than in favor of the Tender Offer, these shareholders are expected to understand the opinion of the Target Company's Board of Directors and refrain from applying for the Tender Offer, and given that the Target Company's Stock held by the cross-shareholding counterparties of the Target Company are held by the counterparties, etc. for policy holding or similar purposes. If the Target Company expresses an opinion other than in favor of the Tender Offer, it is expected that the Target Company's Board of Directors will understand such opinion and refrain from applying for such shares. (ii) On the other hand, if the Tender Offer is consummated without the Target Company's Board of Directors expressing an opinion in favor of the Tender Offer and the Tender Offeror becomes the new parent company of the Target Company, the Transaction will not only contribute to the improvement of the Target Company's corporate value, but will also benefit the Target Company's business partners, who are important stakeholders, as well as the Target Company's shareholders, including related parties. Given that the Transaction is considered to be a sincere proposal that not only contributes to the improvement of the Target Company's corporate value but also focuses on the interests of the Target Company's shareholders, including the interests of the Target Company's business partners, which are important stakeholders, and the Target Company's related parties, it is generally expected that the Target Company's board of directors will show a certain understanding of the management policies, etc. of the Tender Offeror, the new parent company, and conduct its business operations under policies consistent with those of its parent company. In addition, it is expected that the Target Company's related parties will also understand such management policies, etc. (Note 7) along with such understanding of the Target Company, and based on such change in circumstances, even those shareholders which understood the current Board of Directors of the Target Company and refrained from tendering their shares as set forth in (i) above are expected to vote for the proposal for the Share Consolidation at the Extraordinary General Shareholders' Meeting in principle. The Tender Offeror has received such view from Mita Securities.

(Note 6) According to the Annual Securities Report of the Target Company, the number of voting rights as of the record date of the 85th Annual General Meeting of Shareholders of the Target Company held on June 20, 2024 was 236,739, but according to the Extraordinary Report submitted by the Target Company on June 27, 2024, the average number of voting rights exercised was 187,094 for all proposals, which corresponds to approximately 79% (rounded to the nearest whole number) of the total number of voting rights exercised. Similarly, when calculating the voting right exercise ratios for previous years, the 84th annual general meeting of shareholders was approximately 76%, the 83rd annual general meeting of shareholders was approximately 83%, the 82nd annual general meeting of shareholders was approximately 84%, and the 81st annual general meeting of shareholders was approximately 78%, and the maximum ratio of voting rights exercised at the Target's last five annual general meetings of shareholders was approximately 84% (the "Maximum Voting Rights Exercised Ratio"). Please note that when considering the number of voting rights required to approve the proposal for the Share Consolidation, the ratio of voting rights exercised at the Target Company's most recent general meeting of shareholders should be worthwhile considered as a reference, and since there may be a view that using only a single year's data as a reference value is not necessarily sufficient, the Target Company's Maximum Voting Rights Exercised Ratio was used conservatively.

According to the analysis of the same type of case (Note 8) as the Tender Offer by Mita Securities, the ratio of voting rights exercised by shareholders other than the tender offeror in relation to the reverse stock split proposal (squeeze-out proposal) after the completion of the tender offer is considered to be significantly lower than the ratio of voting rights exercised at ordinary general meetings of shareholders, Mita Securities has taken the view that it is reasonable to conservatively use the Target Company's Maximum Voting Rights Exercised Ratio in

light of the said reasons, because the actual ratio of voting rights exercised is estimated to be approximately 40% (Note 9), which is lower than the Maximum Voting Rights Exercised Ratio of the Target Company.

- (Note 7) According to Mita Securities, after the Tender Offer, the Tender Offeror intends to work with the Target Company to transform the machine tool industry and become one of the world's leading machine tool manufacturers, while the Foundation has a similar philosophy (according to the Articles of Incorporation of the Foundation, the purpose of the Foundation is "to contribute to the sound development of the machine tool industry and to the development of the national economy by improving the quality and performance of machine tools and by improving and rationalizing the production and use of machine tools through the support of research into basic and applied technologies related to the development, production and use of machine tools.), therefore that Mita Securities believes that, after the Tender Offer, the Foundation will have an understanding of the Tender Offeror's management policies and other matters. According to the said Articles of Incorporation, the exercise of voting rights for the Target Company's Stock held by the Foundation will be decided with the approval of the Board of Directors of the Foundation (approval of two-thirds or more of the total number of directors), and the voting rights for the proposal for Share Consolidation at the Extraordinary Shareholders Meeting will not be exercised based solely on the intention of the founding family of the Target Company.
- (Note 8) A total of 60 similar cases since January 2020, which were cases in which reverse stock splits were selected as the method at the time of squeeze-out, were analyzed.
- (Note 9) The average ratio of voting rights exercised in relation to a share consolidation proposal (squeeze-out proposal) in the same type of case as in (Note 8) above (provided, however, that the number of units exercised by the tender offeror is excluded from such calculation) is approximately 40%. The average of such ratio divided by the ratio of voting rights exercised at the latest ordinary general meeting of shareholders of the target company in each case is approximately 55%, which is approximately half of 100%, and therefore, the ratio of voting rights exercised by shareholders other than the tender offeror with respect to the share consolidation proposal (squeeze-out proposal) tends to be much lower than the ratio of voting rights exercised at ordinary general meetings of shareholders.

In addition, if the Tender Offer is successfully consummated but the Tender Offeror does not acquire all of the Target Company's Stock (excluding treasury shares held by the Target Company) in the Tender Offer and, if, as a result of the Tender Offer, (i) the Tender Offeror comes to hold Target Company's Stock representing 90% or more of the total voting rights of all shareholders of the Target Company, (ii) the Tender Offeror comes to hold two-thirds or more, but less than 90%, of the voting rights of all shareholders of the Target Company, and (iii) the Tender Offeror does not come to hold shares equivalent to two-thirds (2/3) or more of the voting rights of all shareholders of the Target Company, the Tender Offeror plans to implement the Squeeze-Out Procedure as set forth in "(3) Policy on Matters including Organizational Restructuring after the Tender Offer (Matters concerning the So-Called Two-Step Acquisition)" below. In the event of (ii) and (iii) above, the Tender Offeror plans to request the Target Company to hold the Extraordinary Shareholders' Meeting (as set forth in "(3) Policy on Matters including Organizational Restructuring after the Tender Offer (Matters concerning the So-Called Two-Step Acquisition)" below. The same applies below). As set forth in (Note 2), (Note 4) and (Note 5) above, the Tender Offeror believes that even in the case of (iii) above, the requirements for the approval of the proposal for the Share Consolidation at the Extraordinary Shareholders' Meeting are expected to be satisfied.

Provided, however, that in the case of (iii) above, there is a possibility that the proposal for the Share Consolidation will be rejected at the Extraordinary Shareholders' Meeting. However, even if such proposal is rejected, the Tender Offeror intends to ultimately acquire all of the Target Company's Stock (excluding treasury shares held by the Target Company).), the Tender Offeror intends to acquire additional shares of the Target Company until it reaches the number of shares equivalent to the number of voting rights obtained by multiplying the number of voting rights at the next general shareholders' meeting to be held for approval of the Share Consolidation by two-thirds (2/3), and will request such shareholders' meeting (such additional acquisition and subsequent (With respect to the period required for such

additional acquisition and subsequent approval of the Share Consolidation by the General Shareholders' Meeting, it is difficult to specify a definite timing at this time, as it depends on market conditions and other circumstances, and the Tender Offeror will announce such timing when a specific expected timing becomes known). The Tender Offeror plans to make such additional acquisition through in-market transactions, tender offers, and off-market purchases other than tender offers (limited to cases permitted under the law). If the Tender Offer is successfully consummated, the Tender Offeror will not change its policy of making the Target Company a wholly-owned subsidiary regardless of such expected timing.

Please note that the consideration to be paid by the Tender Offeror to the shareholders in the above additional acquisition will be a price that is evaluated to be economically equivalent to the Tender Offer Price for the shareholders who sold their shares in response to such additional acquisition (unless the Target Company takes any action that requires adjustment of the consideration to be paid, such as a stock split or stock consolidation, the consideration per share will be the same as the Tender Offer Price).

## **(2) Background, Purpose and Decision-Making Process of the Tender Offer, and Management Policy after the Tender Offer**

### **① Purpose and Decision-Making Process of the Tender Offer**

#### **I. About the Tender Offeror's Group**

The Tender Offeror was established in 1973, and this year marks the 51st year since its establishment with a commitment to and pride in the manufacturing industry. 2,347.159 billion yen in sales for the fiscal year ending March 31, 2024 (consolidated basis), the highest ever recorded sales in the Tender Offeror, and the total number of group companies in 48 countries and regions worldwide. The total number of group companies is 349 in total, including 345 consolidated subsidiaries and four-equity method affiliates in 48 countries and regions worldwide (collectively with the Tender Offeror, the "Tender Offeror's Group"), with 101,112 employees (as of March 31, 2024) working together. In the stock market, the market value of the Tender Offeror is 3,255.7 billion yen (based on the closing price on December 26, 2024).

In addition to organic growth, the growth of the Tender Offeror's Group over the past half century into a corporate group with consolidated sales of over 2 trillion yen has been supported by the aggressive M&A activities in the global market that the Tender Offeror has been involved in since its establishment, with 74 domestic and overseas companies having joined the Tender Offeror's Group to date. The Tender Offeror believes that through M&A, it has been able to enter new markets and continue to grow by combining advanced technology, know-how, and excellent human resources, and M&A is one of the sources of this growth. As set forth below, the participation of a new company brings new winds and positive changes to both parties, and the Tender Offeror believes that it has continued to meet the needs of our customers by continuously introducing new products and technologies, including those that the Tender Offeror only by itself would not have been able to do. Furthermore, the Tender Offeror believes that companies that have joined the Tender Offeror's Group are actively engaged in mergers and acquisitions, and that the Tender Offeror's Group as a whole is playing an active role in achieving further growth. As an example, the press machine business of the Tender Offeror's Group is based on Kyori Kogyo Corporation (currently Nidec Drive Technology Corporation (now "Nidec Drive Technology")), which joined the group in 1997 and the original press machine business of the Tender Offeror was merged into Kyori Kogyo Corporation, and Nidec Drive Technology acquired US Minster (now "Nidec Minster"), a leading press machine manufacturer in the U.S., in April 2012 in order to achieve further growth through global expansion. Nidec Minster was founded in 1901 and had a long history of manufacturing large mechanical presses for beverage cans, motors, batteries, and other products. The owner-manager of Nidec Minster continued to be involved in management at Nidec Minster after joining the Tender Offeror's Group

and promoted M&A strategies, which the Tender Offeror believes is driving the growth of the Tender Offeror's press machine business. In 2015, Arisa (now "Nidec Arisa"), a Spanish company that specializes in large servo presses (Note 1), In March 2017, the Tender Offeror spearheaded the acquisition of VAMCO INTERNATIONAL (now "Nidec Vamco"), a U.S. manufacturer of press machine high speed feeders (Note 2), and in February 2019, SYS (now "Nidec SYS"), a German manufacturer of peripheral equipment for press machines. The Tender Offeror continues to expand its own lineup of press machine bodies and peripheral functions so that it can make optimal proposals to various industries and customer segments, including the automotive industry, beverage cans, and motor cores. In addition, by dividing its production bases into three regions, North America (Canada, the U.S., and Mexico), Europe (Spain and Germany), and Asia (China and Japan), the Tender Offeror has made mergers and acquisitions that will generate stable earnings that are less susceptible to the adverse effects of the external regional environment. In recent years, in order to add more value, in August 2023 the Tender Offeror acquired Automatic Feed Company of the United States, a manufacturer of die cutting equipment and peripheral equipment for presses, which is a front-end process, and in October 2024 the Tender Offeror acquired Liner Transfer Automation Inc. of Canada, a developer and manufacturer of transfer equipment (Note 3) and production automation equipment for the back-end process. As a result, the Tender Offeror is able to further enhance our one-stop solution capability (Note 4), increase customer convenience, and broaden our customer base. By promoting these M&A strategies, the press machine business will achieve sales of 66.7 billion yen in FY2023 and continue to grow further, aiming for 200 billion yen in the future.

- (Note 1) A press machine is a machine that forms products by placing a metal plate between metal molds and applying strong force. Servo press machines are press machines that use servo motors to precisely control the slide motion of the drive unit during pressing by automatically controlling the position and speed with a servo driver.
- (Note 2) A press machine high-speed feeder is a peripheral device of a press machine that supplies sheet metal to be processed by the press machine at a specified speed to the press machine.
- (Note 3) Transfer equipment refers to equipment that automatically transfers the object between forming processes in the forming process by press machines, or peripheral equipment of press machines to automatically transfer the object between press machines in a processing line with multiple press machines.
- (Note 4) One-stop solution capability refers to the capability to provide a complete set of equipment necessary for a sheet metal forming line when a customer introduces a facility by adding not only a press machine alone but also peripheral equipment such as equipment for the front-end process of handling metal sheets and automatic conveyors for workpieces after press working to the product lineup. This is the capability to provide a complete set of equipment necessary for a sheet metal forming line when a customer introduces equipment.

In line with this trend, the Tender Offeror has positioned the machine tool business as a new pillar of its business from 2021 onward, and has welcomed Mitsubishi Heavy Industries Machine Tool Corporation (now Nidec Machine Tool Corporation ("Nidec Machine Tool")) (2021), OKK Corporation (now Nidec OKK Corporation ("Nidec OKK")) (2022), PAMA S.p.A., Italy (2023), and last year, TAKISAWA Co. ("TAKISAWA") into the Tender Offeror's Group last year. Aiming to become "one of the world's leading comprehensive machine tool manufacturers," the Tender Offeror continues to grow through organic growth and M&A. It is the Tender Offeror's policy to continue to use the brands of companies that have joined the group if they can be used. This is out of respect for the companies that have built up a long history and a desire to reform and grow "together" with them, rather than from the perspective of completely incorporating them into the Tender Offeror. The Tender Offeror believes that the Tender Offeror has grown at full speed for 51 years since its establishment. During that time, the Tender Offeror has faced many major changes in the business environment, but it has continued to transform itself to become a "global company that will continue to grow



for over 100 years. The Tender Offeror will continue to provide more convenient and eco-friendly products to the world, and grow continuously to become the "World's No. 1 Solution Company" that moves the world and changes the future.

II. Background of the proposal to become "one of the world's leading comprehensive machine tool manufacturers" together

Since its establishment, the Tender Offeror has been working hard every day in each and every market with a sense of pride that manufacturing remains Japan's core national strength. According to the Ministry of Economy, Trade and Industry (METI), the manufacturing industry will account for approximately 20% of Japan's GDP by 2021, and will remain a key industry supporting Japanese economy (Note 5). The foundation that supports this manufacturing industry is the machine tools we are engaged in, which are highly regarded in the global market for their superior technology and attentive customer support. The Tender Offeror believes that the environment in Japan is such that there are more than 80 companies vying with each other and management is greatly affected by economic fluctuations. In this environment, there is no choice but to curtail investments necessary for sustained growth (Note 6). At the same time, global competition is intensifying due to the emergence of countries and companies that have positioned machine tool manufacturing as a national priority and continue to grow. The Tender Offeror believes that the major changes in the competitive environment on a global scale seen in the cell phone, personal computer, consumer electronics, and automobile industries are likely to occur in the machine tool industry as well. We believe it is absolutely necessary for us to fight and win in the global market in order to keep abreast of major changes in the market environment and to continue to advance the functions, quality, productivity, and proposal capabilities required of machine tools. Furthermore, the METI has been active in mergers and acquisitions in Japan in accordance with its newly formulated Guidelines for Corporate Takeovers, and the Tender Offeror believes that M&A activity is picking up in Japan, and momentum for acquisition is growing not only from Japanese companies but also from foreign companies. (Note 5) Source: "FY2023 Policies for the Promotion of Core Manufacturing Technology," Chapter 1, "Business Conditions," published by the METI on May 31, 2023.

(Note 6) Source: List of members as of December 24, 2024 published on the website of the Japan Machine Tool Builders' Association (<https://www.jmtba.or.jp/memberlist/company/>)

Since the acquisition of Nidec Machine Tools in 2021, the Tender Offeror's machine tool-related sales have already surpassed 100 billion yen. Nidec Machine Tools improved its performance from consecutive losses for several months immediately prior to joining the Tender Offeror's Group to double-digit operating profit margins in a short period of time. TAKISAWA joined the group through a tender offer in December 2023, and immediately started management reforms and continued to improve its performance. TAKISAWA has continued to improve its business performance. TAKISAWA has been breaking new ground by utilizing Nidec Machine Tool's gear machining technology and adding highly specialized gear machining functions to its CNC multi-tasking lathes. At JIMTOF machine tool fair held in Tokyo in October 2024, Nidec Group's machine tool manufacturers hosted joint exhibitions; for Takisawa, this translated into over five times as many customer visits compared to two years ago when the company was exhibiting on its own, resulting in potential for new customer opportunities. Going forward, the Tender Offeror aims to achieve a sales level of 600 billion yen in the machine tool business by 2030. With strong determination, the Tender Offeror hopes to transform the industry and become one of the world's leading comprehensive machine tool manufacturers. Unlike other domestic machine tool manufacturers, the Tender Offeror started out by manufacturing motors and is now proud to survive in the severely competitive environment of the global market with a wide range of applications for all "things that turn and move" including motors and gears. The Tender Offeror believes that it is not limited in its vision to the machine tool industry, but has the corporate DNA to improve management, which is different from simply reducing costs by upgrading and combining technologies, strengthening marketing and sales. In

recent years, while competing head-on with Chinese companies and companies from other developed countries, the Tender Offeror believes that the Tender Offeror has increased its competitiveness, even though its failures, as a truly global company that faces the market through management that emphasizes local perspectives at each of its overseas bases. As a manufacturer of machine tools and a user of machine tools for a wide range of industries, the Tender Offeror believes that the Tender Offeror has rare and unique characteristics that enable it to develop its business with a broad vision for the future in terms of innovation and technology. As an actual example, Nidec Drive Technology has improved customer satisfaction through the development of silent reduction gears by applying Nidec Machine Tool's gear machining technology. In addition, TAKISAWA developed a multi-tasking lathe that integrates machining processes for products within the Tender Offeror's Group, enabling in-house production within the Tender Offeror's Group. The Tender Offeror believes that this was an achievement because TAKISAWA was able to develop the product based on its understanding of the user side and its products, even though it was within the group. The ability to provide such user-friendly products not only within TAKISAWA's own customers but also to other customers is one of the positive "changes" after joining the Tender Offeror's Group. Joint purchasing and intra-group optimization of the supply chain in cooperation with domestic and overseas group companies have been achieved, as well as improvement of CCC (Note 7) on the financial side. In terms of human resources, the Tender Offeror's Group has optimized human resource allocation by developing a cooperative system among Nidec Machine Tools, Nidec OKK, and TAKISAWA, and believes that it has improved customer satisfaction by expanding the knowledge of service staff and raising the level of service capabilities. Since the Tender Offeror's Group participates in a wide range of fields, it may take the position of a customer in one particular field and a supplier in another, even as a competitor in a certain field. For this reason, the companies that have joined the Tender Offeror's Group to date have consistently followed a policy of respecting and carefully continuing business relationships with their customers.

(Note 7) Abbreviation for "cash conversion cycle," which the number of days sales receivables are turned over plus the number of days inventory is turned over minus the number of days accounts payable are turned over.

As a result of the Tender Offeror's continuous M&A activities since its inception, the Tender Offeror is proud to be a truly global company that can utilize diverse human resources around the world and collaborate efficiently within the group. The Tender Offeror believes that the worldwide utilization of connections among Tender Offeror's Group companies and with the Tender Offeror's Group's customers (IT, OA, automotive, consumer electronics, commercial, industrial, and aerospace) will increase new sales opportunities for the Target Company and greatly expand the potential for business expansion. The Tender Offeror believes that the Target Company has a reputation and history as one of Japan's leading machine tool manufacturers with superior technology, and it hopes that all of the Target Company's management and employees will continue to be active in the same basic way as before. Furthermore, the Tender Offeror believes that the Target Company's corporate value can be enhanced through collaboration with the Tender Offeror's Group companies, and that the Target Company can become one of the world's leading comprehensive machine tool manufacturers and grow together as a member of a group of solution companies aiming to become the world's No. 1 machine tool manufacturer.

### III. Challenges faced by major Japanese machine tool manufacturers, including the Target Company

#### ① Challenges faced by Japan's major machine tool manufacturers

According to a report by the METI's Manufacturing Industries Bureau for the year 2023 (Note 8), sales in Japan's manufacturing industry have remained flat at around 400 trillion yen for the past 25 years. The machine tool industry as a whole is a cyclical industry that is influenced by global capital investment trends, such as new

and renewal investment, automation investment, etc., mainly in the automobile industry and general machinery, which account for about 17% of the manufacturing industry. In order to break away from this structure as much as possible, the Tender Offeror has been promoting high value-added products and services, globalization, and solution-oriented products and services through its efforts over the years. On the other hand, macroeconomic factors such as industrial policies and exchange rate trends in each country have a direct impact on overall capital investment trends and the performance of individual companies. Companies that do not have production bases in North America or Europe are currently benefiting from the weak yen as they export high value-added products from Japan to developed countries, but the tariff policies of the new U.S. administration and interest rate policies of Japan and the U.S. may affect export trends and exchange rates, and the expansion of the EV market is uncertain. In the global economy, where uncertainty is accelerating, the business environment is constantly changing. While machine tool manufacturers place high-value-added products with advanced technology, such as 5-axis milling machines, at the core of their strategies, they are also aggressively working on general-purpose products for Asia and other markets with large market size and growth potential. However, while competition is fierce for general-purpose products and differentiation is required, the market for high-value-added products, in which Japanese companies are relatively strong, is limited. The evolution of networks and AI has the potential to drastically change manufacturing sites (factories) from core systems, and we believe that Japanese companies, including major players such as the Target Company, are currently in the midst of fierce competition for survival.

(Note 8) Source: "Current Status and Issues Surrounding the Manufacturing Industry and Future Policy Directions" published by the METI in May 2023.

## ② About the Target Company

The Tender Offeror believes that the Target Company has earned a reputation as a major machine tool manufacturer with strong technological capabilities, particularly in the area of machining centers. However, in March 2023, the TSE requested all listed companies on the Prime and Standard markets of the TSE to "take actions to realize management conscious of cost of capital and stock price," requiring companies with PBR below 1x to disclose their improvement plans, and the PBR (price book-value ratio), which has attracted considerable attention is 0.84 times (as of December 26, 2024). In addition, in October 2023, you announced your "Initiatives to Enhance Corporate Value" and set targets for sales of 270 billion yen and operating margin of 12% for FY2027 (current status: 7%), but in terms of PBR (price book-value ratio), it is difficult to say that the Target Company is fully evaluated in the capital market. The Target Company has significant sales in the North American and other developed markets' aviation industries, as well as in the Chinese market, which includes major EV customers. According to the Target Company's Annual Securities Report, sales to the U.S. and China account for a high 24% and 30% of the company's total sales in the last fiscal year, respectively, and we believe both are highly valued. However, we believe that the aviation industry in the U.S. and EV in China are not necessarily stable continuously, looking at past and recent trends. In order to realize the Target Company's vision, we believe that it will take time and will not be easy for the Target Company to respond to global market changes and expand the consumables business to secure stable earnings. We recognize that, as the M&A industry in Japan is becoming more active, it is undeniable that not only the Tender Offeror, but also other domestic or foreign companies may make acquisition proposals to the Target Company. While your reputation in the capital market is not sufficient, we believe that the Target Company has developed its business by leveraging the product technology that it has cultivated over its long history and has built a solid position in the machining center market based on its extremely advanced machining technology. The Tender Offeror believes that the Tender Offeror has access to technologies for turning, gear machining, and machining of large parts within the Tender Offeror Group, which not only complements the product lineup, but also provides a significant advantage in terms of technology, know-how, and software development to achieve complex machining, such

as sharing specialized knowledge in the field of gear machining. By effectively utilizing this advantage within the Target Company and greatly accelerating the development of new products and solutions, the Tender Offeror believes that the Target Company will be able to strengthen its business in an increasingly competitive environment, while at the same time expanding the scope of its solutions business and generating significant profits.

#### IV. Assumed synergies with the Tender Offeror Group, etc.

##### (a) Complementarity of products and technologies

- The Tender Offeror believes that the addition of its lathes, gear machines, large-size machines (double-column 5-face milling machines and horizontal boring machines), and machining centers to the Target Company's machining centers and EDM machines will enable us to meet a wide range of customer needs. The Tender Offeror and the Target Company compete in some machining centers for general-purpose products for Asian markets, but other than that, there is little overlap in our businesses.
- The Tender Offeror's core products, gear cutting machines, double-column 5-face milling machines, and horizontal boring machines, are a business style that provides solutions based on machining technology in growing markets such as EVs and data centers. The Tender Offeror believes that its expertise in gear machining and large parts machining complements the Target Company's machining technology and is highly compatible with the development of the Target Company's business based on the machining technology.
- The Tender Offeror believes that by combining its turning, gear machining, and large parts machining technologies with the Target Company's products and machining technologies, we will be able to create advanced multitasking technologies, products, and know-how and offer them to the market.
- The Target Company is involved in many machining centers for aircraft and molds, which require high technology such as 5-axis machining, but in this field the Target Company does not compete with Nidec OKK and other companies in the Tender Offeror Group.

##### (b) Complementarity of production

- The Tender Offeror's machine tool division has production bases in North America, Europe, Taiwan, and other countries, and the Tender Offeror Group as a whole has production bases in Mexico and other countries. The Tender Offeror believes that the two companies' production bases in China and India, as well as the Target Company's base in Singapore, will complement each other worldwide, enabling rapid business development through the use of existing bases. The Tender Offeror expects synergies not only in production, but also in services, purchasing, hiring and training of technical personnel, etc.
- In addition to procurement of European-made NC equipment, other parts, units, etc., utilizing the purchasing channels of the Tender Offeror's European subsidiary, Pama, the Tender Offeror believes that it will be possible to realize joint purchasing by utilizing the Tender Offeror's and the Target Company's production bases around the world, including Japan.
- In addition to the machine tool business, the Tender Offeror also has overseas offices and can provide support not only in production but also in the areas of finance, accounting, general affairs, and human resources, enabling the Target Company to focus its management resources on expanding its overseas business.

##### (c) Complementarity of sales network and services

- The Tender Offeror believes that by integrating and effectively utilizing the sales and service networks of the two companies, through joint purchasing, joint sales, complementary support systems, etc., the Target Company will be able to expand its sales and service network more efficiently than if the Target Company were to go it alone. The Tender Offeror believes that by effectively utilizing both the Tender Offerors Group-based sales and service network and the Target Company's sales and service network, we will be able to expand our market coverage.
- The Tender Offeror believes that it can provide support in the areas of finance, accounting, general affairs, human resources, etc. for its overseas offices as well as its production sites, allowing the Target Company to focus its management resources on sales and service.
- The Tender Offeror Group as a whole has access to a wide variety of business and industry sectors, and the Tender Offeror believes that the Target Company's sales opportunities may increase by leveraging the Tender Offeror's existing sales network to existing customers in IT, OA, consumer electronics, industrial, commercial, automotive, aerospace, and other industries.

(d) Organizational structure and financing

- The Tender Offeror believes that the Transaction will enable the Target Company to utilize the Tender Offeror's fund-raising capacity, which has sales of over 2 trillion yen, and will lead to an increase in the Target Company's fund-raising capacity. In addition, the Tender Offeror believes that it will be easier for the Target Company to raise funds than it is for the Target Company to raise funds at its current scale, when considering and realizing development and expansion of production bases, etc., which require large amounts of funds.
- The Tender Offeror believes that the Transaction will enable the Target Company to reduce listing maintenance costs and workload and speed up management decisions.

V. Summation

As described above in "III. Challenges faced by major Japanese machine tool manufacturers, including the Target Company" above, the Tender Offeror has analyzed that the market environment for the machine tool manufacturers to which the Tender Offeror and the Target Company belong is extremely competitive.

However, the Tender Offeror believes that the Transaction will have synergies as described in (a) through (d) of "IV. Assumed synergies with the Tender Offeror Group, etc." above, which will allow the Tender Offeror and the Target Company to work together to survive the severe competitive environment to which major machine tool manufacturers are exposed and furthermore, to jointly aim to become "one of the world's leading comprehensive machine tool manufacturers". and the Tender Offeror believes that it can generate significant benefits for the Target Company by effectively utilizing the advantages described above in "About the Target Company" of "III. Challenges faced by major Japanese machine tool manufacturers, including the Target Company" above", and the Tender Offeror has started to consider the Transaction from around August 2024.

② Management Policy after the Transaction

- (a) The management structure will be discussed and decided together with the Target Company.

The Tender Offeror is considering dispatching a director from the Tender Offeror to the Target Company if the Tender Offer is successful, but since the Tender Offeror would like the Target Company and the Tender Offeror to work together to reform the machine tool industry and become one of the world's leading machine tool manufacturers, the specific management structure will be decided after today upon sincere discussions with

the Target Company from the perspective of further enhancing the corporate value of both companies. The specific management structure will be decided after today upon sincere discussions with the Target Company from the viewpoint of further enhancing the corporate value of both companies.

After the Transaction, the Tender Offeror intends to realize synergies with the Tender Offeror Group as soon as possible to realize the potential corporate value of the Target Company and to work together to become one of the world's leading machine tool manufacturers. Specifically, (i) in order to maximize the Target Company's corporate value, the Tender Offeror will support the Target Company's management by using the management know-how accumulated through the Tender Offeror's experience in M&A and PMI. In addition, (2) the two companies will maximize synergies and work together to expand their business by using the complementary nature of their manufacturing, development, and sales activities, and by complementing each other geographically to create a stronger presence in the global market. In addition, both companies will make good use of the products, development, manufacturing and sales bases, and human resources that either company has, and maximize the value that cannot be created without the integration of the two companies as described above in "IV. Assumed synergies with the Tender Offeror Group, etc." and aim to become one of the leading machine tool manufacturers in the world together.

The Tender Offeror believes that having the Target Company join the Tender Offeror Group is not the goal, but rather the first step toward the Target Company becoming a company capable of sustainable growth, and that it is of utmost importance that the Target Company continue to grow together with the Tender Offeror Group for a long time after the Transaction. To this end, the Tender Offeror believes that it is necessary to maintain the excellent corporate culture that the Target Company has cultivated to date, and that it is essential for the employees of the Target Company, who are the bearers of such corporate culture, to work proactively with high motivation and high hopes. While the Tender Offeror intends to discuss and determine the specific personnel allocation with the Target Company in the future, the Tender Offeror plans to keep the dispatch of officers from the Tender Offeror Group to the minimum extent after the completion of the Transaction, as is the case with other group companies that have joined the Tender Offeror Group.

On the other hand, in order to quickly realize synergies with the Tender Offeror Group using the management know-how accumulated through the Tender Offeror's M&A and PMI experience to date, the top management of the Tender Offeror Group as well as the responsible persons at the field level will visit the Target Company on an ongoing basis, and the Target Company will visit the Tender Offeror. The Tender Offeror will visit the Target Company and hold direct discussions with the executives and employees of the Target Company to discuss growth strategy issues for the future growth of both companies, and the Tender Offeror Group will take responsibility for the realization of becoming one of the world's leading machine tool manufacturers.

(b) The Tender Offeror will carefully consider maintaining the Target Company brand.

With regard to the trade name, basically, the Tender Offeror will ask companies that join the Tender Offeror Group to use "Nidec" in their company name, but we will carefully consider maintaining the Target Company brand, given that it is already well known in the machine tool industry.

**(3) Policy on Matters including Organizational Restructuring after the Tender Offer (Matters concerning the So-Called Two-Step Acquisition)**

As stated in "(1) Outline of the Tender Offer" above, the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror, and therefore, in the event that the Tender Offer is consummated but the Tender Offeror does not acquire all of the Target Company's Stock (excluding treasury shares held by the Target Company) in the Tender Offer, regardless of whether (i) the Tender Offeror comes to hold Target Company shares representing 90% or more of the total voting rights of the Target Company, (ii) the Tender Offeror comes to hold Target

Company shares representing at least two-thirds but less than 90% of the total voting rights of the Target Company, (iii) the Tender Offeror does not hold the Target Company's Stock representing at least two-thirds of the total voting rights of the Target Company, the Tender Offeror plans to implement the Squeeze-Out Procedures. In the case of (i) above, a demand for the sale of shares is scheduled to be made pursuant to the provisions of Section 4-2, Chapter 2, Part 2 of the Companies Act (Act No. 86 of 2005, as amended, the "Companies Act"). In the event of (ii) and (iii) above, the Tender Offeror plans to request that the Target Company hold the Extraordinary Shareholders' Meeting, which will include a proposal to conduct a consolidation of the Target Company's Stock (the "Share Consolidation") pursuant to Article 180 of the Companies Act and to partially amend the Articles of Incorporation to abolish the stipulation on the number of shares constituting one unit of shares subject to the Share Consolidation taking effect. As described in (Note 2), (Note 4) and (Note 5) of "(1) Outline of the Tender Offer" above, the Tender Offeror believes that even in the case of (iii) above, the requirements for approval of the proposal for the Share Consolidation at the Extraordinary Shareholders' Meeting are expected to be met.

However, in the case of (iii) above, there is a possibility that the proposal for the Share Consolidation will be rejected at the Extraordinary Shareholders' Meeting. However, even if such proposal is rejected, the Tender Offeror intends to ultimately acquire all of the Target Company's Stock (excluding treasury shares held by the Target Company). Accordingly, the Tender Offeror intends to acquire additional shares of the Target Company's Stock until it reaches the number of shares equivalent to the number of voting rights obtained by multiplying the number of voting rights at the next general shareholders' meeting to be held for approval of the Share Consolidation by two-thirds (2/3), and will request such shareholders' meeting (With respect to the period required for such additional acquisition and subsequent approval of the Share Consolidation by the Shareholders' Meeting, it is difficult to specify a definite timing at this time, as it depends on market conditions and other circumstances, and the Tender Offeror will announce such timing when a specific expected timing becomes known). The Tender Offeror plans to make such additional acquisition through in-market transactions, tender offers, and off-market purchases other than tender offers (limited to cases permitted under the law). If the Tender Offer is consummated, the Tender Offeror will not change its policy of making the Target Company a wholly-owned subsidiary regardless of such expected timing.

The consideration to be paid by the Tender Offeror to the shareholders in the above additional acquisition will be a price that is evaluated to be economically equivalent to the Tender Offer Price for the shareholders who sell their shares in response to such additional acquisition (unless the Target Company takes any action that requires adjustment of the consideration to be paid, such as a share consolidation or stock split, the consideration per share will be the same as the Tender Offer Price.).

#### ① Demand for Sale of Shares

In the event that, as a result of the completion of this Tender Offer, the total number of voting rights of the Target Company held by the Tender Offeror constitutes 90% or more of the total number of voting rights of all shareholders of the Target Company, and the Tender Offeror becomes a Special Controlling Shareholder as defined in Article 179, Paragraph 1 of the Companies Act, the Tender Offeror plans to promptly demand, pursuant to the provisions of Section 4-2, Chapter 2, Part 2 of the Companies Act, that all shareholders of the Target Company (excluding the Tender Offeror and the Target Company; the same applies hereinafter in this section ①) sell all shares of the Target Company they hold (the "Demand for Sale of Shares"). In the Demand for Sale of Shares, the Tender Offeror plans to deliver to the Target Company's shareholders an amount of money equal to the Tender Offer Price as consideration for each share of the Target Company. In this case, the Tender Offeror will notify the Target Company to that effect and request the Target Company to approve the Demand for Sale of Shares. If the Target Company approves the Demand for Sale of Shares by resolution of its Board of Directors, the Tender Offeror will acquire all of the Target Company's Stock from all of the shareholders of the Target Company as of the acquisition date specified in the Demand for Sale of Shares, without requiring individual approval by the shareholders of the Target Company, in accordance with the procedures prescribed by applicable laws and regulations.

The Companies Act provides that, in order to protect the rights of minority shareholders in connection with a demand for sale of shares, the selling shareholders may file a petition with the court for a determination of the trading price of the Target Company's Stock in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations. In the event that the above petition is filed, the court will make the final decision on the trading price of the Target Company shares.

## ② Share Consolidation

On the other hand, if, as a result of the completion of the Tender Offer, the total number of voting rights of the Target Company held by the Tender Offeror does not reach 90% or more of the total number of voting rights of all shareholders of the Target Company, the Tender Offeror intends to promptly request the Target Company, following the completion of the settlement of the Tender Offer, to convene an extraordinary general meeting of shareholders (the "Extraordinary Shareholders' Meeting") within approximately three months of the completion of this Tender Offer. The agenda for this Extraordinary Shareholders' Meeting will include a proposal to conduct the Share Consolidation pursuant to Article 180 of the Companies Act and a partial amendment to the articles of incorporation to abolish the provision on the number of shares constituting one unit, conditional upon the effectiveness of the Share Consolidation. The Tender Offeror and the Target Company will discuss the timing of the Extraordinary Shareholders' Meeting and the Tender Offeror will request that the Target Company promptly announce the holding of the Extraordinary Shareholders' Meeting as soon as it is determined. The Tender Offeror intends to provide the Target Company with an explanation in good faith so that the Target Company will cooperate with the holding of the Extraordinary Shareholders' Meeting, but if the Target Company is unable to cooperate, the Tender Offeror will unavoidably take the necessary procedures for holding the Extraordinary Shareholders' Meeting based on its status as a shareholder, by itself, as soon as possible. The Tender Offeror intends to implement such procedures as soon as possible. In addition, the Tender Offeror plans to vote in favor of each of the above proposals at the Extraordinary Shareholders' Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the shareholders of the Target Company will own the number of shares of the Target Company corresponding to the ratio of the Share Consolidation approved at the Extraordinary Shareholders' Meeting as of the effective date of the Share Consolidation. In the event that a fraction of less than one share arises in the number of shares of the Target Company as a result of the Share Consolidation, the shareholders of the Target Company (excluding the Tender Offeror) will be provided with monetary consideration equivalent to the total number of such fractional shares (with any fraction less than one share resulting from the aggregation being rounded down) (the "Total Fractional Shares") in accordance with the procedures prescribed by Article 235 of the Companies Act and other applicable laws and regulations. The Tender Offeror intends to request the Target Company to calculate the sale price of the Total Fractional Shares so that the amount of monetary consideration distributed to the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) who did not tender their shares in this Tender Offer is equivalent to the price obtained by multiplying the Tender Offer Price by the number of shares of the Target Company they owned, and to submit a petition to the court for permission for a voluntary sale based on this calculation.

The ratio for the Share Consolidation has not been determined as of today. However, the Tender Offeror intends to request that it be set in such a way that the Target Company's Stock held by shareholders of the Target Company (excluding the Tender Offeror and the Target Company) who did not tender their shares in this Tender Offer result in fractions of less than one share, thereby ensuring that the Tender Offeror will own all shares of the Target Company.

Under the provisions of the Companies Act aimed at protecting the rights of minority shareholders in connection with share consolidation, it is stipulated that when a share consolidation results in fractions of less than one share, shareholders of the Target Company (excluding the Tender Offeror and the Target Company) are entitled to request the Target Company to purchase all such fractional shares at a fair price, pursuant to Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. Additionally, such shareholders may file a petition with the



court to determine the price of the shares. As noted above, in the share consolidation, the shares of the Target Company held by shareholders (excluding the Tender Offeror and the Target Company) who did not tender their shares in this Tender Offer are expected to result in fractions of less than one share. Therefore, such shareholders of the Target Company are expected to have the right to file the aforementioned petition. It should be noted that the purchase price in the event of such a petition will ultimately be determined by the court.

Regarding the respective procedures described in items ① and ② above, implementation may take time or require modifications depending on changes, enforcement, and interpretations of applicable laws and regulations. Nevertheless, in such cases, a method involving the ultimate payment of monetary consideration is planned for shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company). The amount of money paid to each such shareholder will be calculated to equal the Tender Offer Price multiplied by the number of shares of the Target Company's Stock owned by each shareholder.

Details concerning the specific procedures and their implementation schedule in such cases will be determined in consultation with the Target Company and promptly disclosed by the Target Company as soon as they are decided.

It should be noted that the Tender Offer does not solicit the approval of the Target Company's shareholders at the Extraordinary Shareholders' Meeting. Shareholders are also requested to confirm the tax treatment of their participation in the Tender Offer or the procedures above with tax professionals or other specialists at their own responsibility.

#### **(4) Prospects for Delisting and Reasons Thereof**

As of today, the Target Company's Stock is listed on the Prime Market of the TSE. However, since the Tender Offeror has not set an upper limit on the number of shares to be purchased in the Tender Offer, the Target Company's Stock may be delisted in accordance with the TSE's delisting criteria, depending on the outcome of the Tender Offer and following the prescribed procedures.

Even if the Target Company's Stock does not meet such criteria at the time of the Tender Offer's completion, it may still be delisted if the procedures described in "(3) Policy on Matters including Organizational Restructuring after the Tender Offer (Matters concerning the So-Called Two-Step Acquisition)" are implemented after the completion of the Tender Offer, pursuant to the TSE's delisting criteria and following the prescribed procedures. Once delisted, the Target Company's Stock will no longer be tradable on the TSE.

Furthermore, the Tender Offer may not result in the Tender Offeror owning at least two-thirds of the total voting rights of the Target Company. Consequently, the proposal for the Share Consolidation, as described in "(3) Policy on Matters including Organizational Restructuring after the Tender Offer (Matters concerning the So-Called Two-Step Acquisition)," might not receive approval at the Extraordinary Shareholders' Meeting. However, even in such a case, the Tender Offeror intends to acquire all shares of the Target Company's Stock (excluding treasury shares held by the Target Company). To this end, the Tender Offeror plans to acquire additional shares until the required voting rights threshold for approval at a subsequent shareholders' meeting is reached.

The Tender Offeror intends to acquire such additional shares through market transactions, tender offers, or off-market acquisitions (to the extent permitted by the Act). Regardless of the anticipated timing, the Tender Offeror remains committed to fully acquiring the Target Company and converting it into a wholly-owned subsidiary.

Regarding the consideration for such additional acquisitions, the Tender Offeror will ensure that the price paid to shareholders is economically equivalent to the Tender Offer Price. Unless the Target Company undertakes actions requiring price adjustments, such as share consolidations or splits, the price per share is expected to be identical to the Tender Offer Price.

#### **(5) Significant Agreements Related to the Tender Offer**

There are no applicable matters.

## (6) Fairness of the Transaction Procedures in Consideration of the Guidelines for Corporate Takeovers

The Tender Offeror believes that this Transaction qualifies as a "desirable acquisition" under the Guidelines for Corporate Takeovers, as it aims to enhance the Target Company's mid- to long-term corporate value through synergies with the Tender Offeror Group, while simultaneously providing shareholders of the Target Company with fair consideration that includes a substantial premium over the market price. In the implementation of this Transaction, the Tender Offeror is committed to ensuring fairness by properly and proactively disclosing information that will assist shareholders in making informed decisions (principle of transparency), ensuring reasonable opportunities for shareholders to make rational decisions (principle of shareholder intention), and ultimately relying on the judgment of shareholders. Specifically, the Tender Offeror proposes to implement the Transaction in compliance with the Guidelines for Corporate Takeovers as follows:

### ① Ensuring Opportunities for Informed Judgments

The Tender Offeror believes that it has provided necessary and sufficient information to the Target Company and its shareholders through the Letter of Intent and this press release. Furthermore, from this point forward and prior to the commencement of the Tender Offer, the Tender Offeror will sincerely explain the Tender Offer to the Target Company's Board of Directors and the Special Committee (which is expected to be established) in order to gain their support. The Tender Offeror will also respond in good faith to any requests for additional information from the Target Company's Board of Directors and Special Committee, which may be deemed reasonably necessary for forming an opinion on the Tender Offer. In order to ensure that shareholders of the Target Company have sufficient time to understand and evaluate the Transaction, the Tender Offeror plans to commence the Tender Offer on April 4, 2025, after considering the anticipated timing of necessary regulatory approvals. The Tender Offer period is scheduled for 31 business days, providing over four months from today until the end of the Tender Offer period, thereby offering adequate time for shareholders to evaluate the Transaction.

Therefore, the Tender Offeror believes that it is fully adhering to the "principle of shareholder intention" and the "principle of transparency" as set forth in the Guidelines for Corporate Takeovers, and that it has sufficiently ensured that shareholders will have ample opportunity to make an informed judgment on whether or not to tender their shares.

### ② Setting Conditions to Eliminate Coercion

#### (i) Setting of Tender Offer Number for the Purpose of Delisting

The Tender Offeror aims to acquire all of the Target Company's Stock (excluding treasury shares held by the Target Company) in the Tender Offer and has not set a cap on the number of shares to be purchased. Furthermore, in the event that the Tender Offer is completed but the Tender Offeror does not acquire all of the Target Company's Stock, the Tender Offeror intends to proceed with the following regardless of the specific outcome:

- (a) If the Tender Offeror owns at least 90% of the total voting rights of the Target Company,
- (b) If the Tender Offeror owns between two-thirds and 90% of the total voting rights of the Target Company,
- (c) If the Tender Offeror fails to own at least two-thirds of the total voting rights of the Target Company,

In all of the above cases, the Tender Offeror will maintain its intention to make the Target Company a wholly-owned subsidiary and will implement the squeeze-out procedures. In cases (b) and (c), the Tender Offeror plans to request the convening of an Extraordinary Shareholders' Meeting. As stated in "Note 2," "Note 4," and "Note 5" of section (1) "Outline of the Tender Offer," the Tender Offeror expects to meet the approval requirements for the Share Consolidation at the Extraordinary Shareholders' Meeting, even in case (c).

If approval for the Share Consolidation is not obtained at the Extraordinary Shareholders' Meeting, the Tender Offeror will still aim to acquire all of the Target Company's Stock (excluding treasury shares) and will seek to obtain the necessary number of votes by acquiring additional shares until the required number of votes is reached for approval at the next shareholders' meeting. The Tender Offeror intends to acquire these additional shares through market transactions, tender offers, or off-market acquisitions (where permitted by law).

Even if the Tender Offer is completed, the Tender Offeror will not change its plan to make the Target Company a wholly-owned subsidiary. Additionally, the consideration paid to shareholders for such additional acquisitions will be evaluated to be economically equivalent to the Tender Offer Price (unless the Target Company undertakes actions such as share consolidations or stock splits that require adjustments). In principle, the price per share will be the same as the Tender Offer Price.

Thus, the Transaction is effectively an "all or nothing" offer, in line with the Guidelines for Corporate Takeovers.

#### (ii) Providing Shareholders with Opportunities to Decide on Both the Tender Offer and the Transaction

The Tender Offeror has set a minimum number of shares to be acquired in the Tender Offer at 11,694,400 shares. In the event that the total number of tendered shares does not reach this minimum threshold, the Tender Offeror will not proceed with the purchase of the tendered shares. However, if the total number of tendered shares reaches 11,694,400 shares during the Tender Offer period (as further explained in Note 3 of section (1) "Outline of the Tender Offer"), the Tender Offeror plans to extend the Tender Offer period by 10 business days from the next business day after the announcement, to provide additional time for shareholders to make their decision on the Tender Offer.

If, within 21 business days from the start of the Tender Offer period, the number of tendered shares reaches the minimum threshold, the Tender Offeror does not intend to extend the period, as the necessary 10 business days of extended time will have already been secured.

This structure ensures that the decision to tender shares and the decision on whether or not to proceed with the Transaction are clearly separated, thus eliminating any coercive influence and providing shareholders with ample opportunity to decide. The Tender Offeror believes this approach allows for more shareholders to participate in the Tender Offer, thus enhancing fairness and transparency in the process.

### 3. Overview of the Tender Offer

#### (1) Overview of the Target Company

①	Name	Makino Milling Machine Co., Ltd.										
②	Headquarters	2-3-19 Nakane, Meguro-ku, Tokyo, Japan										
③	Representative (Title and Name)	President and Representative Director, Masataro Miyazaki										
④	Business Description	Manufacturing, sales, and services related to machine tools										
⑤	Capital	JPY 21,142 million (as of September 30, 2024)										
⑥	Establishment Date	May 1951										
⑦	Major Shareholders and Shareholding Ratios (as of September 30, 2024)	<table> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account):</td> <td>14.24%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>6.77%</td> </tr> <tr> <td>DEUTSCHE BANK AG FRANKFURT CC CLT OMNI 5000000 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Division)</td> <td>4.99%</td> </tr> <tr> <td>Nomura Trust and Banking Co., Ltd. (Trust Account 2052274)</td> <td>4.28%</td> </tr> <tr> <td>The Machine Tool Technology Promotion Foundation:</td> <td>3.82%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust Account):	14.24%	Custody Bank of Japan, Ltd. (Trust Account)	6.77%	DEUTSCHE BANK AG FRANKFURT CC CLT OMNI 5000000 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Division)	4.99%	Nomura Trust and Banking Co., Ltd. (Trust Account 2052274)	4.28%	The Machine Tool Technology Promotion Foundation:	3.82%
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Nomura Trust and Banking Co., Ltd. (Trust Account 2052274)	4.28%											
The Machine Tool Technology Promotion Foundation:	3.82%											

	STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Division)	2.85%
	THE BANK OF NEW YORK MELLON 140044 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Division):	2.25%
	Jiro Makino	2.05%
	MUFG Bank, Ltd.	1.86%
	OASIS JAPAN STRATEGIC FUND Y LTD. (Standing Proxy: Citibank, N.A., Tokyo Branch)	1.71%
⑧ Relationship between the Tender Offeror and the Target Company		
Capital	Relationship	As of today, the Tender Offeror does not own any shares of the Target Company's Stock.
Personal	Relationship	There are no applicable matters.
Business	Relationship	Ordinary business transactions (e.g., sales of products) exist between the Tender Offeror Group and the Target Company Group.
Status as a Related Party		There are no applicable matters.

(Note) Item ⑦, "Major Shareholders and Shareholding Ratios (as of September 30, 2024)," is based on information extracted from the Target Company's 86th Semi-Annual Securities Report submitted on November 13, 2024.

## (2) Schedule

The Tender Offeror currently plans to commence the Tender Offer on April 4, 2025, following the completion of regulatory approvals and other required procedures. However, since there may be facts unknown from publicly available information that could be disclosed by the Target Company, it is difficult to predict the exact duration required for these processes. Should there be any changes to the planned commencement date, the Tender Offeror will promptly announce such changes. Details of the Tender Offer schedule will also be disclosed as soon as they are determined.

The Tender Offer period is expected to last 31 business days. Prior to the commencement of the Tender Offer, the Tender Offeror intends to explain the Tender Offer sincerely to the Target Company's Board of Directors and its Special Committee, which is expected to be established. The Tender Offeror will provide any additional information reasonably deemed necessary for the formation of opinions by these parties. Sufficient time will be secured to facilitate this process, ensuring that both the Target Company's Board of Directors and shareholders have the necessary time to evaluate the merits of the Transaction and decide whether to tender their shares.

Based on the anticipated timing of regulatory approvals, the Tender Offeror plans to begin the Tender Offer on April 4, 2025. This schedule allows for more than two months from the date of this announcement, thereby ensuring sufficient time for shareholders to consider the Transaction. This schedule also provides opportunities for general shareholders to decide whether to participate in the Tender Offer and ensures an opportunity for third parties other than the Tender Offeror to make competing bids for the Target Company's Stock.

If the total number of tendered shares reaches the minimum threshold of 11,694,400 shares during the Tender Offer period, the Tender Offeror will promptly announce this and extend the Tender Offer period by 10 business days from the next business day after such announcement. However, if this threshold is reached within the first 21 business days of the Tender Offer period, the extension will not apply, as the necessary 10 business days would already have been secured.

This structure separates the decision on the Tender Offer from the decision on the overall Transaction, thereby eliminating any coercive elements in the Tender Offer.

## (3) Purchase Price

The purchase price for the Target Company's Common Stock is JPY 11,000 per share.

#### (4) Basis for Determining the Purchase Price

The Tender Offer Price of JPY 11,000 per share is set at a premium of 41.94%, 54.67%, 67.89%, and 74.24% over the closing price of the Target Company's stock on the Tokyo Stock Exchange Prime Market as of December 26, 2024 (the base date, being the business day prior to the announcement of the planned commencement date of the Tender Offer), as well as over the simple average closing prices for the one-month, three-month, and six-month periods ending on that date (JPY 7,750, JPY 7,112, JPY 6,552, and JPY 6,313, respectively). These premiums significantly exceed the median premiums typically observed in comparable transactions, which are 43.05%, 44.81%, and 47.98% for the one-month, three-month, and six-month averages, respectively, by margins of 11.62, 23.08, and 26.26 percentage points.

Additionally, the historical highest price of the Target Company's stock was JPY 9,600, recorded in June 1990 (adjusted closing price basis), and the stock price has not exceeded the Tender Offer Price since its listing. As of December 26, 2024, the price-to-book ratio (PBR) of the Target Company's stock was below 1.0, while the Tender Offer Price corresponds to a PBR of 1.19. These factors indicate that the Tender Offer Price provides a substantial premium to the shareholders of the Target Company.

While it is currently difficult to quantify the synergies expected to arise from this Transaction, the Tender Offeror believes that the Transaction, including the Tender Offer, ensures the benefits described in the Guidelines for Corporate Takeovers. These include not only guaranteeing the value that could be achieved without the acquisition but also ensuring the fair distribution of value that could only be realized through the acquisition. The Tender Offeror considers that the Tender Offer Price offers a reasonable opportunity for shareholders to achieve an appropriate return on their investment.

The Tender Offer Price has been determined based on a comprehensive consideration of various factors, including the premiums mentioned above, the anticipated synergies described in "2. Purpose, etc. of the Tender Offer, etc." and "(2) Background, Purpose and Decision-Making Process of the Tender Offer, and Management Policy after the Tender Offer," and the outlook for shareholder participation. As a result, the Tender Offeror believes that the Tender Offer Price is reasonable for its own shareholders as well.

While the Tender Offeror has not obtained a share valuation report or fairness opinion from a third-party valuation institution at this stage, it plans to obtain such a report at the commencement of the Tender Offer.

#### (5) Number of Shares to Be Purchased in the Tender Offer

Planned Number of Shares to Be Purchased	Minimum Number of Shares to Be Purchased	Maximum Number of Shares to Be Purchased
23,388,772 shares	11,694,400 shares	— shares

(Note 1) If the total number of tendered shares is less than the minimum number of shares to be purchased (11,694,400 shares), the Tender Offeror will not purchase any of the tendered shares. If the total number of tendered shares equals or exceeds the minimum number, the Tender Offeror will purchase all of the tendered shares.

(Note 2) The planned number of shares to be purchased represents the maximum number of shares that the Tender Offeror intends to acquire in this Tender Offer. This maximum number is derived from the total number of the Target Company's issued shares as of November 30, 2024, as stated in the Target Company's Treasury Stock Acquisition Status Report (24,893,841 shares), minus the number of treasury shares held by the Target Company as of the same date (1,505,069 shares), resulting in 23,388,772 shares.

(Note 3) Shares constituting less than one share unit are also included in the scope of this Tender Offer. However, if shareholders exercise their right to request the purchase of shares constituting less than one share unit

pursuant to the Companies Act, the Target Company may repurchase its own shares during the Tender Offer period in accordance with statutory procedures.

(Note 4) The Tender Offeror does not intend to acquire the treasury shares held by the Target Company through this Tender Offer.

(Note 5) The above numbers for the planned and minimum number of shares to be purchased are provisional figures based on the information available as of today. Due to subsequent changes or fluctuations, the actual number of shares to be purchased in this Tender Offer may differ from the numbers indicated above.

**(6) Changes in the Shareholding Ratio Resulting from the Tender Offer**

Number of Voting Rights Associated with Shares Owned by the Tender Offeror Before the Tender Offer	0	(Ownership Ratio Before the Tender Offer: 0.00%)
Number of Voting Rights Associated with Shares Owned by Special Related Parties Before the Tender Offer	Undetermined	(Ownership Ratio Before the Tender Offer: Undetermined)
Number of Voting Rights Associated with Shares Owned by the Tender Offeror After the Tender Offer	233,887	(Ownership Ratio After the Tender Offer: 100.00%)
Number of Voting Rights Associated with Shares Owned by Special Related Parties After the Tender Offer	0	(Ownership Ratio After the Tender Offer: 0.00%)
Total Number of Voting Rights of All Shareholders, etc., of the Target Company	233,463	

(Note 1) As of today, the Tender Offeror does not own any shares of the Target Company. However, the Tender Offeror intends to acquire a limited number of shares of the Target Company before the commencement of the Tender Offer, solely to the extent necessary to request access to and make copies of the Target Company's shareholder register. The "Number of Voting Rights Associated with Shares Owned by Special Related Parties Before the Tender Offer" and the corresponding "Ownership Ratio Before the Tender Offer" will be investigated and disclosed before the commencement of the Tender Offer. Additionally, since the shares owned by special related parties are also included within the scope of this Tender Offer, the "Number of Voting Rights Associated with Shares Owned by Special Related Parties After the Tender Offer" is reported as zero.

(Note 2) The "Total Number of Voting Rights of All Shareholders, etc., of the Target Company" is based on the number of voting rights as of September 30, 2024, as stated in the Target Company's Semi-Annual Securities Report. However, since shares constituting less than one share unit are also included in the scope of this Tender Offer, the calculations for the "Ownership Ratio Before the Tender Offer" and the "Ownership Ratio After the Tender Offer" are based on the total number of voting rights derived from the number of issued shares as of November 30, 2024, as reported in the Target Company's Treasury Stock Acquisition Status Report (24,893,841 shares), minus the number of treasury shares held by the Target Company as of the same date (1,505,069 shares). This results in a total of 23,388,772 shares, corresponding to 233,887 voting rights, which serves as the denominator for these calculations.

**(7) Tender Offer Price**

The estimated total purchase amount for the Tender Offer is JPY 257,276,492,000.

(Note) This amount is calculated by multiplying the planned number of shares to be purchased in the Tender Offer (23,388,772 shares), as stated in section (5) "Number of Shares to Be Purchased in the Tender Offer," by the Tender Offer Price of JPY 11,000 per share. The actual amount may vary if there are changes in the number of shares subject to the Tender Offer after this date.

#### **(8) Settlement Method**

The securities firms planned to handle the settlement of the Tender Offer are Mita Securities Co., Ltd. (Tender Offer Agent) and Monex, Inc. (Sub-Agent). Details regarding the settlement procedures are currently under consideration and will be announced as soon as they are finalized.

#### **(9) Other Conditions and Methods of the Tender Offer**

① Existence and Content of Conditions under Article 27-13, Paragraph 4 of the Act

If the total number of tendered shares falls short of the minimum number of shares to be purchased (11,694,400 shares), none of the tendered shares will be purchased. If the total number of tendered shares equals or exceeds this minimum threshold, all tendered shares will be purchased.

② Other Conditions and Methods

Details regarding the settlement method, the announcement date for the commencement of the Tender Offer, and other conditions and methods related to the Tender Offer will be disclosed as soon as they are finalized.

#### **4. Policies Following the Tender Offer and Future Outlook**

For details regarding the policies following the Tender Offer, please refer to sections "(2) Background, Purpose and Decision-Making Process of the Tender Offer, and Management Policy after the Tender Offer," "(3) Policy on Matters including Organizational Restructuring after the Tender Offer (Matters concerning the So-Called Two-Step Acquisition)," and "(4) Prospects for Delisting and Reasons Thereof " under "1. Purpose of the Tender Offer."

The impact of this Tender Offer on the current fiscal year's performance forecast is expected to be minimal. Should any significant impact on performance be identified in the future, it will be promptly disclosed.

#### **5. Other Information**

(1) Existence and Content of Agreements Between the Tender Offeror and the Target Company or Its Officers

There are no applicable matters.

(2) Other Information Deemed Necessary for Investors to Decide Whether to Tender Shares

There are no applicable matters.

End.



Attachment

December 27, 2024

To: Board of Directors

Makino Milling Machine Co., Ltd.

Mitsuya Kishida  
Representative  
Director and CEO  
Nidec Corporation

### Letter of Intent

#### Merger Proposal for the Maximization of Corporate Value

Dear Sirs,

This letter (“*Letter of Intent*”) is a formal tender offer (“*Tender Offer*”) by Nidec Corporation (“*Nidec*”) for the shares of Makino Milling Machine Co., Ltd. (“*Makino*”) and forms a part of a series of transactions to convert Makino into a wholly owned subsidiary of Nidec (“*Transaction*”) (Nidec’s proposal to Makino as contained in this Letter of Intent is referred to as the “*Proposal*”).

Makino is a leading machine tool manufacturer with a focus on machining centers that has been developing technologies and products for the global markets to the deep satisfaction of customers under the ethos of “quality first” and core product development values of “high speed, high precision, and high quality”. In Asia, Makino continues its growth trajectory, sustained by developing and manufacturing products tailored to the regional environment. Although Japanese machine tools are highly rated in the global markets for their cutting-edge technology and attentive customer support, competition is intensifying in these fast-changing markets as our foreign competitors continue to post phenomenal growth and make technological advancements. There is a heightened sense of crisis that unless we continue to compete and prevail, Japanese machine tools will lose their competitive edge in relative terms over our competitors. High profitability and growth potential are prerequisites to retaining management control and ensuring growth, and within the machine tool market, accelerating the pace of global expansion to become “one of the world’s leading machine tool manufacturers” remains critical.

In terms of Makino’s corporate value, the PBR (price book-value ratio) (the Tokyo Stock Exchange requires companies with a low PBR to disclose improvement plans) has remained low for many years. Nidec has been and will continue to improve our corporate value through M&A, R&D, and capital investment activities as means to strengthen our product and technological offerings that cannot be achieved by organically driven growth; we will propose integrated solutions through synergy effects and collaboration between and among our group companies; we will broaden our product lineup and innovative application technology and engage in integrations and solution proposals transcending traditional boundaries while continuing to meet diverse needs such as automation and labor efficiency. Makino is a leading company that has created the foundation of the Japanese machine tool industry. We believe that Makino and Nidec can share this common vision of the future and join forces to work towards sustained growth and increasing our corporate value.





Makino is a leading manufacturer of machining centers with origins in milling machines. Makino has comprehensively refined technologies, products, and services associated with machining centers, and has progressively improved its global competitiveness by pursuing high-value-added products and enhanced productivity. Makino is also rated in the market for electrical discharge machines where it has established itself as a solid player. Nidec's product lineup is comprised of lathes, gear cutting machines and large machines (horizontal boring mills and double column five-face milling machines). We each have complementary products and technologies that the other does not have. Precision laser processing machines and metal 3D printers are technologies that both companies are focusing on as a growth area. By joining forces, those products and technologies will be added to our ranges, product development will accelerate, and combining our technological capabilities will allow for new proposals to customers, such as creating highly complex products.

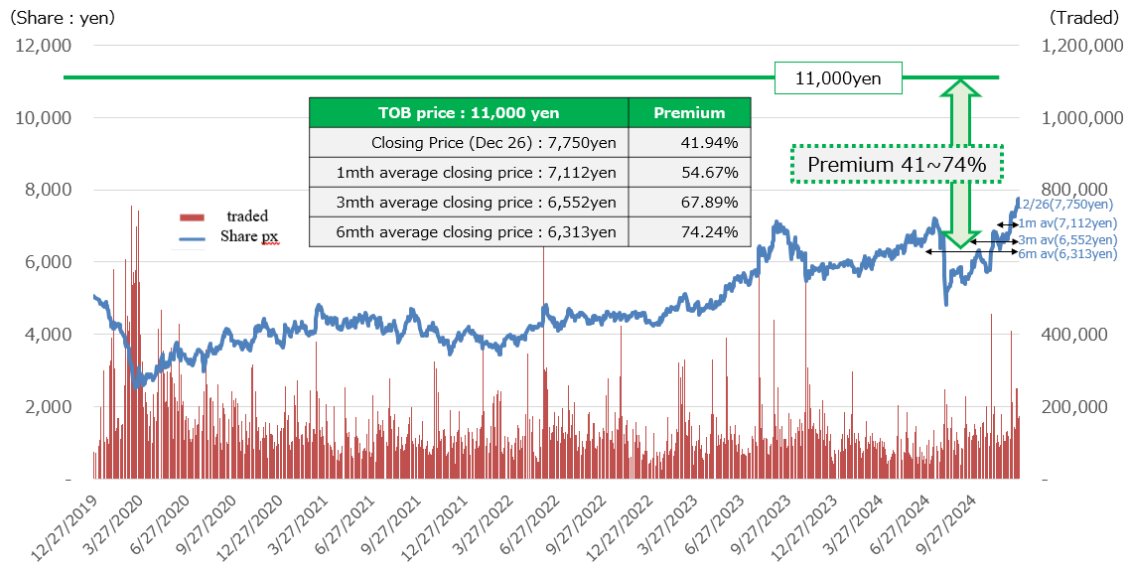
Nidec's basic management stance is to address our customers' problems with utmost sincerity so that we can provide them with the best solutions. In our opinion, the solutions-based business model of Nidec and Makino in the machine tool sector make them ideal partners.

Please see below for further details of the Proposal. As stated in "2. Background of the Proposal to Become Leading Global Machine Tool Conglomerate", "3. Issues Faced by Leading Japanese Machine Tool Manufacturers Including Makino", and "4. Expected Synergies with Nidec Group", Nidec is confident that (i) converting Makino into a wholly owned subsidiary will achieve significant synergies between the two companies in terms of products, technology, production, and sales channels and services that will likely maximize corporate value for both companies.

In addition, (ii) the Tender Offer price of (11,000 yen) ("**Tender Offer Price**") is the price obtained by adding premiums of 41.94%, 54.67%, 67.89%, and 74.24% respectively to: the closing price (7,750 yen) of the Target's shares on the Tokyo Stock Exchange Prime Market as of December 26, 2024 ("**Reference Date**") being the business day immediately preceding the announcement of the scheduled launch of the Tender Offer; the simple average closing price for the most recent one month up to the Reference Date (7,112 yen); the simple average closing price for the most recent three months up to the Reference Date (6,552 yen); and the simple average closing price for the most recent six months up to the Reference Date (6,313 yen).

As described in "Tender Offer Price" in "Appendix 4. Outline of the Tender Offer", the premiums for the simple average closing price of the most recent one-month period, three-month period, and six-month period up to the Reference Date exceed the median value of premiums (i.e. the simple average closing price for the most recent one-month, three month, and six-month period up to the previous business day of the tender offer date of 43.05%, 44.81%, and 47.98% respectively) by 11.62 points, 23.08 points, and 26.26 points respectively in 105 transactions executed between January 1, 2020 and December 26, 2024 where the target company became a wholly owned subsidiary of an entity other than the share issuing company or the parent company, and the tender offeror (and its specially related parties) held less than 33.34% of voting rights in the target company (excluding the following: REIT transactions, incomplete transactions, two-step tender offers, so-called "discounted" tender offers, and transactions resulting in share price fluctuations prior to the launch of the tender offer period due to counter bids) (together, "Similar Transactions"). Similarly, (iii) although the PBR of the target company is less than x1 as of December 26, 2024, the Tender Offer Price is equivalent to PBR of x1.19, delivering significant premium to Makino's shareholders.

<Expected Premium from the Tender Offer>



Based on the above, the Transaction is on the whole a “desirable acquisition” as recommended by the “Guidelines for Corporate Takeovers - Enhancing Corporate Value and Securing Shareholders’ Interests” published by the Ministry of Economy, Trade and Industry (“**METI**”) on August 31, 2023 (“**Takeover Guideline**”).

Further, Nidec believes that executing a transaction that distributes fair consideration to Makino’s shareholders is beneficial not only for Makino and Makino’s shareholders, but also to Japan’s economy and society. As described below in “7. Fairness of the Procedure of the Transaction based on the Takeover Guideline” in the Appendix”, Nidec remains compliant with all processes required by the Takeover Guideline throughout the transaction and expect Makino will also be compliant to the Takeover Guideline (Note 1).

(Note 1)

The Takeover Guideline prescribes as follows: “In the event that a takeover bid to acquire management control is received, the matter shall in principle be referred to or reported to the Board of Directors without delay”; “At the board meeting where the proposal is discussed, the basic principle is that 'serious consideration' should be given to 'serious takeover proposals'”; “When the Board of Directors proceeds with 'serious consideration' of a 'serious takeover proposal', it will obtain additional information about the takeover proposal from the acquirer and [...] consider whether or not the takeover will contribute to the enhancement of corporate value [...] In this case, since the acquisition price is considerably higher than the past share price level, if the proposal is one that can be expected to increase corporate value, then the directors and Board of Directors need to fully consider it. Further, it is desirable for the Board of Directors to fully compare and consider the acquisition price and measures to increase corporate value proposed by the acquirer and the measures to increase corporate value when the current management team manages Makino from a quantitative perspective.”

## 1. About Nidec Group

Founded in 1973, Nidec has been proudly committed to its ever-growing business of manufacturing, now in its 52<sup>nd</sup> year. For the consolidated fiscal year ending March 31, 2024, we recorded highest ever sales of 2.347159 trillion yen; our group companies totaling 349 companies are located across 48 countries around the world comprised of 345 consolidated subsidiaries and four equity method affiliates (together with Nidec, “**Nidec Group**”) Our workforce is growing



around the world, and we currently have 101,112 employees working across Nidec Group (as of 31 March 2024). Our market valuation is high, with market capitalization of 3.2557 trillion yen (as of December 26, 2024).

The driving factor of Nidec's growth in the course of the past half century, achieving consolidated sales of 2 trillion yen, is due not just to organic factors: Nidec has been active in global M&A transactions since its founding. To date, Nidec has added 74 domestic and overseas companies to its group. Through M&A, we have been able to enter new markets, and the combination of advanced technology, know-how, and talented human resources has led to continued, remarkable growth. M&A is one such driving factor. Acquiring a new company breathes new life to all parties, bringing about positive change, enabling us to continue delivering new products and technologies to the world to meet the needs of our customers that would not have been possible alone. Moreover, our newly acquired companies are also active in M&A, driving Nidec Group working to achieve further growth.

One example is our press machine business, which began with the acquisition of Kyori Kogyo Co., Ltd. (merged with Nidec Drive Technology Corporation, "Nidec Drive Technology") in 1997, which subsequently led to the acquisition of The Minster Machine Company in April 2012, then the largest press manufacturer in the US, (now Nidec Minster Corporation), in search for further growth in the global market. The company, founded in 1901, has a distinguished history of manufacturing of large machine presses for products including beverage cans, motors, and batteries. The owner operator continues to be involved in the management of the company even after joining Nidec Group and continues to pursue M&A as a growth strategy for the company's press machine business. Similarly, Nidec acquired Spain's Arisa (now Nidec Arisa), specialist manufacturer of large servo presses (Note 1) in 2015, Vamco International (now Nidec Vamco), a US-based manufacturer of high-speed press feed equipment (Note 2) in March 2017, and Systeme + Steuerungen (now Nidec SYS), a German press machine peripheral equipment manufacturer in February 2019. We continue to expand our press machines and peripheral equipment line-up in order to make proposals that are optimal for our customers across industries as varied as automobiles, beverage cans, and motor cores. By dividing our production base into three regions comprised of North America (Canada, US, Mexico), Europe (Spain, Germany), and Asia (China, Japan), our M&A transactions have resulted in generating stable profits that are less susceptible to downturns caused by external regional environments. In recent years, to increase added value, we have acquired American Feed Company, a US-based, pre-process press mold cutting equipment and peripheral equipment manufacturer, in August 2023, in addition to Liner Transfer Automation Inc., a post-process transfer equipment (Note 3) and production automation equipment manufacturer and developer based in Canada in October 2024. As a result, we have enhanced our one-stop solution (Note 4) capabilities and increased customer convenience, allowing us to further expand our customer base. By promoting these M&A strategies, sales in the press machine business surged to 66.7 billion yen in FY2023, and we remain on course to achieve sales of 200 billion yen.

(Note 1)

"Press Machine" is a machine that forms products by placing a sheet of metal between metal molds and applying strong pressure. Depending on the power source, there are various types, such as servo-type and hydraulic-type presses. A servo press machine is a press machine that uses a servomotor to precisely control the slide motion of the drive section during pressing by automatically controlling the position and speed using a servo driver.

(Note 2)

"High-speed Press Feeder" is a peripheral device for press machines that supplies sheet

metal materials to be processed by the press machine at a specified speed.

(Note 3)

“Transfer Equipment” is a peripheral equipment for press machines that automatically transfers workpieces between forming processes during the forming process or between press machines in a processing line with multiple press machines.

(Note 4)

“One-stop solution” refers to the ability to provide customers with a complete set of equipment required for sheet metal forming lines when they introduce equipment by adding peripheral equipment to the lineup, such as equipment for handling metal sheets in the pre-processing stage and automatic transport equipment for workpieces after press processing, in addition to press machines.

Since 2021, Nidec has positioned the machine tool business as its new core business, welcoming into our Group Mitsubishi Heavy Industries Machine Tool Co., Ltd. (“Nidec Machine Tool Corporation”) in 2021, OKK Corporation (“Nidec OKK Corporation”) in 2022, Italy’s PAMA S.p.A. in 2023, and Takisawa Machine Tool Co., Ltd. (“Takisawa”) last year. We continue to grow through organic growth and M&A transactions as we aim to become “one of the world’s leading comprehensive machine tool manufacturers.” Nidec’s policy is to retain the corporate branding of companies that have joined our group to the extent possible. This is because we are respectful of companies that have built themselves over the course of history, and we wish to innovate and grow “together” with such companies, as opposed to subsuming them within Nidec Group. Nidec has been growing at full speed for 51 years since its founding. During that time, we have repeatedly faced changes in the environment in which we operate, but we have adapted nimbly, proactively and boldly; even now, we are continuing to transform ourselves with the aim of becoming a global company that can continue to grow into the next century and beyond. We will continue to make the world a more convenient place by providing more environmentally friendly products to become the world’s leading solution-providing business group that moves the world and changes its future.

## **2. Background of the Proposal and mutual aim to become “a leading global machine tool manufacturing conglomerate”**

Since Nidec’s founding, we have worked hard every day in each and every market with a sense of pride that manufacturing remains Japan’s core national strength. According to METI, the manufacturing industry accounted for approximately 20% of Japan’s GDP (Note 5) as of 2021, and it is still described as a key industry that supports Japan’s economy. The foundation that supports the manufacturing industry is made up of machine tools that we work with, and we have received high praise in the global market due to our excellent technical capabilities and attentive customer support. However, the structure in Japan is such that there are more than 80 companies vying with each other and management is greatly affected by economic fluctuations. In this environment, there is no choice but to curtail investments necessary for sustained growth (Note 6). At the same time, global competition is intensifying due to the rise of countries and companies that are positioning machine tool manufacturing as a national priority and continue to grow. We believe that major changes in the global competitive environment seen in mobile phones, personal computers, home appliance, and automobile industries could similarly occur in the machine tool industry. In order to seize upon major changes in the market environment and continue to tirelessly advance the functions, quality, productivity, and proposal-making capabilities required of machine tools, competing and surviving in global markets will be an absolute necessity. Furthermore, according to the Takeover Guideline newly promulgated by METI last year, M&A



activity is picking up in Japan, and momentum for acquisition is growing not only from Japanese companies but also from foreign companies.

(Note 5) Source: “2023 Policy for the Promotion of Core Manufacturing Technology” (Chapter 1: Business Conditions), published by the Ministry of Economy, Trade and Industry on May 31, 2023

(Note 6) Source: Member list published on the Japan Machine Tool Builders’ Association website (<https://www.jmtba.or.jp/memberlist/company/>) as of December 24, 2024

Since the acquisition of Nidec Machine Tool Corporation in 2021, each has achieved growth, and machine tool-related sales have already surpassed 100 billion yen. In a short period, Nidec Machine Tool Corporation went from being in deficit for several months imminently before joining Nidec Group to posting operating profits of double digits. In addition, Nidec OKK, suffering from credit unworthiness due to long-term performance issues, now receives appropriate support from Nidec such as funds and manpower necessary for factory relocation. Takisawa, who joined Nidec Group in December 2023 by way of tender offer, immediately embarked on management reforms that produced ongoing and significant improvements in its business performance. Same synergy is happening in technology, where Takisawa, leveraging Nidec Machine Tool Corporation’s gear machining technology, is applying highly specialized gear machining technology to its multi-tasking CNC lathes. At JIMTOF machine tool fair held in Tokyo in October 2024, Nidec Group’s machine tool manufacturers hosted joint exhibitions; for Takisawa, this translated into over five times as many customer visits compared to two years ago when the company was exhibiting on its own, resulting in potential for new customer opportunities. Going forward, Nidec’s goal is to increase sales in the machine tool business to around 600 billion yen by 2030. Nidec is determined to transform the industry and become one of the world’s leading comprehensive machine tool manufacturers. Unlike other Japanese machine tool manufacturers who tend to get stuck in the existing status quo, Nidec started out manufacturing motors, and we are currently surviving the cut-throat environment of global markets within a wide range of applications for all things that rotate and move, including motors and gears. Rather than limiting ourselves to the machine tool industry, we have a corporate DNA that seeks to advance and combine technologies, strengthen marketing and sales, and improve our management that goes beyond simple cost efficiency.

In recent years, while competing head-on with companies from China and other developed countries, we have managed our overseas businesses with an emphasis on local perspectives, and as a truly global company facing the market, have leveraged even failures to improve our competitiveness. Nidec is not only a machine tool manufacturer, but also a user of machine tools across a wide range of industries, and we are confident that as a company with rare and unique strengths, we are able to expand our business with a broad future perspective on innovation and technology. As an example, we achieved improved customer satisfaction through efforts such as making Nidec Drive Technology’s reducers quieter by applying Nidec Machine Tool’s gear machining technology. Takisawa also developed a multi-tasking lathe that consolidated machining processes for products within the Nidec Group, allowing the group to manufacture products in-house. Although this was in-house, we believe it came about from our ability to develop products based on our understanding of user feedback and products. Being able to provide such user-friendly products not only in-house but also to other customers is one example of positive change after joining our group. We also implement joint purchasing and intra-group optimization of the supply chain through collaboration by domestic and overseas group

companies; and from a financial perspective, we have improved the cash conversion cycle (“CCC”) (Note 7). In terms of personnel, we are optimizing human resource allocation by developing collaboration between Nidec Machine Tool, Nidec OKK, and Takisawa and increasing customer satisfaction by expanding the knowledge of service staff and raising the level of service capabilities. Furthermore, since Nidec Group participates in such a wide range of fields, we may be a competitor in one field, a customer in another, or a supplier. For that reason, Nidec has also consistently maintained a policy of respecting and valuing business relationships with customers among the companies that have joined our group to date.

(Note 7) “Cash conversion cycle” means the number of days sales receivables are turned over plus the number of days inventory is turned over minus the number of days accounts payable are turned over.

Nidec is proud to be a truly global company that utilizes diverse human resources around the world and is able to collaborate efficiently within the group as a result of our continuous M&A activities since our founding. We believe that leveraging connections between our group companies and with customers of our group (IT, OA, automotive, home appliances, commercial, industrial, aerospace) all over the world greatly opens up the possibilities for expanding our business. Makino has a reputation and history as one of Japan’s leading machine tool manufacturers with excellent technology, and we hope that Makino’s management and employees will basically continue to play an active role as they have always done. Furthermore, we believe that it will be possible to increase Makino’s corporate value through collaboration with our group companies, become one of the world’s leading comprehensive machine tool manufacturers, and grow together as a member of the world’s leading solution-providing business group.

### **3. Issues faced by leading machine tool manufacturers in Japan, including Makino**

#### **① Issues faced by leading Japanese machine tool manufacturers**

According to a 2023 report (Note 8) by METI’s Manufacturing Industries Bureau, manufacturing industry sales in Japan have remained flat at around 400 trillion yen for the past 25 years. The machine tool industry is a cyclical industry that is influenced by global capital investment trends, such as new investment, renewal investment, automation investment mainly in the automobile industry, which accounts for about 17% of the manufacturing industry, and general machinery. In order to break away from this structure as much as possible, we have made efforts over many years to promote high added value, globalization, and solutions for our products and services. At the same time, macroeconomic factors such as each country’s industrial policy and exchange rate trends have direct impact on overall capital investment trends and on the performance of individual companies. Companies without production bases in North America and Europe are currently benefiting from the weaker yen, as they export high value-added products from Japan to developed countries, but there are a number of factors that can have a major impact, including the possibility of fluctuations in export trends and exchange rates depending on incoming US administration’s tariff policy and the interest rate policies in Japan and in the US; there is also uncertainty around the expansion of the EV market, and in a global economy where uncertainty is accelerating, the business environment is constantly undergoing significant changes. While placing high value-added products with advanced technology, such as five-axis machining centers, at the core of their strategies, machine tool manufacturers are also actively working on general-purpose products for markets such as Asia with substantial growth potential. However,

competition is fierce in general-purpose products and though differentiation is required, there are constraints given the size of the market size for high-value-added products, a sector in which Japanese companies have had relative successes. The evolution of networks and AI has the potential to significantly change core systems at manufacturing sites (i.e., factories), and we believe Japanese companies, including major companies, currently find themselves in the midst of intense competition for survival.

(Note 8) Source: “The Current State of the Manufacturing Industry and Future Policy Directions” published by the Ministry of Economy, Trade and Industry in May 2023.

## ② About Makino

Makino is a leading machine tool manufacturer well regarded for machining centers offering sophisticated technical capabilities. The PBR (price-to-book ratio), which attracted headlines when the Tokyo Stock Exchange requested companies listed in the “Prime Market” and “Standard Market” to disclose improvement plans if their PBR fell below x1 as part of “management action to achieve capital cost and share prices”, currently stands at 0.84 (as of December 26, 2024). Despite announcing “Action for improvement of corporate value” in October 2023, setting out sales target of 270 billion yen and operating profit margin of 12% (currently 7%) in 2027, Makino’s PBR is still undervalued by capital markets.

A significant portion of Makino’s sales is in the aviation industry of developed countries led by North America and in the Chinese market with leading EV customers. According to Makino’s Annual Securities Report, sales in the US and China account for 24% and 30% respectively of total sales based on the last fiscal year’s results. Although markets are positive about this performance, past and most recent trends suggest that the US aviation industry and China’s eVs market is not necessarily the most stable. In order to realize your vision, it will be necessary to respond to changes in the global market changes and expand the consumables business to secure steady profit stream. Alone, these efforts will inevitably take time and are difficult to achieve.

Given the uptick in recent M&A activities in Japan, we recognize the possibility that in addition to Nidec, other Japanese companies, or even foreign companies, may make an acquisition offer to Makino. It cannot be said that the evaluation in the capital market is sufficient, but Makino’s business expansion has been possible through leveraging products and technologies cultivated over the company’s long history, consolidating a position within the machining center market backed by cutting-edge machining technology. Being part of the Nidec Group will allow Makino access to technologies for turning, gear processing, and large part processing, and in addition to complementing the product lineup, will make it possible to provide significant advantages in terms of technology, know-how, and software development to realize multi-tasking processing. We believe strengthening Makino’s business in an increasingly competitive environment through the effective use of Makino’s strengths and accelerating the development of new products and solutions through expansion of Makino’s solution business will generate substantial profits.

## 4. Expected synergies between Nidec Group and Makino Group

### ① Complementarity of products and technologies

- The addition of Nidec’s lathes, gear cutting machines, large machines (double column five-face milling machines, horizontal boring mills), and machining centers to Makino’s machining centers and electrical discharge machines will enable both

parties to meet a diverse range of customer needs. For machining centers, there is partial competition between Nidec and Makino within certain general-purpose products for Asia. Otherwise, there are very little or no overlaps in our respective businesses.

- Nidec's main products are comprised of gear cutting machines, double column five-face milling machines, and horizontal boring mills. Our business style is to provide processing solutions based on machining technology in growth markets such as eVs and data centers. Leveraging Nidec's expertise in gear cutting and the processing of large components will expand our customer offerings that will complement not only Makino's machining technology but will be highly compatible with Makino's processing-centered business expansion.
- Combining Nidec's turning, gear machining, and large parts machining technology with Makino's products and machining technology will make it possible to create advanced combined machining technologies, products, and know-how for the market.
- Makino has extensive offerings in machining centers for aircraft and tooling backed by high technical capabilities e.g., five-axis machining. However, there is no actual competition in this sector with Nidec OKK or with Nidec Group on the whole.

② Complementarity of production

- Nidec's machine tool division has production bases in locations including North America, Europe, and Taiwan. As Nidec Group, we have production bases in locations such as Mexico. Including China and India, where both companies have production bases, and Makino's base in Singapore, there is complementarity of global production bases. Leveraging existing production bases will enable faster business expansion, and synergy effects can be expected in not only production but also in services, purchasing, hiring and training of technical personnel.
- In addition to procuring European-made NC equipment and other parts and units, using the purchasing route of Pama, Nidec's European subsidiary, it will also be possible to realize joint purchasing using Makino and Nidec's global production bases including Japan.
- Nidec also has global production bases other than for the machine tool business, and we are able to provide support not only in production but also in areas such as finance, accounting, general affairs, and human resources, making it possible to focus management resources on expanding overseas businesses.

③ Complementarity of sales network and service

- Rather than going alone, consolidation and utilization of Makino and Nidec's sales and service networks will lead to more efficient expansion of sales and service operations.
- We believe that it will also be possible to expand market coverage by effectively utilizing sales and service networks of our group companies and Makino's sales and service networks.
- By receiving support from Nidec's overseas subsidiaries in areas such as finance, accounting, general affairs, and human resources, we can focus management resources on sales and services.
- Given Nidec's extensive reach across various sectors and industries, Makino will be able to tap into existing sales channels in IT, OA, home appliances, industrial,





commercial, automotive, and aerospace for increased business opportunities.

④ Organization and funding

- Makino will be able to boost its funding credentials by tapping into Nidec’s financing capability backed by sales of over 2 trillion yen. Compared to existing financing platform, Makino will be able to review and implement resource-intensive development projects and construct additional production sites.
- Makino will be able to reduce listing-related housekeeping and cost to speed up management decisions.

**5. Summary**

As stated in “① Issues faced by leading Japanese machine tool manufacturers” under “3. Issues faced by leading machine tool manufacturers in Japan, including Makino”, Nidec believes market conditions of machine tool manufacturers is extremely adverse, including for Nidec and Makino, based on our own analysis. Notwithstanding, as also stated “4. Expected Synergies between Nidec Group and Makino Group”, by joining forces as one, we can prevail in the extremely difficult market conditions under which leading machine tool manufacturers operate, so that both Nidec and Makino can strive to become a leading global machine tool manufacturing glomerate. Further, Nidec began to study the proposed Transaction in August 2024 on basis that leveraging the competitive edge of Makino as summarised in “3. Issues faced by leading machine tool manufacturers in Japan, including Makino” would maximize Makino’s profit potential.

**6. About the Tender Offer**

Based on above, Nidec proposes to implement a tender offer of Makino’s common stock based on conditions outlined below in accordance with Article 27 (2) of the Financial Instruments and Exchange Act, “*Act*”). Nidec believes it is in the best interest of Makino’s Board of Directors and the Special Committee to accept this Proposal from the perspective of improving corporate valuation and shareholder benefit as under the prescribed conduct of Directors and Board of Directors by the Takeover Guideline.

Outline of the Tender Offer

①	Tender Offeror	Nidec Corporation
②	Tender Offeree	Makino Milling Machine Co., Ltd.
③	The class of Share Certificates, etc. for which Purchase, etc. is to be made	Common stock
④	Offer price	11,000 yen per share (Please see “Tender Offer Price” in “4. Outline of the Tender Offer” of the Appendix.  Tender Offer Price is the price obtained by adding the following premium (rounded off to the nearest whole number) to the closing price of Makino’s shares on the Tokyo Stock Exchange Prime Market as of December 26, 2024 (“Reference Date”), which is the business day immediately preceding the announcement of the scheduled

		<p>launch of the Tender Offer; the simple average closing price for the most recent one month up to the same date; the simple average closing price for the most recent three months up to the same date; and the simple average closing price for the most recent six months up to the same date:</p> <ul style="list-style-type: none"> <li>- Reference date: 7,750 yen 41.94%</li> <li>- One-month average: 7,112 yen 54.67 %</li> <li>- Three-month average: 6,552 yen 67.89%</li> <li>- Six-month average: 6,313 yen 74.24%</li> </ul>
⑤	Planned number of shares to be acquired	<ul style="list-style-type: none"> <li>- Ceiling: N/A</li> <li>- Floor: 11,694,400 shares (Note 1)</li> </ul> <p>(Note 1) The minimum number of shares to be purchased is obtained by deducting the number of treasury shares held by Makino as stated in the Treasury Stock Report as of November 30, 2024 (1,505,069 shares) from the total number of Makino’s shares issued and outstanding (24,893,841), resulting in 23,388,772 shares, multiplied by the number of voting rights (116,944) that is a majority of all number of voting rights (233,887) (Ownership Ratio (Note 2): 50.00%). Please note that the minimum number of shares to be purchased may be adjusted based on the total number of issued shares and treasury shares of Makino at the time of the launch of the Tender Offer.</p> <p>(Note 2) “Percentage of ownership” is the percentage of Makino’s shares issued and outstanding as of November 30, 2024 (24,893,841), less the number of treasury shares in Makino’s Treasury Stock Report of the same date (1,505,069), which is 24,893,841 shares (rounded to the nearest hundredth, the same applies in the calculation of the percentage of ownership below) from the total number of issued shares of Makino. The same applies below.</p>
⑥	Tender Offer Launch Date	<p>Nidec will (i) from today until the launch of the Tender Offer, make a good-faith explanation to Makino’s Board of Directors and the Special Committee to be established (“Special Committee”) in order to obtain their support for the Tender Offer. In addition, Nidec will provide, at the request of Makino’s Board of Directors and the Special Committee, information that is reasonably considered to be necessary in addition to the information set out in this Letter of Intent for the forming of an opinion on the Tender Offer, and (ii) secure sufficient time for Makino and Makino’s shareholders to consider and approve the Transaction, which we have deemed to be a period of two months. Taking into account the expected timing of the completion of the procedures for the approval, (as defined in “Conditions Precedent of the Tender Offer”), we are planning to commence the Tender Offer on April 4, 2025.</p> <p>Nidec will announce the details of the schedule for the Tender Offer as soon as they are decided. Nidec intends to proceed with the tender offer even if Makino’s Board of Directors and the Special Committee</p>

		does not agree to the tender offer once all conditions precedent of the Tender Offer has been satisfied, or Makino has abandoned its consideration.
⑦	Tender Offer Period	31 business days; provided, however, if the total number of share certificates tendered in the Tender Offer (“Tendered Share Certificates”) during the tender offer period (“Tender Offer Period”) reaches the minimum number of shares to be purchased, Nidec will promptly make an announcement to that effect, and extend the Tender Offer Period for a period of 10 business days from the next business day after the date of such announcement (however, if the total number of Tendered Share Certificates acquired reaches the minimum number of shares within 21 business days from the start of the Tender Offer Period, given that 10 business days until the end of the Tender Offer Period is secured, the Tender Offer Period will not be extended. Please see “Tender Offer Price” in “4. Outline of the Tender Offer” of the Appendix.
⑧	Tender Offer Agent	Mita Securities Co., Ltd. Monex, Inc. (sub-agent)

## 7. Other matters

As of today, Nidec is planning to launch the Tender Offer on April 4, 2025 in order to ensure sufficient time for Makino and its shareholders to consider and approve the Tender Offer, and also in light of the expected timing of the completion of the procedures for the relevant permits and approvals. Should Makino request that the launch of the Tender Offer be postponed, depending on the individual circumstances at that time, Nidec is not currently planning to postpone the launch. As of today, Nidec is not aware of any facts that would significantly hinder the fulfillment of the preconditions for the Tender Offer, but if there are any changes to the expected timing of the launch of the Tender Offer in the future, such as if Nidec requires additional time to comply with the regulations of each country due to the discovery of circumstances that cannot be understood based on publicly available information, etc. regarding the business content of Makino Group, Nidec will promptly notify Makino to that effect including notification of the details of the schedule for the Tender Offer as soon as they are decided.



(Appendix)

Please see below for particulars of the Proposal.

### Particulars of the Proposal

#### 1. About Nidec

##### (1) Overview of Nidec Group

Please refer to paragraph 1 “About Nidec Group” in the Letter of Intent and the following publicly disclosed materials:

Annual Securities Report: <https://www.nidec.com/jp/ir/library/reports/>

Earnings Briefings: <https://www.nidec.com/jp/ir/library/earnings/>

Integrated Report: [https://www.nidec.com/jp/ir/library/integrated\\_report/](https://www.nidec.com/jp/ir/library/integrated_report/)

##### Overview of Nidec Corporation

English trade name	NIDEC CORPORATION
Date of incorporation	July 23, 1973
Location	338 Kuzetonoshiro-cho, Minami-ku, Kyoto
Description of business	Development, manufacturing, and sales of small precision motors, automotive motors, home appliance motors, commercial and industrial motors, machinery, electronic and optical components, and other related products.
Shared issued Shares	1,192,568,936 shares (as of December 26, 2024) The Prime Market, Tokyo Stock Exchange (Listing code: 6594)
Accounting period	March 31
Representative	Mitsuya Kishida, Representative Director, President and CEO
Employees	Consolidated: 101,112 (as of March 31, 2024)

##### (2) Nidec’s M&A Transactions

- Please refer to paragraphs 2 and 3 “About Nidec Group” in the Letter of Intent and “M&A History (<https://www.nidec.com/jp/corporate/about/ma/>) on Nidec’s website.

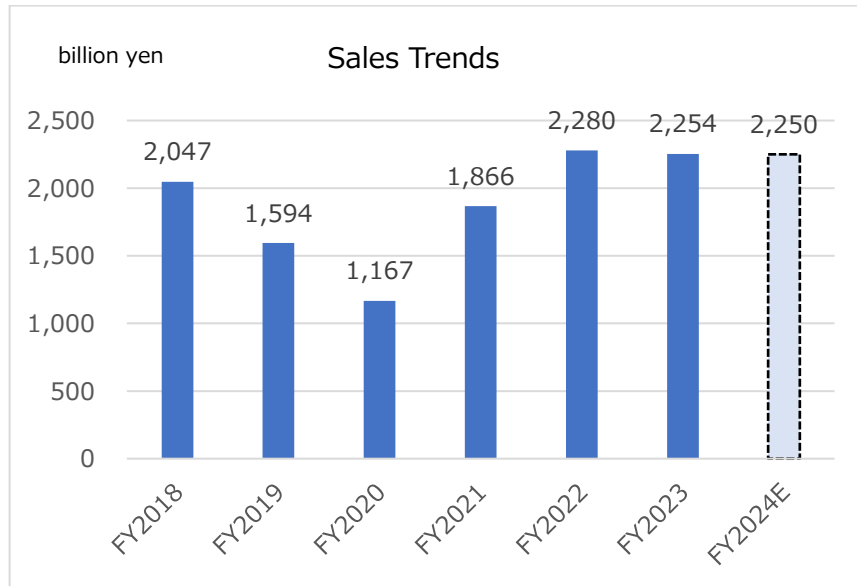
#### 2. Significance of the Tender Offer

##### (1) Makino’s business management status and issues from Nidec Group’s perspective

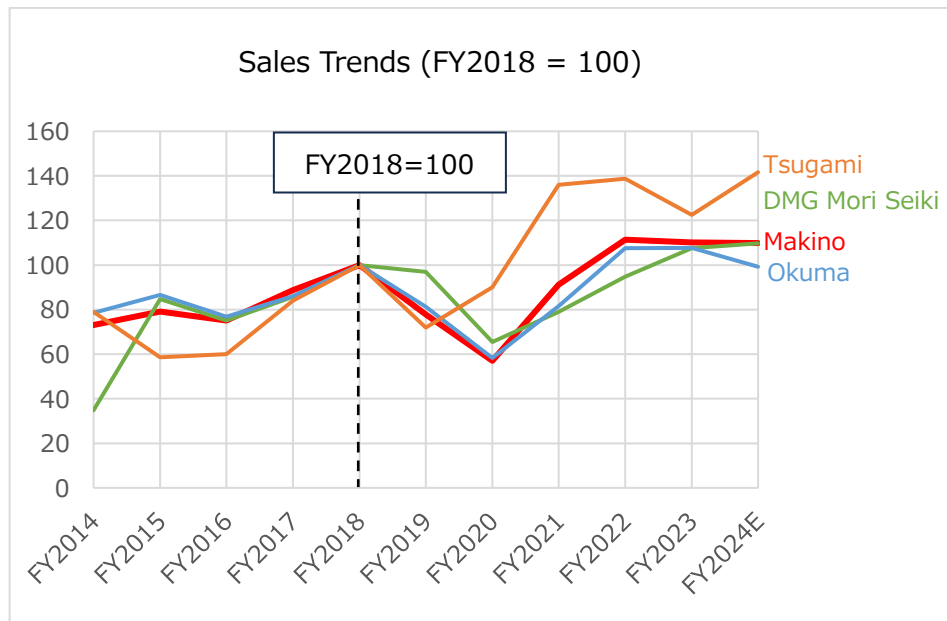
Nidec’s data-led summary of Makino’s issues are as follows:

(i) Limited growth potential and profitability

- Makino’s superior technological capabilities and global business growth is not matched by growth potential and profitability.
- Compared to pre-Covid peak in FY2018, projected annual average sales growth rate remains flat at approximately 1.4%.

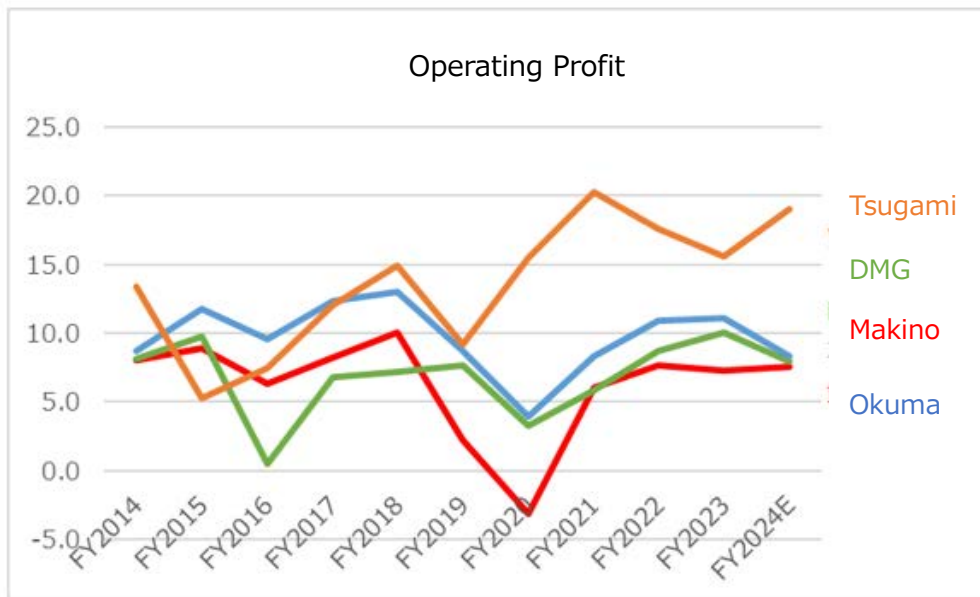


- DMG Mori Seiki and Okuma, major listed companies in the same industry, are also experiencing stagnant growth which is an industry-wide issue.



- As of FY2015, DMG Mori Seiki’s accounting period is end December; the year-end period for other companies is end March.
- DMG Mori Seiki’s FY2015 (9-month settlement, consolidation of DMG Mori AG at the beginning of the period) results have been converted into 12 months.
- FY2024 is based on company forecasts.

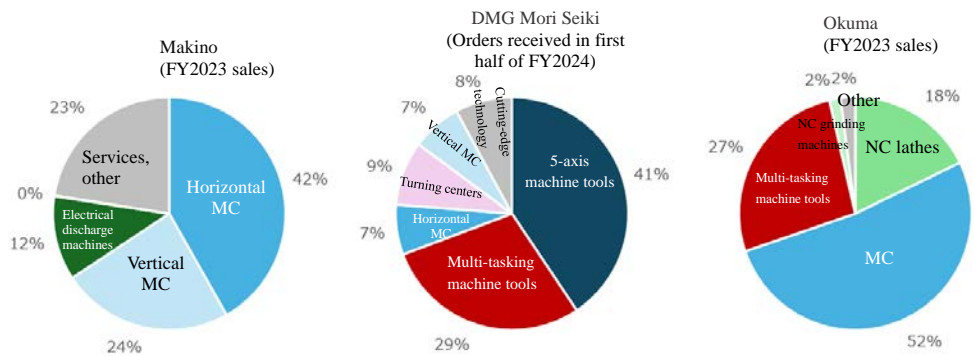
- Following the deterioration of market conditions in FY2019, profit margins have remained consistently low compared to major listed companies within the same industry, e.g., compared to recent results posted by other companies that are close to or above 10%, Makino’s result is in the 7% range. Although this gap is expected to narrow in the current fiscal year with an increase in profits and improved operating margins, it is still lags behind other companies.



- DMG Mori Seiki’s accounting period ends in December as of FY2015, and the other companies’ accounting periods end in March.
- FY2024 is based on company forecasts.

(ii) Imbalance in the product composition

- Makino’s machining centers are highly rated for their superior technical capabilities and global reach. However, within the portfolio, products and technologies are overly skewed towards machining centers, with very little scope for use with other products and technologies. Compared to other leading manufacturers, multi-tasking machines, considered essential for market differentiation, is also absent from the product portfolio.



(iii) Low stock market valuation

- Please refer to (3) in this section.

(2) Strategic significance and synergies to be achieved from the Proposal

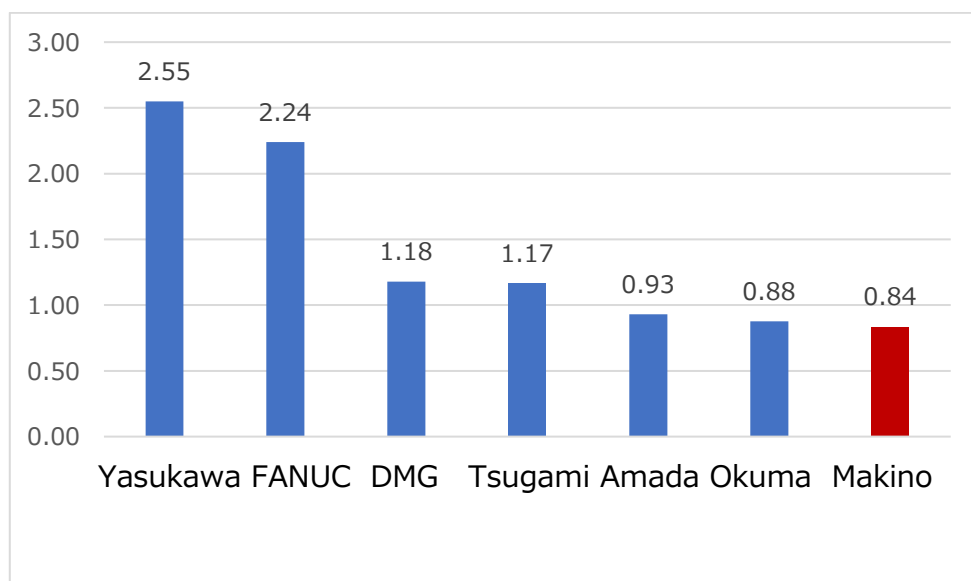
- Please refer to “**4. Expected synergies between Nidec Group and Makino Group**” in the Letter of Intent

(3) Makino’s share price value as valued by the market and shareholders in light of the Proposal

(i) Stock market valuation

- The much talked about PBR (price-to-book ratio) requiring submission of improvement plans to the Tokyo Stock Exchange for companies trading below 1x, is extremely low at 0.8.

PB



(Source : SPEEDA)

(ii) Positioning of the Proposal from the perspective of Makino's shareholders and share price

- The Tender Offer Price is 11,000 yen per share, with added premium of between 41% - and 74% against Makino's final average share price for the date preceding the Tender Offer disclosure date and the equivalent share price of the most recent one-month, three-month, and six-month period. For investors, the offer represents an excellent opportunity to realise investment gains that would otherwise not be possible in practical terms if Makino remained independent.
- Premium
 

vs. previous business day	41.94%
vs. average for the past month	54.67%
vs. average for the past three months	67.89%
vs. average for the past six months	74.24%
- Tender Offer Price exceeds Makino's peak share price of 9,600 yen (June 1990, close of market) and is at a level where each and every shareowner can lock-in profit.

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

(i) Employees

- Should Makino join Nidec Group, business is likely to scale up through capital investments and enhancements to the sales network that will increase career opportunities for Makino's employees through the creation of new roles and positions.
- Nidec's policy is to provide compensation based on employee contribution and performance regardless of educational background, age, gender, race, or affiliation (i.e., whether an employee is from an acquired company). Makino's employees will have more opportunities not only within Makino Group, but also within Nidec Group given that Nidec's business activities span across sectors and industries. Employees who are motivated and upwardly mobile can expect to receive better treatment such as promotions and salary raises.
- Nidec's welfare benefits are on par with other leading companies and will be offered to Makino on same terms as all other Nidec Group companies.

(ii) Local communities

- Should Makino join Nidec Group, business is likely to scale up not only through capital investment to existing plants and construction of new plants but by way of enhancing the existing sales network which will likely contribute to further job creation.





- Engaging with Nidec Group will also likely create new business opportunities for local companies.
- These opportunities will in turn stimulate the local economy and community.

(iii) Business partners

- Should Makino join Nidec Group, Expanding Makino's business will likely scale up and lead to increased opportunities for your business partners. As they engage with Nidec Group, Product quality and line-up of your business partners will likely improve not only in machine tool offerings but in other areas.
- Your business partners will be able to scale up their business by way of new business opportunities created through engaging with Nidec Group in addition to Makino.

3. Post Transaction management

- (i) Going forward, Nidec and Makino will discuss and decide on management structure.

Once the Tender Offer is complete, Nidec may appoint one of its own director(s) to serve at Makino. Our expectations are for Nidec and Makino to work together to transform the machine tool industry and aim to become one of the world's leading machine tool manufacturers. Going forward, the management structure will be decided on basis of sincere discussions with Makino from the perspective of further increasing the corporate value of both companies.

Post Transaction, our aim is to achieve synergies with Makino Group at the earliest opportunity, realize Makino's latent corporate value, and together aim to become one of the world's leading machine tool manufacturers. Specifically, this will entail (i) providing support using management know-how accumulated from Nidec's experience in M&A and PMI in order to maximize Makino's corporate value; (ii) maximizing synergies and expanding our businesses in order to increase our presence in the global market by leveraging of our complementary strengths in manufacturing, development, and sales as well complementing each other where we have local presence. By maximizing the kind of value that cannot be created without integration, we aim to make good use of products, development, manufacturing, sales foundations, and human capital to become one of the world's leading machine tool manufacturers, as stated in "4. Expected synergies between Nidec Group and Makino Group" in the Letter of Intent.

Nidec believes that having Makino on board is merely its goal, but a step towards becoming a growth-oriented company, and that post Transaction, the important factor for Makino is to continue growing alongside Nidec Group in the long-term. This will require maintaining the excellent corporate culture that Makino has cultivated to date. We believe it will be essential for all Makino employees, who are responsible for this corporate culture, to play an active role, with high motivation and high expectations. We would like to consult with Makino and make decisions on specific personnel appointments moving forward. Concerning post-Transaction directorships within



Makino Group, Nidec plans to keep appointments from Nidec Group to a minimum, as with other group companies that have joined our group.

At the same time, in order to achieve the desired synergy effect with Makino Group at the earliest opportunity based on Nidec's know-how accumulated from previous M&A and PMI transactions, we will take the initiative to have not only Nidec Group's top management and site-level managers visit Makino, but will ask Makino to return our visits so that we may hold in-person discussions with Makino's officers and employees concerning growth strategies for the future growth of our two companies and continue working toward becoming one of the world's leading machine tool manufacturers.

(ii) Giving due consideration to maintaining Makino brand

In principle, companies that join our group will have "Nidec" added to their company name. However, considering the fact that Makino is an established brand name within the machine tool industry, we will carefully consider how best to maintain the Makino brand, including keeping the existing brand name.

These are management issues currently being considered by Nidec. Many of these issues will be implemented based on sincere discussions with Makino going forward. To this end, Nidec has been analyzing and preparing various materials in order to gain approval of the Tender Offer from Makino's Board of Directors and the Special Committee. Nidec believes that should Makino's Board of Directors and Special Committee sincerely scrutinized our offer, they will be inclined to approve our Proposal and the Tender Offer.

#### 4. Outline of the Tender Offer

Please refer to "6. About of the Tender Offer" for further details.

At a meeting of the Board of Directors held on December 26, 2024, Nidec resolved to conduct a tender offer for all of the shares of Makino (excluding treasury stock) listed on the Tokyo Stock Exchange Prime Market, subject to the condition that all of the preconditions for the tender offer are satisfied or waived by Nidec, with the aim of making Makino a wholly-owned subsidiary of Nidec.

As of today, Nidec does not own any shares in Makino. However, there is a possibility that Nidec will acquire 100 shares (shareholding ratio: 0.00%) by the time the tender offer begins, from the perspective of ensuring the possibility of exercising our rights as Makino's shareholders, such as requesting to view or photocopy Makino's shareholder register.

To avoid incompleteness of the share-based merger (as defined in "5. Policy on organizational restructuring post Tender Offer (i.e. matters concerning so-called two-step acquisition)") related to the Tender Offer despite there being sufficient interest in the subscription that would reasonably be expected to result in the approval of the of the resolution, Nidec has set a minimum number of shares to be purchased of 11,694,400 shares (Ownership Percentage: 50.00%) (Note 1, 2) in the Tender Offer, (i) if the total number of tendered shares is less than 11,694,400 shares, the Tender Offeror will not purchase all of the tendered shares, but (ii) if the total number of tendered shares reaches 11,694,400 shares during the Tender Offer Period (for the method of confirmation, please refer to (Note 3) of "Outline of the Tender Offer") the Tender Offer Period will be extended to ensure that the Tender Offer Period is 10 business days from the day after the date of the announcement (however, if the total number of tendered shares reaches the minimum number of



shares to be purchased within 21 business days from the start of the Tender Offer Period, the Tender Offer Period will not be extended because 10 business days from the day after the date of the announcement have been secured until the last day of the Tender Offer Period). As a result, shareholders who oppose the Transaction will have 10 business days from the date of the announcement that the total number of tendered share certificates, etc. has reached the minimum number of shares to be purchased (i.e., the Tender Offer is expected to be successful) to indicate their opposition to the Transaction by not tendering their share certificates, etc. in the Tender Offer. (i.e., that the Tender Offer is expected to be successful), Makino's will be able to indicate its intention as to whether or not to tender Makino's shares in the Tender Offer within 10 business days from the date of such announcement, and therefore Makino's will be able to separate indication of its intention as to whether or not to accept the Transaction, and we believe that this will eliminate coercion and provide more of Makino's shareholders with the opportunity to tender their shares. On the other hand, as our objective in this Tender Offer is to make Makino a wholly-owned subsidiary of Nidec by acquiring all of Makino's shares (excluding treasury stock), we have not set a maximum limit on the number of shares to be purchased, and if the total number of tendered shares is equal to or exceeds the minimum limit of shares to be purchased (11,694,400 shares), we will purchase all of the tendered shares.

(Note 1)

The minimum number of shares to be purchased is the number of voting rights (116,944) that is a majority of the number of voting rights (233,887) for the number of shares (23,388,772) obtained by deducting the number of treasury shares (1,505,069) held by Makino as of November 30, 2024, as stated in Makino's Treasury Stock Report, from the total number of Makino's shares issued and outstanding shares (24,893,841) as of the same date, as stated in Makino's Treasury Stock Report (11,694,400 shares) (Ownership ratio: 50.00%) is the number of voting rights (116,944 units) that is a majority of the number of voting rights (233,887 units) for the number of shares (23,388,772 shares) obtained by subtracting the number of treasury shares held by Makino as of the same date as stated in Makino's Treasury Stock Report (1,505,069 shares) from the total number of issued shares of Makino (93,841,772 shares). Please note that the minimum number of shares to be purchased may be adjusted based on the total number of issued shares and treasury shares of Makino at the time of the launch of the Tender Offer.

(Note 2)

"Fair M&A Guideline" formulated by METI on June 28, 2019: "In particular, as a recent trend in Japan's capital markets, the scale of passive index investment funds (Note 3) is expanding, and among them, there are investors who, in principle, do not apply for tender offers regardless of the appropriateness of the terms and conditions of the transaction". As noted above, some of the domestic passive index funds that own Makino's shares do not, in principle, accept tender offers regardless of the appropriateness of the terms and conditions of the tender offer, but we understand that there are some that, in light of past cases, have a policy of exercising their voting rights in favor of proposals for a share consolidation at general meetings of shareholders in subsequent squeeze-out procedures. And, based on the shareholder situation ("Shareholder Situation of Makino") described in Makino's securities report, it is thought that there is a certain number or more of Makino's shares owned by such domestic passive index management funds. Nidec has therefore requested that Mita Securities Co. to estimate the number of Makino's shares that are expected to be held by domestic passive index management funds and the number of Makino's shares that are expected to be tendered in the Tender Offer based on the premium level of the Tender Offer Price, based on publicly available information and information from information vendors that provide data

on financial markets and other areas.

In addition, we believe that there are a certain number of Makino's shareholders who hold Makino's shares for the purpose of policy holding or similar purposes, and who, if Makino were to express an opinion other than approval of the Tender Offer, would express understanding of that opinion of Makino's Board of Directors and refrain from tendering their shares. For this reason, we have also requested Mita Securities to take the above-mentioned action, and in the event that Makino expresses an opinion other than approval of the Tender Offer, we believe that there will be a certain number of shareholders who will refrain from tendering their shares in response to the Tender Offer, even though they are not expected to tender their shares and the voting behavior of shareholders in the Extraordinary Shareholders' Meeting based on the attributes of the shareholders in the Extraordinary Shareholders' Meeting (as defined in "5. Policy on organizational restructuring post Tender Offer (i.e., matters concerning so-called two-step acquisition)") was also requested. As a result, while it is uncertain at this point whether or not to tender to the Tender Offer, it is expected that the voting rights for the proposal regarding the Share Consolidation will be exercised, and while it is difficult to make a precise estimate, in addition to the number of Makino's shares held by domestic passive index management funds (approximately 13.05 %) (Note 4), as well as the number of shares held by Makino's related parties (Jiro Makino, the founder and former representative director of Makino, the foundation of which he is the representative director, (the "**Foundation**") and Makino's officers) (3.82%) and the number of shares held by Makino's cross-shareholding partners (7.25%) (Note 5), it is expected that the percentage of shares held will reach approximately 24.12%, and even if the number of shares of Makino held by Nidec after the Tender Offer is close to the minimum number of shares to be purchased, it is expected that the requirements for the approval of the resolution for the Share Consolidation will be met.

Therefore, even if the number of Makino's shares held by Nidec after the completion of the Tender Offer is the minimum number of shares to be purchased (over approximately 50.00%), it is expected that the number of Makino's shares for which voting rights in favor of the proposal for the consolidation of shares will be exercised will reach approximately 74.12% when converted to the percentage of shares held, and even if the rate of exercise of voting rights at the Extraordinary General Meeting of Shareholders were 100%, it is expected to exceed the two-thirds majority required for the passage of a special resolution, and in fact, the number of shares required for the passage of the resolution on the Share Consolidation is equivalent to the maximum rate of exercise of voting rights (approximately 84%) (Note 6) at Makino's most recent five annual general meetings of shareholders, multiplied by two-thirds of the voting rights required for the passage of a special resolution at a general meeting of shareholders (approximately 56%) multiplied by the ratio of two-thirds of the voting rights required to pass a special resolution at a general meeting of shareholders (approximately 56%), it is estimated that the level of the number of Makino's shares for which voting rights are expected to be exercised in favor of the proposal for the Share Consolidation (approximately 74.12%) will easily exceed this, and even when conservatively estimated, it is expected to meet the requirements for the approval of the proposal for the Share Consolidation. Based on this opinion, as our objective is to make Makino a wholly-owned subsidiary through the Tender Offer, we have confirmed that there are no unreasonable points in Mita Securities' opinion, and have decided on the minimum number of shares to be purchased as the minimum number of shares to be purchased, which will maximize the probability of the Tender Offer being successful, at a level where the approval of the proposal for the Share Consolidation is reasonably expected.

(Note 3)

“Passive index management funds” are funds that aim to secure a rate of return on investment that is on par with the market average by managing investment assets, including stocks, with the aim of linking investment results to indices such as stock price indices that serve as market benchmarks.

(Note 4)

Nidec agrees with following opinion from Mita Securities Namely, although there are some passive index funds that hold Makino’s shares and have exercised their voting rights against proposals for a share consolidation aimed at squeezing out other companies in the past, citing reasons such as the fact that the economic conditions are insufficient and the transaction does not benefit general shareholders, the Tender Offer Price (¥11,000 per share) is 1) the closing price of Makino’s shares on the Tokyo Stock Exchange Prime Market on December 26 2024, which is the business day before the announcement of the scheduled launch of the Tender Offer (¥7,750), the simple average of the closing prices for the most recent one month up to that date (¥7,112), the simple average of the closing prices for the most recent three months up to that date (¥6,552), and the simple average of the closing prices for the most recent six months up to that date (¥6,313), and the price is the sum of a premium of 41.94%, 54.67%, 67.89%, and 74.24% respectively, and compared to the median of the premiums granted in Similar Transactions (i.e. final simple average price for the one-month, three-month, and six-month period up to the business day before the announcement of 43.05%, 44.81%, and 47.98% respectively), the figures are higher by 11.62 points, 23.08 points, and 26.26 points respectively; 2) since listing, Makino’s share price has not exceeded the Tender Offer Price since peaking at 9,600 yen (June 1990, adjusted closing price); and 3) as of December 26, 2024, Makino’s PBR (price book-value ratio) is less than 1, while the Tender Offer Price is equivalent to a PBR of x1.19 (for details, please refer to “Tender Offer Price”), Nidec believes that the Transaction falls outside aforementioned reasons, and that we can expect to receive affirmative votes from all passive index funds that hold Makino’s shares.

(Note 5)

Nidec believes that the Transaction falls under the category of “desirable acquisition” in the Takeover Guideline and will not only contribute to the enhancement of Makino’s corporate value but will also be an attractive transaction for Makino’s shareholders and business partners, and we are confident that many of Makino’s shareholders, including business corporation shareholders, will approve of and subscribe to the Tender Offer. However, given the situation of Makino’s shareholders, there is a possibility that, even if the Tender Offer is successful, Nidec’s ownership ratio will remain at less than two-thirds of the total, due to the existence of a certain number of shareholders who hold Makino’s shares for the purpose of policy holding or similar purposes In addition to domestic passive index funds, we expect that some of the shareholders who hold Makino’s shares for policy-based or similar reasons and who did not tender their shares in the Tender Offer will exercise their voting rights in favor of the proposal for the consolidation of shares at the Extraordinary General Meeting of Shareholders.

Specifically, Nidec has obtained the following opinion from Mita Securities, which is scheduled to be the tender offer agent for the Tender Offer, and we agree with that opinion. Namely, 1) with regard to the shares held by the Foundation, it is generally thought that the founding family will respect the opinions of Makino’s Board of

Directors in accordance with its Articles of Incorporation which holds the growth of the machine tool sector to which it belongs to, and given that there is no confirmation of a conflict between Makino and Foundation; and with regard to the shares of Makino held by Makino's directors, given the relationship that Makino's Board of Directors is a deliberative body composed of directors body, it is thought that it would be difficult for them to take action that goes against the decision-making of Makino, so if Makino were to express an opinion other than approval of the Tender Offer, it is thought that these shareholders would understand the opinion of Makino's Board of Directors and refrain from tendering their shares, and also, given that the shares of Makino held by Makino's cross-shareholding partners are held for the purpose of policy holding or similar purposes by business partners, etc. it is thought that it would be difficult to take action that is contrary to Makino's decision-making, and if Makino expresses an opinion other than approval of the Tender Offer, it is thought that the shareholders of Makino will also express understanding of the opinion of Makino's Board of Directors and refrain from tendering their shares.

On the other hand, (ii) if the Tender Offer is successful in a situation where Makino's Board of Directors does not express an opinion of approval of the Tender Offer, and Nidec becomes Makino's new parent company, it is generally expected that the Board of Directors of Makino will show a certain level of understanding of the management policies of Nidec, which has become the new parent company, and will operate the business under policies that are consistent with the policies of the parent company operations, and also because we believe that the relevant management policies (Note 7) will be understood by Makino's stakeholders along with Makino's understanding of them, we have received Mita Securities' opinion that, in light of such a change in circumstances, it is expected that the shareholders who have expressed their understanding of the current Board of Directors and refrained from applying as described in (i) above will also, in principle, vote in favor of the proposal for the consolidation of shares at this extraordinary general meeting of shareholders.

(Note 6)

According to Makino's securities report, the number of voting rights as of the record date for Makino's 85th annual general meeting of shareholders, held on June 20, 2024, was 236,739. According to the Extraordinary Report submitted by Makino on June 27, 2024, the number of voting rights exercised was 187,094 on average for all proposals, and the number of voting rights exercised was equivalent to approximately 79% (rounded to the nearest whole number) of the total number of voting rights. Similarly, when calculating the ratio of voting rights exercised in previous years, the ratio for the 84th Ordinary General Meeting of Shareholders was approximately 76%, the ratio for the 83rd Ordinary General Meeting of Shareholders was approximately 83%, the ratio for the 82nd Ordinary General Meeting of Shareholders was approximately 84%, and the ratio for the 81st Ordinary General Meeting of Shareholders was approximately 78%, and the maximum ratio of voting rights exercised in the last five Ordinary General Meetings of Shareholders of Makino is approximately 84% (hereinafter referred to as "Makino's maximum ratio of voting rights exercised"). . In considering the number of voting rights necessary for the approval of the proposal for the consolidation of shares, we believe that the ratio of voting rights exercised at Makino's most recent general meeting of shareholders is a useful reference, but there is also the possibility that using a single year's data as a reference value is not necessarily sufficient, so we have decided to use Makino's maximum voting rights exercise ratio as a conservative approach.

Furthermore, according to an analysis by Mita Securities of Similar Transactions (Note 8) to the Tender Offer, it is thought that the ratio of voting rights exercised by shareholders other than the Tender Offeror in relation to the proposal for a share consolidation (squeeze-out proposal) after the Tender Offer is completed will be significantly lower than the ratio of voting rights exercised at ordinary general meetings of shareholders in normal times and it is estimated that the actual ratio of voting rights exercised is approximately 40% (Note 9), which is lower than the maximum ratio of voting rights exercised by Makino, and Mita Securities has expressed the view that it is reasonable to use the maximum ratio of voting rights exercised by Makino in a conservative manner, taking into account the above reasons.

(Note 7)

According to Mita Securities, once the Tender Offer is made, Nidec intends to work with Makino to revolutionize the machine tool industry and become one of the world's leading machine tool manufacturers, and since the Foundation also upholds a similar philosophy (according to the Articles of Incorporation of the Foundation, the objective is “to contribute to the sound development of the machinery industry and thereby contribute to the development of the national economy by improving the quality and performance of machine tools and improving and streamlining production and use through subsidies for research into basic and applied technologies related to the development, production and use of machine tools.”) the Foundation also believes that it will be able to gain an understanding of Nidec’s management policies after the Tender Offer.

Furthermore, according to the Articles of Incorporation, the exercise of voting rights for the shares of Makino held by the Foundation is decided by the approval of the Board of Directors of the Foundation (approval of two-thirds or more of the total number of directors), and that the voting rights for the proposal for the consolidation of shares at this extraordinary general meeting of shareholders will not be exercised based solely on the wishes of the founding family of Makino, and that the voting rights will be exercised in line with the above-mentioned purpose of the articles of incorporation.

(Note 8)

Nidec has analyzed a total of 60 cases of similar cases from January 2020 onwards in which a share consolidation was chosen as the method for squeeze-out.

(Note 9)

The average ratio of voting rights exercised (excluding the number of votes exercised by Nidec) for share consolidation proposals (squeeze-out proposals) in similar cases as in Note 8 is approximately 40 %. Furthermore, the average of the ratio obtained by dividing the ratio by the ratio of the exercise of voting rights at the most recent ordinary general meeting of shareholders of Makino in each case is approximately 55, which is approximately half of 100%. Therefore, it is thought that the ratio of the exercise of voting rights by shareholders other than the tender offeror in relation to the proposal for a share consolidation (squeeze-out proposal) tends to be significantly lower than the ratio of the exercise of voting rights at ordinary general meetings of shareholders in normal times.

In addition, even if the Tender Offer is successful, if Nidec is unable to acquire all of Makino’s shares (excluding treasury stock held by Makino) through the Tender Offer, in the event that the Tender Offeror is unable to acquire all of Makino’s shares (excluding treasury shares), the Tender

Offeror will, in the event that the Tender Offeror acquires (i) 90% or more of the voting rights of all shareholders of the Target Company, (ii) between 66% and 90% of the voting rights of all shareholders of the Target Company, or (iii) less than 66% of the voting rights of all shareholders of the Target Company, but rights, as described in “(3) Policy on Reorganization, etc. after the Tender Offer (Matters related to the so-called Two-Tiered Acquisition)” below, Nidec does not plan to change its policy of making Makino a wholly-owned subsidiary and plans to implement the Squeeze-Out Procedures (the “Squeeze-Out Procedures”) , and in the cases of (ii) and (iii) above, we plan to request that Makino’s hold the Extraordinary Shareholders' Meeting (defined in “5. Policy on organizational restructuring post Tender Offer (i.e. matters concerning so-called two-step acquisition”). As stated in Notes 2, 4 and 5 above, even in the case of (iii) above, Nidec believes that the requirements for the approval of the proposed Share Consolidation at the Extraordinary General Meeting of Shareholders are expected to be met.

However, in the case of (iii) above, there is a possibility that the proposal regarding the consolidation of shares will be rejected at this extraordinary general meeting of shareholders. However, even if the proposal is rejected, Nidec aims to ultimately acquire all of Makino’s shares (excluding treasury stock held by Makino), so we plan to request that the next general meeting of shareholders be held to approve the share consolidation by acquiring additional shares of Makino’s stock until the number of shares reaches the number of voting rights multiplied by two-thirds of the number of voting rights at the next general meeting of shareholders to be held for the purpose of approving the share consolidation (The time required for such additional acquisition and the subsequent approval of the consolidation of shares at the general meeting of shareholders will depend on market conditions and other circumstances, so it is difficult to specify a definite time at this point. We plan to use market transactions, tender offers, and off-market purchases (limited to cases permitted by law) as methods for making such additional acquisitions. Regardless of the expected timing, if the Tender Offer is successful, we will not change our policy of making Makino a wholly owned subsidiary.

In the above additional acquisition, the consideration that Nidec will pay to shareholders will be a price that is evaluated as economically equivalent to the Tender Offer Price for shareholders selling in response to the additional acquisition (the same amount as the Tender Offer Price per share, unless Makino carries out an action that requires adjustment of the consideration paid, such as a share consolidation or a stock split).

#### <Public Tender Offer Price>

The public tender offer price is expected to be 11,000 yen. However, the public tender offer price is based on the assumption that (a) no event has occurred that would allow the withdrawal of the tender offer as provided in the proviso of Article 27-11, Paragraph 1 of the Act, and (b) the body that decides the execution of Makino’s business has not made a decision on the distribution of surplus or the acquisition of treasury stock with a record date prior to the launch date of settlement of the tender offer (the “Launch Date of Settlement”). If any event occurs that is different from the assumptions in (a) or (b) above, the Tender Offer Price may be revised based on the amount equivalent to the impact per share taking into account the impact on the Makino's shares due to such event, and if the Tender Offer Price is revised, Nidec will make such revision by the time of the launch of the Tender Offer.

In addition, (a) of the grounds for withdrawal of a tender offer as set forth in Article 27-11, Paragraph 1 of the Act, “matters equivalent to the matters listed in (a) to (g)” as set forth in Article 14, Paragraph 1, Item 1, Sub-item (i) of the Financial Instruments and Exchange Act Enforcement Order (Cabinet Order No. 321 of 1965, as amended) (the “Order”) is (x) where a decision making body within Makino decides on (a) the distribution of surplus (excluding those where the amount of money or other assets to be delivered in exchange for acquiring the shares is expected to be



less than the amount equivalent to 10% of the book value of net assets on the non-consolidated balance sheet as of the end of Makino's most recent fiscal year (¥10,450 million)), and (b) distribution of surplus without specifying the amount with reference date set before the date of the decision, if the distribution exceeds 10% of the book value of net assets on the standalone balance sheet; (y) where a decision making body within Makino decides (to acquire treasury stock (excluding those shares that are expected to be less than 10% of the book value of net assets on the non-consolidated balance sheet as of the end of Makino's most recent fiscal year (¥10,450 million)), and (b) Makino has resolved to submit a proposal to its shareholders' meeting to acquire treasury stock, and (z) the body that decides the execution of Makino's business has resolved to (a) transfer, acquire, suspend or abolish all or part of its business, or (b) if the decision is made to submit a proposal to the general meeting of shareholders of Makino to transfer, acquire, suspend or abolish all or part of the above business, or to dispose of or transfer important assets.

In addition, among the reasons for which a tender offer may be withdrawn as set out in the proviso to Article 27-11, Paragraph 1 of the Act, the "facts equivalent to the facts listed in (a) to (r)" set out in Article 14, Paragraph 1, Item 3(x) of the Enforcement Order are (x) where it is found that there are false statements or omissions of material information in the statutory disclosure documents submitted by Makino in the past, and (y) where it is found that there are false statements or omissions of material information in the statutory disclosure documents submitted by Makino's material subsidiaries in the past.

(Note 2)

According to the "5. Accounting Status, 2. [Financial Statements, etc.], (1) [Financial Statements], 1. Balance Sheet" of the 85th Term Securities Report (the "Company's Securities Report") that Makino's submitted on June 21, 2024 "5. Accounting Status, 2. [Financial Statements, etc.], (1) [Financial Statements], 1. Balance Sheet" shows that the amount of net assets on the non-consolidated balance sheet for the fiscal year ending March 2024 is 104,502 million yen (net assets per share is 9,325.04 yen). According to the "Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 2025 [Japanese GAAP] (Consolidated)" that Makino submitted on October 31, 2024, Makino plans to pay a dividend of 100 yen per share at the end of the fiscal year ending March 2025 dividend of 100 yen per share, which is significantly lower than the amount equivalent to 10% of the net asset value per share (932.50 yen) on the non-consolidated balance sheet for the fiscal year ending March 2024.

The Tender Offer Price (11,000 yen) is the price obtained by adding a premium of 41.94%, 54.67%, 67.89%, and 74.24% to the closing price of Makino's shares on the Tokyo Stock Exchange Prime Market on December 26, 2024 ("Reference Date), which is the business day before the announcement of the scheduled launch of the Tender Offer, the simple average closing price for the most recent one month up to the same date (7,112 yen), the simple average closing price for the most recent three months up to the same date (6,552 yen), and the simple average closing price for the most recent six months up to the same day (6,313 yen), and that these one-month, three-month and six-month share premiums exceed the median premium granted in Similar Transactions (43.05%, 44.81%, and 47.98% respectively) by 11.62 points, 2308 points, and 26.62 points respectively; ② Makino's share prices, since peaking at 9,600 yen (June 1990, adjusted closing price), has not exceeded the Tender Offer Price since becoming a listed company; and ③ Makino's PBR (price book-value ratio) as of December 26, 2024 was less than 1 whereas the Tender Offer Price is equivalent to a PBR of x1.19, we believe that the Tender Offer Price is a price that will provide a significant premium to Makino's shareholders. At this point in time, it is difficult to quantify the synergistic effects that Makino is aiming to achieve through this



transaction, but we believe that this transaction, including the Tender Offer, will not only guarantee the “benefits to be enjoyed by shareholders” as stated in the “Guidelines for Corporate Acquisition Activities”, i.e., “value that can be achieved without an acquisition”, but will also provide a reasonable investment recovery opportunity that fully guarantees a fair distribution of “value that cannot be achieved without an acquisition”.

#### <Tender Offer Period>

The Tender Offer Period is scheduled to be 31 business days. Nidec plans to (i) sincerely explain to Makino’s Board of Directors and the Special Committee that Makino is expected to establish in the future, from today until the launch of the Tender Offer, in order to obtain their support for the Tender Offer, and in addition, if Makino’s Board of Directors or the Special Committee requests information that is reasonably judged to be reasonably necessary, and (ii) to ensure that Makino and its shareholders have sufficient time to make an appropriate decision on whether or not to accept the Tender Offer, we have determined that a period of at least two months is desirable. April 4, 2025, and as the Tender Offer Period is scheduled to be 31 business days, when these are combined, the Tender Offer has a review period of more than four months between today and the last day of the Tender Offer Period, and we believe that this provides sufficient time for Makino and its shareholders to consider the Transaction.

In addition to these, as stated in “(ii) Setting of Conditions Intended to Eliminate Coercion” in “Fairness of the Transaction in light of the Takeover Guideline”, if the total number of tendered share certificates reaches the minimum number of shares to be purchased (11,694,400 shares) (for details regarding the minimum number of shares to be purchased, please refer to “4. Outline of the Tender Offer”. If the minimum number of shares to be purchased (1,694,400 shares) is reached, Nidec will promptly make a public announcement to that effect (Note 3) and extend the Tender Offer Period so that it is 10 business days from the first business day following the date of the public announcement (however, if the total number of tendered shares reaches the minimum number of shares to be purchased within 21 business days from the day after the date of the announcement of the fact that the total number of tendered share certificates, etc. has reached the minimum number of shares to be purchased, the Tender Offer Period will not be extended because 10 business days can be secured from the day after the date of the announcement of the fact that the total number of tendered share certificates, etc. has reached the minimum number of shares to be purchased to the last day of the Tender Offer Period. By doing this, we will be able to separate the expression of intent regarding the pros and cons of the transaction (approval or disapproval) from the expression of intent regarding whether or not to apply for the Tender Offer, and we intend to eliminate coercion by doing this, and we also believe that we will be able to provide more of Makino’s shareholders with the opportunity to apply.

#### (Note 3)

As a specific method of confirmation, Nidec will confirm that the total number of tendered shares, etc. has reached the minimum number of shares to be purchased (11,694,400 shares) during the Tender Offer Period (using the method described in this note, and the same applies in the case of extending the Tender Offer Period) and that the same is true during the Tender Offer Period after the extension. as the standard time, the tender offer agent is scheduled to (i) have the agent’s securities account tally the number of shares that have actually been tendered by the standard time, and (ii) report to Makino by 5:00 p.m. on the same day. If the total number of tendered shares at that time reaches the minimum number of shares to be purchased (11,694,400 shares), Nidec plans to announce this fact on the same day, or the following business day based on the report. However, if the total number of tendered shares cannot be confirmed to have reached



the minimum number of shares to be purchased by the end of the Tender Offer Period by the base time on the business day before the last day of the Tender Offer Period, Nidec plans to announce that fact on the last day of the Tender Offer Period if the total number of tendered shares reaches the minimum number of shares to be purchased (11,694,400 shares) by 3:00 p.m. on the same day, which is the deadline for tendering shares in the Tender Offer.

<Conditions Precedent for the Tender Offer>

The Tender Offer will commence if all of the following preconditions (the precondition in (i) is referred to as “Precondition for the Tender Offer (i)” and the precondition in (ii) is referred to as “Precondition for the Tender Offer (ii)” and collectively referred to as “Preconditions for the Tender Offer”) are satisfied or waived by Nidec (however, Nidec may only waive Precondition for the Tender Offer (ii)).

- (i) All procedures required under domestic and foreign competition laws and foreign investment regulations (“Permission Procedures, etc.”) for the execution of the Transaction have been completed, or Nidec has determined that it is reasonably expected that all of the procedures will be completed by the last day of the Tender Offer Period.
- (ii) There is (a) no event that would allow the withdrawal of the Tender Offer as provided for in the proviso of Article 27-11, Paragraph 1 of the Act; and (b) the body that decides on the execution of Makino’s business has not made a decision on the distribution of surplus with a record date prior to the launch date of settlement or the acquisition of treasury shares with an acquisition date.

(a) Our understanding of the Precondition for the Tender Offer (i)

Regarding the specific details of the procedures for the licenses, etc. in the Precondition for the Tender Offer (i), Nidec has carefully examined the information that was available to us up to this point based on publicly available information, and as a result of engaging domestic and international law firms, we have determined that in order to execute the Transaction, we will need to comply with the following procedures (i) procedures based on competition laws in Japan, the United States, China, the EU, and Turkey, and (ii) procedures based on foreign investment regulations in the United States, Germany, France, Italy, Slovakia, Spain, and the Czech Republic. As we have not discussed the licensing procedures with Makino, if the details of Makino’s group’s business, which have not been disclosed, become clear and it becomes necessary to take other licensing procedures in light of the details of the business or the views of the regulatory authorities, we will make an announcement to that effect and take the necessary steps immediately to complete the procedures. However, as stated above, as a result of our thorough examination of the procedures for obtaining the necessary licenses, etc. that may be required for the implementation of this transaction based on the advice of local lawyers in each country, we are not aware of any procedures for obtaining the necessary licenses, etc. other than the procedures described above (4 countries, 1 jurisdiction’s competition law, and 7 countries based on foreign investment regulations) are not recognized, and as of today, we are planning to commence the Tender Offer on April 4, 2025 after taking steps to complete these procedures.

As of today, based on the advice of lawyers in Japan and other countries, we are taking the necessary steps to ensure that the procedures for the necessary permits and approvals, which we recognize as necessary, can be completed by the start of the Tender Offer Period. Even if they are not completed by the start of the Tender Offer Period, we expect that all of the procedures for the necessary permits and approvals will be completed by the end of the Tender Offer Period at the latest.

Jurisdiction	Relevant Laws	Submission Status	Expected completion (provisional)
Japan	Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Competition Law)	From today until mid-January 2025	Mid-March 2025
US	Hart-Scott Rodino Antitrust Improvements Act of 1976 (Competition Law)	From today until early-January 2025	Early February 2025
China	Antitrust Law of the People's Republic of China (Competition Law)	From today until early-January 2025	Early April 2025
EU	Council Regulation No. 139/2004 of the European Union (Competition Law)	From today until mid-January 2025	Early April 2025
Turkey	Turkish Competition Law (Competition Law)	From today until early-January 2025	Early April 2025
US	Committee on Foreign Investment in the United States (CFIUS) regulations (Foreign Investment Regulations)	From today until early-January 2025	Early April 2025(at the lapse of the 30-day waiting period following receipt of the simplified notification (Declaration))
Germany	Order for Enforcement of the German Foreign Economic Law (Foreign Investment Regulations)	From today until early-January 2025	Early April 2025

France	French Monetary and Financial Code (Foreign Investment Regulations)	From today until early-January 2025	Early April 2025
Italy	Italian Legislative Decree No. 21/2012 (Golden Power Law) (Foreign Investment Regulations)	From today until early-January 2025	Early April 2025
Slovakia	Slovakia Foreign Trade Control Act (Foreign Investment Regulations)	From today until early-January 2025	Early April 2025
Spain	Spanish Foreign Investment Law (Foreign Investment Regulations)	From today until early-January 2025	Early April 2025
Czech Republic	Czech Republic Foreign Investment Screening Act (Foreign Investment Regulations)	From today until early-January 2025	Early April 2025

(b) Regarding the Precondition for the Tender Offer (ii)

As of today, Nidec is not aware of any circumstances that would fall under the Precondition for the Tender Offer (i). Even if any circumstances that would fall under the Precondition for the Tender Offer (ii) arise, Nidec will waive the Precondition for the Tender Offer (ii) when revising the Tender Offer Price.

As of today, Nidec plans to launch the Tender Offer on April 4, 2025 after taking steps toward completing the procedures for the relevant licenses and approvals, but there is a possibility that the launch of the Tender Offer may be postponed if Nidec requires additional time to comply with the regulations of each country due to circumstances that cannot be ascertained based on publicly available information, etc. regarding Makino group, etc., so we will promptly notify Makino of the details of the schedule for the Tender Offer as soon as they are determined.

As of today, Makino's Board of Directors has not yet given its approval for the execution of the Transaction, including the Tender Offer. However, we have submitted to Makino a Letter of Intent dated today that includes a detailed explanation of the content of the proposal, including the significance and purpose of the Transaction, including the synergistic effects of executing the Transaction, the appropriateness of the consideration, and the transparency and fairness of the procedures. (i) from today until the launch of the Tender Offer, we will make a good-faith explanation to Makino's Board of Directors and the Special Committee that Makino is expected

to establish in the future, in order to gain their support for the Tender Offer, and (ii) if Makino's Board of Directors or the Special Committee requests us to provide any information that they reasonably consider to be necessary in addition to the information set out in the Letter of Intent in order to form an opinion on the Tender Offer, we will respond to such request in good faith (We intend to secure a necessary and sufficient period of time for this purpose, and also intend to secure a sufficient period of time for all of Makino's shareholders to make an appropriate decision on the pros and cons of the Transaction and on whether or not to tender their shares. We have therefore decided that a period of at least two months is desirable, and we plan to commence the Tender Offer on April 4, 2025, taking into account the expected timing of the completion of the procedures for obtaining the necessary approvals, etc.

However, even if Makino's Board of Directors and Special Committee do not agree with the Tender Offer, we plan to launch the Tender Offer as scheduled if all of the preconditions for the Tender Offer are met or waived by Nidec. Even if Makino requests that the Tender Offer be postponed, we do not currently plan to postpone the launch of the Tender Offer, although this will depend on the individual circumstances at the time.

<Schedule for the Transaction, including the Tender Offer>

The schedule for the Transaction, including the Tender Offer, that Nidec is currently envisaging is as follows.

Submission of Letter of Intent	Friday, December 27, 2024
Obtaining clearance under the Competition Law (Japan)	Mid-March 2025
Obtaining clearance under the Competition Act (U.S.)	Mid-March 2025
Obtaining clearance under the Competition Law (China)	Mid-March 2025
Obtaining clearance under competition law (EU)	Mid-March 2025
Obtaining clearance under the Competition Law (Turkey)	Mid-March 2025
Submission of a simplified notification (Declaration) in accordance with the Foreign Investment Regulations (U.S.) and the lapse of such waiting period	Early April 2025
Obtaining clearances in accordance with foreign investment regulations (Germany)	Early April 2025
Obtaining clearances in accordance with foreign investment regulations (France)	Early April 2025
Obtaining clearances in accordance with foreign investment regulations (Italy)	Early April 2025
Obtaining clearance under the Foreign Investment Regulation (Slovakia)	Early April 2025
Obtaining clearances in accordance with foreign investment regulations (Spain)	Early April 2025
Obtaining clearances in accordance with the Foreign Investment Regulation (Czech Republic)	Early April 2025



Date of Public Notice of Commencement of Tender Offer	Friday, 4 April 2025 (provisional)
Filing date of the Tender Offer Notification	Friday, 4 April 2025 (provisional)

As of today, Nidec plans to begin the Tender Offer on April 4, 2025 after completing the procedures for this approval, but it is difficult to accurately predict the time required for these procedures because there is a possibility that we will be informed of facts that are not clear from publicly available information from Makino in the future. If there are any changes to the scheduled start date, we will promptly notify Makino’s of this, and we will also promptly notify Makino’s of any details of the Tender Offer schedule as soon as they are decided.

The Tender Offer period is scheduled to be 31 business days. Nidec intends to (i) make a good-faith explanation to Makino’s Board of Directors and any Special Committee that Makino may establish in the future, in order to obtain their support for the Tender Offer, from today until the launch of the Tender Offer, and further, if Makino’s Board of Directors or any Special Committee requests that Nidec provide any information that it reasonably determines to be necessary in addition to the information set forth in the Letter of Intent in order to form an opinion on the Tender Offer, Nidec will respond to such request in good faith and (ii) to ensure that Makino’s shareholders have sufficient time to make an appropriate decision on whether or not to accept the Tender Offer, and we have determined that a period of at least two months is desirable for this purpose, we expect to commence the Tender Offer on April 4, 2025, taking into account the expected timing of the completion of the procedures for obtaining the necessary approvals, etc. We believe that this will ensure that Makino’s general shareholders have the opportunity to decide whether or not to tender their shares in the Tender Offer, and that there will be an opportunity for purchases of Makino’s shares by parties other than Nidec. In addition, if the total number of tendered shares reaches the minimum number of shares to be purchased (11,694,400 shares) (for details regarding the minimum number of shares to be purchased, please refer to (Note 3) of “Outline of the Tender Offer”), Nidec will promptly announce this and extend the Tender Offer Period so that it is 10 business days from the first business day after the date of such announcement (however, if the total number of tendered shares reaches the minimum number of shares to be purchased within 21 business days from the launch date of the Tender Offer Period, Nidec will not extend the Tender Offer Period because 10 business days from the first business day after the date of such announcement have been secured until the last day of the Tender Offer Period). By doing this, we are able to separate the expression of intent regarding the pros and cons of the transaction (approval or disapproval) from the expression of intent regarding whether or not to apply for the tender offer, and we intend to eliminate the coercive nature of the tender offer by doing this.

#### 5. Policy on organizational restructuring post Tender Offer (i.e., matters concerning so-called two-step acquisition)

As stated in “4. Outline of the Tender Offer” above, the purpose of the Tender Offer is to make Makino a wholly-owned subsidiary of Nidec, so even if the Tender Offer is successful, in the event that Nidec is unable to acquire all of Makino’s shares (excluding treasury stock held by Makino) , in the event that the Tender Offer does not result in Nidec acquiring all of Makino’s

shares (excluding treasury stock held by Makino), we plan to implement the Squeeze-Out Procedures in any of the following cases: (i) if Nidec comes to own more than 90% of the voting rights of all shareholders of Makino, (ii) if Nidec comes to own more than two-thirds but less than 90% of the voting rights of all shareholders of Makino, we plan to implement the Squeeze-Out Procedures, and in the case of (i) above, we plan to make a demand for the sale of shares pursuant to the provisions of Chapter II, Section 2, Section 4-2 of the Companies Act (Act No. 86 of 2005, including amendments thereto; the “Companies Act”) and, in the case of (ii) and (iii) above, we plan to request that Makino hold an extraordinary general meeting of shareholders that includes agenda items for a share consolidation of Makino’s shares (“Share Consolidation”) based on Article 180 of the Companies Act and for a partial amendment to the articles of incorporation to abolish the definition of the number of shares that constitute one unit, subject to the Share Consolidation taking effect. and a partial amendment to the Articles of Incorporation to abolish the definition of the number of shares constituting one unit of stock, subject to the effectiveness of the Share Consolidation, will be included in the agenda for the Extraordinary Shareholders' Meeting. As stated in (Note 2), (Note 4) and (Note 5) of “(1) Outline of the Tender Offer” above, Nidec believes that the requirements for the approval of the proposal regarding the Share Consolidation at the Extraordinary General Meeting of Shareholders will be met even in the case of (iii) above.

However, in the case of (iii) above, there is a possibility that the proposal regarding the Share Consolidation will be rejected at the Extraordinary General Meeting of Shareholders. However, even if the proposal is rejected, Nidec aims to ultimately acquire all of Makino’s shares (excluding treasury stock held by Makino), so we plan to request that the next general meeting of shareholders be held to approve the share consolidation by acquiring additional shares until the number of shares reaches the number of voting rights multiplied by two-thirds of the number of voting rights at the next general meeting of shareholders to be held for the purpose of approving the share consolidation (The time required for such additional acquisition and the subsequent approval of the consolidation of shares at the general meeting of shareholders will depend on market conditions and other circumstances, so it is difficult to specify a definite time at this point. We will notify Makino’s of the specific expected time when it becomes clear. We plan to use market transactions, tender offers, and off-market purchases (limited to cases permitted by law) as methods for making the additional acquisition. Regardless of the expected timing, we will not change our policy of making Makino a wholly owned subsidiary if the tender offer is successful.

In the event of the above-mentioned additional acquisition, the consideration to be paid by Nidec to the shareholders will be the same price as the Tender Offer Price (the same price per share as the Tender Offer Price, unless Makino carries out an action that requires adjustment of the consideration to be paid, such as a share consolidation or a stock split).

#### (i) Demand for sale of shares

If the total number of voting rights held by Nidec in Makino becomes 90% or more of the total number of voting rights held by all shareholders of Makino as a result of the Tender Offer and Nidec becomes a special controlling shareholder as provided for in Article 179, Paragraph 1 of the Companies Act, Nidec will promptly make a request for the sale of all of the shares of Makino held by all of the shareholders of Makino (excluding Nidec and Makino; hereinafter the same shall apply in this Item ①) in accordance with the provisions of Chapter II, Section 2, Subsection 4-2 of the Companies Act, after the completion of the account settlement of the Tender Offer. (the same applies hereinafter in this (i)) to sell all of the shares of Makino that they own (the “Demand



for Sale of Shares”). In the Demand for Sale of Shares, it is planned to stipulate that the consideration for each share of Makino will be the same amount of money as the Tender Offer Price. In this case, we will notify Makino to that effect and ask for Makino’s approval of the Demand for Sale of Shares. If Makino approves the Share Purchase Request by resolution of the Board of Directors, we will acquire all of the shares of Makino held by all of Makino’s shareholders on the acquisition date specified in the Share Purchase Request, without the need for individual approval of Makino’s shareholders, in accordance with the procedures prescribed by the relevant laws and regulations.

In accordance with the provisions of Article 179-8 of the Companies Act and other related laws and regulations, the selling shareholder may petition the court to determine the purchase price of the shares of Makino. If such a petition is filed, the court will ultimately determine the purchase price of the shares of Makino.

## (2) Share consolidation

On the other hand, if the total number of voting rights held by Nidec as a result of the Tender Offer does not reach 90% or more of the total voting rights of all shareholders of Makino, Nidec will request that Makino hold an extraordinary general meeting of shareholders (the “Extraordinary General Meeting of Shareholders”) that includes agenda items for the implementation of the Share Consolidation in accordance with Article 180 of the Companies Act and for the partial amendment of the Articles of Incorporation to abolish the provision regarding the number of shares constituting one unit, subject to the Share Consolidation taking effect, will be held within three months of the completion of the Tender Offer at the latest, and we plan to request that Makino do so promptly after the completion of the settlement of the Tender Offer.

We will request that Makino’s promptly announce the date of the Extraordinary General Meeting of Shareholders, etc., after it has been decided upon consultation between Nidec and Makino. If Makino does not cooperate, we will unfortunately have to take the necessary procedures to hold the Extraordinary General Meeting of Shareholders ourselves as quickly as possible based on our status as a shareholder. In addition, Nidec plans to vote in favor of each of the above proposals at this extraordinary general meeting of shareholders.

If the proposal for the consolidation of shares is approved at this extraordinary general meeting of shareholders, on the day when the consolidation of shares takes effect, the shareholders of Makino will own the number of shares of Makino’s stock corresponding to the consolidation ratio approved at this extraordinary general meeting of shareholders. If the Share Consolidation results in the creation of fractions of less than one share of Makino’s stock, Makino’s shareholders (excluding Nidec) will be issued money in accordance with the procedures prescribed in Article 235 of the Companies Act and other related laws and regulations, by selling to Makino or Nidec the number of shares of Makino’s stock equivalent to the total number of such fractions (if there are any fractions in the total number, such fractions will be rounded down) (hereinafter referred to as “Total Fractions Shares”). will be delivered to Makino’s or us. With regard to the sale price of the Total Fractions Shares, we plan to request that Makino’s file a petition with the court for permission to sell the shares voluntarily, after calculating the amount of money to be delivered to the shareholders of Makino who did not apply for the Tender Offer (excluding Nidec and Makino) as a result of the sale so that it is the same as the price obtained by multiplying the Tender Offer Price by the number of shares of Makino held by the shareholders of Makino.



The ratio of the consolidation of shares has not yet been decided as of today, but we plan to request that it be decided so that the number of shares of Makino held by shareholders of Makino who did not apply for the tender offer (excluding Nidec and Makino) will be less than one share, so that Nidec will own all of the shares of Makino.

In accordance with the provisions of the Companies Act, which are intended to protect the rights of minority shareholders in relation to a share consolidation, if a share consolidation results in the creation of fractions of less than one share, Makino's shareholders (excluding Nidec and Makino) may request that Nidec all of the fractional shares they own at a fair price, and that they may petition the court to determine the price of Makino's shares. As stated above, in the Share Consolidation, the number of shares of Makino held by Makino's shareholders (excluding Nidec and Makino) who did not apply for the Tender Offer are expected to be less than one share, so the shareholders of Makino (excluding Nidec and Makino) will be able to make the above-mentioned petition. In addition, the purchase price in the event that the above-mentioned petition is made will ultimately be determined by the court.

Depending on the situation regarding the revision, enforcement and interpretation of the relevant laws and regulations, etc., the implementation of the procedures in (i) and (ii) above may take time or the method of implementation may change. However, even in such cases, the method of ultimately delivering cash to the shareholders of Makino who did not apply for the Tender Offer (excluding Nidec and Makino) is scheduled to be adopted, and in such cases, the amount of cash to be delivered to each of the relevant shareholders is scheduled to be calculated so that it will be the same as the price obtained by multiplying the number of shares of Makino held by each of the relevant shareholders by the Tender Offer Price.

We plan to request that Makino's promptly announce the specific procedures and timing of implementation for each of the above cases to the public as soon as they have been decided, after consulting with Makino.

Please note that the Tender Offer is not in any way intended to solicit the approval of Makino's shareholders at the Extraordinary General Meeting of Shareholders. In addition, we ask that shareholders confirm the tax treatment of applying for the Tender Offer or the above procedures with a tax accountant or other specialist at their own responsibility.

## 6. Delisting: Probability and Rationale

As of today, Makino's shares are listed on the Tokyo Stock Exchange's Prime Market, but because we have not set an upper limit on the number of shares to be purchased through the Tender Offer, depending on the results of the Tender Offer, Makino's shares may be delisted after going through the prescribed procedures in accordance with the Tokyo Stock Exchange's delisting standards.

Even if the relevant criteria are not met at the time of the completion of the Tender Offer, if the procedures described in "(3) Policy on Reorganization, etc. after the Tender Offer (Matters related to the so-called Two-Tiered Acquisition)" above are implemented after the completion of the Tender Offer, Makino's shares will be delisted in accordance with the delisting criteria of the Tokyo Stock Exchange, after going through the prescribed procedures. After Makino's shares are delisted, they will not be able to be traded on the Tokyo Stock Exchange.



In addition, in the event that the Tender Offer is successful, there is a possibility that Nidec will not own more than two-thirds of the voting rights of all shareholders of Makino. As a result, there is a possibility that the proposal regarding the consolidation of shares will not be approved at the extraordinary general meeting of shareholders described in “(3) Policy on organizational restructuring, etc. after the Tender Offer (matters related to the so-called two-step acquisition)” above. However, even if we do not receive this approval, we plan to acquire all of Makino’s shares (excluding treasury stock held by Makino) and request that a general meeting of shareholders be held to approve the share consolidation. We plan to use market transactions, tender offers, and off-market purchases (limited to cases permitted by law) as methods for making the additional acquisition. Regardless of the expected timing, we will not change our policy of making Makino a wholly owned subsidiary if the tender offer is successful.

In the event of the above-mentioned additional acquisition, the consideration to be paid by Nidec to the shareholders will be the same price as the Tender Offer Price (the same price per share as the Tender Offer Price, unless Makino carries out an action that requires adjustment of the consideration to be paid, such as a share consolidation or a stock split).

#### 7. Fairness of the Procedures for the Transaction in light of Takeover Guideline

Nidec believes that the Transaction falls under the category of “desirable acquisition” in the Takeover Guideline, in that it will improve the medium- to long-term corporate value of Makino by realizing synergies with our group, etc., and at the same time enable the distribution of fair consideration with a significant premium to the market share price to the shareholders of the Target Company. we will give due consideration to the fairness of the procedures, such as disclosing appropriate and proactive information that is useful for the decision-making of Makino’s shareholders (principle of transparency) and ensuring the opportunity for rational decision-making by Makino’s shareholders, and ultimately relying on the decision of Makino’s shareholders (principle of shareholder intent). Specifically, we propose to implement the Transaction in a manner that complies with the Takeover Guideline as follows:

##### (1) Ensuring opportunity for informed judgment

Nidec believes that we have provided Makino and its shareholders with the necessary and sufficient information through this Letter of Intent and this press release. Furthermore, from today until the launch of the Tender Offer, Nidec will make a good-faith explanation to Makino’s Board of Directors and Makino’s Special Committee(which is expected to be established in the future) in order to gain their support for the Tender Offer, and if Makino’s Board of Directors or Makino’s Special Committee requests the provision of information that is reasonably judged to be additionally necessary for forming an opinion on the Tender Offer in addition to the information described in the Letter of Intent, Nidec plans to respond in good faith. In order to ensure that there is sufficient time for Makino and its shareholders to consider and approve the Transaction, we are planning to commence the Tender Offer on April 4, 2025, taking into account the expected timing of the completion of the procedures for the Permits, etc., and we are planning to set the Tender Offer Period is scheduled to be 31 business days, and when these are combined, the Tender Offer has set a review period of more than four months between today and the last day of the Tender Offer Period, and we believe that this provides sufficient time for Makino and its shareholders to consider the Transaction.



Therefore, we believe that we have complied with the “Principle of Shareholder Intent” and the “Principle of Transparency” stipulated in the Takeover Guideline Activities, and that we have adequately provided the necessary information and ensured sufficient transparency and fairness, thereby ensuring that shareholders have sufficient opportunity to make an informed judgment as to whether or not to accept the acquisition of their shares by the acquirer.

(2) Conditions set with the intention of eliminating coercion

- (i) Setting the number of shares to be purchased with the aim of taking Makino private.

In the Tender Offer, Nidec aims to ultimately acquire all of Makino’s shares (excluding treasury stock held by Makino), and we have not set a maximum limit on the number of shares to be purchased.

In addition, even if the Tender Offer is successful, i.e. if Nidec is unable to acquire all of Makino’s shares (excluding treasury stock held by Makino) , we will not change our policy of making Makino a wholly-owned subsidiary, even if, as a result of the Tender Offer, (a) we come to own Makino’s shares equivalent to 90% or more of the voting rights of all shareholders of Makino, (b) we come to own Makino’s shares equivalent to more than two-thirds but less than 90% of the voting rights of all shareholders of Makino, or (c) we do not come to own Makino’s shares equivalent to more than two-thirds of the voting rights of all shareholders of Makino. In the event that we do not own more than two-thirds of the voting rights of all shareholders of Makino, we plan to implement the Squeeze-Out Procedures without changing our policy of making Makino a wholly-owned subsidiary, and in the cases of (b) and (c) above, we plan to request that Makino hold an extraordinary general meeting of shareholders. As described in (Note 2), (Note 4) and (Note 5) of “4. Outline of the Tender Offer” above, Nidec believes that the requirements for the approval of the proposal for the Share Consolidation at the Extraordinary Shareholders’ Meeting will be met even in the case of (c) above. Even if the proposal for the Share Consolidation is not approved at the Extraordinary Shareholders’ Meeting, Nidec intends to acquire all of Makino’s shares (excluding treasury shares held by Makino) , we plan to request that the next general meeting of shareholders be held, and we plan to acquire additional shares of Makino’s stock until the number of shares acquired reaches a number equivalent to two-thirds of the number of voting rights at the next general meeting of shareholders, which is scheduled to be held for the purpose of approving the Share Consolidation. We plan to use market transactions, tender offers, and off-market purchases (limited to cases permitted by law) other than tender offers as methods for acquiring additional shares. Regardless of the expected timing of the completion of the Tender Offer, we will not change our policy of making Makino a wholly owned subsidiary.

In the above-mentioned additional acquisition, the consideration to be paid by Nidec to the shareholders will be a price that is assessed to be economically equivalent to the Tender Offer Price for the shareholders selling their shares in response to the additional acquisition (the same amount as the Tender Offer Price per share, unless Makino carries out an action that requires adjustment of the consideration to be paid, such as a share consolidation or a stock split).



Therefore, this transaction is, in effect, an “all or nothing” offer as set out in the Takeover Guideline.

- (ii) Establishment of the Tender Offer Period with the aim of providing shareholders with an opportunity to decide both whether or not to tender their shares in the Tender Offer and whether or not to accept the Tender Offer

In the Tender Offer, Nidec has set the minimum number of shares to be purchased at 11,694,400 shares, and (i) if the total number of tendered shares is less than 11,694,400 shares, Nidec will not purchase all of the tendered shares all of the tendered shares will not be purchased, (ii) if the total number of tendered shares reaches 11,694,400 shares during the Tender Offer Period (for details on the method of confirmation, etc., please refer to Note 3 in “1. Outline of the Tender Offer” above) the Tender Offer Period will be extended to ensure that the Tender Offer Period is 10 business days from the business day following the date of such announcement (however, if the total number of tendered shares reaches the minimum number of shares to be purchased within 21 business days from the launch date of the Tender Offer Period, the Tender Offer Period will not be extended because 10 business days from the business day following the date of such announcement to the last day of the Tender Offer Period can be secured). By doing this, we will be able to separate the expression of intent regarding the pros and cons of the transaction (approval or disapproval) from the expression of intent regarding whether or not to apply for the tender offer, and we intend to eliminate coercion by doing this, and we also believe that we will be able to provide more of Makino’s shareholders with the opportunity to apply.

5. Representations and Warranties

- (1) Legally binding, and shall remain valid for a period of five months after submission (including any period following the commencement of the Tender Offer, if applicable).
- (2) Will not be withdrawn or revised without Makino’s consent during the effective period of this letter.

6. Contact information and other matters

Kazuo Nakagawa  
Emiko Fujino  
Kazuki Miki

Nidec Corporation  
Corporate Strategy Office  
Tel: 075-280-7250

[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 the Tender 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, the Target or any of their respective 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 are 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 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.