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Tokyo Stock Exchange code: 6594

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**Notice Regarding Scheduled Commencement of Tender Offer
for Takisawa Machine Tool Co., Ltd. (Securities Code: 6121)**

Nidec Corporation (the “Tender Offeror”): (i) decided, in the meeting of the Board of Directors held today, to acquire, through a tender offer under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, the “Act”) and related laws and regulations (the “Tender Offer”), the common share (the “Target Company Shares”) of Takisawa Machine Tool Co., Ltd. (the “Target Company”), which is listed on the Standard Market of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”), as part of a series of transactions (the “Transaction”) aimed at making the Target Company a wholly-owned subsidiary of the Tender Offeror; and (ii) submitted a letter of intent to the Target Company on the same date stating the Tender Offeror's detailed proposal regarding the Transaction (Please refer to the attached “Letter of Intent”), as explained below.

From January to March 2022, the Tender Offeror proposed to Mr. Kazuhiro Harada, Representative Director of the Target Company, a capital and business alliance (the “2022 Proposal”) between the Target Company and Nidec Drive Technology Corporation (formerly, Nidec-Shimpo Corporation), a subsidiary of the Tender Offeror. However, the Target Company's Board of Directors refused to discuss the 2022 Proposal, without an explanation of any particular reason. Subsequently, the Tender Offeror continued contemplating to expand its business through acquisitions, and to make the machine tool businesses a new pillar of business for the Tender Offeror Group (collectively refers to the Tender Offeror and its subsidiaries and affiliated companies; the same shall apply hereinafter). In February of 2023, the Tender Offeror newly acquired PAMA S.p.A., an Italian machine tool manufacturer (“PAMA”) and its affiliated companies. Further, as a step toward strengthening its presence in the machine tool industry, the Tender Offeror once again considered a business alliance with the Target Company from which the Tender Offeror can expect very significant synergies with its group in late February of 2023, and considering that the 2022 Proposal was refused, the Tender Offeror submitted the Letter of Intent to the Target Company, and has decided to issue this press release to help the Target Company and its shareholders to properly understand the content of the Letter of Intent and the background behind the Tender Offer, and to secure enough time of consideration to obtain the understanding and approval of the Transaction from the Target Company and its shareholders, mainly, by respecting, and pursuant to, the Large-Scale Acquisition Rules (as defined in <Tender Offer Period> in the following Section 1, “Overview of the Tender Offer”; the same shall apply hereinafter).

The Tender Offeror plans to implement the Tender Offer, if the Tender Offer Conditions Precedent (defined below; the same shall apply hereinafter) are satisfied or the Tender Offeror waives the Tender Offer Conditions Precedent (limited only to the condition precedent ② mentioned below; the same shall apply hereinafter), in around the middle of September of 2023 (provided, however, that if there is any delay in the satisfaction, or waiver by the Tender Offeror of the Tender Offer Conditions Precedent, as soon as practicable from that date of such satisfaction or waiver). An overview of the Tender Offer is as described below, and details are set forth on the following pages.

1. Overview of the Tender Offer

①	Tender Offeror	Nidec Corporation
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②	Target Company	Takisawa Machine Tool Co., Ltd.
③	Type of share certificates, etc. for purchase, etc.	Common shares
④	Price for purchase, etc.	2,600 yen per share (the “Tender Offer Price”) (See < Tender Offer Price > below) The Tender Offer Price is added with the following premium values (rounded to the second decimal place; the same shall apply to the premium rates hereinafter) when compared with the latest closing average price and with the closing average price of the market price of the Target Company's shares in the past one, three, and six months (base date: July 12, 2023): <ul style="list-style-type: none"> - Closing price of the base date: 1,447 yen 79.68% - Monthly average: 1,269 yen 104.89% - Three-month average: 1,272 yen 104.40% - Six-month average: 1,221 yen 112.94%
⑤	Number of shares to be purchased	<ul style="list-style-type: none"> - Upper limit: No limit - Lower limit: 3,194,100 shares, which is the majority of issued shares (excluding treasury shares owned by the Target Company) <p>(Note) The lower limit of shares to be purchased is the number of shares that is obtained by multiplying, with the unit (100 shares) of the Target Company’s shares, the number of the voting rights (31,941 (rounded up to the whole number) that is half or more of the number of the voting rights (63,881) for the number of shares (6,388,183 shares) that is obtained by deducting the number of treasury shares (189,939 shares) owned by the Target Company as of March 31, 2023, as stated in the 93rd Annual Securities Report (the “Target Company Annual Securities Report”) submitted by the Target Company on June 29, 2023, from the total number of the issued shares of the Target Company as of the same date (6,578,122 shares), as stated in the Target Company Annual Securities Report.</p>
⑥	Commencement of the tender offer	To secure enough time of consideration to obtain the understanding and approval of the Transaction from the Target Company and its shareholders, pursuant to the Large-Scale Acquisition Rule, the Tender Offeror aims to commence the Tender Offer by around middle of September 2023. The Tender Offeror will announce details of the schedule of the Tender Offer as soon as they are finalized.
⑦	Tender offer period	30 business days. However, if the number of tenders reaches the lower limit during this period, the Tender Offeror will make an announcement on it, and plans to extend the tender offer period so that the Tender Offeror can secure 10 business days from such announcement as the tender offer period. (For details, please refer to < Tender Offer Period > below.)
⑧	Tender offer agent	Mita Securities Co., Ltd. Monex, Inc. (subagent)

For details of the Transaction, please refer to the information below. (i) the Tender Offeror believes that, by making the Target Company a wholly owned subsidiary of the Tender Offeror, as described in the Letter of Intent, various types of synergies including sales-related synergies (sales channel expansion and cross-selling, etc. through unification of the customer base and mutual utilization of the two companies' products based on their mutually inter-complementary relations) and cost-related synergies (shared procurement of common components, cost reductions based on larger purchase lots, and the promotion of overseas procurement and production, among others) will occur, and the Tender Offeror is convinced that chances are very high to enable the two companies to maximize their corporate values; and while (ii) the tender offer price will be set at 2,600 yen per share, which will be added with a premium value of approximately 104.89%, 104.40%, and 112.94% respectively in comparison with the closing average value of Target Company’s stock market one, three, and six months respectively with the base date of yesterday. Thus, the Tender Offeror will be able to sufficiently provide the shareholders of the Target Company with the “benefits that shareholders should enjoy,” *i.e.*, the “value that can be realized regardless of an acquisition,” which is described in the “Guidelines for Corporate Takeovers (Draft)” (Note 1, the “Draft Guidelines for Corporate Takeovers”) announced by Japan’s Ministry of Economy, Trade and Industry on June 8, 2023, and to realize the fair distribution of the "value that cannot be realized without an acquisition" appropriately. The Tender Offeror believes that this is an attractive offer to the shareholders of the Target Company, and that the Transaction as a whole is truly a “desirable acquisition” whose implementation is recommended in the Draft Guidelines for Corporate Takeovers. Additionally, the Tender Offeror has appointed TMI Associates as its legal advisor for the Transaction and is receiving legal advice from the firm

(Note 1) The Draft Guidelines for Corporate Takeovers, which will accept public comments from Thursday, June 8, 2023, through Sunday, August 6, 2023, has not been finalized to date. However, given the aforementioned period to accept above public comments, the Tender Offeror expects that official guidelines based on the Draft Guidelines for Corporate Takeovers will have been determined as of the commencement of the Tender Offer. The Tender Offeror also expects that the question of

whether, at the stage of launching the Tender Offer, the Tender Offeror acted and reacted in accordance with the Draft Guidelines, which could have been foreseen to be in effect as of the date of the announcement of the Transaction, may be the subject of retrospective review. The Tender Offeror understands that (i) the purpose of the Draft Guidelines for Corporate Takeovers is to present principles and best practices, including, among others, the way parties in any case of a company acquisition to acquire the right to manage and control a listed company should act, to be shared in an economic society in the formation of fair M&A-related rules, and (ii) given the background, etc., behind the publicly disclosed discussion in the Ministry of Economy, Trade and Industry as a process for leading to the establishment of the Draft Guidelines for Corporate Takeovers, the Draft Guidelines for Corporate Takeovers are regarded by many securities market participants as appropriate guidelines. Therefore, the Tender Offeror believes that, as a participant in the securities market, it needs to comply with the current version of the Draft Guidelines for Corporate Takeovers even with a relation to the Transaction.

In addition, the Tender Offeror believes that implementing transactions that improve the Target Company's corporate value and appropriately secure the Target Company's shareholder value is beneficial not only to the Target Company and its shareholders, but also to the economy and society of Japan as a whole. It is based on this notion that, as described below (Note 2), the Tender Offeror has designed in detail a process to comply with the Draft Guidelines for Corporate Takeovers throughout the Transaction, assuming that the Target Company will respond in accordance with the Draft Guidelines for Corporate Takeovers as a matter of fact, and is in compliance with all the processes required by the Draft Guidelines for Corporate Takeovers. In addition, as stated above, the Tender Offeror expects that formal guidelines based on the Draft Guidelines will have been finalized at the commencement of the Tender Offer, and that the Target Company, publicly listed, will of course act appropriately (Note 3) in line with the Draft Guidelines for Corporate Takeovers as a participant of the securities market.

(Note 2) Please see "(6) Regarding the fairness of the procedures in the Transaction considering the Draft Guidelines for Corporate Takeovers including the Tender Offeror's thoughts on the Target Company's Large-Scale Acquisition Rules" below. In addition, as described in <Tender Offer Price> below, the Tender Offeror believes that the Tender Offer Price will not only guarantee the "benefits that shareholders should enjoy," i.e., the "value that can be realized regardless of an acquisition" at a minimum, but also provide a reasonable opportunity for return on investment that sufficiently guarantees a fair distribution of the "value that cannot be realized without an acquisition." As described in "<Tender Offer Period>" below, the Tender Offeror believes that it will be possible to ensure that the Target Company will have sufficient opportunity to convene a shareholders' meeting and ask its shareholders whether or not to accept the Tender Offer in accordance with the Draft Guidelines for Corporate Takeovers within the time frame currently contemplated for the commencement of the Tender Offer.

(Note 3) As stated in (Note 1) above, the Draft Guidelines for Corporate Takeovers have not been finalized to date, but the Tender Offeror believes that it is necessary to comply with the Draft Guidelines for Corporate Takeovers at this time. Chapter 3 of the Draft Guidelines for Corporate Takeovers stipulates the "Code of Conduct for Directors and the Board of Directors regarding Acquisition Proposals." Specifically, the chapter stipulates, "upon receipt of an acquisition proposal to acquire corporate control, management or directors should promptly submit or report such matter to the board of directors. The board of directors to which the matter is submitted shall decide whether such acquisition proposal is a "bona fide offer," and shall in general give "sincere consideration" to the "bona fide offer." "When the board of directors gives "sincere consideration" to the "bona fide offer" (omitted) at this time, (omitted) if an increase in corporate value can be reasonably expected from the acquisition proposal, as suggested by a purchase price that is considerably higher than the historical stock price level, each director and the board of directors should give the proposal due consideration. (omitted) In addition, it is advisable for the board of directors to thoroughly compare, from a quantitative perspective, the differences between the purchase price and measures to enhance corporate value through acquisitions proposed by the acquirer, and the measures to enhance corporate value if the incumbent management team were to continue to manage the company."

As of today, in accordance with the Large-Scale Acquisition Rules, the Tender Offeror plans to commence the Tender Offer around the middle of September 2023 to allow sufficient time for consideration to obtain the approval and understanding of the Target Company and its shareholders. Even if the Target Company requests the Tender Offeror to postpone the commencement of the Tender Offer, the Tender Offeror, at this point in time, has no intention of making such a postponement, although it depends on individual circumstances at that time.

However, if any change is made to the plan on the commencement of the Tender Offer (for example, in the event that additional time is required for the Tender Offeror to comply with the regulations of each country due to the discovery of circumstances that cannot be ascertained based on publicly available information, etc. regarding the business of the Target Company Group (as defined in “1.(2)①III. The Tender Offeror’s opinions on the current status of the Target Company’s business operations”; the same shall apply hereinafter)), the Tender Offeror will promptly inform of such change, and provide with details on the schedule of the Tender Offer as soon as they are finalized.

<Tender Offer Price>

The Tender Offer Price shall be 2,600 yen per share, provided that the Target Company not distribute surplus on a base date prior to the date of the settlement commencement, or acquire its own shares on an acquisition day prior to such date; and that the Target Company not decide to implement an M&A transaction to reduce its consolidated net sales for the fiscal year ended March 31, 2023 by 30% (collectively “Unexpected Acts”). If the body that determines the execution of the Target Company's business decides to conduct an Unexpected Act by the business day prior to the commencement date of the Tender Offer, or to submit a proposal to conduct such an Unexpected Act to the General Meeting of Shareholders of the Target Company, it could revise the Tender Offer Price based on the amount equivalent to the degree of effect to each share based on the Unexpected Act’s effect to the Target Company’s shares. If it is necessary to revise the Tender Offer Price based on the above reasons, the Tender Offeror will make such revision by the time of commencement of the Tender Offer.

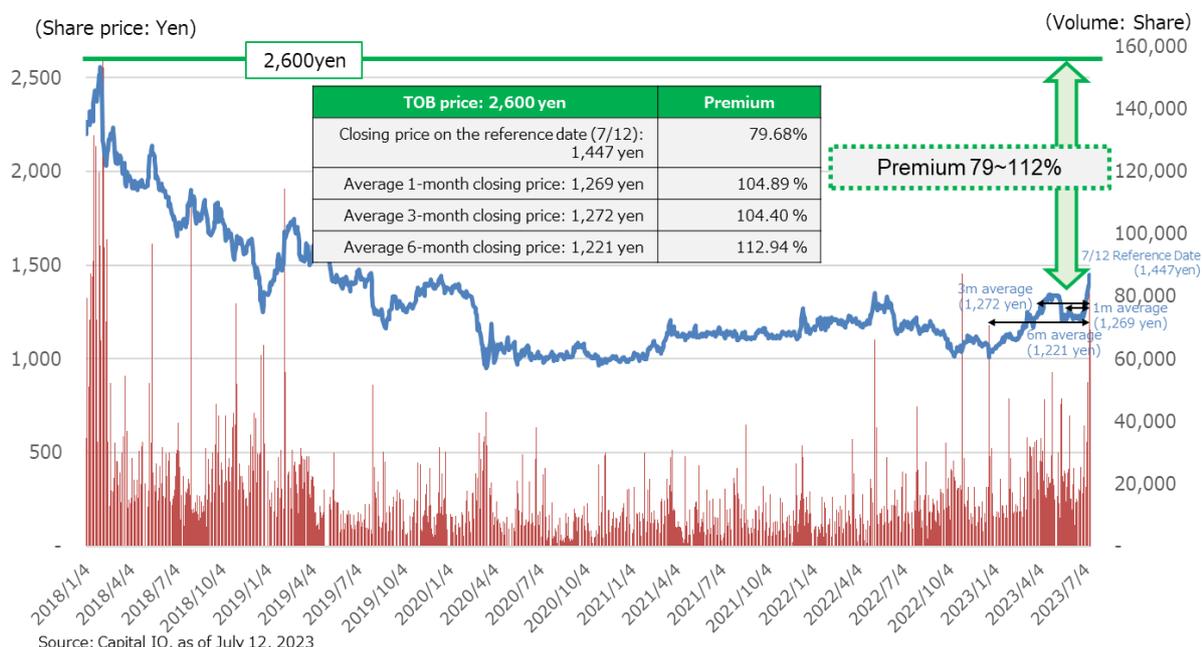
The Tender Offer Price of 2,600 yen is (i) the price that is obtained by combining the closing price of the Target Company’s shares 1,447 yen in the Tokyo Stock Exchange’s Standard Market on July 12, 2023, the business day before the date of the announcement on the planned commencement of the Tender Offer, with a premium of 79.68 % (rounded to the second decimal place. The same shall apply to the premium value (%) for the share price hereinafter); the price that is obtained by combining the simple average closing price of the Target Company’s shares for the last month (from June 13, 2023 to July 12, 2023), 1,269 yen, with a premium of 104.89%; the price that is obtained by combining the simple average closing average for the last three months (from April 13, 2023 to July 12, 2023), 1,272 yen, with a premium of 104.40%; and the price that is obtained by combining the simple average closing price for the last six months (from January 13, 2023 to July 12, 2023), 1,221 yen, with a premium of 112.94%. The Tender Offer Price significantly exceeds the average standard of the premium provided to 57 cases (Note 4) of the tender offers, implemented during the January 2020 to June 2023 period, with the assumption of creating a wholly owned subsidiary by those other than the issuer and its parent company. Furthermore, (ii) given that the changes in the turnover and the share price in the sales transaction of the Target Company Shares for the past five years (Note 5), and that the price of the Target Company Shares remains within the range of 1,006 yen to 1,447 yen for the past year, the Tender Offeror believes that it will be able to provide a significant amount of premium to all the current shareholders of the Target Company. Therefore, even though it is difficult, at this point, to quantify the degree of synergies that the Target Company intends from the Transaction, the Tender Offeror believes that the Transaction including the Tender Offer will not only guarantee the "benefits that shareholders should enjoy," i.e., the "value that can be realized regardless of an acquisition" at a minimum, but also provide a reasonable opportunity for return on investment that sufficiently guarantees a fair distribution of the “value that cannot be realized without an acquisition,” as mentioned in the Draft Guidelines for Corporate Takeovers.

In addition, since the purpose of the Transaction is to make the Target Company a wholly-owned subsidiary of the Tender Offeror, it plans to implement a squeeze-out procedure for shareholders who did not tender their shares, after the Tender Offer. The Tender Offeror plans to deliver a value that will not generate any economic disadvantage, compared with the Tender Offer Price, to those shareholders who did not tender their shares.

(Note 4) Cases of tender offers for shares in Japanese listed companies (excluding Tokyo PRO Market) announced in and after January 2020, in which there is no upper limit to the number of shares to be purchased for the purpose of making a target company a wholly-owned subsidiary by a person other than the issuer, and in which the ratio of ownership of the Target Company Shares by a tender offeror (including its specially related persons) is less than 33.34% prior to the commencement of the tender offer. Based on an analysis of the 57 cases (as of July 7, 2023), the median premium of the tender offer price to the closing price on the last business day prior to the announcement of the tender offer and the average closing prices for the preceding 1 month, 3 months, and 6 months is 39%, 38%, 41%, and 46% (rounded to the nearest whole number), respectively (Note that deals targeting REITs, unsuccessful deals, two-step tender offers and so-called discount tender offers, and deals in which the share

price had fluctuated due to competing tender offers prior to the commencement of the tender offer are excluded from the above analyses.).

(Note 5) Turnover and share prices of the Target Company for the past five years.



<Tender Offer Period>

The Tender Offeror plans to set the purchase period of this Tender Offer (the “Tender Offer Period”) at 30 business days.

By setting a longer period than the statutory minimum of 20 business days as the tender offer period, (i) the Tender Offeror intends to provide the Board of Directors of the Target Company with a sufficient period to consider the Transaction and period of discussion with the Tender Offeror, and (ii) the Tender Offeror intends to provide sufficient time for the shareholders of the Target Company to make an appropriate decision on whether or not to proceed with the Transaction and tender their shares. (iii) In “(2) Disclosing by the Company’s Board of Directors of Evaluation Period and its Comments, etc.” of Exhibit, “3. Specific Procedure based on Large-Scale Acquisition Rules” of the May 14, 2021 press release, “Continuing the Policy for Large-Scale Acquisition of the Company’s Shares (Takeover Defence)” (the rules on the large-scale purchase of the Target Company described in the press release shall be hereinafter referred to as the “Large-Scale Acquisition Rules”), the Target Company has made it clear that it needs a 60-day “evaluation period for its Board of Directors to evaluate” a purchase of all of the Target Company’s shares by way of cash-only tender offer” like the Transaction. The Tender Offeror believes that it will effectively provide a 60-day period for the Target Company’s Board of Directors to evaluate the Tender Offer as the currently intended period from today to the first day of the Tender Offer Period (As explained above, the commencement date of the Tender Offer has not been finalized, and it is assumed to be some time in middle of September of 2023. If the Tender Offer is to start on Thursday, September 14, 2023, the period will be 60 days long). Furthermore, (iv) pursuant to the Draft Guidelines for Corporate Takeovers, the Target Company will have a sufficient amount of time, from the currently assumed period from today to the end of the Tender Offer Period, to convene a General Meeting of Shareholders to have the shareholders decide as to whether to accept the Tender Offer or not (as explained above, if the period is to start on September 14, 2023, the period will be 60 days plus 30 business days).

In addition, as described in “1. Purpose of the Purchase, etc.,” “(6) Regarding the fairness of the procedures in the Transaction considering the Draft Guidelines for Corporate Takeovers including the Tender Offeror’s thoughts on the Target Company’s Large-Scale Acquisition Rules,” “② ‘Exclusion’ of ‘coerciveness’” below, if the Tender Offeror has, via a reasonable method, confirmed that the total number of the tendered share certificates, etc. (having the same meaning as defined in “(1) Overview of the Tender Offer” of “1.

Purpose, etc. of the Purchase, etc.” below; the same shall apply hereinafter) reaches the lower limit of the number of shares to be purchased (3,194,100 shares) (For details of the lower limit of the number of shares to be purchased, see “(1) Overview of the Tender Offer” of “1. Purpose, etc. of the Purchase, etc.”; the same shall apply hereinafter.), the Tender Offeror will promptly disclose (Note 6) such fact, and extend the Tender Offer Period to secure 10 business days, starting from such point in time, as the tender offer period.

(Note 6) As a specific method of confirmation, the Tender Offeror will set 3:30 p.m. (meaning Japan Standard Time; the same shall apply hereinafter in this Note) on each business day during the Tender Offer Period (the same shall apply during the extended Tender Offer Period in the event that the Tender Offeror confirms that the number of tendered shares has reached the lower limit of shares to be purchased (3,194,100 shares) by the method described in this Note and extends the Tender Offer Period) as the reference time and will have the Tender Offer Agent (i) count the number of shares actually tendered in the agent's securities account as of said reference time and (ii) report to the Tender Offeror by 5 p.m. on the same day. If, based on such report, the Tender Offeror confirms that the number of tendered share certificates, etc. has reached the lower limit of shares to be purchased (3,194,100 shares) as of such date, the Tender Offeror will announce such fact on the same day or the following business day. However, if it cannot be confirmed by the reference time of the business day immediately preceding the last day of the Tender Offer Period that the total number of tendered share certificates, etc. has reached the lower limit of shares to be purchased, only on the last day of the Tender Offer Period, if there is a reasonably certain prospect of reaching such lower limit as of the end of such day (as of such reference time), the Tender Offeror will take the necessary steps to extend the Tender Offer Period by 10 business days on the same day, even if it has not been confirmed that the total number of tendered share certificates, etc. has reached the lower limit of shares to be purchased (3,194,100 shares) as of the same day reference time (3:30 p.m.).

The Tender Offeror believes that, given the premium standard of the Tender Offer Purchase Price, after the Tender Offeror has confirmed and disclosed that the number of tenders has reached the lower limit of the shares to be purchased of 3,194,100 shares or more, chances are significantly low for the shareholders who tender their shares in the Tender Offer to cancel their tenders, and, as a result, for the total number of tendered share certificates, etc. to go below the lower limit of the shares to be purchased. However, if, due to a certain reason such as surge in share price of the Target Company caused by, for example, a proposal of a competitive tender offer, the cancellation of the tenders is induced, and if the Tender Offeror confirms in a reasonable manner that the number of tendered share certificates, etc. goes below the lower limit of the shares to be purchased, the Tender Offeror will promptly announce such fact and consider whether or not to extend the period of the Tender Offer, by the end of the Tender Offer Period.

Accordingly, the Tender Offeror can separate the opportunity for the Target Company's shareholders to express their approval or disapproval of the Transaction from the opportunity for the shareholders to decide whether or not to tender their shares, and provide the shareholders with these opportunities separately, to eliminate the coerciveness of the Tender Offer.

<Tender Offer Conditions Precedent>

The Tender Offer will commence if all of the following Tender Offer Conditions Precedent are satisfied or if the Tender Offeror waives the Tender Offer Conditions Precedent.

- ① All procedures in (1) below required for the implementation of the Transaction based on competition laws, etc. and investment control laws, etc. in Japan and overseas have been completed, or the Tender Offeror determines that it is reasonably expected that such procedure will be completed by the last day of the Tender Offer Period.
- ② There is no event that will have a material adverse effect on the Target Company's financial conditions (*i.e.*, a reason for which the tender offer can be withdrawn as stipulated in the proviso of Article 27-11, Paragraph 1 of the Act, or a reason similar or equivalent thereto; the same shall apply hereinafter).

(1) Recognition of the Tender Offeror regarding the Tender Offer Condition Precedent ①

Concerning the condition precedent ① above, the acquisition of licenses and other necessary procedures (hereinafter referred to as the “Licenses, etc.”) based on domestic and international competition laws, and investment control laws, etc. required for the implementation of the Transaction having been completed shall be a condition precedent to the commencement of the Tender Offer. As of today, the Tender Offeror has appointed domestic and foreign law firms to carefully examine the specific details of the licenses, etc. based on information publicly available at present, the implementation of the Transaction requires: (i) procedures based on the competition laws and regulations of Japan and Vietnam; and (ii) procedures based on the regulations of the Commission on Foreign Investment in the United States (CFIUS), which is the investment control law in the United States. Since the Tender Offeror has not discussed with the Target Company any procedures based on competition laws, etc. or investment control laws, etc. that are necessary in connection with the Transaction, if details of the businesses run by any unannounced group of the Target Company become clear, and if, in light of the business content, it becomes necessary to obtain the License, etc. other than (i) and (ii) above in any jurisdiction other than the above, the Tender Offeror will make a public announcement to that effect, and immediately take the necessary measures to acquire such License, etc. However, as stated above, the Tender Offeror spent over four months on the scope of the Licenses, etc. that may be necessary for the implementation of the Transaction based on the advice of local legal counsel in each country. As a result of such close examination, the Tender Offeror is not aware of the necessary Licenses, etc. or procedures related thereto other than the above procedures (procedures based on competition laws, etc. of two countries and investment control laws, etc. of one country). Thus, as of today, the Tender Offeror plans to take steps to complete these procedures, and commence the Tender Offer at around the middle of September 2023.

As of today, for each of the procedures on the Licenses, etc. in the aforementioned individual countries that the Tender Offeror recognizes as necessary, the Tender Offeror, based on the advice of local legal counsel in each country, is taking necessary steps that it can complete by the commencement of the Tender Offer. The current status and future outlook of these measures are as described below, and the procedures for the Licenses, etc. are all expected to be completed by the end of the Tender Offer Period at the latest.

Region	Base law	Current status	Expected completion date (planned)
Japan	Act on Prohibition of Private Monopolization and Maintenance of Fair Trade	Filed	Completed *Based on the June 27, 2023 notice issued on a cease and desist order not being issued, the period banning share acquisition expired on July 2, 2023.
Vietnam	Vietnamese competition law	Filed	Mid-September 2023
USA	Commission on Foreign Investment in the United States (CFIUS) Regulations	Simplified notification (Declaration) To be filed on July 18, 2023	Mid-August 2023 (planned) (When the 30-day waiting period has passed after receiving the simplified notification.)

(2) Preconditions for the Tender Offer ②

As of today, the Tender Offeror is not aware of any event that will have a material adverse effect on the financial conditions of the Target Company with respect to the above conditions precedent ②.

Of the reasons for which withdrawal of the tender offer is permitted as stipulated in the proviso of Article 27-11, Paragraph 1 of the Act, the “matters equivalent to the matters listed in (a) through (r)” as stipulated in Article 14, Paragraph 1, Item 1 (s) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, including subsequent revisions; the “Order”) means cases where: (x) the body that determines the execution of the business of the Target Company (a) decides to pay dividends of surplus (excludes those cases where the amount of money and other assets to be delivered to shareholders is expected to be less than the amount equivalent to 10% of the book value of net assets on the Target Company’s non-consolidated balance sheet as of the last day of the most recent fiscal year (1,364 million yen (Note 7)), excluding those expected to be less than the amount) with a base date prior to the date of the commencement of the Transaction, or decides to submit to the General Meeting of Shareholders of the Target Company a proposal to the effect that the above dividend will be paid, or (b) decides to pay dividend of surplus with a base date prior to the date of the commencement of the Transaction, without indicating the specific amount of the dividend of surplus, and the scale of the dividend may exceed the amount equivalent to 10% of the book value of the net assets on the Target Company’s non-

consolidated balance sheet as of the last day of the most recent fiscal year; (y) the body that determines the execution of business of the Target Company (a) decides to acquire treasury stock (excludes those cases where the amount of money or other assets to be delivered in exchange for acquiring the stock is expected to be less than the amount equivalent to 10% of the book value of net assets on the Target Company's non-consolidated balance sheet as of the last day of the most recent fiscal year (1,364 million yen)), or (b) decides to submit to the Target Company's General Meeting of Shareholders a proposal to the effect that the above acquisition of treasury stock will be carried out; and (z) the body that determines the execution of business of the Target Company decides to (a) transfer, accept transfer, suspend or abolish all or part of the Target Company's business, or dispose or transfer any of its important assets, or (b) submit a proposal to the General Meeting of Shareholders of the Target Company to transfer, accept transfer, suspend or abolish all or part of the above business or to dispose or transfer its important assets. In addition, of the reasons for which the withdrawal of the tender offer is permitted as stipulated in the proviso of Article 27-11, Paragraph 1 of the Act, the "matters equivalent to the matters listed in (a) through (i)" as stipulated in Article 14, Paragraph 1, Item 3 (i) of the Order means cases where it is found that there is a false statement regarding any material matter in the documents for statutory disclosure that the Target Company has submitted in the past, or that an important matter to be described in such documents is missing therein. In either case of (x) or (z) above, the Tender Offeror intends to waive the Tender Offer Conditions Precedent ② mentioned above when correcting the Tender Offer Price, as described in "Tender Offer Price" above.

(Note 7): According to "Section 5: Financial Information, 2. Financial Statements, etc. (1) Financial Statements ① Balance Sheet" of the Target Company's annual securities report, for the fiscal year ending in March 2023, the net assets of the Target Company amounted to 13,634,858 thousand yen.

The Tender Offer is scheduled to commence within 10 business days if the Tender Offer Conditions Precedent for are satisfied or if the Tender Offeror waives the Tender Offer Conditions Precedent. The present progress of the procedures for obtaining the Licenses, etc. is as described in "(1) Tender Offer Conditions Precedent ①" above, and the Tender Offeror is not aware of any specific circumstances that would make it difficult to promptly obtain the Licenses, etc. Therefore, the Tender Offeror believes that the Tender Offer Conditions Precedent will be satisfied around mid-September 2023. Due to some circumstances which cannot be understood from the publicly available information regarding the Target Company's group, the Tender Offeror may postpone the Tender Offer, if additional time is required to comply with various country regulations. The Tender Offeror will promptly inform of details regarding the schedule of the Tender Offer as they are finalized.

As of today, the approval of the Board of Directors of the Target Company has not been obtained for the implementation of the Transaction, including the Tender Offer. However, (i) the Tender Offeror has submitted to the Target Company today the Letter of Intent describing a detailed explanation on the proposal, including: the meaning and purpose of this Transaction such as synergies expected out of this Transaction, the validity of the value, and the transparency and fairness of the procedure; and also the publicly disclosed matter that the Target Company requires to large-scale purchasers based on the rules for the large-scale purchases (For more details, please refer to "(1) Submission of Letter of Intent and Provision of Information by Large-Scale Purchasers" in "3. Specific Procedures under Large-Scale Purchase Rules" in the Attachment of "Continuation of Policy Concerning Large-Scale Purchases of Company Shares (Takeover Defense Measures)" dated May 14, 2021 by the Target Company); (ii) the Tender Offeror intends, from today until the commencement of the Tender Offer, to provide the Board of Directors of the Target Company and the special committee, which is expected to be established by the Target Company going forward (the "Special Committee"), with a sincere explanation to secure their agreement on the Tender Offer; and (iii) The Tender Offeror will handle with sincerity any request for information that the Target Company's Board of Directors and the Special Committee reasonably determine as necessary, in addition to the information described in the Letter of Intent, for them to form an opinion on the Tender Offer (The Tender Offeror has in place the Tender Offer Period so as to secure a necessary and sufficient period for this purpose. For the reasons for the Tender Offeror to have set the Tender Offer Period, please see the "Tender Offer Period" section above.).

Nonetheless, even if the Target Company's Board of Directors and the Special Committee do not agree on the Tender Offer, the Tender Offeror plans to commence the Tender Offer as planned if the Tender Offer Conditions Precedent are satisfied (or if the Tender Offeror waives the Tender Offer Conditions). Regarding the background to the Tender Offeror's announcement of the scheduled commencement of the Tender Offer, please see “③ Reasons for implementing the Tender Offer” in “(2) Background and reasons for the decision to implementing the Tender Offer” of “1. Purpose of the Purchase, etc.”

<Schedule of the Transaction including the Tender Offer>

The outline of the Transaction schedule, including the Tender Offer, that the Tender Offeror currently envisions, is as follows:

Date of Submission of Letter of Intent	Thursday, July 13, 2023
Acquisition of clearance based on competition law (Japan)	- Tuesday, June 27, 2023: Received a notification that a cease and desist order will not be issued - Sunday, July 2, 2023: The share acquisition prohibition period expired.
Submission of Declaration based on Foreign Investment Regulations (U.S.)	Tuesday, July 18, 2023 (plan)
Acquisition of clearance under competition law (Vietnam)	Mid-September 2023 (plan)
Date of public notice of commencement of tender offer	Thursday, September 14, 2023 (plan)
Submission date of the tender offer registration statement	Thursday, September 14, 2023 (plan)
T e n d e r O f f e r P e r i o d	Thursday, September 14 – Monday, November 13, 2023 * This is the Tender Offer Period being extended for 10 business days, as explained above, when the Tender Offeror confirms and announces that the lower limit of the planned number of purchases was satisfied within the initial Tender Offer Period.
Announcement date of the tender offer report	Tuesday, November 14, 2023
S q u e e z e - o u t e f f e c t i v e d a t e	- In case of reverse stock split Early February 2024 (plan) - In the case of demand for the sale of shares, etc. Late December 2023 (plan)

1. Purpose of the Purchase, etc.

(1) Overview of the Tender Offer

At its board of directors meeting held today, the Tender Offeror decided to commence the Tender Offer for all the shares (excluding the treasury shares owned by the Target Company) of the Target Company, which is listed on the Tokyo Stock Exchange's Standard Market, for the purpose of making the Target Company a wholly owned subsidiary of the Tender Offeror, under the condition that the Tender Offer Conditions Precedent be satisfied or that the Tender Offeror have waived the Tender Offer Conditions Precedent.

Although the Tender Offeror does not own any Target Company Shares as of today, the Tender Offeror plans to acquire 100 of the shares (ownership ratio (Note 8): 0.00%) before the commencement of the Tender Offer to secure the possibility of exercising its rights as a shareholder of the Target Company, with such rights including the one to request to inspect the Target Company's shareholder registry.

(Note 8) “Ownership ratio” refers to the ratio (rounded off to three decimal points; herein after the same for the calculation of ratio) of shares out of the number of shares (6,388,183 shares) calculated by subtracting the number of treasury shares that the Target Company owned as of March 31, 2023 (189,939 shares) described in the 93rd Annual Securities Report that the Target Company submitted on June 29, 2023 (the “Target Company Annual Securities Report”), from the total number of issued shares of the Target Company as of the same date (6,578,122 shares) described in the Target Company Annual Securities Report, and the same shall apply hereinafter.

In the Tender Offer, the Tender Offeror has set the minimum number of shares to be purchased at 3,194,100 shares (ownership ratio: 50.00%) (Note 9) (Note 10), and (i) if the total number of shares tendered in the Tender Offer (the “Tendered Share Certificates, Etc.”) is less than 3,194,100 shares, the Tender Offeror will not purchase all of the Tendered Share Certificates, Etc.; however, (ii) when the Tender Offeror confirms, by reasonable means, and by the final day of the Tender Offer Period, that the total number of the

Tendered Share Certificates, Etc. has reached 3,194,100 shares or more (For details on the confirmation method, please refer to the aforementioned Note 6.), the Tender Offeror intends to promptly announce that effect and to extend the Tender Offer Period, ensuring a period of 10 business days from the respective point of announcement as the tender offer period. Thus, the Tender Offeror will offer an opportunity for the Target Company's shareholders to determine whether the Transaction is proper or not, in addition to an opportunity for the shareholders to express their intention on whether to tender their shares in the Tender Offer or not. Thus the Tender Offeror believes that the measures will make the Tender Offer completely free of coerciveness, and be able to provide more shareholders of the Target Company with an opportunity to tender their shares in the Tender Offers (though the Tender Offeror's initial intention is to eliminate the entire coerciveness from the beginning, the Tender Offeror plans to implement the aforementioned measures in preparation for the possibility that the Tender Offer may still become even slightly coercive). On the other hand, in the Tender Offer, the Tender Offeror did not set an upper limit on the planned number of purchases to eliminate, to the best extent possible, the coerciveness from the Tender Offer based on the Draft Guidelines for Corporate Takeovers. Therefore, if the total number of Tendered Share Certificates, Etc. is equal to or greater than the lower limit of shares to be purchased (3,194,100 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc.

(Note 9) The lower limit of the planned purchases is the number of shares calculated by multiplying the unit of the Target Company's shares (100 shares) by the number of the voting rights (31,941 (rounded up to the nearest whole number)) that is half or more of the number of voting rights (63,881) for the number of shares (6,338,183 shares), calculated by subtracting the number of the treasury shares that the Target Company owned as of March 31, 2023 (189,939 shares) described in the Target Company Annual Securities Report, from the total number of issued shares of the Target Company as of the same date (6,578,122 shares) described in the Target Company Annual Securities Report.

(Note 10) As pointed out in the "Guidelines for Fair M&A" formulated by the Ministry of Economy, Trade and Industry in June 2019, "As passive index funds (Note 11) are expanding in scale, some investors among them who, in principle, do not tender their shares in any tender offer, regardless of whether the terms of the transaction are appropriate or not." The Tender Offeror understands that some ETFs (exchange-traded funds) and other passive index management funds that own the Target Company's shares do not, in principle, tender their shares in the tender offer, but that, based on past cases, some of them have a policy of exercising their voting rights to vote for squeeze-out in an Extraordinary General Meeting of Shareholders to be held after such a tender offer. In light of the status of shareholders described in the Target Company Annual Securities Report and the status of the portfolio announced by the Government Pension Investment Fund (GPIF) on July 7, 2023, there is a certain number of shares of the Target Company owned by such passive index funds. Therefore, the Tender Offeror requested Mita Securities Co., Ltd. ("Mita Securities"), the tender offer agent for the Tender Offer, to estimate the approximate number of the Target Company's shares owned by passive index funds, as well as the approximate number of shares to be tendered in the Tender Offer based on the Tender Offer Price's premium standard, and the number of voting rights in the Extraordinary Meeting of Shareholders scheduled to be held after the Tender Offer is approved and to deliberate share consolidation, based on data-based information provided by an information vendor that provides public information and a variety of data from the financial market and elsewhere. In addition, the Tender Offeror has requested Mita Securities an estimation regarding voting actions related to the shareholders' attributes for the Target Company's shares (for those shareholders who are assumed not to tender their shares in the Tender Offer when the Target Company express its opinion not agreeing to the Tender Offer, the voting actions of such shareholders at the anticipated Extraordinary Meeting of Shareholders which would occur if the Tender Offer were successful and 50.00% or more shares were tendered in the Tender Offer). While it is uncertain whether shareholders will tender their shares in the Tender Offer, and although it is impossible to accurately ascertain and is difficult to precisely estimate, the number of other shareholders who are likely to vote in favor of the special resolution concerning the proposed Share Consolidation (See (3) Post-Tender Offer Policy for Organizational Restructuring (Matters Concerning So-called Two-Step Acquisition)) below) in the Extraordinary Meeting of Shareholders, in the case of the Tender Offeror acquiring a majority of the voting rights for the planned number of shares in the Tender Offer and the Tender Offer being successful, leading to the convening of the Extraordinary Meeting of Shareholders, it is expected that the total number of such shares, when converted to ownership ratio of approximately 18% (Note 12). This estimation of total number of shares includes the number of shares owned by passive index funds and the number of shares owned by the Target Company's trading partner shareholding company. Therefore, even if the Tender Offeror's ownership

of the Target Company's shares after the Tender Offer is close to the lower limit of the planned number, it is anticipated that the approval requirements for the resolution of the Share Consolidation will likely be met.

(Note 11) The term "passive index fund" means any fund intended to secure a profit ratio equivalent to the market average by operating funds to interlink the results of investments with the share price and other indexes, that serve as the benchmarks of shares and other assets for investment.

(Note 12) Specifically, the Tender Offeror has received the following views from Mita Securities, the tender offer agent: (i) based on the specific shareholder composition of the Target Company, if the Tender Offer is successful but the Tender Offeror's ownership remains above 50% but below two-thirds, it is considered that there are a certain number of shareholders who refrain from tendering their shares in the Tender Offer due to their policy of holding Target Company's shares for strategic or similar purposes, especially if the Target Company's board of directors does not express their support for the Tender Offer at the time, however, (ii) in practice, after the Tender Offer is successful, the Target Company's board of directors generally demonstrates a certain level of understanding towards the new parent company's management policies and often operates the business under a policy that aligns with the parent company's direction, therefore, considering the potential change in such circumstances, it is expected that shareholders mentioned in (i) above would likely vote in favor of the Share Consolidation resolution at the Extraordinary Meeting of Shareholders.

In addition, if the Tender Offer is successful and, if, as a result of the Tender Offer, (i) the Tender Offeror comes to hold two-thirds or more of the voting rights of all shareholders of the Target Company, the Tender Offeror plans to implement the Squeeze-Out Procedure as described in "(3) Post-Tender Offer Policy for Organizational Restructuring (Matters Concerning So-called Two-Step Acquisition)" below. (ii) Even if the Tender Offeror does not hold two-thirds of the voting rights of all shareholders of the Target Company, the Tender Offeror plans to request the Target Company the Extraordinary Meeting of Shareholders (See "(3) Policy for Organizational Restructuring after the Tender Offer (Matters Concerning So-called Two-Step Acquisition)" below. The same shall apply hereinafter). As described in (Note 10) and (Note 12) above, even if the Tender Offeror acquires only a majority, which is the lower limit of the number to be purchased, in the Tender Offer, the Tender Offeror believes that it will be able to acquire the approval necessary to pass a resolution to approve of the Squeeze-Out Procedure by the Extraordinary Meeting of Shareholders.

However, the case is possible where the Tender Offer being successful, but the voting rights held by the Tender Offeror for the Target Company's shares falls below two-thirds of the total voting rights of the Target Company's shareholders, and also the number of shareholders expected to vote in favor of the Share Consolidation resolution at the Extraordinary Meeting of Shareholders differs from that anticipated and resulting in the total voting rights falling below two-thirds. In that case, it would become difficult to obtain approval for the Share Consolidation resolution by the Extraordinary Meeting of Shareholders, as stated in "3. Post-Tender Offer Policy for Organizational Restructuring (Matters Concerning So-called Two-Step Acquisition)" below. However, even if such approval is not obtained, the Tender Offeror aims to ultimately acquire all the Target Company's shares (excluding treasury shares held by the Target Company). To eliminate such a possibility, the Tender Offeror plans to acquire additional shares of the Target Company until reaching a number of shares equivalent to the voting rights calculated by multiplying two-thirds of the total voting rights at the Extraordinary Meeting of Shareholders, and in the event that approval for such resolution is not obtained at that Extraordinary Meeting of Shareholders, until reaching a number of shares equivalent to the voting rights calculated by multiplying two-thirds of the total voting rights at the subsequent general shareholders' meeting, which is planned to be held. This is to hold a shareholders' meeting for the approval of the Share Consolidation. In other words, the Tender Offeror intends to obtain, at a price to be determined based on the market share price as of the timing of the acquisition of additional shares (The price must be a reasonable price that, compared with the Tender Offer Price, is not evaluated as economically unprofitable for the shareholders who sell their shares in response to the additional share acquisition), additional shares of the Target Company by way of on- and off-market transactions that are not the Tender Offer (that are legally permitted), and in the end, acquire a number of shares equivalent to two-thirds of the number of voting rights related to the number of shares obtained by deducting the number of treasury shares owned by the Target Company from the total number of issued shares of the Target Company. At present, it is difficult to specify the period required for such additional acquisition and the subsequent approval of the Share Consolidation at the General Meeting of Shareholders, as it will depend on market conditions and other circumstances, but we plan to complete the process and obtain approval

for the Share Consolidation no later than the annual shareholders meeting of the Target Company scheduled for June 2024. The Tender Offeror will inform when the specific timing is finalized. If the Tender Offer is completed, the Tender Offeror does not intend to change its policy of making the Target Company a wholly-owned subsidiary of it, regardless of the expected timing of the additional share acquisition.

The consideration to be paid by the Tender Offeror to the shareholders in the Squeeze-Out Procedure and the above additional share acquisition shall be a price economically equivalent to the Tender Offer Price.

(2) Background, purpose and decision-making process leading to the decision for the Tender Offeror to implement the Tender Offer, and management policy after the Tender Offer

① Purpose and decision-making process leading to the decision to implement the Tender Offer

I. About the Tender Offeror Group

Since its founding in July 1973, the Tender Offeror had a goal of becoming a global company that represents Japan, and has used the company name of “Nihon Densan Kabushiki-gaisha” until today. Now, celebrating its 50th anniversary, the company has changed its Japanese name to “Nidec Kabushiki-gaisha” in April 2023. The Tender Offeror Group (which collectively means the Tender Offeror and its subsidiaries and affiliates; the same shall apply hereinafter) had net sales of 2,242.8 billion yen on a consolidated basis in the fiscal year ended March 31, 2023. The group’s operating profit during the same fiscal period stood at 100.1 billion yen, with a capital investment of 137.8 billion yen, and research and development expenses of 81.3 billion yen. The group has a total of 347 companies, consisting of 343 consolidated subsidiaries and four equity-method affiliates in 46 countries. The entire Tender Offeror Group has a workforce of 106,592 people, as it enjoys its constant and significant growth. In the stock market, the market capitalization is valued at ¥ 4,392.2 billion (based on yesterday’s closing price).

This growth would not have been possible without the participation of companies with high-precision and high-efficiency technology in the Tender Offeror Group. Since its founding, the Tender Offeror has actively conducted M&As globally, and 70 companies have joined the Tender Offeror Group. Each company has achieved steady growth by adopting the management techniques of the Tender Offeror Group and by realizing synergies with other companies of the Tender Offeror Group. As an example, Nidec Advance Technology Corporation (formerly, Nidec-Read Corporation), which manufactures and sells testing equipment, and which joined the Tender Offeror Group in 1997, has been part of the Tender Offeror’s thorough PMI (Post Merger Integration) activities. As a result, compared with the days before joining the Tender Offeror Group, the company’s sales increased approximately 36 times, and its operating profit, approximately 121 times, leading the company to achieve outstanding rapid growth among the Tender Offeror Group companies. In another example, Nidec Instruments Corporation (formerly, Nidec Sankyo Corporation), which joined the Tender Offeror Group in 2003, is a company with a long history founded in 1946. After falling into a financial struggle at a point in time, the company joined the Tender Offeror Group to overcome it. After joining the Tender Offeror Group, by expanding the scope of its business to include motors, motor drive units, card readers, and industrial robots, which has a high affinity with its existing technology and for which it can utilize technical and management know-how accumulated in the Tender Offeror Group, the company continues to grow steadily and stably. While continuing to manufacture music box movements, the company’s founding business and the symbol of its corporate culture, Nidec Instruments Corporation has transformed the profit structure of its existing business and has turned profitable through organic growth by utilizing the Tender Offeror Group’s management methods cultivated through the business operations of other group companies. Furthermore, the company has transformed itself into a company capable of conducting M&A followed by PMI of other companies such as Nidec Material Co., Ltd., Tokyo Maruzen Industry Co., Ltd., and Nidec Genmark Automation, Inc. of the US. Going forward, the Tender Offeror will unite the technological capabilities of the companies in the entire group and grow sustainably for the next 100 years and beyond as the Tender Offeror Group, to become the world’s leading solution-providing business enterprise that solve many challenges that all humanity faces.

Among such efforts, by positioning “the machine tool business” as a pillar of its new businesses, the Tender Offeror Group welcomed Mitsubishi Heavy Industries Machine Tool Co., Ltd. (currently, Nidec Machine Tool Corporation) in 2021, OKK Corporation (currently, Nidec OKK Corporation) in 2022, and PAMA, an Italian machine tool manufacturer, and its affiliates, in 2023. Among these newly joined companies, Nidec Machine Tool Corporation, which had been in the red for 16 consecutive months before joining the Tender Offeror Group, became profitable on a monthly basis only two months after joining the Tender Offeror Group, and achieved further profit growth in the fiscal year ended March 2023. Nidec OKK Corporation, which had posted an operating loss in the fiscal year ended March 2022, when the company joined the Tender Offeror Group, turned profitable in the first quarter of the following fiscal year. Thus, all the companies successfully turned themselves around after joining the Tender Offeror Group and are growing steadily as pillars of the Tender Offeror Group’s new businesses. When welcoming the aforementioned three companies into its Tender Offeror Group, the Tender Offeror, while, as it did in its past M&As, making a good use of positive elements of their long-nurtured corporate cultures, it is constantly enhancing its profitability, power of growth and competitiveness by conducting PMI that combines the Tender Offeror’s corporate philosophies and business policies from its foundation.

II. Reasons for the Tender Offeror to emphasize the machine tool business as a new pillar of its businesses

Initially, the main purpose of acquiring Nidec Machine Tool Corporation was to generate synergies with other businesses of the Tender Offeror Group. However, while conducting PMI of the company and deepening knowledge on the machine tool industry, in the early November of 2021, the Tender Offeror came to conclude that the Tender Offeror Group should focus on the machine tool business as a new pillar of its businesses going forward for the following reasons.

The machine tool business had long been one of the critical industries for Japan’s manufacturing industry. As stated in the “Action Policy for Securing a Stable Supply of Machine Tools and Industrial Robots” (the “METI Policy”) issued by Japan’s Ministry of Economy, Trade and Industry (“METI”) on January 19, 2023, the needs for the digital transformation after the global pandemic of the COVID-19 and the production of a wide range of industrial products that contribute to the realization of carbon neutrality, including electric vehicles, have been increasing. Thus, the roles required of the machine tools in the manufacturing bases in and outside Japan are expected to grow both qualitatively and quantitatively on a mid- and long-term basis and in an irreversible way. In particular, as Japan faces a declining population, aging skilled workers, and labor shortages, and as such trends become more pronounced even at manufacturing sites, machine tools, which contribute to improving precision and automation of manufacturing process, are growing in importance in Japan’s manufacturing industries.

However, according to the Tender Offeror’s knowledge, the Japanese machine tool industry, a market worth more than 1 trillion yen, is filled with more than 100 manufacturers, leading to severe price competition during recessions. In anticipation of such circumstances, companies in the industry tend to internally accumulate profits instead of investing it for future growth, and to spend the accumulated profit during recessions. Therefore, with the exception of some major manufacturers, companies in the industry are unable to make constant, long-term-strategy-based investment for future growth, while many Japanese domestic machine tool manufacturers fail to become competitive, and stuck in a cycle of slow growth.

Given the current situation of the Japanese machine tool industry, if European manufacturers with high international competitiveness in the expanding international market aggressively enter into the Japanese market, or if Chinese and other emerging countries’ machine tool manufacturers, all of which work faster than their Japanese counterparts, become even more competitive than they are at present, these Japanese companies, which used to own the top-level competitiveness in the world, may see their market shares taken away by their counterparts in Europe, China, and emerging countries without taking any action. In addition, as pointed out in the METI Policy, if the international competitiveness of the Japanese machine tool industry continues to decline and domestic companies in the industry causes disruption in their product supply, it may seriously affect the business infrastructure of Japan’s manufacturing industry itself. It is thus clear that such an event will directly cause the entire manufacturing business of Japan to lose competitiveness. The Tender Offeror, which aims to be the world’s leading manufacturer that represents Japan, cannot simply overlook such a crisis in the Japanese manufacturing industry.

It is based on this sense of crisis that the Tender Offeror Group, which has a global perspective, an aggressive investment strategy, and extensive experience in corporate acquisitions, aims to become the world's leading machine tool manufacturer and lead the machine tool industry, to contribute to the maintenance and improvement of the global competitiveness of the Japanese machine tool industry and, by extension, the Japanese manufacturing industry itself. Thus, in mid-November 2021, the Tender Offeror decided to make the machine tool business a new pillar of its businesses.

III. The Tender Offeror's opinions on the current status of the Target Company's business operations

According to public information such as the Target Company Annual Securities Report, in August 1922, Mr. Shusaku Takisawa and Mr. Hichisaburo Takisawa established Takisawa Machine Tool Co., Ltd. in the city of Osaka for the purpose of manufacturing and selling various machine tools such as drilling machines and lathes. In April 1935, Takisawa Machine Tool Co., Ltd. was reorganized into a general partnership company, and a joint-stock company in October 1944. After having listed on the Second Section of the Osaka Stock Exchange in September 1962, in May 1963, the company was listed on the Second Section of the Tokyo Stock Exchange, a securities membership corporation. After the designation to be the First Section of the Tokyo Stock Exchange in March 2013, due to the review of the Tokyo Stock Exchange's market divisions in April 2022, it has been transferred to the Tokyo Stock Exchange's Standard Market.

According to public information such as the Target Company Annual Securities Report, a corporate group consisting of the Target Company, its 11 subsidiaries and an affiliate (all as of March 31, 2023) (the "Target Company Group") aims to contribute to the realization of sustainability in society and the environment through the manufacture and sale of machine tools, and to enrich the lives of people around the world. With the goal of improving shareholder value and fulfilling corporate social responsibility by realizing sustainable growth and stable profits, the Target Company Group has a main business of manufacturing and selling machine tools such as numerically controlled lathes, machining centers and ordinary lathes, while engaging in business activities such as related service operations and technical support operations, in Asia (Japan, China, Taiwan, India, Thailand, Indonesia, and Vietnam), North America (the US), and Europe (Germany).

However, with respect to the achievement status of the Target Company's medium-term management plan for the past 10 years since fiscal 2013, except for the two fiscal years of 2017 and 2018, the Target Company failed to achieve its planned operating profit target in each fiscal year. This fact shows that the Target Company, unfortunately, fails to manage their businesses as originally planned in the highly volatile machine tool industry.

Considering the challenging business environment characterized by past performance shortfalls and intense competition from highly competitive foreign manufacturers, the Tender Offeror believes that it is extremely difficult for the Target Company, despite being a prominent machine tool manufacturer, to achieve such targets of sales of 31 billion yen and an operating profit margin of 8% for the fiscal year 2024, set forth in its publicly disclosed medium-term management plan "Value-Up 2024" dated May 13, 2022.

Specifically, the Target Company has identified in its "Value-Up 2024," "expanding sales into new markets such as semiconductor manufacturing equipment, aerospace, and offshore wind power," "strengthening the development of new products ranging from high-end to mid-range machines," and "enhancing added value through an integrated 'development-to-manufacturing' process via a modularization strategy," as its business challenges to achieve the above business performance. However, the Tender Offeror observes the following crucial points: (i) the actual sales, operating profit, and operating profit margin of the fiscal year ended in March 2023, which is the first year of the "Value-Up 2024" plan, fell short of the plan's targets; (ii) the "Value-Up 2024" projects significant growth in sales, operating profit, and operating profit margin over the three-year period from the fiscal year ended in March 2023 to the fiscal year ending in March 2025, with growth rates of approximately 11%, 79%, and 60% respectively, but the Target Company's performance forecast for sales and operating profits for the fiscal year ending in March 2024, announced in May 2023, even falls below the actual figures achieved for the fiscal year ended in March 2023, which also did not achieve the target indicated in "Value-Up 2024" (iii) there is a lack of proactive growth investment to achieve the aforementioned challenges outlined in the medium-term management plan; and (iv) even in second fiscal year following the disclosure of the medium-term management plan, no announcement has been made regarding the promising figures in operating profit margin and other results for the leap in the

fiscal year ending in March 2025. Given these circumstances, the Tender Offeror perceives that successfully executing these new initiatives and overcoming the product and price competitiveness of domestic and international machine tool manufacturers would be extremely challenging for the Target Company to achieve on its own in terms of business operations.

Therefore, in late February of 2023, the Tender Offeror concluded that, in order for the Target Company to have a high degree of competitiveness and achieve sustainable and significant growth in the future, the Target Company was in a phase to launch a reasonably meaningful alliance with other company, such as the Tender Offeror, which has a strong business infrastructure, instead of operating businesses on its own.

IV. Background of the Tender Offeror focusing on the Target Company, and negotiations with the Target Company

Based on the current situation as described above, the Tender Offeror spent some time contemplating what is necessary for the Tender Offeror Group to demonstrate a strong presence in the machine tool market and acquire international competitiveness. As one of the conclusions it has reached, and as a step to gain a strong position in the machine tool industry, the Tender Offeror, in January 2022, considered forming an alliance with the Target Company, with which the Tender Offeror thought it could expect significant synergies.

After joining the Tender Offeror Group, the Target Company, under the goal of “becoming the world’s leading machine tool manufacturing group,” will be able to utilize all resources such as global business management knowhow, financial strength, human resources, and technological capabilities, etc. that the Tender Offeror Group has cultivated so far, and sales synergies (e.g., sales channel expansion and cross-selling, etc. through unification and mutual utilization of the customer base due to the complementary relationship between the two companies’ products) and cost synergies (e.g., cost reduction through shared parts procurement and larger purchasing lots, promotion of overseas procurement and overseas production, etc.) can be expected. The Tender Offeror believe that this will enable the Target Company to achieve growth, which the Target Company will not be able to achieve by independently continuing its measures.

Specifically, we believe the following:

① Complementary products and markets

- Regarding products

The Target Company's core product, lathes, is a field that the Tender Offeror Group has not yet entered despite the fact that lathes account for approximately 30% of the machine tool market, and there is a very large degree of complementarity between the two companies.

- Regarding the market

While the Target Company's main markets are China and Taiwan, the Tender Offeror Group has important sales offices in Europe (PAMA) and the U.S. (U.S. subsidiary of Nidec Machine Tools Corporation), and the overseas markets can be complemented by utilizing the overseas sales offices of the Tender Offeror Group.

② Diversification of production bases and promotion of local production for local consumption

The Tender Offeror Group has production bases in Europe, the U.S., and India, where the Target Company does not have production bases. By joining the Tender Offeror Group, the Target Company will be able to establish and expand production bases in these regions and promote local production for local consumption worldwide.

③ Expansion of business scale

By joining the Tender Offeror Group, the combined sales scale of the machine tool business of the Tender Offeror Group and the Target Company will exceed 100 billion yen, and the Target Company will be able to enjoy the benefits of scale, including cost reductions in purchasing and production, and qualitative improvements in sales and services.

④ Others

The following are other factors that make the Tender Offeror consider the Target Company to be the best partner.

- The Target Company and Nidec OKK Corporation share the same target users, and thus synergies such as cross-selling and integrated proposals can be expected to be realized more quickly.
- The Target Company and the Tender Offeror Group companies' bases in Japan and China are geographically close to each other, and close cooperation can be expected.
- The Target Company is similar to Nidec OKK Corporation, which joined the Tender Offeror Group in 2022, in terms of size, business model, history, and shareholder composition, and the Tender Offeror will be able to promote smooth collaboration by utilizing its PMI experience.

The Tender Offeror is convinced that, through above measures, the Target Company, along with the three machine tool companies (Nidec Machine Tool Corporation, Nidec OKK Corporation, and PAMA and their affiliates as mentioned above) that already joined the Tender Offeror Group, will grow as a world-leading machine tool manufacturer, and be able to prosper sustainably with strong competitiveness. Based on this recognition, the Tender Offeror has proposed to the Target Company a capital and business alliance (Note 13) with Nidec Drive Technology Corporation, a subsidiary of the Tender Offeror, from January to March 2022. However, the Target Company declined to continue the discussion without any explanation why. Then the Tender Offeror considered alternative measures such as self-development of products, but, considering the speed of changes in the market environment, such as the rapid growth of overseas manufacturers, and the probability of implementing measures, the Tender Offeror again believed that it is necessary to incorporate the Target Company into the Tender Offeror Group, and the Tender Offeror eventually decided to submit a different proposal to the Target Company and its stakeholders.

(Note 13) The purpose was to join the Tender Offeror Group through the issuance of shares through a third-party allotment and form a business alliance, but the Tender Offeror Group has been declined prior to the presentation and negotiation of specific terms and conditions.

Furthermore, the Tender Offeror has looked at the Target Company's management plan "Value-Up 2024" and analyzed how the management resources of the Tender Offeror Group can be utilized in light of the Target Company's business challenges and how business synergies can be realized, and the Tender Offeror believes as follows:

① Sales and production

(a) Support for entering growth markets

The Tender Offeror believes it is possible to accelerate the development of growth markets such as EV-related, semiconductor, aerospace, and offshore wind power by utilizing the Tender Offeror Group's network.

(b) Optimization of overseas distributors

The Tender Offeror believes it is possible to promote mutual introductions and optimization of existing overseas distributors while increasing the influence of the two companies on them through the combined sales scale of the two companies.

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

By securing a production base in Europe or North America using the Tender Offeror's funds and existing plants, the Target Company can reduce costs, shorten delivery time, and improve customer service in overseas markets.

② Development

(a) Product lineup

By partnering with the Tender Offeror, whose product lineup does not overlap, it will be possible to have a product lineup without cannibalization, make comprehensive proposals to customers, and expand sales through cross-selling.

(b) Development of high-end machines

By combining the Tender Offeror's technologies related to various machining centers, milling and 5-axis machining with the Target Company's lathe technologies, competitive 5-axis machines and multi-tasking machines can be quickly developed.

(c) Commencement of modularization

PAMA is ahead of the Tender Offeror Group in modularization, and it is possible to share the examples and know-how cultivated in the course of its business operations as a clue to a change in development philosophy.

In general, modularization is expected to reduce procurement costs through the commonization and consolidation of parts, but the Target Company will be able to enjoy the benefits of cost reductions through information exchange with the Tender Offeror Group and introduction of low-cost suppliers immediately after joining the Tender Offeror Group, without having to wait for modularization.

③ Organizational structure and financing

(a) Reduction of listing maintenance costs and workload

If the Target Company is delisted, it will be able to enjoy the benefits of improved external credibility and name recognition as a company within a listed company group, while reducing the cost and workload of the Target Company on a stand-alone basis and speeding up management decision-making.

(b) Strengthening of cooperation with Taiwan Takisawa Technology Co.

Taiwan Takisawa is an important subsidiary that supports the Target Company's sales and profits on a consolidated basis. The Tender Offeror believes that the Tender Offeror's management resources and alliance know-how can be utilized to propose strengthening the alliance with Taiwan Takisawa from a new perspective.

(c) Enhancement of fund-raising capacity

Through the Tender Offeror's group financing, it will be possible to quickly and inexpensively procure funds for capital investment in the establishment and expansion, etc. of domestic production, sales, and service bases, as well as working capital necessary for operations.

Based on the above reasons, the Tender Offeror has decided to officially propose purchasing the Target Company Shares, as part of a series of transactions to make the Target Company a wholly-owned subsidiary of the Tender Offeror by way of tender offer. The Tender Offeror hopes that the Board of Directors of the Target Company and the Special Committee which the Target Company introduced will correctly understand the details of the Transaction, and agree to the Tender Offer. The Tender Offeror also hopes for an opportunity to explain in detail the Transaction and the intent of the Tender Offeror for such purpose.

③ Management policy after the Transaction

- (i) The Tender Offeror will discuss the post-Transaction management system after discussing it with the Target Company. If the Tender Offer is successful, the Tender Offeror is considering dispatching a director from the Tender Offeror to the Target Company if it deems it necessary from the viewpoint of the Squeeze-Out Procedure. The Tender Offeror will, after today, discuss sincerely with the Target Company's management the management system in details to understand how to enhance the two companies' corporate values further considering the understanding of the Tender Offeror's corporate culture and management policies.
- (ii) The Tender Offeror will support management reform based on the management knowhow that the Tender Offeror Group has cultivated so far.
 - After the Transaction, to quickly realize synergies with the Tender Offeror Group and realize the potential corporate value of the Target Company, the Target Offeror will support the realization of management reform by utilizing its management knowhow from its past M&A and PMI. Specifically, based on the experience of each company that has joined the Tender Offeror Group so far, the Tender Offeror will spread, in the entire Target Company, (i) the speed- and perfection-oriented attitude based on the corporate philosophy and one of the three major principles of the Tender Offeror Group, "Do your job immediately, do it without hesitation, and never give up until you get the job done;" (ii) thorough the "customer first"-ism; and (iii) the "result-oriented policy and the policy of rewarding those who made wonderful contributions, and punishing those who acted against the company" to spread, throughout the business operations, the management policies, including the fair, performance-linked executive and employee evaluation system that eliminates personal and subjective emotions. Thus, the Tender Offeror believes that it will be able to utilize the Target Company's potential to the fullest extent, and create synergies with the Tender Offeror Group (in sale, R&D, and production; in the enhanced ties with the Target Company's Taiwanese subsidiary; and improving financial and procurement capabilities, etc.). The Tender Offeror Group will support necessary management reforms for this purpose.
 - The Tender Offeror believes that the Target Company's joining the Tender Offeror Group is merely a start for the Target Company to become a company capable of sustainable growth, and that it is most important for the Target Company to continue its growth with the Tender Offeror Group for a long time after the Transaction. To this end, the Tender Offeror believes that it is necessary for the Target Company to maintain the excellent corporate culture it has cultivated to date, and for the Target Company's employees, who are the bearers of such a corporate culture, to play an active role with high motivation and great hope. For specific personnel assignments, the Tender Offeror wishes to make a decision via discussion with the Target Company. As has been the case with other companies that joined the Tender Offeror Group so far, the Tender Offeror will keep the number of executives to be dispatched to the Target Company to a minimum.

- On the other hand, to quickly realize synergies with the Tender Offeror Group by utilizing the management knowhow accumulated through the Tender Offeror's M&A and PMI experiences, Tender Offeror Group personnel, including top executives such as Shigenobu Nagamori, who is Chairman and Representative Director of the Tender Offeror, Hiroshi Kobe, who is Representative Director and President of the Tender Offeror, and Tatsuya Nishimoto, who is Executive Vice President and Executive Officer, as well as work-level managers will constantly visit the Target Company to, for example, discuss in person with the Target Company's executives and other employees, and actively exchange opinions on the Target Company's issues and areas of improvement. Thus, the Tender Offeror Group will be responsible for, committed to, and providing support for, realizing the Target Company's management reform.

(iii) Careful consideration on how to maintain the Target Company's brand.

In addition, with regard to the Target Company's trade name, a company that has joined the Tender Offeror Group must, in principle, have a "Nidec" at the beginning of its name. Nonetheless, given that the Target Company's brand is already well known in the machine tool industry, and also that the Target Company's trade name was changed only in recent years, the Tender Offeror will carefully consider ways to keep the name unchanged.

The above matters are the Tender Offeror's current management policy for the Target Company after it joins the Tender Offeror Group. The Tender Offeror intends to decide on those matters after sincere discussion with the Target Company going forward. It has been for this purpose that, to this day, the Tender Offeror has analyzed and prepared various documents to obtain approval of the Target Company's Board of Directors and Special Committee. Therefore, the Tender Offeror plans to discuss in detail, after the completion of the Tender Offer, management policies and systems for the Target Company if the Tender Offer is completed without approval of the Target Company's Board of Directors. The Tender Offeror believes that, if the Target Company sincerely contemplates this proposal by the Tender Offeror, the Target Company's Board of Directors and Special Committee will approve of the Transaction and the Tender Offer.

(3) Policy for post-Tender Offer organizational restructuring (Matters concerning so-called two-step acquisition)

As described in "(1) Overview of the Tender Offer" above, the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror. Therefore, if, after the Tender Offer is achieved, the Tender Offeror acquires two-thirds or more of the voting rights of all shareholders of the Target Company as a result of the Tender Offer, the Tender Offeror intends to launch a series of procedure to delist the Target Company Shares after the Settlement Commencement Date. If, in the Tender Offer, the Tender Offeror fails to acquire all of the Target Company Shares (excluding treasury shares owned by the Target Company) in the Tender Offer, the Tender Offeror will, after the implementation of the Tender Offer, launch the following measures to execute Squeeze-Out Procedure for the Tender Offeror to acquire all of the Target Company Shares.

Even if the Tender Offer is successful, and if the Tender Offeror fails to acquire two-thirds of the voting rights of all shareholders of the Target Company as a result of the Tender Offer, the Tender Offeror will request the Target Company to hold an Extraordinary General Meeting of Shareholders for a bill that includes executing a consolidation of the Target Company's Shares (hereinafter referred to as the "Share Consolidation") pursuant to Article 180 of the Companies Act and a partial amendment of the Target Company's Articles of Incorporation to abolish the rules on the share unit number based on the condition of the Share Consolidation taking effect (and to elect additional directors). Even in such a case, the consideration to be delivered to each shareholder will be a reasonable amount that will not be economically disadvantageous to the shareholders of the Target Company compared with the Tender Offer Price.

In addition, there is a chance for the proposal for the Share Consolidation not to be approved at the Extraordinary General Meeting of Shareholders. However, even in such a case, the Tender Offeror will acquire all of the Target Company's shares. Therefore, until it acquires the number of shares equivalent to the number of voting rights that is the two-thirds of the number of voting rights exercised in the next General Meeting of Shareholders scheduled, the Tender Offeror will use the price that it will determine after considering the market share price as of the additional share acquisition (the price must be a reasonable one, which will not be evaluated as economically disadvantageous to the Target Company's shareholders at the time of such additional acquisition, compared with the Tender Offer Price), to obtain additional shares of the Target Company via on-market transactions and off-market transactions outside of tender offers (to the extent permitted under the laws). If the Tender Offeror acquires such number of shares, or if it acquires a

number of shares that is expected to be approved at the General Meeting of Shareholders held to deliberate any proposal regarding the Share Consolidation, the Tender Offeror will request the Target Company to hold another Extraordinary General Meeting of Shareholders. However, depending on the timing, the Tender Offeror may submit such a proposal to a Regular General Meeting of Shareholders scheduled to be held in 2024.

① Demand for the sale of shares

As a result of the completion of the Tender Offer, if the total number of voting rights of the Target Company held by the Tender Offeror becomes 90% or more of the voting rights of all shareholders of the Target Company, and that, if the Tender Offeror is to become a special controlling shareholder as stipulated in Article 179, Paragraph 1 of the Companies Act, the Tender Offeror will, immediately after the completion of the settlement of the Tender Offer, pursuant to the provisions of Part 2, Chapter 2, Section 4-2 of the Companies Act, request all shareholders of the Target Company (excluding the Tender Offeror and the Target Company; hereinafter the same shall apply in ①) to sell the Tender Offeror all of the Target Company Shares they own (the “Demand for the Sale of Shares”). In the Demand for the Sale of Shares, the Tender Offeror will establish rules to issue an amount of money equivalent to the Tender Offer Price as the consideration for each share of the Target Company. In such a case, the Tender Offeror will inform the Target Company of the establishment of such rules and request the Target Company to approve of the Demand for the Sale of Shares. If the Target Company approves of the Demand for the Sale of Shares based on a resolution of its Board of Directors, the Tender Offeror will, in accordance with the procedures stipulated in relevant laws and regulations, and without obtaining approval of the Target Company’s individual shareholders, obtain all of the Target Company Shares from all of its shareholders, on the specified acquisition date. If the Demand for the Sale of Shares is made, the shareholders of the Target Company may file a petition with the court to determine the trading price of the Target Company Shares held by them in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations.

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 voting rights of all shareholders of the Target Company, the Tender Offeror will, promptly after the completion of the transactions for the Tender Offer, request the Target Company to hold an Extraordinary General Meeting of Shareholders within three months after the completion of the Tender Offer, to deliberate a proposal that includes the implementation of the Share Consolidation pursuant to Article 180 of the Companies Act, and partial amendment of the Target Company’s Articles of Incorporation to abolish the number of shares constituting one unit on the condition that the Share Consolidation take effect (an “Extraordinary General Meeting of Shareholders”).

The Tender Offeror and the Target Company will consult with each other regarding the timing of the Extraordinary General Meeting of Shareholders, and upon determination, the Tender Offeror will request the Target Company to promptly disclose such information. The Tender Offeror intends to explain relevant matters sincerely to obtain the Target Company’s support in holding the Extraordinary General Meeting of Shareholders. However, if the Target Company refuses to cooperate, the Tender Offeror will, inevitably, based on its position as a shareholder of the Target Company, implement the procedure to hold the Extraordinary General Meeting of Shareholders as expeditiously as possible. In addition, the Tender Offeror plans to vote in favor of each of the above proposals at the Extraordinary General Meeting of Shareholders.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders Meeting, the shareholders of the Target Company will, on the day when the Share Consolidation takes effect, own the number of Target Company Shares corresponding to the rate of the Share Consolidation approved at the Extraordinary General Meeting of Shareholders. If the Share Consolidation results in a fraction less than a share, based on Article 235 of the Companies Act and other relevant laws and regulations, the Target Company’s shareholders shall receive an amount of money to be obtained after the number of the Target Company Shares equivalent to the total number of such fraction (the “Total Fractional Shares) (if there is a fraction less than a share in the total number obtained, such fraction shall be rounded down) is sold to either the Target Company or the Tender Offeror. With respect to the sale price of the Total Fractional Shares, the Tender Offeror will calculate so that the amount of money to be issued to shareholders of the Target Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) as a result of

such sale matches the amount of money that results after multiplying the Tender Offer Price with the number of the Target Company's shares owned by its shareholders, before the Tender Company will request the Target Company to file a petition with the court for permission to sell the Target Company's shares in their possession voluntarily.

Although the ratio of the Share Consolidation is undecided as of today, the Tender Offeror will request to make the number of the shares owned by the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) a fraction less than a share so that the Tender Offeror owns all of the Target Company Shares.

As a provision of the Companies Act for the purpose of protecting the rights of minority shareholders related to a share consolidation, if the Share Consolidation results in a fraction of less than a share, pursuant to Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, the shareholders of the Target Company who oppose the Share Consolidation may ask, in accordance with the Companies Act, the Target Company to purchase all of its shares that are fractions of less than a share at a fair price. The Companies Act also stipulates that such shareholder may request that the Target Company to file a petition with the court to determine the price of the Target Company Shares. As stated above, in the Share Consolidation, the number of Target Company Shares held by Target Company's shareholders (excluding the Tender Offeror and the Target Company) who did not tender their shares in the Tender Offer will be a fraction less than a share. Accordingly, shareholders of the Target Company who oppose the Share Consolidation will be able to file the above petition. If the above petition is filed, the purchase price will ultimately be determined by the court.

Regarding each of the procedures of ① and ② above, it may take time to implement or the method of implementation may change depending on the situation such as revision, enforcement of relevant laws and regulations, and interpretation of them by the authorities. However, even in that case, a method of ultimately delivering cash to the shareholders of the Target Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) is expected to be adopted. In that case, the amount of money to be delivered to each such shareholder will be calculated to be the same as the Tender Offer Price multiplied by the number of Target Company Shares owned by each such shareholder.

Regarding the specific procedures and the timing of their implementation in each of the above cases, the Tender Offeror will consult with the Target Company, and request that the Target Company promptly disclose such information as soon as they are finalized.

The Tender Offer is in no way intended to solicit the support of the shareholders of the Target Company at the Extraordinary General Meeting of Shareholders. In addition, shareholders are requested to confirm with a tax accountant or other experts at their own responsibility regarding the tax treatment of applying for the Tender Offer or each of the above procedures.

(4) Possibility of delisting and reasons thereof

As of today, the Target Company Shares are listed on the Tokyo Stock Exchange's Standard Market. However, since the Tender Offeror does not set an upper limit in the planned number of shares to be purchased, in accordance with the delisting standards of the Tokyo Stock Exchange, the Target Company Shares may be delisted through the prescribed procedures, depending on the results of the Tender Offer.

In addition, even if the relevant criteria are not met at the time of the completion of the Tender Offer, after the completion of the Tender Offer, if the procedure described in "(3) Policy for post-Tender Offer organizational restructuring (Matters concerning so-called two-step acquisition)" above, is carried out, the Target Company Shares will be delisted through the prescribed procedures in accordance with the delisting standards of the Tokyo Stock Exchange. After the Target Company Shares are delisted, the Target Company Shares cannot be traded on the Tokyo Stock Exchange.

In addition, in the Tender Offer, the voting rights of the Target Company held by the Tender Offeror after the completion of the Tender Offer may fall below two-thirds of the voting rights of all shareholders of the Target Company. At the Extraordinary General Meeting of Shareholders described in "(3) Policy for post-Tender Offer organizational restructuring (Matters concerning so-called two-step acquisition)" above, the proposal for the Share Consolidation may not be approved. However, even if such approval cannot be obtained, the Tender Offeror will acquire additional shares of the Target Company via on-market transactions and off-market transactions besides tender offers (only if such an act is permitted by law), at a price to be determined based on the market share price as of the additional share acquisition (The price must be a reasonable one that will not be regarded as economically disadvantageous to the shareholders compared with the Tender Offer Price at the time of such additional acquisition.), until the

Tender Offeror acquires the number of shares to reach the number of shares equivalent to the number of voting rights that is two-thirds of the number of voting rights exercised by the second General Meeting of Shareholders, to acquire all of the Target Company Shares (excluding treasury shares owned by the Target Company). After acquiring the intended number of shares, or after acquiring the number of shares that is expected to be approved in the General Meeting of Shareholders for the proposal on the Share Consolidation, the Tender Offeror will request the Target Company to hold an Extraordinary General Meeting of Shareholders.

Since the Tender Offeror aims to ultimately acquire all of the Target Company Shares (excluding treasury shares owned by the Target Company), the Tender Offeror intends to add shares of the Target Company (at a price for the additional acquisition that will be a reasonable price that will not be economically disadvantageous to shareholders compared to the Tender Offer Price at the time of such additional acquisition.), until it the Tender Offeror acquires the number of shares equivalent to two-thirds of the number of voting rights related to the number of shares after deducting the number of treasury shares owned by the Target Company from the total number of shares.

(5) Matters concerning important agreements regarding the Tender Offer

Not applicable.

(6) Regarding the fairness of the procedures in the Transaction based on the Tender Offeror's thoughts on the Target Company's large-scale purchase rules and the Draft Guidelines for Corporate Takeovers

As the Transaction and the Tender Offer fall under the proposal of the "Large-Scale Acquisition" under the Target Company's Large-Scale Purchase Rules, the Tender Offeror has responded to this by handing in this letter of Intent. Please refer to this Letter for the content of the response.

In addition, the Tender Offeror expects that the Transaction will discontinuously improve the corporate value of the Target Company through the realization of synergies with the Tender Offeror Group, and at the same time, significantly increase the market share price for the Target Company's shareholders. In terms of making it possible to distribute fair consideration with a premium, the Tender Offeror believes that it is truly a "Desirable Acquisition" as described in the Draft Guidelines for Corporate Takeovers, and it will be beneficial to the decisions of the Target Company's shareholders when implementing it. The Tender Offeror intends to, among other actions, appropriately and proactively disclose useful information (Principle of Transparency), secure the opportunity for reasonable decision-making of the shareholders of the Target Company, and ultimately rely on the judgment of the shareholders (Principle of Shareholders' Intent), to give maximum consideration to the fairness of the procedures. Specifically, as follows, the Tender Offeror proposes to implement the Transaction in a manner that complies with the Draft Guidelines for Corporate Takeovers.

① "Realization" of "Informed Judgment"

The Tender Offeror believes that it has provided the Target Company's Board of Directors and shareholders with necessary and sufficient information through the Letter of Intent and this press release. In addition, the Tender Offeror plans to commence the Tender Offer at the middle of September this year, and the Tender Offer period is scheduled to be 30 business days. Therefore, for the Tender Offer, the Tender Offeror established a period longer than the Board of Directors evaluation period (60 days) stipulated in the Target Company's large-scale purchase rules between today and the last day of the Tender Offer Period. The Tender Offeror believes that it will be able to provide shareholders with sufficient time to consider the Transaction.

Therefore, it is clear that the Tender Offeror does not aim to obtain unfair profits at the expense of the Target Company or its shareholders, and the Tender Offeror believes that it is in compliance with the "Principle of Shareholders' Intent" and the "Principle of Transparency" stipulated in the Draft Guidelines for Corporate Takeovers, and that it has secured sufficient opportunities for the Target Company's shareholders to determine whether to accept the share acquisition offer by the Tender Offeror (informed judgment) after being provided with necessary information properly, and sufficient transparency and fairness have been secured.

In order for the Target Company's Board of Directors, Special Committee, and shareholders to fully consider the matter, the Tender Offeror has taken into account the request of the Target Company's Special Committee (if there were any points where the information provided by the Tender Offeror was insufficient), the Tender Offeror would be happy to answer any additional questions to a reasonable extent and to consider adjusting the schedule of the Transaction. However, as stated above, the Tender Offeror has provided sufficient information as of today, and believes that it has provided a review period that exceeds the evaluation period

stipulated in the Target Company's Large-Scale Purchase Rules. Therefore, the Tender Offeror plans to implement the Tender Offer by the middle of September 2023 or so.

② “Exclusion” of “Coercion”

(i) “Setting the number of shares to be purchased” for the purpose of “stock privatization,” etc.

In the Tender Offer, the Tender Offeror aims to ultimately acquire all of the Target Company Shares (excluding treasury shares owned by the Target Company) and has not set an upper limit on the number of shares to be purchased.

(i) In the event that the Tender Offer is successful and, if, as a result of the Tender Offer, the Tender Offeror comes to hold two-thirds or more of the voting rights of all shareholders of the Target Company; and (ii) if, in the event that the Tender Offer is successful, and, as a result of the Tender Offer, the Tender Offeror will fail to acquire two-thirds of the voting rights of all shareholders of the Target Company, the Tender Offeror will request the Target Company to hold an Extraordinary General Meeting of Shareholders. Even if the Tender Offeror fails to obtain such approval at the Extraordinary General Meeting of Shareholders, the Tender Offeror aims to eventually acquire all of the Target Company Shares (excluding treasury shares owned by the Target Company). (iii) Therefore, until the Tender Offeror acquires the number of shares corresponding to the number of voting rights obtained by multiplying the number of voting rights exercised at the second General Meeting of Shareholders by two-thirds, the Tender Offeror will acquire additional shares of the Target Company via on-market and off-market transactions besides tender offers (limited to cases permitted by law) at a price to be determined in consideration of the market share price at the time of the acquisition (however, such price shall not be considered economically disadvantageous to shareholders at the time of the acquisition compared to the Tender Offer Price and shall be a reasonable price), and (iv) the Tender Offeror will acquire additional shares of the Target Company until the Tender Offeror eventually obtains the number of shares equivalent to two-thirds of the number of voting rights corresponding to the number of shares after deducting the number of treasury shares owned by the Target Company from the total number of issued shares is acquired.

In addition, the consideration to be paid by the Tender Offeror to the Target Company Shareholders in the Squeeze-out Procedure and the above additional acquisition shall be a reasonable price not evaluated as being economically disadvantageous to the Target Company's shareholders compared with the Tender Offer Price.

(ii) Consideration in setting the “tender offer period” for the purpose of providing shareholders with an opportunity to make decisions on both “tendering their shares in tender offer” and “whether or not to trade.”

In the Tender Offer, the Tender Offeror has set minimum lower number of shares to be purchased as 3,194,100, and (i) if the total number of share certificates, etc. tendered in the Tender Offer (“Tendered Share Certificates, Etc.”) is less than 3,194,100 shares, the Tender Offeror will not purchase all of the Tendered Share Certificates, etc., however, (ii) if the Tender Offeror uses a reasonable method to confirm that the total number of shares has increased to more than 3,194,100 shares (regarding the method of confirmation etc., please see Note 6 above), the Tender Offeror will promptly disclose the fact publicly, and extend the Tender Offer Period to secure 10 business days from the point in time of disclosure to the final day of the Tender Offer Period.

Apart from the opportunity for shareholders to express their intention to tender their shares in the Tender Offer, the Tender Offeror will provide an opportunity for shareholders to make a decision on the merits of the Transaction in the manner described in (i) ① “Realization” of “Informed Judgment” above. (ii) In addition, based on the measures in (i) “Setting the number of shares to be purchased” for the purpose of “stock privatization,” etc. above, as a result of the Tender Offer, even if the Tender Offeror fails to obtain the number of the voting rights to pass the Squeeze-Out at the Extraordinary General Meeting of Shareholders, the Tender Offeror will repeat the process of acquiring additional share of the Target Company and holding an Extraordinary General Meeting of Shareholders until the Tender Offeror obtains the number of voting rights needed to pass the resolution on the Share Consolidation, and then it will move to the Squeeze-out Procedure. Therefore, the Transaction is, in effect, an “all or nothing” offer, as described in the Draft Guidelines for Corporate Takeovers. With these,, the Tender Offeror believes, will eliminate the entire coerciveness of the procedures, and it will be able to provide sufficient opportunities for more shareholders of the Target Company to tender their shares (though the Tender Offeror believes that its proposal intends to eliminate any and all coerciveness in the first place, it will take the above measures just in case there may be some kind of coerciveness theoretically).

(iii) Summary

In short, through the Transaction, the Tender Offeror believes that it has prepared a process that gives maximum consideration to the “Principle of Shareholder’s Intent” and the “Principle of Transparency” presented in the Draft Corporate Acquisition Action Guidelines, as explained below.

- ① The Transaction, which provides the Target Company's Board of Directors and shareholders with sufficient information and a period of consideration, aims to realize the “informed judgment” recommended in the Draft Guidelines for Corporate Takeovers, and this is a process that gives maximum consideration to the interests of the Target Company's Board of Directors and shareholders to a degree substantially equivalent to or greater than that stipulated in the Target Company’s Large-Scale Purchase Rules.
- ② The Transaction is intended to provide shareholders with (i) no coercive force, and (ii) the opportunity to individually and sufficiently decide whether to participate in the Tender Offer, and to decide whether to proceed with the Transaction.

Therefore, the Tender Offeror believes that the Board of Directors of the Target Company will be satisfied with the contents of the Tender Offeror’s proposal. Even if the directors are not satisfied with the contents, the Board of Directors of the Target Company, in light of the Draft Guidelines for Corporate Takeovers, will should draw a quantitatively sufficient comparison on the Tender Offer Price and the corporate value improvement measures in case the Target Company continues to be run by its current management, to act to fulfill its accountability to explain (retrospectively) the rationality of the decision on whether or not to accept the Tender Offer Price. If the Board of Directors disagrees with the Tender Offer Proposal, the Directors will be required to make a comparative analysis by considering cases that requires them to explain this point. Therefore, the Tender Offeror does not believe that the Target Company will launch measures against the Tender Offer based on the Target Company’s Large-Scale Purchase Rules or other measures.

2. Overview of share purchase, etc.

(1) Outline of the Target Company

①	Name	Takisawa Machine Tool Co., Ltd.																				
	Address	983 Nadekawa, Kita-ku, Okayama-shi																				
③	Title and name of the representative	Mr. Kazuhiro Harada, Representative Director and President																				
④	Business	Manufacturing and sale of metal machine tools (CNC lathes, ordinary lathes, machining centers, FA cells, systems, etc.)																				
	Capital	2,319,024,000 yen (as of March 31, 2023)																				
⑥	Foundation	October 30, 1944																				
⑦	Major shareholders and shareholding ratio (as of March 31, 2023)	<table border="1"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>9.88%</td> </tr> <tr> <td>Takisawa Machine Tool client stocks society</td> <td>8.60%</td> </tr> <tr> <td>FANUC LTD</td> <td>4.70%</td> </tr> <tr> <td>The Chugoku Bank, Ltd.</td> <td>4.53%</td> </tr> <tr> <td>UBS AG SINGAPORE (standing proxy Citibank, N.A. Tokyo Branch)</td> <td>2.94%</td> </tr> <tr> <td>Kiyoyuki Katou</td> <td>1.91%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>1.76%</td> </tr> <tr> <td>Takisawa Investment Association</td> <td>1.25%</td> </tr> <tr> <td>Sumitomo Mitsui Trust Bank, Limited</td> <td>1.25%</td> </tr> <tr> <td>The Chugin Lease Co.,Ltd</td> <td>1.10%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust Account)	9.88%	Takisawa Machine Tool client stocks society	8.60%	FANUC LTD	4.70%	The Chugoku Bank, Ltd.	4.53%	UBS AG SINGAPORE (standing proxy Citibank, N.A. Tokyo Branch)	2.94%	Kiyoyuki Katou	1.91%	Custody Bank of Japan, Ltd. (Trust Account)	1.76%	Takisawa Investment Association	1.25%	Sumitomo Mitsui Trust Bank, Limited	1.25%	The Chugin Lease Co.,Ltd	1.10%
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The Chugin Lease Co.,Ltd	1.10%																					
⑧	Relationship between the Tender Offeror and the Target Company																					
	Capital	The Tender Offeror does not own any Target Company Shares as of today.																				
	Personnel	Not applicable.																				
	Business	Not applicable.																				
	Relations with any concerned parties	Not applicable.																				

(Note) “⑦ Major shareholders and shareholding ratio (as of March 31, 2023)” is quoted from the Target Company’s Securities Report.

(2) Schedule, etc.

The Tender Offeror intends to execute the Tender Offer as practically as possible (within ten business days at the latest) after the day when the Tender Offer Conditions Precedent are satisfied, or when the Tender Offeror waives them, when the Tender Offer Conditions Precedent are satisfied (however, even if all or part of the Tender Offer Conditions Precedent are not satisfied, the Tender Offeror is not restricted from waiving them at its own discretion and conducting the Tender Offer.). As of today, the Tender Offeror will implement the Tender Offer towards the middle of September 2023 based on the publicly disclosed facts and also on, among others, the results of the discussion with the local law firm on the procedures in accordance with Japanese domestic and overseas competition laws, regulations, and other applicable rules and investment regulation laws, and other applicable rules. However, since the Target Company may inform the Tender Offeror of facts that are not disclosed in publicly disclosed information, it is difficult for the Tender Offeror to predict the time needed for these procedures accurately. If there is any change in the scheduled start date, the Tender Offeror will notify the Target Company of such change promptly, and of details on the schedule for the Tender Offer as soon as they are finalized.

The Tender Offeror plans to set the Tender Offer Period to be for 30 business days. This is based on that fact that the legally stipulated minimum period for a tender offer is 20 business days. Therefore, by setting a longer period than the statutory period, the Tender Offeror intends to: (i) provide the Board of Directors of the Target Company with sufficient time to contemplate this Transaction and discuss it with the Tender Offeror; (ii) provide the Target Company's shareholders with sufficient time to make a proper decision on whether to accept the Tender Offer and tendering their shares. (iii) The Tender Offer Period was decided based on the balance with the aforementioned period, as the Target Company, in its Large-Scale Purchase Rules, discloses that a period of 60 days will be necessary as a period for an evaluation by its Board of Directors for cases, like the Transaction herein, where a tender offer-based, cash-compensation-only purchase of all shares owned by a target company via tender offer. In addition, as described in "②Exclusion" of "Coercion" of "(6) Regarding the fairness of the procedures in the Transaction based on the Tender Offeror's thoughts on the Target Company's Large-Scale Purchase Rules and the Draft Guidelines for Corporate Takeovers" of "1. Purpose of the Purchase, etc." above, the Tender Offeror has confirmed, by way of a reasonable method (For the method of confirmation, etc., please see (Note 6) above), that the total number of Tendered Share Certificates, Etc. (as defined in "(1) Overview of the Tender Offer" of "1. Purpose of the Purchase, etc." above; the same shall apply hereinafter.) has reached the lower limit of the planned number of purchased shares (3,194,100 shares) (For details of the lower limit of the planned number of the purchases, see "(1) Overview of the Tender Offer" of "1. Purpose, etc. of the Purchase, etc."; the same shall apply hereinafter.) during the Tender Offer Period, the Tender Offeror will make a public announcement to that effect promptly and extend the Tender Offer Period to secure 10 business days as the Tender Offer Period from the time of the announcement. Thus, the Tender Offeror will provide separately the opportunity for the Target Company's shareholders to express their agreement or disagreement to the Transaction, and the opportunity for them to determine as to whether or not to tender their shares, in its attempt to eliminate coerciveness of the Tender Offer.

(3) Price for purchase, etc.

2,600 yen per common share

(4) Basis for the calculation of price for purchase, etc.

In determining the Tender Offer Price, the Tender Offeror will, based on documents and other information such as the financial information disclosed by the Target Company, conduct a multifaceted and comprehensive analysis of the Target Company Group's businesses and financial performance. In addition, based on the fact that the Target Company Shares are traded through a financial instruments exchange, the Tender Offeror used as references: 1,447 yen, the closing price of the Target Company's shares on the Tokyo Stock Exchange's Standard Market on July 12, 2023, the business day before the date of the announcement on the Tender Offer; 1,269 yen, the simple average of the closing prices for the past month as of the timing (rounded off to the first decimal place; the same shall apply in the calculation of the simple average of closing prices hereinafter); 1,272 yen, the simple average of the closing prices for the past three months; and 1,221 yen, the simple average of the closing prices for the last six months. Furthermore, in addition to these, based on, among other elements, all of the trends of the Target Company Share Prices in the market share prices (Note 1); examples of premiums granted in past tender offers premised on making a company a wholly owned subsidiary of another one other than the issuer (Note 2); and the prospect of tendering for the Tender Offer, the Tender Offeror concluded that it should be

appropriate to offer a price that results after adding a proper premium price to the market price of the Target Company Shares, and decided to make the Tender Offer Price 2,600 yen. The Tender Offer Price is the closing price of the Target Company Shares on the Tokyo Stock Exchange on the base date, assuming July 12, 2023 as such, and the simple average of the closing prices for the past month, three months and six months at that time, combined with the following premiums added to each price.

- Closing price of the base date: 1,447 yen 79.68 %
- Monthly average: 1,269 yen 104.89 %
- Three-month average: 1,272 yen 104.40 %
- Six-month average: 1,221 yen 112.94 %

The Tender Offeror, which determined the Tender Offer Price by considering the above factors thoroughly, did not obtain a share valuation report or a fairness opinion from a third-party appraiser. The Tender Offeror will acquire a valuation report at the actual commencement of the Tender Offer.

(Note 1) The Target Company's share price since January 2018 and for the last 12 months has generally been in a downward trend from the first half of 2018 to the first half of 2020. Without recovering significantly, the share price fluctuated within the range of ¥1,006 to ¥1,447. The Target Company's share price never exceeded the Tender Offer Price during the period.

(Note 2) After analyzing the total of 57 tender offers (as of July 7, 2023) that were publicly announced in/after January 2020; that were without an upper limit in the planned number of shares to be purchased; and that were intended for Japanese domestic listed companies (excluding Tokyo PRO Market) whose ownership ratio of the shares owned by target companies (including their specially related parties) was less than 33.34% , the Tender Offeror found out that the median premium rate of the tender offer price to the closing price on the last business day before the announcement date of the tender offer and the average closing price for the past month, three months, and six months on that day are 39%, 38%, 41%, and 46%, respectively (rounded to the nearest whole number) (Cases involving REIT, those that failed to be completed, two-phase tender offers, so-called discount-based tender offers, and those whose stock prices fluctuated due to counter-tender offers, etc. prior to the commencement of a tender offer, are excluded from the above analysis).

(5) Number of share certificates, etc. to be purchased

Planned number of purchases	Lower limit of planned purchases	Upper limit of planned purchases
6,388,228 shares	3,194,100 shares	- shares

(Note 1) If the total number of Tendered Share Certificates, Etc. is less than the minimum number of shares to be purchased(3,194,100 shares), the Tender Offeror will not purchase all of the Tendered Share Certificates, Etc. If the total number of Tendered Share Certificates, Etc. is equal to or greater than the minimum number of shares to be purchased (3,194,100 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc.

(Note 2) The number of shares to be purchased is the maximum number of the Target Company Shares, etc. that the Tender Offeror will acquire through the Tender Offer. The maximum number is from the number that results (6,388,228 shares) after subtracting the number of the treasury shares owned by the Target Company as of March 31, 2023, described in its Annual Securities Report (189,894 shares) from the total number of the issued shares of the Target Company the same date stated in its Annual Securities Report (6,578,122 shares).

(Note 3) Shares constituting less than a unit are also subject to the Tender Offer. If a shareholder exercises the right to request the purchase of less-than-one-unit shares in accordance with the Companies Act, the Target Company may, should it so desire, purchase its own shares during the Tender Offer Period in accordance with legal procedures.

(Note 4) There are no plans to acquire treasury shares owned by the Target through the Tender Offer.

(Note 5) The number of planned purchases and the lower limit of the number of planned purchases above are provisional numbers based on information as of today, and they may differ from the figures above.

(6) Changes in ownership ratio of Share Certificates, etc. due to purchase, etc.

Number of the Tender Offeror's voting rights for owned share certificates, etc. prior to purchasing, etc.	0	(Ownership ratio of share certificates, etc. before purchase: 0.00%)
Number of specially related parties' voting rights for owned share certificates, etc. prior to purchasing, etc.	TBD	(Ownership ratio of share certificates, etc. before purchase: TBD)
Number of the Tender Offeror's voting rights for owned share certificates, etc. after purchasing, etc.	63,881	(Ownership ratio of share certificates, etc. after purchase: 100.00%)
Number of specially related parties' voting rights for owned share certificates, etc. after purchasing, etc.	0	(Ownership ratio of share certificates, etc. after purchase, etc.: 0.00%)
Number of voting rights of all shareholders, etc. of the Target Company	63,675	

(Note 1) The Tender Offeror will disclose the “number of specially related parties’ voting rights for owned share certificates, etc. prior to purchasing, etc.” and its “ownership ratio of share certificates, etc. before purchase.” after investigating them by the commencement of the Tender Offer. Since the share certificates, etc. owned by each special related party (excluding treasury shares owned by the Target Company) are also subject to the Tender Offer, the “number of specially related parties’ voting rights for owned share certificates, etc. after purchasing, etc.” is zero.

(Note 2) The “number of voting rights of all shareholders, etc. of the Target Company” is the number of voting rights of all the shareholders of the Target Company as of March 31, 2023, as stated in the Target Company’s Securities Report. However, since shares constituting less than a unit are also subject to the Tender Offer, in the “ownership ratio of share certificates, etc. before the purchase, etc.” and the “ownership ratio of share certificates, etc. after the purchase, etc.,” the number used as the denominator is the number of voting rights (63,881 rights) for the number of the shares (6,388,183 shares) that results after deducting the number of treasury shares owned by the Target Company as of March 31, 2023 described on its Securities Report (189,939 shares) from the total number of the Target Company’s issued shares as of the same date described in the same report (6,578,122 shares).

(7) Purchase price

16,609,275,800 yen (plan)

(Note) The purchase price is the number of shares to be purchased in the Tender Offer (6,388,183 shares) described in “(5) Number of Share Certificates, etc. to be Purchased” above, multiplied by the Tender Offer Price (2,600 yen). Due to fluctuations in the number of shares after today, the actual number of shares to be purchased in the Tender Offer may change.

(8) Payment method

The securities companies that will settle the purchase, etc. are scheduled to be Mita Securities (the Tender Offer Agent) and Monex, Inc. (the Secondary Tender Offer Agent). The Tender Offeror is currently examining matters on payment methods, and will inform those concerned as soon as they are finalized.

(9) Other conditions and methods of purchase, etc.

- ① Presence/absence and the contents of the conditions provided for in each item of Article 27-13, Paragraph 4 of the Company Act
The Tender Offeror will not purchase, etc. all the Tendered Shared Certificates, Etc. if their total number of Tendered Share Certificates, Etc. is less than the minimum number of shares to be purchased (3,194,100 shares); whereas, the Tender Offeror will purchase, etc. all the Tendered Shared Certificates, Etc. if the total number of Tendered Share Certificates, Etc. is equal to or greater than the minimum number of shares to be purchased (3,194,100 shares).
- ② Other matters
The Tender Offeror will disclose its settlement method, the date of public notice of the commencement of the tender offer, and other conditions and methods of the purchase, etc. as soon as they are finalized.

3. Post-Tender Offer Policy, etc. and Future Outlook

With respect to the policies, etc. after the Tender Offer, please refer to “(2) Background, purpose and decision-making process leading to the decision for the Tender Offeror to implement the Tender Offer, and after the Tender Offer Management Policy,” “(3) Policy for Post-Tender -Offer-Organizational Restructuring (Matters Concerning the So-called Two-Step Acquisition),” and “(4) Possibility of delisting and reasons thereof,” of “1. Purpose, etc. of the Purchase, etc.”

The impact of the Tender Offer on its earnings forecast for the current fiscal year is slight. If there is any significant impact on its earnings, the Tender Offeror will inform it promptly.

4. Other information

(1) Presence/absence and the contents of agreements between the Tender Offeror and the Target Company or its officers

Not applicable.

(2) Other information deemed necessary for an investor to decide whether or not to participate in the purchase, etc.

Not applicable.

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