



June 26, 2023

Nidec Machine Tool Corporation

Representative: Haruhiko Niitani (Representative Director, President and Chief Executive Officer)

Address: 130, Rokujizo, Ritto, Shiga, 520-3080, Japan

Nidec Machine Tool to Launch New Cutting Tool Factory in India to Meet Growing Demand for Automotive and Related Components by Increasing Production Capacity by 1.5 Times

Nidec Machine Tool Corporation (“Nidec Machine Tool” or the “Company”), a group company of Nidec Corporation, today announced that it will construct a new factory for Nidec India Precision Tools Ltd. (“NMTI”), the Company’s cutting tool manufacturer and seller in Ranipet of India’s Tamil Nadu State, to start production on Saturday, July 01. The new factory, with its production capacity 1.5 times the Company’s current manufacturing capability, will produce hob cutters, pinion cutters, and other cutting tools. After its launch, the factory will be able to quickly supply the Company’s customers in India with its products and meet their needs in response to the growing demand for autos, and construction and farming machinery.



Exterior of Nidec India Precision Tools Ltd.’s new factory

To be constructed on NMTI’s 55,000m² property in Ranipet, the southern city of Chennai, the new factory will have a floor space of 2,000m², and be home to production lines of cutting tools (hobbing, shaping, shaving and broaching machines) to cut external and internal gear teeth, with a production capacity 1.5 times of its existing facility . In addition, with a shorter lead time and an expanded product lineup, the new factory will meet a wide range of its customers’ needs speedily, while improving recoating and other after-sales services .

Relatively close to NMTI are Chennai and Bengaluru, where the country’s auto industry is concentrated. With many two- and four-wheel vehicle manufacturers and suppliers related to machine tool manufacturers in those cities, NMTI aims to quickly supply its products to meet the industries’ diverse needs. Furthermore, with a machine tool show room to be added by autumn this year for customers to see actual products, the new factory will serve as a sales base of machine tools as well.

Amid the ongoing population growth*¹, India expects to see its vehicles’ unit sales increase at a steady pace of 10 – 15%*² annually. Additionally, based on the global movement towards a decarbonized society, the country’s demand for transmissions, which require multiple gears, is expected to increase as, among other trends, the vehicle electrification intensifies and compressed natural gas (CNG) vehicles further gain market share.

Since its foundation in 1963, NMTI has been locally designing, manufacturing, and selling cutting tools for gear machining for the past 60 years. With its efficient and durable cutting tools gaining popularity from many customers, the company expanded its businesses as the market grew larger. This latest investment for production increase is NMTI’s first large-scale investment after joining the Nidec Group in 2021, and the

company is poised to secure a supply base to respond to the market's rapid expansion promptly, and seek synergies based on its high cost competitiveness, to meet customers' expectations.

*1. The United Nations Population Fund (UNFPA) estimates India's population to reach 1.4286 billion in 2023.

*2. Quoted from an announcement by India's Automotive Component Manufacturers Association (ACMA).

*3. Nidec India Precision Tools Ltd.

Business: Design, manufacturing, and sale of cutting tools

Address: No. 2 SIPCOT Industrial Complex, Ranipet, Tamil Nadu, India

Tel.: +91-4172-244361

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