

Supplement to our Letter of Intent dated December 27, 2024

January 23, 2025

Nidec Corporation

Disclaimer Regarding Forward-looking Statements

These presentation materials and the related discussions contain forward-looking statements including expectations, estimates, projections, plans and strategies. Such forward-looking statements are based on management's targets, assumptions and beliefs in light of the information currently available. Certain risks, uncertainties and other factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such risks and uncertainties include, but are not limited to, changes in customer circumstances and demand, exchange rate fluctuations, and the Nidec Group's ability to design, develop, mass produce and win acceptance of its products and to acquire and successfully integrate companies with complementary technologies and product lines. Please see other disclosure documents filed or published by the Nidec Group companies, including the Japanese securities report, for additional information regarding such risks and uncertainties. Nidec undertakes no obligation to update the forward-looking statements unless required by law.

Summary of Letter of Intent

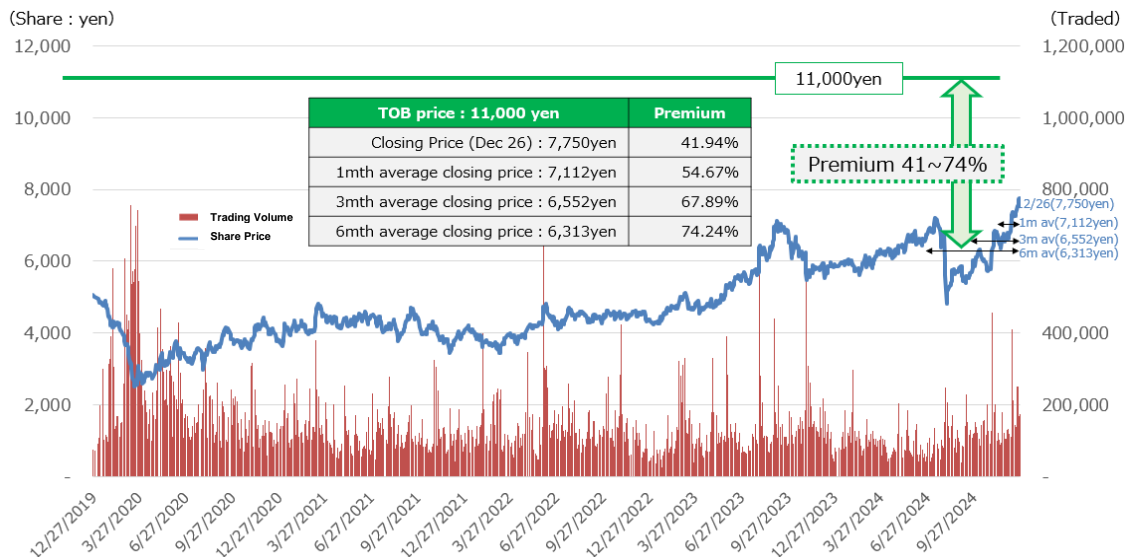


- While Japanese machine tools are highly regarded around the world, the rapid growth and improved technological capabilities of foreign companies have led to increasingly fierce competition in the global market, and there is a strong sense of crisis about the possibility of a decline in competitiveness.
- In the face of the rapidly changing competitive environment on a global level, it is necessary for us to establish an overwhelming position in the global market with strong execution capabilities, and therefore we have proposed a tender offer to Makino Milling Machine Co., Ltd. under the following conditions.
- Our company aims to be one of the world's leading machine tool manufacturers, and Makino Milling Machine is the perfect partner for us in the machine tool industry.

Tender Offeror	Nidec Corporation
Target of Tender Offer	Makino Milling Machine Co., Ltd. (Stock code 6135, Tokyo Stock Exchange Prime Market)
Tender offer period (planned)	Scheduled to commence on April 4, 2025 (the tender offer period is scheduled to be 31 to 41 business days in principle (can be extended up to 60 business days (approximately 3 months))
Price of Tender Offer	11,000 yen per share
Premium	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), 7,750 yen 41.94% 1-month average: 7,112 yen 54.67% 3-month average: 6,552 yen 67.89% 6-month average: 6,313 yen 74.24%
Lower limit of No. of shares to be purchased	50.00%
Upper limit of No. of shares to be purchased	None

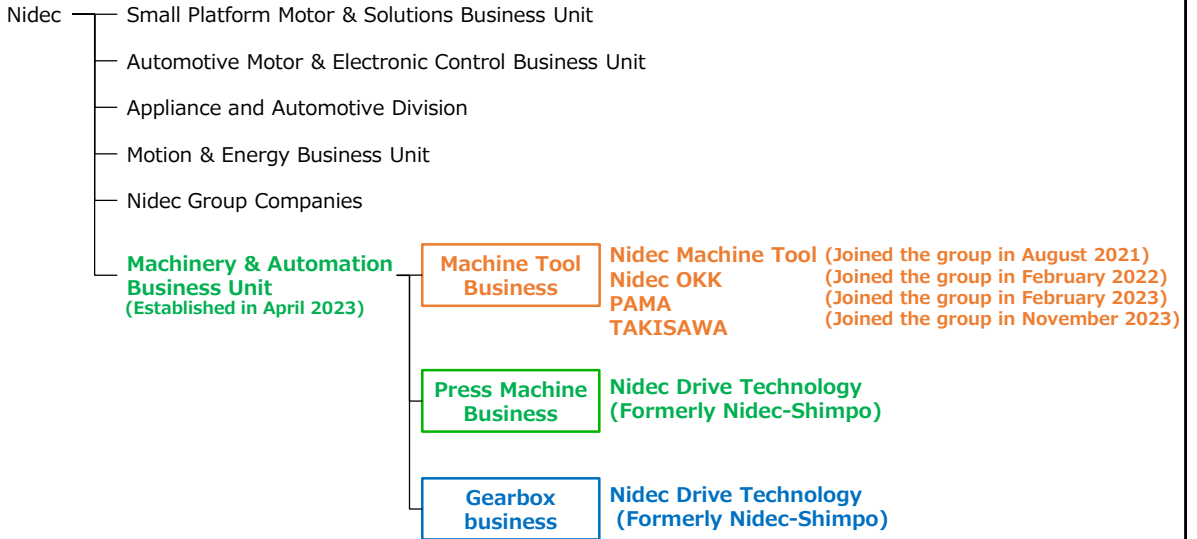
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Our proposed price offers a sufficient premium



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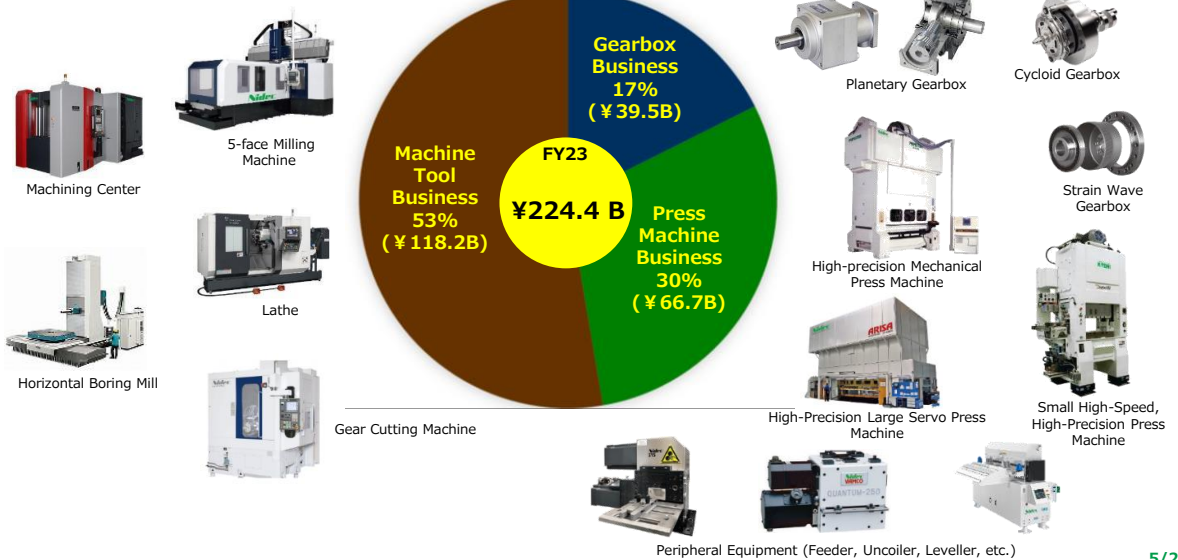
About the Nidec Group



Machinery & Automation Business Unit Sales Ratio FY2023 (April 2023 to March 2024)



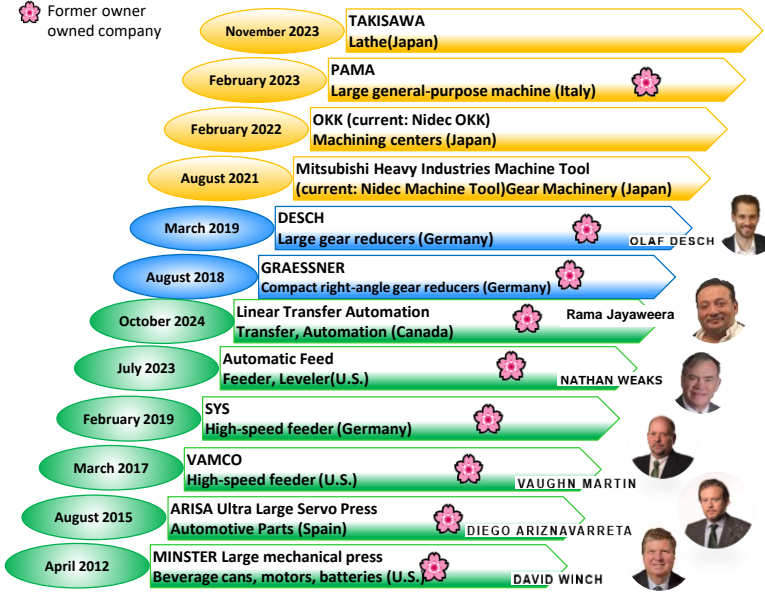
¥:Japanese Yen



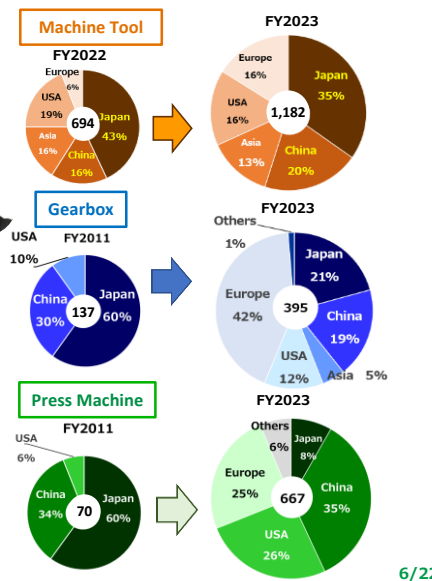
Machinery & Automation Business Unit Growth through active M&A and Globalization



Former owner owned company



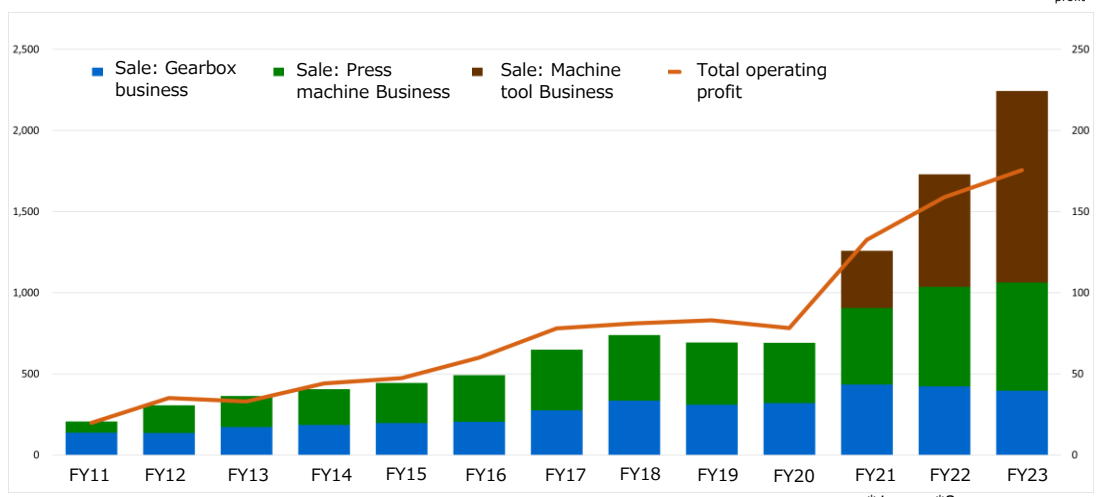
Sales by Business and Region (Unit: 0.1 bi-yen / Oku-yen)



Nidec Machinery & Automation Business Unit Performance Trends



Sales (Unit: 0.1 billion yen / Oku-yen) Operating profit



*1 Nidec OKK February and March figures only
*2 PAMA February and March figures only

Business Strategy

Business Strategy

❑ Expanding our product range

- One-stop solution

❑ Expanding scale

- Increased purchasing power
- Strengthening profitability

❑ Risk diversification

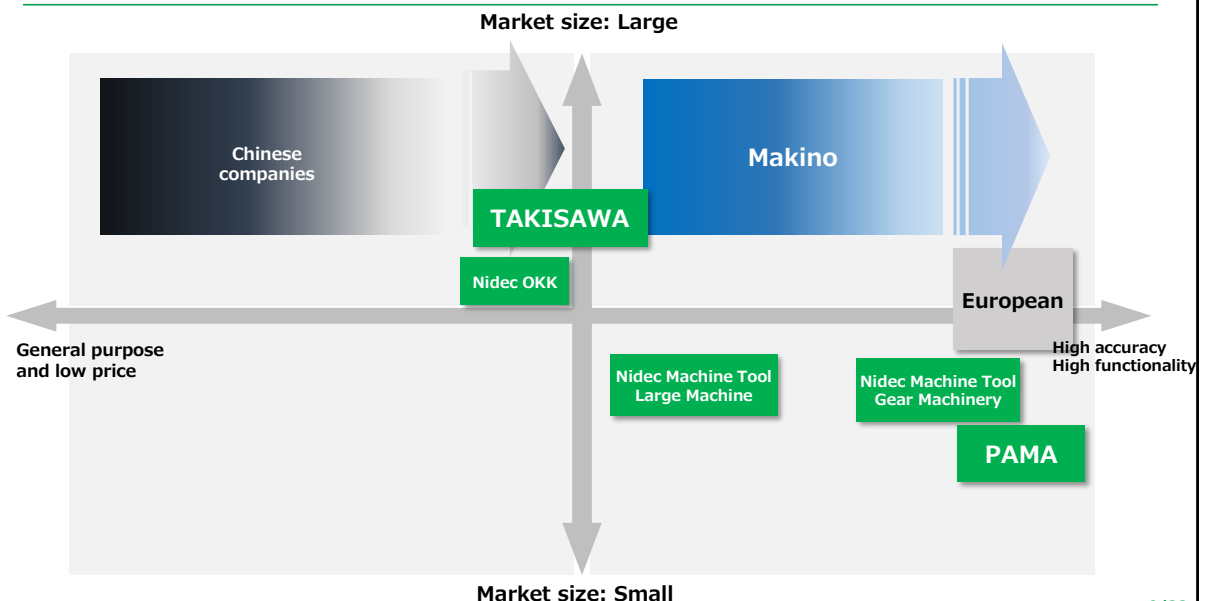
- Region, Industry, and Customers

❑ Global Production

- Local production and consumption
- Reorganizing existing factories to build a rapid production system

	Makino	Nidec	
Product	Machining Center (Vertical/Horizontal)	○	Nidec OKK
	Milling Machine	○	Nidec OKK
	Electric Discharge Machine	○	-
	Laser/3D Printer	○	Nidec Machine Tool
	Large Machine (Double Column Type Milling Machine/ Horizontal Boring Mill)	-	Nidec Machine Tool PAMA
	Lathe	-	TAKISAWA
	Gear Cutting Machine	-	Nidec Machine Tool

Product Mapping



Sales of Japanese machine tool companies



No.	Company name	Sales (Million yen)	Accounting period
1	DMG Mori Seiki	539,450	2023/12
2	Okuma	227,994	2024/03
3	Makino Milling Machine	225,360	2024/03
4	JTEKT (Machine tool division)	213,198	2024/03
5	Nidec Machine Tool, Nidec OKK, TAKISAWA, PAMA	118,200	2024/03
6	Tsugami	83,928	2024/03
7	Sodick	67,174	2023/12
8	Okamoto Machine Tool Works	50,198	2024/03
9	Shibaura Machine (Machine tool division)	25,983	2024/03
10	Takamatsu Machinery	14,184	2024/03

No.	Company name	Sales (Million yen)	Accounting period
1	DMG Mori Seiki	539,450	2023/12
2	Makino Milling Machine + Nidec Machine Tool, Nidec OKK, TAKISAWA, PAMA	343,560	2024/03
3	Okuma	227,994	2024/03
4	JTEKT (Machine tool division)	213,198	2024/03
5	Tsugami	83,928	2024/03
6	Sodick	67,174	2023/12
7	Okamoto Machine Tool Works	50,198	2024/03
8	Shibaura Machine (Machine tool division)	25,983	2024/03
9	Takamatsu Machinery	14,184	2024/03

*1 JTEKT and Shibaura Machine are based on segment information

*2 Yamazaki Mazak, HAAS (USA), etc. are excluded because they are private companies and financial information is unknown.

*3 PAMA is for the fiscal year ending December 2023

Examples of synergy between companies that have joined the group so far



Technology and Development

- Joint development case study of Nidec Machine Tool, Nidec OKK and TAKISAWA
Develop new products by combining and utilizing each company's unique technologies and solutions

Machining center with gear cutting function (Nidec Machine Tool x Nidec OKK)

Combining Nidec OKK's high-rigidity 5-axis machining center and turning table, and utilizing Nidec Machine Tool's gear cutting technology, we developed a machining center with gear cutting function that meets user needs.



Metal 3D Printer (Nidec Machine Tool x Nidec OKK)



Multi-function lathe with gear cutting function (Nidec Machine Tool x TAKISAWA)



- Utilizing the Nidec Keihanna Technology Center

With the support of Nidec Center for Production Technology R&D, we carried out

- thermal deformation analysis of newly developed machine tools and
- use of electromagnetic simulation technology to develop high-performance sensors



Sale

- Expansion of sales channels in China
By utilizing the sales network for the reducer and press machine businesses (sales representatives and agents at 17 locations across China) the order amount increased by approximately 1.5 times compared to the previous year, while complying with export-related laws and regulations. Additionally, the companies that joined the group are receiving a steady stream of new inquiries from major and emerging EV manufacturers, which has led to an increase in orders.
- Introducing the latest machine tools to Nidec Group companies
 - Improving the precision and productivity of group company products
 - Contribute to sales expansion activities by utilizing the facility as a showroom for the installed machine tools
 - Introduced Nidec Machine Tool and PAMA large machine tools to the North American press factory (Nidec Minster) for production of high-precision presses.
 - Introduced large machine tools made by Nidec Machine Tool to the press machine factory (Kyori) at the Pinghu Plant in China.
 - Introduced Nidec Machine Tool gear cutting machines to the reducer factory for development and production of high-precision reducers for robots.
 - TAKISAWA's high-precision lathes and PAMA's large boring machines installed in factories for production of important parts required for data centers.
- Sharing locations and personnel resources on a global basis
Effective results being achieved by sharing locations and personnel resources within the group allowing to provide customers with information and services.

Expected synergies with Makino



Technology and Development

Synergies expected with Nidec's technology and solutions

■ Technology Synergies

- Laser optics design technology
- Gear processing technology (cutting and grinding)
- Large 5-axis machining center/horizontal boring machine design and manufacturing technology
- Lathe design and manufacturing technology
- Cutting tooling design and manufacturing technology

■ Solution Synergies

- Machining solutions of shafts (rotating shafts and gears)
- Large part machining solutions
 - Machining of special aircraft components (wing and fuselage components)
 - Machining of large parts for energy and construction machinery
 - Machining of large molds and dies
- Machining of high hardness material and ceramic (grinding center)

Sales and Service

■ Utilizing sales and service bases

By utilizing our sales and service network in Makino's area of focus, such as China, India, and Europe, Makino can expand its customer base and sales activities efficiently.

■ Introducing Makino's latest equipment to Nidec Group companies

By introducing Makino's products to our group company's production plants, Makino can increase its sales and utilize the plants as its showrooms for sales promotion.

■ Efficient sales expansion through selection and concentration of product portfolio

Increase sales creating one-stop solution to customers by selecting and combining the competitive products portfolio of both companies.

Production and Management

■ Utilize production locations

Leverage and utilize Nidec's global production bases effectively, promoting manufacturing close to the target markets.

Machinery and Automation BU production locations in 10 countries (China, Taiwan, Philippines, India, Italy, Germany, Spain, USA, Mexico, Canada)

■ Joint Purchasing

Increase purchasing volume from common suppliers to improve costs and delivery times

■ Production Support

- Sharing supply chain
 - Procurement of materials for large parts, parts machining support, introduction of suppliers
- Joint recruitment and training

■ Shared Services

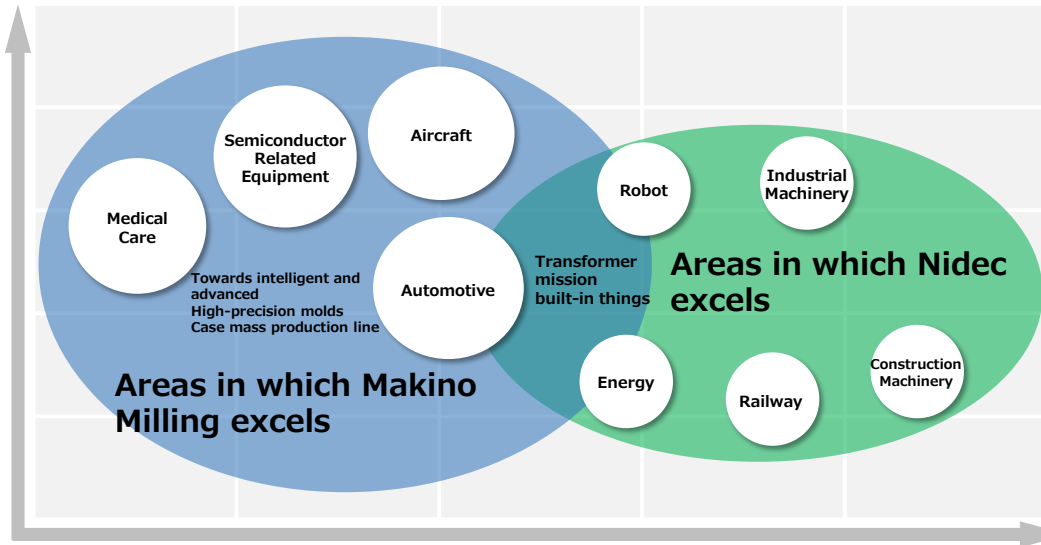
Share administration and management resources

List of machine tool types and products from both companies

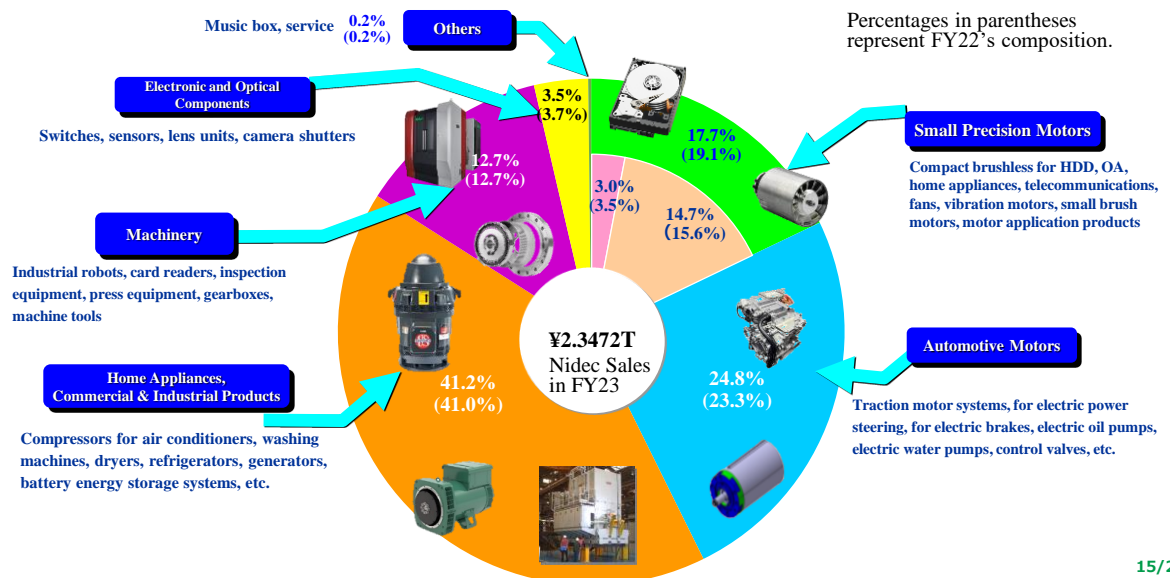


		Nidec				Makino Milling Machine
		Nidec Machine Tool	Nidec OKK	TAKISAWA	PAMA	
Machining Center	Vertical M/C					
	Horizontal M/C					
	Double Column Type Milling Machine					
	Horizontal Boring Mill					
Lathe	Turret Lathe					
	Multi-function Lathe					
	Vertical Lathe					
Others	Laser Processing Machine					
	Grinding Machine					
	Electric Discharge Machine					
	Gear Cutting Machine					

Complementarity of Nidec and Makino's target markets (machine tool products) **Nidec**



Expansion possibility of Makino's target industries after acquisition **Nidec**



Expansion possibility of Makino's target industries after acquisition



Nidec-related business areas are diverse and can create new markets for Makino's products.

Targeting wide range of business areas from cutting-edge AI-related market to everyday life, infrastructure and energy

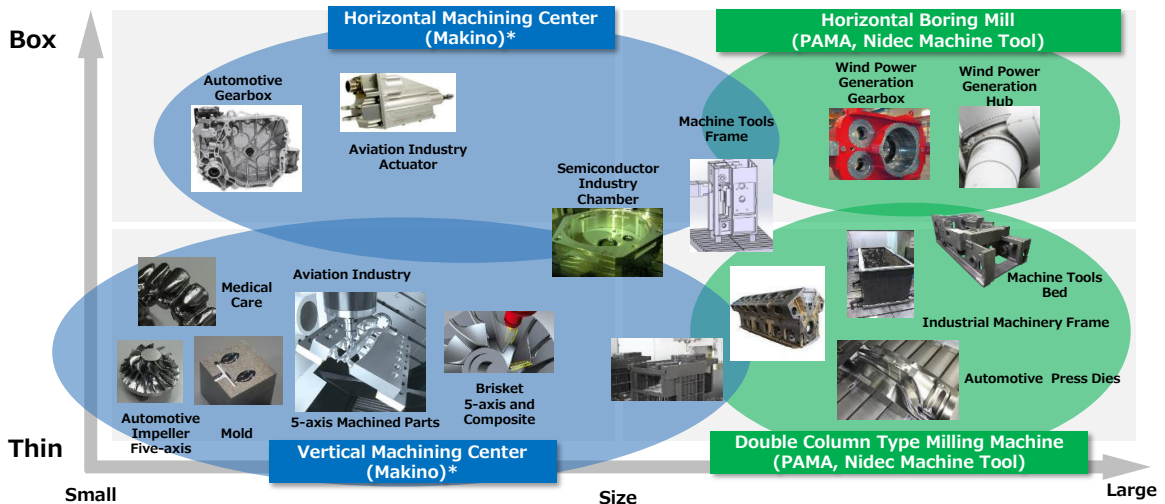
Better Life	Sustainable Infrastructure and Energy	Base of AI Society	Efficient Manufacturing	Mobility Innovation
-Improving quality of life -Pursuing reliability, safety and health	Contributing to infrastructure maintenance by efficient generation, storage and utilization of energy	Anticipating explosive demand and responding to required evolution	Leading labor-saving, automation, acceleration and high precision in manufacturing	Electrification and automation of eco-friendly vehicles
Home appliances	Power generator	Data center	Machine tools and Press machines	Automotive parts and electric bikes
Commercial equipment (HVAC/elevators)	Battery Energy Storage System (BESS)	Semiconductor inspection /wafer transfer robot	Precision reducers	Aviation parts/eVTOL

Expanding the application areas of both companies

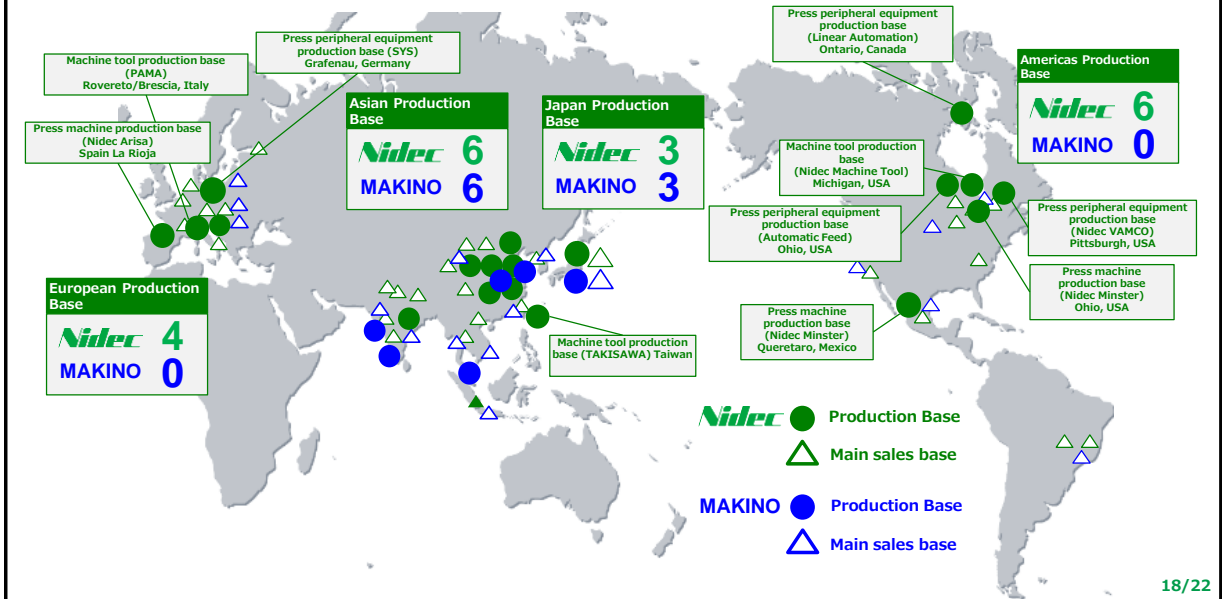


We can propose a wide range of products to each industry.

*Some Nidec OKK products are also available.



Makino and our machine business (machine tools and press) base



Circumstance after TOB announcement (as of January 23rd)



January 10	<ul style="list-style-type: none"> Makino Milling Machine Co., Ltd. announced establishment of the Special Committee and received a request for the meeting with members of the special committee
January 15	<ul style="list-style-type: none"> Received the Request Letter from the Special Committee of Makino
January 17	<ul style="list-style-type: none"> Meeting with the Special Committee of the Target company at Makino's technical center (Meguro, Tokyo) Nidec issued a press release in response for the Request Letter from the Special Committee
January 22	<ul style="list-style-type: none"> Obtained clearance under the US Antitrust Law (HSR)

The Guidelines set forth principles that should be respected in general acquisitions of control of listed companies, and we are making our proposal in accordance with these principles.

Principle 1: Principle of Corporate Value and Shareholders' Common Interests

Whether or not an acquisition is desirable should be determined on the basis of whether it will secure or enhance corporate value and the shareholders' common interests.

Principle 2: Principle of Shareholders' Intent

The rational intent of shareholders should be relied upon in matters involving the corporate control of the company.

Principle 3: Principle of Transparency

Information useful for shareholders' decision making should be provided appropriately and proactively by the acquiring party and the target company. To this end, the acquiring party and the target company should ensure transparency regarding the acquisition through compliance of acquisition-related laws and regulations.

Reference: p10 : Guidelines for Corporate Takeovers
— Enhancing Corporate Value and Securing Shareholders' Interests — "by METI" (August 31, 2023)

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Main points of correspondence between Nidec and Makino
1. Regarding Lack of Prior Consultations or Inquiries

✓ Ensuring sufficient time

- In Japan, the TOB period is required to be at least 20 business days (the same applies in the United States).
- This proposal ensures that there is at least three months until the scheduled start of the TOB, and the shortest TOB period is 31 business days, ensuring ample time for consideration.
- 12 business days are ensured between the announcement of the target company's financial results for the fiscal year ending March 2025 and the last day of the TOB period.

✓ Ensuring transparency

- Ensuring transparency of the process for all stakeholders, including Makino Milling's shareholders, as the acquisition proposal is aimed at a listed company.
- For TAKISAWA case, Nidec's initial offer was a third-party capital increase allocation, but was once refused. Then Nidec made a TOB proposal, which was ultimately accepted. Such a process could have taken on a hostile tone. In this time, Nidec doesn't have any hostile intention, therefore Nidec has decided not to hold any prior consultations or inquiries in order to ensure transparency, expecting that the target company ultimately accept the proposal.

✓ Precedent in the United States

- Well-known examples include Oracle's acquisition of PeopleSoft (2003), Elon Musk's acquisition of Twitter (current X) (2022), Teva's acquisition proposal of Mylan (2015), Valeant's acquisition proposal of Allergan (2014), and Microsoft's acquisition proposal of Yahoo! (2008).

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Main points of correspondence between Nidec and Makino

2. Regarding "Coerciveness" - Nidec offer is a scheme that eliminates "Coerciveness"



"Coercion": Psychological pressure that shareholders of the target company who do not apply for the TOB may suffer disadvantages after the TOB is completed

If the target company's shareholders are expected to suffer disadvantages if the acquisition goes ahead while they are abstaining from it compared to accepting the acquisition, they may be pressured to accept the acquisition, even if many shareholders believe that the offer price is lower than the objective value of the shares.

Coercive Two-Step Takeover

- Making the terms of the first acquisition (TOB) more favorable and the terms of the second acquisition (squeeze-out, going private) less favorable, or not disclosing the terms of the second acquisition

Possible TOB to remain a minority shareholder

- If upper limit is set, existing shareholders will remain as minority shareholders, making it easier for acquisitions that have the potential to reduce corporate value to be completed.

(There is also concern that because of the upper limit, it may not be possible to satisfy the wishes of shareholders who wish to sell all of their shares.)

- If no minimum threshold is set or if it is set very low, the second cash-out is not guaranteed, and even if the TOB is successful, there is a high possibility that minority shareholders will remain, which could result in the same coercive nature as a partial purchase.

Our scheme does not create any issues of "coercion"

- At the time of announcing the letter of intent, Nidec declared that it would aim to make the target company a wholly owned subsidiary and would carry out a two-step acquisition after the TOB is completed
- The letter of intent clearly states and publicly announces that the price in the two-step acquisition will be equal to the TOB price
- The schedule and response after the TOB is completed are clearly stated in the letter of intent and publicly announced
 - After the TOB is completed, an extraordinary general meeting of shareholders will be held to resolve the matter of making the target company a wholly owned subsidiary (squeeze-out).
 - ➔ If approved: Promptly become a wholly owned subsidiary
 - ➔ If rejected: ① Acquire additional shares of the target company through on-market purchases, etc. until Nidec acquires two-thirds or more of the voting rights.
 - ② After acquiring two-thirds or more of the voting rights, another extraordinary general meeting of shareholders (or a regular general meeting of shareholders depending on the timing) will be held to resolve the matter of making the target company a wholly owned subsidiary.
- The design corresponds to "the acquisition in which the tender offer period is extended if the minimum threshold is met, as disclosed at the commencement of the tender offer" described on page 31 of the materials presented during the 4th meeting of the "Study Group on Fair M&A Practices," (precedent examples: our acquisition of TAKISAWA (2023), AZ-COM Maruwa's proposed acquisition of C&F Logistics (2024))
- The explanation of rationality of TOB minimum threshold (50%) has been reviewed by the Kanto Local Finance Bureau

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Disclaimer for Overseas Shareholders



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

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

[U.S. Regulations] The Tender Offer shall be implemented in compliance with the procedures and information disclosure standards provided by the Financial Instruments and Exchange Act of Japan, which procedures and standards are not necessarily identical to the procedures and information disclosure standards applied in the United States. Specifically, Section 13(c) or Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; "Securities Exchange Act") or the rules promulgated under such Sections do not apply to the Tender Offer, and the Tender Offer is not necessarily in compliance with the procedures and standards thereunder. It is not necessarily the case that all financial information in this press release is equivalent to financial statements of companies in the United States. It may be difficult to enforce any right or claim arising under U.S. federal securities laws because the Offeror and Makino Milling Machine Co., Ltd. ("the Target") are incorporated outside the United States and their directors are non-U.S. residents. Shareholders may not be able to sue a company outside the United States and its directors in a non-U.S. court for violations of the U.S. securities laws. Furthermore, there is no guarantee that shareholders will be able to compel a company outside the United States or its subsidiaries and affiliates to subject themselves to the jurisdiction of a U.S. court. □ The financial advisors of the Offeror or Target and their respective affiliates may, within their ordinary course of business, purchase, or conduct any act toward the purchase of, the shares of the common stock of the Target for their own account or for their customers' accounts outside the Tender Offer prior to the commencement of, or during, the period of the Tender Offer, etc. in accordance with the requirements of Rule 14e-5(b) under the Securities Exchange Act to the extent permissible under the financial instruments and exchange laws and other applicable laws and regulations in Japan. If any information concerning such purchase is disclosed in Japan, the disclosure of such information will be made in the United States in a similar manner. All the procedures in connection with the Tender Offer shall be taken in the Japanese language. While a part or all of the documents in connection with the Tender Offer may be prepared in English, the Japanese documents shall prevail in case of any discrepancies between Japanese documents and corresponding English documents.

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