



FOR IMMEDIATE RELEASE

Nidec Corporation

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Nidec to Execute a Capital Alliance Agreement to Purchase Stake in OKK Corporation via Third-party Share Allocation

Nidec Corporation (TSE: 6594; OTC US: NJDCY) (the “Company” or “Nidec”) announced today that its Board of Directors has approved, among others, a resolution to purchase the shares of OKK Corporation (“OKK”) through a third-party allocation of common shares in a meeting of the Board of Directors held on November 18, 2021 (Japan time) (the “Share Purchase”), and that the Company has executed a capital alliance agreement with OKK regarding this Share Purchase, etc. on the same date.

1. Outline of OKK in relation to the Third-party Allocation of Shares
Company Name: OKK Corporation
Headquarter: 8-10-1, Kita-Itami, Itami, Hyogo, Japan
Foundation: October 1915
Capital: JPY6,283,076,312
Director: Yoshihide Morimoto, Representative Director and President (with positions remaining unchanged after the Share Purchase)
Production Bases: Japan (Hyogo prefecture) and Thailand
Principal Businesses: Design, manufacture, sales of machine tools, and installation of, technical instructions on, and after-sales services related to products, etc.
Number of Employees: 758 (consolidated), and 500 (non-consolidated) (as of March 31, 2021)
Major Shareholders and Shareholding Ratio (as of March 31, 2021)

OKK Business Association	6.79%
The Master Trust Bank of Japan, Ltd. (Trust Account)	5.76%
Custody Bank of Japan, Ltd. (Trust Account)	3.00%
Toshinori Akimoto	2.27%
Resona Holdings, Inc.	2.14%
OKK Kai Business Association	1.82%
OKK Employee Stock Ownership Plan	1.69%
Custody Bank of Japan, Ltd. (Trust Account 5)	1.55%
Custody Bank of Japan, Ltd. (Trust Account 1)	1.34%
Kenji Kawasumi	1.31%

Relationship between Nidec and OKK

Capital Relationship: Not applicable.
Personnel Relationship: Not applicable.

Business Relationship : Not applicable.

Applicability to Related Parties : Not applicable.

Financial Position and Operating Results for the Most Recent Three Years

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Total net assets (million yen)	20,176	10,735	8,768
Total assets (million yen)	48,097	34,444	32,387
Net assets per share (yen)	2,551.14	1,356.93	1,105.95
Net sales (million yen)	26,459	21,348	12,083
Operating profit (million yen)	631	141	△2,755
Ordinary profit (million yen)	520	2	△2,474
Profit attributable to owners of the parent (million yen)	444	△9,159	△2,425
Earnings per share (yen)	56.20	△1,159.27	△306.57
Dividend per share (yen)	20.00	0.00	0.00

2. Outline of the Share Purchase

Period of payment: January 26 – June 30, 2022 (plan)

Number of Shares for the Purchase: 15,853,444 common shares

Price of the Shares: JPY345.60 per share

Amount of payment: JPY5,478,950,247

3. Number of Shares to Acquire, Acquisition Price, and Status of Share Ownership before and after the Share Acquisition

Number of Shares Owned before the Share Purchase: 0 share (ownership percentage: 0%) (number of voting rights: 0)

Number of Shares to be Acquired: 15,853,444 shares (value of acquisition: JPY5,478,950,247) (number of voting rights: 158,534)

Number of Shares to be Owned after the Share Purchase: 15,853,444 shares (ownership percentage: 66.655%) (number of voting rights: 158,534)

4. Purpose of the Share Purchase

The Share Purchase achieves a mutual complement of products in the area of machine tool, an existing area of businesses where Nidec operates. Synergies are expected especially in such areas as element technology development, manufacturing, and sales of the machine tool business by Nidec Machine Tool Corporation, which joined the Nidec Group this August. After the Share Purchase, OKK will hold a prominent position as well in Nidec's machine tool business.

A well-established machinery manufacturer founded more than 100 years ago, OKK is a growing company that engages in businesses required in each era, ranging from its initial business of manufacturing centrifugal pumps and water meters to textiles. Recent years have seen the company mainly focused in the field of machine tools, a basis of all industries, and successfully obtain trust from a wide range of its customers thanks to the company's high and versatile basic machining capability required for a mother machine. However, after being concentrated on prior and existing sales activities in Japan and postponing entry into rapidly changing overseas markets, OKK, partially due to its slow pace of work efficiency improvement, has been unable to keep up with the pace of the rising foreign demand in the entire machine tool industry, and faced with the problem of a shrinking business scale. While observing some effects of its structural reform, the company was affected by the nationwide shutdown of economic activities and people-to-people communication due to COVID-19 pandemic, remaining in struggle during the fiscal year ended March 31, 2021.

By joining Nidec via the Share Purchase, OKK will make a fresh start as a comprehensive machine tool builder, to enhance its product assortment and sales capability, while quickly reinforcing its production

capacity as well. Combining OKK's competitive and highly versatile machining centers with Nidec Machine Tool's large machines, such as double-column machining centers with five-face machining function and horizontal boring and milling combined machines, will enable us to accommodate manufacturing requirements for various sizes – from small parts to large components – and enable both OKK and Nidec Machine Tool (the “Two Companies”) to significantly increase their overall capability of suggesting machining solutions. In addition, by utilizing Nidec’s business knowhow and networks, OKK will be able to launch businesses globally while expanding its customer base in Japan, and the company’s field of business will expand significantly. On a technological front, too, while OKK mainly manufactures small to medium-size versatile machining centers, Nidec Machine Tool, Japan’s leading gear machine manufacturer, also produces large machines (double-column machining centers with five-face machining function, horizontal boring and milling combined machines), advanced laser micromachines, and metal additive manufacturing (3D printing) related products and various special purpose machines. Therefore, combining the Two Companies’ technologies will enable us to develop new products that neither of them has in its lineup at present. In the area of production, the Two Companies will be able to improve their efficiency and expand their production capacity through utilization of their production bases, while being able to invest in their collaborative production bases in Japan and/or overseas.

After the Share Purchase, Nidec intends to further expand Nidec Machine Tool’s business, and believes that it can grow globally at a faster pace by making necessary investments where they are needed on a timely basis. We hope to mutually exploit our group’s and OKK’s respective technological capability, brand power, and customer bases to contribute to the development of the machine tool market on a global scale.

5. Schedule

(1) Board of Directors resolution	November 18, 2021
(2) Contract signed	November 18, 2021
(3) Closing	Expected in late January 2022 (The transaction may be deferred with the status of approval of antitrust authorities and license of each country).

6. Effect on Financial Performance for the Current and Next Fiscal Year

The transaction is expected to have no impact on the Company’s consolidated financial performance for this fiscal year ending March 31, 2022 and no significant impact for coming fiscal year ending March 31, 2023. If necessary, the Company will make additional disclosure on a timely basis in accordance with the rules of the Tokyo Stock Exchange upon determination of further details.

Cautionary Statement Concerning Forward-Looking Information

This press release contains forward-looking statements regarding the intent, belief, strategy, plans or expectations of the Nidec Group or other parties. Such forward-looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors, including, but not limited to, the risks to successfully integrating the acquired business with the Nidec Group, the anticipated benefits of the Transaction not being realized, changes in general economic conditions, shifts in technology or user preferences for particular technologies and changes in business and regulatory environments. The Nidec Group does not undertake any obligation to update the forward-looking statements contained herein or the reasons why actual results could differ from those projected in the forward-looking statements except as may be required by law.

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