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Released on April 3, 2025, in Kyoto, Japan

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

Nidec Corporation (the **“Tender Offeror”**) hereby announces that, on April 3, 2025, it has resolved to acquire the shares of common stock (the **“Target Company’s Stock”**) of Makino Milling Machine Co., Ltd. (Prime Market of the Tokyo Stock Exchange, Inc. (the **“TSE”**), Securities Code: 6135; the **“Target Company”**) through a tender offer (the **“Tender Offer”**) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the **“Act”**), as outlined below.

1. Purpose, etc. of the Tender Offer

(1) Overview of the Tender Offer

As announced in the press release dated December 27, 2024, titled “Notice Regarding Scheduled Commencement of Tender Offer for Makino Milling Machine Co., Ltd. (Securities Code: 6135)” (the **“December 27, 2024 Press Release”**), the Tender Offeror resolved at its Board of Directors meeting held on December 26, 2024 to implement the Tender Offer for the Target Company’s Stock listed on the Prime Market of the TSE as part of a series of transactions aimed at making the Target Company a wholly-owned subsidiary of the Tender Offeror (the **“Transaction”**), subject to the satisfaction or waiver (only with respect to the Tender Offer Precondition ② below) of all of the following preconditions (precondition ① below is referred to as the **“Tender Offer Precondition ①”**, precondition ② as **“Tender Offer Precondition ②”**, and collectively as the **“Tender Offer Preconditions”**):

- ① All necessary procedures under domestic and foreign competition laws and foreign investment regulations required for the consummation of the Transaction (the **“Regulatory Clearances”**) have been completed, or the Tender Offeror reasonably expects that such procedures will be completed by the final day of the tender offer period (the **“Tender Offer Period”**); and
- ② (a) No grounds exist that would permit the withdrawal of the tender offer pursuant to the proviso of Article 27-11, Paragraph 1 of the Act, and
(b) The decision-making body of the Target Company has not resolved, prior to the commencement date of settlement under the Tender Offer (the **“Settlement Commencement Date”**), to distribute surplus dividends with a record date falling before such date or to acquire treasury shares with the acquisition date falling before such date.

After careful review and consultation with domestic and international law firms, the Tender Offeror determined that, for the consummation of the Transaction, it would be necessary to obtain Regulatory Clearances under (i) the competition laws of Japan, the United States, the People’s Republic of China (**“China”**), Austria, and Turkey, and (ii) the foreign investment regulations of the United States, Germany, France, Italy, Slovakia, Spain, and the Czech Republic. The Tender Offeror has now confirmed that all of the Tender Offer Preconditions have been satisfied as described below and has therefore determined that the Tender Offer may proceed. Accordingly, at the Board of Directors meeting held on April 3, 2025, the Tender Offeror resolved to commence the Tender Offer on April 4, 2025. The purchase price per share for the Tender Offer (the **“Tender Offer Price”**) remains JPY 11,000, as announced in the December 27, 2024 Press Release. Except for changes

in the planned number of shares to be acquired due to the Tender Offeror's acquisition of 100 shares of the Target Company through market transactions for the purpose of requesting for inspection and copy of the shareholder registry, and changes in the number of treasury shares held by the Target Company, no other changes have been made to the terms of the Tender Offer as announced in the December 27, 2024 Press Release.

- ① As of April 3, 2025, the Tender Offeror confirmed that all required procedures under the competition laws (Japan, the United States, China, Austria, and Turkey) and foreign investment regulations (the United States, Germany, France, Italy, Slovakia, Spain, and the Czech Republic) had been completed, with the exception of the Chinese competition law procedure. Although the pre-filing notification under Chinese competition law had not yet been accepted by the State Administration for Market Regulation of China as of that date, the Tender Offeror received a legal opinion from its Chinese legal counsel stating that, considering that (i) the Tender Offeror and the Target Company have very limited overlap in the machining center business in China, and (ii) the Tender Offeror has a very limited market share in the machining center market in China, and the Transaction will cause only a negligible increase in the Target Company's current market share in the machining center market in China, the Tender Offer is considered to be of very little competitive concern under China's competition laws, the review period (a first-phase review period of 30 days) under the procedure is expected to be completed by the end of the Tender Offer Period with a high degree of certainty. Thus, it is reasonably expected that the acquisition of the Target Company's Stock through the Tender Offer will be feasible by the end of the Tender Offer Period (Note 1).
- ② As of April 3, 2025, the Tender Offeror reviewed public information, including press releases issued by the Target Company, and confirmed that although the Target Company's Board of Directors resolved to adopt a basic policy regarding control of the company and announced the introduction of the Countermeasure Policy (as defined in "V. Developments After the December 27, 2024 Press Release" under "(2) Background, Purpose and Decision-Making Process Leading to the Determination to Conduct the Tender Offer, and Management Policy After the Tender Offer" under "② Background, Purpose and Decision-Making Process Leading to the Determination to Conduct the Tender Offer"), there were no circumstances that would prevent the fulfillment of Tender Offer Precondition ② as of that date.

(Note 1) Following further factual confirmations regarding the Target Company's business and assets, as well as additional consultations with local legal counsel after December 27, 2024, it was determined that the jurisdictions requiring procedures under competition laws and foreign investment regulations are as listed above. Accordingly, the competition law filing in the European Union (EU), initially considered necessary as of December 27, 2024, is no longer required. The Tender Offeror received legal advice from Freshfields LLP and Davis Polk & Wardwell LLP regarding the identification of the relevant jurisdictions necessary for the Transaction and the procedures implemented pursuant to such identification.

Furthermore, the Tender Offeror was confident that (i) by making the Target Company its wholly-owned subsidiary, substantial synergies could be realized between the two companies in areas such as products and technologies, manufacturing, and sales and service networks, which would significantly contribute to the maximization of corporate value for both companies. Additionally, (ii) the Tender Offer Price of JPY 11,000 per share represents a premium of 41.94%, 54.67%, 67.89%, and 74.24%, respectively, over the closing price of the Target Company's Stock on the Prime Market of the TSE on December 26, 2024 (the business day immediately preceding the announcement date of the planned commencement of the Tender Offer, the base date) of JPY 7,750, and the simple average closing prices for the one-month, three-month, and six-month periods up to and including that date, being JPY 7,112, JPY 6,552, and JPY 6,313, respectively. As stated in "2. Overview of the Tender Offer, etc." under "(4) Basis for Calculation of the Tender Offer Price," the premiums represented by the Tender Offer Price over the simple average closing prices for the respective periods are 11.62, 23.08, and 26.26 percentage points higher than the median premiums offered in 105 comparable cases (excluding cases involving REITs, unsuccessful transactions, two-step or so-called discount tender offers, and cases where the stock price was affected by competing tender offers or similar events prior to the commencement of the offer) conducted between January 1, 2020 and December 26, 2024, for the purpose of making a domestic listed company (excluding TOKYO PRO Market) a wholly-owned subsidiary by a party other than the issuer or its parent company, where the tender offeror (including its specially related parties) held less than 33.34% of the voting rights of the target company at the time of the tender offer (the "**Comparable Transactions**"). Moreover, (iii) as of December 26, 2024, the price-to-book ratio (PBR) of the Target Company was below 1.0x, whereas the Tender Offer Price represents a PBR of approximately 1.19x. Based on the foregoing, the Tender Offeror considered the Tender Offer Price to offer a substantial premium to the stockholders of the Target Company.

In light of the above, the Tender Offeror considered the Transaction, as a whole, to constitute a "desirable acquisition" as recommended in the Guidelines for Corporate Takeovers – Enhancing Corporate Value and Securing Shareholders' Interests – (the "**Guidelines for Corporate Takeovers**") published by the Ministry of Economy, Trade and Industry (METI) on August 31, 2023.

According to METI, as of 2021, the manufacturing sector accounted for approximately 20% of Japan's GDP and remains a core industry supporting the Japanese economy (Note 2). Based on this, the Tender Offeror believed that executing a transaction that enhances the corporate value of the Target Company and distributes

fair consideration to its stockholders would be beneficial not only to the Target Company and its stockholders, but also to the overall economic and social infrastructure of Japan through the strengthening of a core industry. Accordingly, as stated in “(4) Ensuring Fairness of Procedures in the Transaction in Light of the Guidelines for Corporate Takeovers” below, the Tender Offeror provided the Target Company and its stockholders with sufficient information and time for consideration to properly assess the appropriateness of the transaction terms, and refrained from any coercive conduct that could distort the stockholders’ decision-making. In this sense, the Tender Offeror believes that it has fully complied with the procedural expectations for tender offerors set forth in the Guidelines for Corporate Takeovers throughout the course of the Transaction. The Tender Offeror also expected the Target Company to respond in accordance with the Guidelines for Corporate Takeovers (Note 3). The Tender Offeror has appointed TMI Associates as its legal advisor for this Transaction and has received legal advice therefrom.

(Note 2) Source: Chapter 1 “Business Conditions” of the “FY2023 Policy for the Promotion of *Monozukuri* (Manufacturing) Basic Technologies”, published by METI on May 31, 2023.

(Note 3) The Takeover Guidelines provide, among other things, that:

“In principle, upon receiving an acquisition proposal to acquire corporate control, it should promptly submit or report such matter to the board of directors.”

“The board of directors to which the matter is submitted shall in general give “sincere consideration” to a “bona fide offer.”

“The board of directors, in proceeding with its “sincere consideration” of an acquisition proposal that is a “bona fide offer,” is expected to obtain additional information from the acquiring party about the acquisition proposal, and should consider the appropriateness of the acquisition from the perspective of whether the acquisition will contribute to enhancing corporate value (omitted). In doing so, (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. 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 publicly announced in the December 27, 2024 Press Release, the Tender Offeror submitted to the Target Company, on the same date, a letter of intent detailing the Tender Offeror’s specific proposal concerning the Transaction (please refer to the attachment to the December 27, 2024 Press Release; the “**Letter of Intent**”). On January 17, 2025, the Tender Offeror held a meeting with the special committee established by the Target Company as of January 10, 2025, for the purpose of reviewing the Transaction (the “**Special Committee**”), during which the Tender Offeror provided an explanation of the contents of the Transaction and the anticipated synergies to be derived from its implementation. Furthermore, the Tender Offeror received two separate requests from the Special Committee concerning the Transaction, to which the Tender Offeror provided responses, and also engaged in three rounds of written Q&A with the Target Company. On March 4, 2025, the Tender Offeror held a meeting with both the management of the Target Company and the Special Committee to provide explanations regarding matters they had requested clarification on. Through these interactions, the Tender Offeror has made continuous efforts to engage in discussions. Nevertheless, as a result of these discussions and negotiations between the Tender Offeror and the management of the Target Company and the Special Committee, the Tender Offeror determined that, despite its repeated requests to arrange further meetings with the Target Company, the only opportunity provided was that described in “V. Developments After the December 27, 2024 Press Release” under “② Background, Purpose, and Decision-Making Process Leading to the Determination to Conduct the Tender Offer” under “(2) Background, Purpose, and Decision-Making Process Leading to the Determination to Conduct the Tender Offer, and Management Policy After the Tender Offer,” and that, since the submission of the Letter of Intent, neither the Target Company nor the Special Committee had demonstrated a neutral and good-faith attitude toward considering the Transaction. In addition, the Target Company indicated that, under its Countermeasure Policy, in the event the Tender Offeror were to commence the Tender Offer before May 9, 2025, the Target Company would, in principle, submit proposals to the shareholders’ meeting for approval of the invocation of countermeasures and other necessary matters. Accordingly, the Tender Offeror judged that it would be difficult to obtain support for the Transaction from the board of directors of the Target Company by April 4, 2025, which had been the anticipated commencement date for the Tender Offer, and, at the meeting of its board of directors held on April 3, 2025, resolved to commence the Tender Offer without having obtained support for the Transaction from the Target Company. For further details regarding the developments from the announcement of the December 27, 2024 Press Release to the decision to commence the Tender Offer on April 3, 2025, please refer to “V. Developments After the December 27, 2024 Press Release” under “② Background, Purpose, and Decision-Making Process Leading to the Determination to Conduct the Tender Offer” under “(2) Background, Purpose, and Decision-Making Process Leading to the Determination to Conduct the Tender Offer, and Management Policy After the Tender Offer.”

As of today, the Tender Offeror owns 100 shares of the Target Company (Ownership Ratio (Note 4): 0.00%). In this Tender Offer, the Tender Offeror has set the minimum number of shares to be purchased at 11,694,400 shares (Ownership Ratio: 50.00%) (Notes 5 and 6). (i) If the total number of shares tendered in response to the Tender Offer (the “**Tendered Shares**”) is less than 11,694,400 shares, the Tender Offeror will not purchase any of the Tendered Shares; however, (ii) if, during the Tender Offer Period, the total number of Tendered Shares reaches 11,694,400 shares (please refer to Note 14 below for the method of confirmation, etc.), the Tender Offeror intends to promptly announce such fact and extend the Tender Offer Period to ensure that at least ten (10) business days are secured from the business day following the date of such announcement. However, if the total number of Tendered Shares reaches the minimum threshold within 21 business days from the commencement date of the Tender Offer, the Tender Offer Period will not be extended, as the period from the date of such announcement until the last day of the Tender Offer Period will already secure the required ten (10) business days. Under this structure, shareholders who oppose the Transaction will have the opportunity to first express their disapproval by choosing not to tender their shares, and, in the event that an announcement is made stating that the total number of Tendered Shares has reached the minimum threshold (i.e., that the Tender Offer is expected to be successful), they will have an additional ten (10) business days to decide whether to tender their shares. As such, shareholders can separate their expression of opinion regarding the desirability of the Transaction (for or against) from the decision of whether or not to tender their shares. Furthermore, since the Tender Offeror ultimately aims to acquire all shares of the Target Company (excluding the shares already held by the Tender Offeror and the treasury shares held by the Target Company), even in the event that the proposal regarding the Share Consolidation (as defined in “(5) Policy on Post-Tender Offer Reorganization (Matters Relating to the So-Called Two-Step Acquisition)”) is rejected at the Extraordinary Shareholders’ Meeting (as defined in “(5) Policy on Post-Tender Offer Reorganization (Matters Relating to the So-Called Two-Step Acquisition)”), the Tender Offeror intends to acquire additional shares of the Target Company until it reaches a number of voting rights equivalent to two-thirds of the total voting rights at the next shareholders’ meeting and will request that such shareholders’ meeting be convened for the purpose of obtaining approval for the Share Consolidation. The Tender Offeror does not intend to change its policy to make the Target Company its wholly owned subsidiary, provided that the Tender Offer is successfully completed. The Tender Offeror intends that this structure and policy eliminate any coercive effects and provide an opportunity for a broader range of shareholders of the Target Company to participate in the Tender Offer. On the other hand, as the Tender Offeror aims to make the Target Company its wholly owned subsidiary by acquiring all shares of the Target Company (excluding shares already held by the Tender Offeror and the treasury shares held by the Target Company), it has not set an upper limit on the number of shares to be purchased in the Tender Offer, and if the total number of Tendered Shares is equal to or greater than the minimum threshold of 11,694,400 shares, the Tender Offeror will purchase all of the Tendered Shares.

(Note 4) “**Ownership Ratio**” means the ratio (rounded to the nearest third decimal place; the same shall apply hereinafter when calculating ratios) of the number of shares calculated by deducting the number of treasury shares held by the Target Company as of December 31, 2024 (1,505,129 shares), as stated in the “Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 2025 (Japanese GAAP)” published by the Target Company on January 31, 2025 (hereinafter referred to as the “**Target Company’s Third Quarter Financial Results**”), from the total number of issued shares of the Target Company as of December 31, 2024 (24,893,841 shares), as stated in the Target Company’s Third Quarter Financial Results (the resulting number of shares is 23,388,712 shares).

(Note 5) The minimum number of shares to be purchased has been set at 11,694,400 shares, which is calculated as follows: one voting right per share unit (100 shares) is multiplied by the number of voting rights representing at least one-half of the total voting rights (116,944 voting rights) corresponding to the number of shares (23,388,712 shares) obtained by deducting the number of treasury shares held by the Target Company as of December 31, 2024 (1,505,129 shares) from the total number of issued shares (24,893,841 shares) as of the same date, as set forth in the Target Company’s Third Quarter Financial Results.

(Note 6) According to the “Guidelines on Fair M&A — Enhancing Corporate Value and Ensuring Shareholders’ Interests” issued by the Ministry of Economy, Trade and Industry on June 28, 2019, it is pointed out that “particularly in light of recent trends in Japan’s capital markets, the scale of passive index investment funds (Note 7) has been expanding, and some investors within such funds generally do not tender in a tender offer, regardless of the appropriateness of the transaction terms.” The Tender Offeror understands that, among domestic passive index investment funds holding shares of the Target Company, there are those that, as a general rule, do not tender in tender offers regardless of the transaction conditions, but based on past cases, such funds may exercise voting rights in favor of share consolidation proposals at shareholder meetings in subsequent squeeze-out procedures. Taking into account the status of shareholders of the Target Company as stated in the Annual Securities Report for the 85th fiscal year filed by the Target Company on June 21, 2024 (the “**Target Company’s Annual Securities Report**”), the Tender Offeror considers it likely that a certain number of

shares of the Target Company are held by such domestic passive index investment funds. Accordingly, the Tender Offeror has requested Mita Securities Co., Ltd., the tender offer agent for this Tender Offer ("**Mita Securities**"), to estimate, as of the base date of December 22, 2024, the number of shares of the Target Company likely held by domestic passive index investment funds and the number of shares of the Target Company likely to be tendered based on the premium level offered in this Tender Offer, using publicly available information and data from information vendors that provide various financial market data services. Furthermore, the Tender Offeror believes that certain shareholders of the Target Company hold shares for policy-related or similar purposes and, in the event that the Target Company expresses an opinion other than in support of this Tender Offer, such shareholders may respect the opinion of the Target Company's board of directors and refrain from tendering. Therefore, the Tender Offeror has also requested Mita Securities to examine the likely voting behavior of such shareholders associated with shareholder attributes at the Extraordinary Shareholders' Meeting, in the event the Tender Offer is successful and the Tender Offeror acquires shares representing more than 50.00% ownership (i.e., becomes the parent company of the Target Company), particularly in relation to a proposal for a Share Consolidation. As a result, although it is uncertain at this time whether or not such shareholders will tender their shares for the Tender Offer, it is estimated that for the number of shares of the Target Company that are expected to vote in favor of the proposal for the Share Consolidation, although it is difficult to make an exact estimate, in addition to the number of shares of the Target Company owned by the domestic passive index management fund (approximately 13.05% in terms of Ownership Ratio) (Note 8), the number of shares held by the Target Company's related parties (the Machine Tool Engineering Foundation (the "**Foundation**"), of which Jiro Makino, the founder and former representative director of the Target Company, is the representative director, and the directors of the Target Company) (approximately 3.82% in terms of Ownership Ratio) and the number of shares held by the cross shareholding parties of the Target Company (approximately 7.25% in terms of Ownership Ratio) (Note 9), is expected to reach in total approximately 24.12% in terms of the Ownership Ratio. Therefore, even if the number of shares of the Target Company held by the Tender Offeror after the completion of the Tender Offer is close to the minimum number of shares to be purchased, the requirements for the resolution approving the proposal for the Share Consolidation are expected to be met. Therefore, even if the number of shares of the Target Company held by the Tender Offeror after the completion of the Tender Offer is the minimum number of shares to be purchased (approximately 50.00% or more), the number of shares of the Target Company expected to vote in favor of the proposal for the Share Consolidation is expected to reach approximately 74.12% in terms of Ownership Ratio, and therefore, even if the ratio of voting rights exercised at the Extraordinary Shareholders' Meeting is 100%, it is expected to exceed the two-thirds requirement for passage of the special resolution, and the actual number of shares required for the passage of the resolution on the proposal for the Share Consolidation is expected to be at the level below the maximum ratio of voting rights exercised at the Target Company's most recent 5 annual general shareholders' meeting in terms of ownership (approximately 84%) (Note 10) multiplied by two-thirds (approximately 56%) of the ratio of voting rights required for the passage of the special resolution at the shareholders' meeting, it is estimated that the number of shares of the Target Company for which voting rights are expected to be exercised in favor of the proposal for the Share Consolidation (approximately 74.12%) will far exceed this ratio even under a conservative assumption, as described above. Based on this view, since the Tender Offeror intends to make the Target Company a wholly owned subsidiary through the Tender Offer, the Tender Offeror, after confirming that there is nothing unreasonable in Mita Securities' view, determined the minimum number of shares to be purchased at a level at which the proposal for the Share Consolidation is reasonably expected to be approved and at which the probability of the approval of the Tender Offer is maximized. On the other hand, as of today, none of the domestic passive index investment funds, related parties of the Target Company, or cross-shareholding shareholders of the Target Company have confirmed their intention to vote in favor of the proposal for the Share Consolidation if the Tender Offer is approved, and the above view of Mita Securities was not submitted after confirming the intention of the shareholders of the Target Company. The Foundation, which is a shareholder of the Target Company, appears to have expressed its opposition to the Tender Offer. However, the analysis regarding the proposal for the Share Consolidation as stated in (Note 11) is not the actions of the shareholders at this time, and if the Tender Offer is successful and the Offeror becomes the parent company of the Target Company, the Transaction is considered to be a sincere proposal that not only contributes to the improvement of the Target's corporate value but also focuses on the interests of the Target's shareholders, and it is expected that the board of directors of the Target Company will show a certain understanding of the management

policies, etc. of the Tender Offeror, the new parent company, and will operate its business in cooperation with the Tender Offeror to improve its corporate value. The Target Company's shareholders' actions at a future point in time is based on such Target Company's understanding and the Target Company's related parties' understanding of such management policies, etc. Thus, the two are at different points in time and are not contradictory. However, as of today, the Tender Offeror has not been able to confirm the intention of the Foundation and the directors of the Target Company that they plan to vote in favor of the proposal for the Share Consolidation if the Tender Offer is successful (Even if we assume that the Foundation and the directors of the Target Company will vote against the proposal for the Share Consolidation, the number of the Target Company's shares expected to vote in favor of the proposal for the Share Consolidation will be approximately 70.30%, which exceeds the number of shares required for the resolution for the proposal for the Share Consolidation (two-thirds). Therefore, even under this assumption, we believe that the requirements for passage of the proposal for the Share Consolidation are satisfied.).

(Note 7) "Passive index investment funds" refers to investment funds that aim to achieve market-average returns by managing assets—such as stocks—so that the investment results track an index that serves as a benchmark for the market, such as a stock price index.

(Note 8) The Tender Offeror has obtained the following opinion from Mita Securities, and agrees with such opinion. While there have been instances in the past in which certain passive index investment funds that hold Target Company's stock exercised voting rights against proposals for share consolidation aimed at squeeze-outs, citing reasons such as inadequate economic conditions not serving the interests of general shareholders or unfair acquisition processes, Mita Securities states as follows: (i) The Tender Offer Price (JPY 11,000 per share) represents a premium of 41.94%, 54.67%, 67.89%, and 74.24% over: ① the closing price of the Target Company's Stock on the Prime Market of the TSE on December 26, 2024 (the business day prior to the date of public announcement of the scheduled commencement of the Tender Offer), which was JPY 7,750; the simple average closing price for the most recent one-month period up to December 26, 2024 (JPY 7,112); the three-month average (JPY 6,552); and the six-month average (JPY 6,313), respectively. These premiums exceed the median premium levels granted in similar cases—43.05%, 44.81%, and 47.98% for the respective one-, three-, and six-month periods—by 11.62, 23.08, and 26.26 percentage points, respectively. ② As of December 26, 2024, the Tender Offer Price exceeds the historical highest price of the Target Company's Stock (JPY 9,600, in June 1990, based on adjusted closing prices), and at no point since the initial listing has the share price exceeded the Tender Offer Price. ③ As of December 26, 2024, the Target Company's price-to-book ratio (PBR) is below 1.0x, whereas the Tender Offer Price reflects a PBR of 1.19x (for further details, refer to "2. Overview of the Tender Offer, etc." under "(4) Basis for Calculation of the Purchase Price"). In addition, (ii) since the public announcement of the December 27, 2024 Press Release, the Tender Offeror has conducted procedures consistent with the principles of "shareholders' intent" and "transparency" stipulated in the Guidelines for Corporate Takeovers and has continued to ensure fairness and transparency throughout the proposal stage of the Transaction through to the present. The Tender Offeror also intends to continue to follow these principles through to the completion of the Squeeze-out Procedures (as defined below). In light of the above, the Tender Offeror believes that the Transaction does not fall into the types of cases where opposition is generally expected, and Mita Securities is of the opinion that the passive index investment funds holding the Target Company's shares are likely to vote in favor of the relevant Share Consolidation proposal.

(Note 9) The Tender Offeror considers this Transaction to be a "desirable acquisition" under the Guidelines for Corporate Takeovers, contributing not only to enhancing the corporate value of the Target Company but also offering an attractive opportunity to shareholders and business partners alike. The Tender Offeror is confident that a broad base of shareholders, including corporate shareholders, will support and tender their shares. However, based on the shareholder composition of the Target Company, it is anticipated that a certain number of shareholders hold shares for policy-related or similar purposes. Therefore, it is possible that even if the Tender Offer is successfully completed, the Tender Offeror's Ownership Ratio may remain between 50% and less than two-thirds. In addition to domestic passive index investment funds, the Tender Offeror expects that some shareholders holding Target Company shares for policy-related or similar purposes, who did not tender their shares, may nevertheless vote in favor of the Share Consolidation proposal at the Extraordinary Shareholders' Meeting. Specifically, Mita Securities, expected to act as the tender offer agent, has provided the following views, with which the Tender Offeror concurs: (i) As for shares held by related parties of the Target Company, the shares held by the Foundation, are regarded as basic assets under the Foundation's articles of incorporation. The Foundation shares the philosophy of contributing to the sound development of the machine tool industry,

and there is no confirmed conflict between the Foundation and the Target Company. Accordingly, it is expected that the Foundation will respect the opinion of the Target Company's board of directors. Also, given that the board of directors is a collegial body composed of directors, it is expected that directors will refrain from actions inconsistent with the board's decisions. Furthermore, for shares held by the Target Company's cross-shareholding partners, who are typically corporate business partners holding shares for policy-related or similar purposes, it is also anticipated that they would refrain from taking actions contrary to the board of directors of the Target Company's opinion in the event of a non-supportive stance by the board. As such, these shareholders may refrain from tendering. (ii) On the other hand, if the Tender Offer is completed even without a supportive opinion from the Target Company's board of directors and the Tender Offeror becomes the parent company of the Target Company, given that the Transaction is considered to be a sincere proposal that not only contributes to the improvement of the Target Company's corporate value, but also focuses on the interests of the Target Company's shareholders, the Tender Offeror believes that the board of the Target Company will come to understand the business policies of the new parent and collaborate in operating the business to enhance corporate value. Similarly, the related parties of the Target Company are also expected to align with such business policies, etc. (Note 11). Mita Securities opine that taking these circumstances into account and given that the above-mentioned shareholders are listed corporations, and their voting behavior is not subject to unilateral decisions by a single dominant shareholder, it is anticipated that they will vote in favor of the Share Consolidation proposal at the Extraordinary Shareholders' Meeting. However, as of today, the Tender Offeror has not obtained confirmation from any related party or cross-shareholding partner of the Target Company that they intend to vote in favor of the share consolidation proposal in the event the Tender Offer is completed. The above opinion by Mita Securities was not based on confirmation of the shareholders' intentions.

(Note 10) According to the Target Company's Annual Securities Report, the number of voting rights as of the record date for the 85th Ordinary General Meeting of Shareholders held on June 20, 2024, was 236,739. According to the extraordinary report filed on June 27, 2024, the number of voting rights exercised averaged 187,094 across all agenda items, corresponding to a voting ratio of approximately 79% (rounded to the nearest whole number). In prior years, voting ratios were approximately 76% (84th meeting), 83% (83rd), 84% (82nd), and 78% (81st). Thus, the highest voting ratio over the past five ordinary general shareholders' meetings of the Target Company is approximately 84% (the "**Target Company Maximum Voting Ratio**"). In evaluating the number of voting rights necessary for approval of the Share Consolidation proposal, the Tender Offeror considers it reasonable to refer to the voting ratio at the latest shareholders' meeting. However, relying solely on data from a single year may be insufficient, and therefore, the Tender Offeror has conservatively adopted the Target Company Maximum Voting Ratio. According to an analysis by Mita Securities of similar transactions (Note 12), the voting ratio of shareholders other than the tender offeror in share consolidation (squeeze-out) proposals tends to decline significantly compared to ordinary shareholders' meetings. This voting ratio is estimated at around 40% (Note 13), which is below the Target Company Maximum Voting Ratio. In light of this, Mita Securities believes that the use of the Target Company Maximum Voting Ratio is a conservative and reasonable assumption.

(Note 11) According to Mita Securities, while the Tender Offeror, together with the Target Company, intends to revolutionize the machine tool industry and to become one of the world's leading machine tool manufacturers, the Foundation has a similar philosophy (according to the articles of incorporation of the Foundation, the purpose of the Foundation is "to contribute to the sound development of the machine tool industry and thereby to the development of the national economy by improving the quality and performance of machine tools and improving and rationalizing the production and use of machine tools through the support of research into basic and applied technologies for the development, production and use of machine tools). Therefore, the Tender Offeror believes that the Foundation will understand the management policies, etc. of the Tender Offeror after the consummation of the Tender Offer. According to the said articles of incorporation, the exercise of voting rights for the shares of the Target Company held by the Foundation will be determined with the approval of the board of directors of the Foundation (approval of two-thirds or more of the total number of directors), and the voting rights for the Share Consolidation proposal at the Extraordinary Shareholders' Meeting will not be exercised based solely on the intention of the founding family of the Target Company. However, the Tender Offeror has confirmed that, as of today, the Foundation has expressed its opposition to the Tender Offer and has not confirmed that it intends to vote in favor of the Share Consolidation proposal if the Tender Offer is approved.

- (Note 12) A total of 60 Comparable Transactions since January 2020, which were cases in which share consolidations were selected as the method at the time of squeeze-out, were analyzed.
- (Note 13) The ratio of voting rights exercised in relation to a share consolidation proposal (squeeze-out proposal) in similar cases as stated above in (Note 12) (however, the number of units exercised by the tender offeror is excluded from such calculation) is approximately 40%. The average of such ratio divided by the ratio of voting rights exercised at the latest ordinary general shareholders' meeting of the target company in each case is approximately 55%, which is approximately half of 100%. Therefore, the ratio of voting rights exercised by shareholders other than the tender offeror with respect to share consolidation proposals (squeeze-out proposals) tends to be much lower than the ratio of voting rights exercised at ordinary general shareholders' meetings.
- (Note 14) As a specific method of confirmation, during the Tender Offer Period (in the event that the Tender Offeror confirms that the total number of tendered shares has reached the minimum number of shares to be purchased (11,694,400 shares) by the method described in this Note and extends the Tender Offer Period, the same applies during the Tender Offer Period after such extension), at 3:30 p.m. (Japan Standard Time. The same shall apply hereinafter in this Note.) on each business day as the base time, the Tender Offeror plans to have the tender offer agent (i) count the number of shares actually tendered in the securities account of each agent as of the said base time, and (ii) report to the Tender Offeror by 5:00 p.m. on the same day. If the total number of shares tendered as of that time reaches the minimum number of shares to be purchased (11,694,400 shares), the Tender Offeror plans to make a public announcement to that effect on the same day or the following business day based on such report. However, if the Tender Offeror cannot confirm that the total number of tendered shares has reached the minimum number of shares to be purchased by the base time of the business day immediately preceding the last day of the Tender Offer Period, the Tender Offeror will, only on the last day of the Tender Offer Period, make an announcement to the effect that if the total number of tendered shares reaches the minimum number of shares to be purchased (11,694,400 shares) as of 3 p.m. on the same day, the deadline for the application for the Tender Offer.

Notwithstanding the successful completion of the Tender Offer, in the event that the Tender Offeror fails to acquire all of the Target Company's Stock (excluding the Target Company's Stock already held by the Tender Offeror and the treasury shares held by the Target), and as a result of the Tender Offer, (i) the Tender Offeror comes to hold Target Company's Stock representing 90% or more of the total voting rights of all shareholders of the Target Company, (ii) the Tender Offeror comes to hold Target Company's Stock representing two-thirds or more but less than 90% of the total voting rights of all shareholders of the Target Company, or (iii) the Tender Offeror fails to hold Target Company's Stock representing two-thirds or more of the total voting rights of all shareholders of the Target Company, the Tender Offeror still intends to implement the squeeze-out procedures (the "**Squeeze-Out Procedures**") in accordance with the policies described in "(5) Policy Regarding Organizational Restructuring Following the Tender Offer (Matters Related to So-Called Two-Step Acquisition)" below, without changing its policy to make the Target Company a wholly-owned subsidiary. In the cases of (ii) and (iii) above, the Tender Offeror shall request the Target Company to convene the Extraordinary Shareholders' Meeting. As stated in (Note 6), (Note 8) through (Note 11) above, even in the case of (iii) above, the Tender Offeror expects that the proposal relating to the Share Consolidation at the Extraordinary Shareholders' Meeting will satisfy the approval requirements. However, as of today, no shareholder, including domestic passive index funds, parties related to the Target Company, or the shareholders engaging in cross-shareholding arrangements with the Target Company, has expressed an intention to vote in favor of such proposal in the event the Tender Offer is completed.

Nevertheless, in the case of (iii) above, there is a possibility that the proposal for the Share Consolidation may be rejected at the Extraordinary Shareholders' Meeting. Even in such case, since the Tender Offeror aims to ultimately acquire all of the Target Company's Stock (excluding the Target Company's Stock already held by the Tender Offeror and the treasury shares held by the Target Company), the Tender Offeror will continue to acquire additional Target Company's Stock until it reaches a number of shares equivalent to two-thirds of the total voting rights at the next shareholders meeting to be convened for the approval of the Share Consolidation, and will request the convocation of such shareholders meeting. (As the period required for such additional acquisition and for obtaining approval at the subsequent shareholders meeting will depend on market conditions and other factors, it is difficult at this time to specify a definitive timeline. The Tender Offeror will promptly announce any specific expected timeline once it becomes available.) The Tender Offeror intends to acquire such additional shares through market transactions, tender offers, or off-market transactions other than tender offers (to the extent permitted under applicable laws), and, in the event the proposal for the Share Consolidation is rejected at the Extraordinary Shareholders' Meeting, will commence such additional acquisitions as promptly as practicable. Regardless of the expected timeline, the Tender Offeror will not change

its policy to make the Target Company a wholly-owned subsidiary in the event the Tender Offer is completed.

With respect to the price to be paid to shareholders in such additional acquisitions, the Tender Offeror intends to offer a price that is, from an economic perspective, equivalent to the Tender Offer Price to those shareholders who sell their shares in response to such acquisitions (which shall be the same amount per share as the Tender Offer Price, unless the Target Company conducts any actions requiring price adjustment, such as a share consolidation or share split).

(2) Background, Purpose, and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy

① Overview of the Tender Offeror

The Tender Offeror was founded in 1973 and, ever since its establishment, has remained steadfastly committed to the manufacturing industry, continuing to grow with pride in manufacturing. This year marks the 52nd anniversary of its founding. For the fiscal year ended March 2024 (on a consolidated basis), the Tender Offeror recorded its highest-ever consolidated revenue of JPY 2,347.159 billion. As of March 31, 2024, the Tender Offeror Group, comprising the Tender Offeror itself, 345 consolidated subsidiaries, and 4 equity-method affiliates—a total of 349 companies operating in 48 countries and regions around the world—employs 101,112 individuals globally. In the stock market as well, the Tender Offeror is valued at a market capitalization of JPY 2,814.4 billion, calculated based on the closing share price as of April 2, 2025, and the number of shares (excluding treasury shares) as disclosed in its financial results for the third quarter of the fiscal year ending March 2025.

The Tender Offeror Group's growth over the past half-century into a corporate group with consolidated sales exceeding JPY 2 trillion is attributable not only to organic growth but also to its active pursuit of M&A in global markets since its founding. To date, a total of 74 companies in Japan and overseas have joined the Tender Offeror Group. Through M&A, the Tender Offeror Group has been able to enter new markets, integrate advanced technologies, expertise, and talented human resources, and continue its growth. M&A has served as one of the drivers of such growth. As described later, the participation of new companies in the Group has brought a fresh dynamic to both parties, resulting in positive changes and enabling the continuous introduction of new products and technologies—including those that may not have been achievable by either party alone—thereby consistently meeting the needs of customers. Furthermore, companies that have joined the Tender Offeror Group are themselves proactively engaging in M&A activities, contributing to the growth of the Tender Offeror Group as a whole. For example, the Tender Offeror Group's press machine business originated from Kyori Industrial Co., Ltd. (now Nidec Drive Technology Corporation; “**Nidec Drive Technology**”), which joined the Group in 1997 and was later merged. In April 2012, to further expand globally, the Tender Offeror Group acquired The Minster Machine Company (now Nidec Minster Corporation), a major U.S. manufacturer of press machines founded in 1901, known for producing large mechanical presses used in applications such as beverage cans, motors, and batteries. Even after joining the Tender Offeror Group, the owner-manager of the company has remained actively involved in its management and has continued to promote M&A strategies, contributing to the growth of the Group's press machine business. The Tender Offeror Group proactively acquired Arisa S.A. of Spain (now Nidec Arisa), a manufacturer specializing in large servo presses (Note 1), in 2015; VAMCO INTERNATIONAL, INC. in the United States (now Nidec Vamco), a manufacturer of high-speed press feeders (Note 2), in March 2017; and SYS GmbH of Germany (now Nidec SYS), a manufacturer of peripheral equipment for press machines, in February 2019. The Group has continued to expand its product lineup, including both press machines and related systems, to make optimal proposals to a wide range of industries and customers such as the automotive, beverage can, and motor core industries. By establishing production bases across three regions—North America (Canada, the U.S., and Mexico), Europe (Spain and Germany), and Asia (China and Japan)—the Tender Offeror Group has achieved stable earnings less susceptible to adverse external regional factors through strategic M&A. More recently, to enhance added value, the Tender Offeror Group acquired Automatic Feed Company in the U.S., a manufacturer of cutting systems and peripheral equipment for press dies in the front-end process, in August 2023, and is scheduled to acquire Liner Transfer Automation Inc. in Canada, a manufacturer of transfer systems (Note 3) and production automation equipment for the post-processing stage, in October 2024. These acquisitions have further strengthened the Tender Offeror Group's one-stop solution capabilities (Note 4), improved customer convenience, and expanded its customer base. Through the advancement of these M&A strategies, the press machine business achieved sales of JPY 66.7 billion in FY2023 and is now aiming for further growth, targeting sales of JPY 200 billion.

(Note 1) A press machine is a machine used to form products by applying strong force to sheet metal placed between dies. Depending on the type of drive system, press machines include servo-type, hydraulic-type, and others. A servo press machine is a type of press that utilizes a servo motor and automatically controls the position and speed through a servo driver, enabling precise control of the slide motion of the drive unit during the pressing operation.

(Note 2) A high-speed feeder for press machines is a peripheral device that supplies sheet metal

material to the press machine at a specified speed during the pressing process.

(Note 3) A transfer system is a peripheral device for press machines that automatically transports workpieces between forming stages in the press forming process, or, in a processing line consisting of multiple press machines, automatically transfers the workpieces between the machines.

(Note 4) The term “one-stop solution capability” refers to the ability to provide a complete set of equipment required for a sheet metal forming line at the time of installation by the customer—not only standalone press machines, but also peripheral equipment, including pre-processing devices that handle sheet metal materials and post-processing automation systems that transport workpieces after pressing.

Amid such developments, since 2021, the Tender Offeror has positioned the machine tool business as a new core pillar of its operations and has acquired Mitsubishi Heavy Industries Machine Tool Co., Ltd. (now Nidec Machine Tool Corporation; “**Nidec Machine Tool**”) in 2021, followed by OKK Corporation (now Nidec OKK Corporation; “**Nidec OKK**”) in 2022, PAMA S.p.A. of Italy in 2023, and most recently, Takisawa Machine Tool Co., Ltd. (“**TAKISAWA**”) in 2024. The Tender Offeror continued to pursue both organic growth and M&A with the aim of becoming one of the world’s leading comprehensive machine tool manufacturers. As part of its corporate policy, the Tender Offeror continues to use the established brand names of companies that have joined the Tender Offeror Group, so long as their use remains feasible. This approach reflects the Tender Offeror’s respect for the long histories and legacies of such companies and underscores its intention not to fully absorb them under its own name, but rather to work “together” in pursuing transformation and growth. The Tender Offeror believes it has grown at full speed over the past 51 years since its founding. Throughout this period, the company has encountered numerous significant environmental changes, yet it continues to evolve with the goal of becoming “a global enterprise that will sustain its growth for over 100 years.” Looking ahead, the Tender Offeror remains committed to contributing to a more convenient and environmentally friendly society by continuously delivering innovative products, driving the world forward, and transforming the future as the “world’s No. 1 group of solution-oriented companies.”

② Background, Purpose, and Decision-Making Process Leading to the Implementation of the Tender Offer

I. Background of the Proposal to Aim for Becoming One of the World’s Leading Comprehensive Machine Tool Manufacturers Together with the Target Company

The Tender Offeror, since its founding, has taken pride in the belief that manufacturing is the very foundation of Japan’s national strength, and has engaged in its operations across various markets with this conviction at its core. According to the Ministry of Economy, Trade and Industry (“**METI**”), the manufacturing industry accounted for approximately 20% of Japan’s GDP as of 2021 and continues to be regarded as a key industry underpinning the Japanese economy (Note 1). Machine tools—our field of business—form the very infrastructure that supports such manufacturing industries. Backed by advanced technological capabilities and attentive customer support, the machine tools are highly regarded in global markets. However, with over 80 competing companies in Japan, the structure of the industry is vulnerable to economic fluctuations, and companies are often constrained in making the investments necessary for sustainable growth (Note 2).

Meanwhile, global competition is intensifying as countries and companies that regard machine tool manufacturing as a national priority continue to grow. The dramatic changes in global competitive dynamics observed in industries such as mobile phones, personal computers, consumer electronics, and automobiles could likewise occur in the machine tool industry.

In order to remain competitive and prevail in the global marketplace, it is essential to continually enhance the performance, quality, productivity, and proposal capabilities of machine tools in response to these major market changes. Furthermore, following the introduction of the Guidelines for Corporate Takeovers newly formulated by METI two years ago, M&A activity within Japan has become more active, and acquisition proposals targeting Japanese companies are increasing not only from domestic companies, but also from foreign companies.

(Note 1) Source: Chapter 1 “Business Conditions” of “FY2023 Measures to Promote Manufacturing Technology (White Paper on Manufacturing Industries 2024)”, published by METI on May 31, 2023.

(Note 2) Source: Membership list of the Japan Machine Tool Builders’ Association, as published on its website (<https://www.jmtba.or.jp/memberlist/company/>), as of December 24, 2024.

Since the acquisition of Nidec Machine Tool in 2021, the Tender Offeror’s sales in the machine tool segment have already exceeded JPY 100 billion. Nidec Machine Tool rapidly improved its performance, transitioning from several consecutive months of operating losses just before joining the Tender Offeror Group to achieving double-digit operating profit margins in a short period. In the case of Nidec OKK, which had suffered a prolonged period of poor performance that eroded its creditworthiness and made it

difficult to implement necessary rationalization measures on its own, the Tender Offeror has provided appropriate support, including securing funding and human resources and facilitating plant relocation. With respect to TAKISAWA, after joining the Tender Offeror Group through a tender offer in December 2023, the Tender Offeror promptly initiated management reforms, and performance improvements are ongoing. Technological integration is also advancing. At TAKISAWA, for example, gear machining technologies developed by Nidec Machine Tool have been applied to add gear-processing functionality—underpinned by high technical expertise—to its multi-tasking CNC lathes, thereby opening up new technological frontiers. At the Japan International Machine Tool Fair (JIMTOF) held in Tokyo in October 2024, the machine tool manufacturers within the Tender Offeror Group exhibited jointly. TAKISAWA, which had exhibited independently two years prior, welcomed over 24,000 visitors—five times the previous number—facilitating further customer acquisition. Looking ahead, the Tender Offeror aims to grow its machine tool business to a revenue level of JPY 600 billion by 2030. With strong determination, the Tender Offeror is committed to driving industry transformation and realizing its vision of becoming one of the world's leading comprehensive machine tool manufacturers. Unlike other domestic machine tool manufacturers, the Tender Offeror originated in motor manufacturing and has grown into a company that operates across a wide range of applications involving “rotating and moving objects,” including motors and gears, while surviving intense global competition. The Tender Offeror believes that it has DNA of management innovation—not limited by traditional frameworks within the machine tool industry—by combining technologies, strengthening marketing and sales, and improving business performance in ways that go beyond simple cost reduction. In recent years, while facing direct competition with companies from China and other advanced economies, the Tender Offeror, as a truly global company, has enhanced its competitiveness by implementing locally oriented management at overseas bases and learning from failures. As both a machine tool manufacturer and a user of machine tools across various industries, the Tender Offeror possesses a rare and unique capability to broadly envision and realize innovation and technological development. For instance, gear machining technology from Nidec Machine Tool was applied to reduce noise in speed reducers manufactured by Nidec Drive Technology, thereby improving customer satisfaction. At TAKISAWA, multi-tasking lathes were developed for internal Tender Offeror Group use that consolidate multiple machining processes, enabling in-house production within the Tender Offeror Group. This success was achieved by developing products based on direct user feedback and a deep understanding of the end products, even though it was within the Tender Offeror Group. Providing such user-centric solutions not only to internal but also to external customers is one of the many positive transformations that have resulted since joining the Group. The Tender Offeror Group has also realized improvements in capital efficiency through group-wide initiatives such as joint purchasing with domestic and international affiliates, optimization of supply chains, and enhancement of the CCC (Note 3). On the human resources front, Nidec Machine Tool, Nidec OKK, and TAKISAWA have established collaborative frameworks to optimize personnel allocation, expand service staff knowledge, and enhance service capabilities, thereby contributing to higher levels of customer satisfaction.

Given the Tender Offeror Group's wide-ranging business domains, it may act as a competitor in one area, a customer in another, and a supplier in yet another. For this reason, the Tender Offeror Group has consistently maintained a policy of respecting and continuing existing business relationships with customers, even for companies that have joined the Tender Offeror Group in the past.

(Note 3) “CCC” stands for “Cash Conversion Cycle,” which is calculated as:

Accounts Receivable Turnover Days + Inventory Turnover Days – Accounts Payable Turnover Days.

The Tender Offeror takes pride in being a truly global enterprise that, as a result of consistently engaging in mergers and acquisitions since its founding, has successfully utilized diverse human resources around the world and established efficient collaboration across its group companies. By leveraging its global network of connections—both among the Tender Offeror Group companies and with its customers in various sectors including IT, OA, automotive, consumer electronics, commercial, industrial, and aerospace—the Tender Offeror believes that the Target Company will be able to access new sales opportunities and significantly expand its business potential.

The Tender Offeror recognizes the Target Company as one of Japan's leading machine tool manufacturers, with a strong reputation and history backed by advanced technological capabilities. The Tender Offeror would basically like the Target Company's management and employees to continue to play an active role as they have done up to now. Furthermore, by strengthening collaboration with other companies in the Tender Offeror Group, the Tender Offeror believes that the corporate value of the Target Company can be further enhanced and that it can aim to become one of the world's foremost comprehensive machine tool manufacturers and grow as members of the Tender Offeror Group, which aspires to be the world's No.1 solution-oriented corporate group.

II. Challenges Faced by Major Japanese Machine Tool Manufacturers Including the Target Company

(a) Challenges Faced by Major Japanese Machine Tool Manufacturers

According to a 2023 report published by the Manufacturing Industries Bureau of METI (Note 4), sales in Japan's manufacturing sector have remained flat at approximately JPY 400 trillion over the past 25 years. The machine tool industry, as a whole, is a cyclical sector that is influenced by global trends in capital investment, including new and replacement investments and automation investments, particularly in the automobile and general machinery industries, which together account for approximately 17% of total manufacturing. Recognizing this structural characteristic, the industry has made long-standing efforts to shift away from such cyclicalities by pursuing higher added value in product and service offerings, globalization, and the provision of solutions.

On the other hand, macroeconomic factors such as national industrial policies and foreign exchange trends can have a direct impact on overall capital investment trends and the performance of individual companies. For companies without production bases in North America or Europe, the current depreciation of the yen is favorable as they export high value-added products from Japan to developed markets. However, uncertainties remain, including potential shifts in export trends and foreign exchange rates depending on tariff policies under the new U.S. administration and interest rate policies in Japan and the U.S., as well as the unclear outlook for the expansion of the EV market. In an increasingly uncertain global economy, the business environment is subject to constant and significant change. While machine tool manufacturers continue to center their strategies around high value-added products that require advanced technologies—such as five-axis machining centers—they are also actively addressing demand for general-purpose products in markets such as Asia, where the market size is large and future growth is expected. However, general-purpose products are characterized by intense competition and a need for differentiation, whereas in the high value-added segment, where Japanese manufacturers tend to have a comparative advantage, the market size is relatively limited. The evolution of networks and artificial intelligence has the potential to fundamentally transform manufacturing sites (factories) from their core systems, and Japanese manufacturers, including major players such as Target Company, are currently engaged in fierce competition for survival.

(Note 4) Source: "Current Status and Issues Surrounding the Manufacturing Industry and the Future Direction of Policy," published by METI in May 2023.

(b) About the Target Company

The Target Company is generally recognized as a leading machine tool manufacturer with advanced technological capabilities, particularly in the area of machining centers. However, in March 2023, the Tokyo Stock Exchange issued a request to all listed companies on its Prime and Standard Markets to take steps toward "Actions to Achieve Management Conscious of Cost of Capital and Stock Price." As part of this initiative, companies with PBR (a price-to-book ratio) below 1.0 were asked to disclose improvement plans. As of December 26, 2024, the Target Company's PBR stands at 0.84, a figure that has drawn significant attention.

In October 2023, the Target Company announced its "Initiatives for Enhancing Corporate Value," setting out goals of achieving sales of JPY 270 billion and an operating profit margin of 12% by FY2027 (compared to the current margin of approximately 7%). Nevertheless, from the perspective of its PBR (a price-to-book ratio), it is difficult to say that the company is fully valued by the capital markets.

The Target Company has significant sales exposure in the global markets, particularly in the aerospace sector in developed countries such as the United States, and in the Chinese market, where it has major EV customers. According to its annual securities report, the sales to the United States and China accounted for approximately 24% and 30%, respectively, of the company's consolidated sales in the most recent fiscal year—both representing high proportions and reflecting strong market recognition. However, the aerospace industry in the U.S. and the EV market in China have not necessarily shown consistent or stable growth, either in the past or in recent trends.

In order for the Target Company to realize its long-term vision, it must respond effectively to changes in the global market and strengthen its recurring revenue base, for example by expanding its consumables business. The Tender Offeror believes that achieving such objectives will inevitably take considerable time and effort if pursued by the Target Company alone, and will not be an easy task.

Given the current surge in M&A activity in Japan, the Tender Offeror recognizes that there is a possibility that other domestic or foreign companies, in addition to the Tender Offeror, may make acquisition proposals to the Target Company. While the Target Company has not received full recognition in the capital markets, it continues to operate based on the high-level product technology developed over its long history and has established a solid position in the machining center market based on its advanced processing technologies.



Within the Tender Offeror Group, access is available to technologies related to turning, gear processing, and large-part machining. This would not only complement the Target Company's existing product lineup, but also offer substantial advantages through the sharing of expertise—such as advanced know-how in gear processing—and in the development of software and integrated machining technologies. By fully leveraging these advantages within the Target Company, the Tender Offeror believes it will be possible to significantly accelerate the development of new products and solutions, thereby strengthening the Target Company's competitiveness in an increasingly intense business environment and expanding its solutions business to generate greater profitability.

III. Anticipated Synergies with the Tender Offeror Group

Based on the foregoing analysis of the current situation, the Tender Offeror believes that it will be able to realize the following synergies.

(a) Complementarity of Products and Technologies

- By combining the Target Company's machining centers and electrical discharge machines with the Tender Offeror's lathes, gear manufacturing machines, large machines (such as gantry-type five-face machining centers and horizontal boring machines), and machining centers, the companies will be able to meet a broader range of customer needs. While there is partial competition between the Target Company and the Tender Offeror in general-purpose machining centers for the Asian market, their businesses are largely non-overlapping in other areas.
- The Tender Offeror's core products—gear manufacturing machines, gantry-type five-face machining centers, and horizontal boring machines—are provided as part of a solution-based business model rooted in advanced machining technologies, targeting growth markets such as EVs and data centers. Leveraging the Tender Offeror's expertise in gear processing and large-part machining will not only enhance proposals to customers but will also serve to complement the Target Company's machining technologies. This is expected to generate strong synergies with the Target Company's business development strategies, which are also based on advanced processing capabilities.
- By combining the Tender Offeror's turning, gear processing, and large-part machining technologies with the Target Company's products and processing technologies, it will become possible to develop and deliver to the market high-level multi-process machining technologies, products, and know-how.
- The Target Company manufactures a large number of machining centers for aircraft and mold applications, where advanced technologies such as five-axis machining are required. However, in these segments, the Target Company does not in practice compete with the Tender Offeror Group, including Nidec OKK.

(b) Complementarity in Production

- The Tender Offeror's machine tool division maintains production bases in regions such as North America, Europe, and Taiwan, while the Tender Offeror Group as a whole also has production facilities in countries including Mexico. Together with the existing facilities in China and India, where both the Tender Offeror and the Target Company have operations, and the Target Company's site in Singapore, the two companies are expected to establish a complementary global production footprint. By leveraging these existing sites, rapid business deployment can be achieved. In addition, synergies are anticipated not only in production but also in areas such as after-sales service, procurement, and the recruitment and development of technical personnel through joint initiatives.
- The Tender Offeror believes that synergies can also be realized through joint procurement, including the use of procurement routes established by Pama, the Tender Offeror's European subsidiary, for sourcing European-made NC systems, components, and units, as well as through coordinated purchasing across production sites in Japan and other global locations operated by both the Tender Offeror and the Target Company.
- Furthermore, the Tender Offeror has a global network of locations beyond its machine tool business, and is therefore capable of providing support not only in production but also in finance, accounting, general affairs, and human resources. This will enable the Target Company to concentrate its management resources on the expansion of its overseas business.

(c) Complementarity in Sales and Service Networks

- By integrating and effectively utilizing the sales and service networks of both companies, and by supplementing each other's structures through joint procurement, joint sales, and shared support systems, the Tender Offeror believes that it will be possible to expand the sales and service networks more efficiently than if the Target Company were to act independently. Leveraging both the sales and service networks of the Tender Offeror Group companies and those of the Target Company is expected to result in expanded market coverage.

- As with production sites, the Tender Offeror's overseas offices can also provide support in areas such as finance, accounting, general affairs, and human resources, thereby enabling the Target Company to concentrate its management resources on sales and service activities.
- The Tender Offeror Group as a whole has access to a wide range of industries and sectors. By utilizing its existing customer networks in areas such as IT, OA, consumer electronics, industrial and commercial equipment, automotive, and aerospace, the Tender Offeror believes there is a significant opportunity to increase the Target Company's sales potential.

(d) Organizational Structure and Financing

- By leveraging the Tender Offeror's financing capability—supported by its annual revenue exceeding JPY two trillion—the Target Company is expected to enhance its own funding capacity. Compared to the current scale at which the Target Company operates, it would become significantly easier to secure financing for capital-intensive initiatives such as R&D and the expansion of production facilities.
- Operating under private ownership would enable the Target Company to reduce costs and operational burdens associated with maintaining a public listing, while also allowing for more agile and efficient decision-making.

IV. Summary

As stated in "(a) Challenges Faced by Major Japanese Machine Tool Manufacturers" under "II. Issues Faced by the Target Company and Other Major Japanese Machine Tool Manufacturers," the Tender Offeror has analyzed the market environment surrounding machine tool manufacturers, including both the Tender Offeror and the Target Company, to be one of intense competition.

Nevertheless, the Tender Offeror believes that the Transaction presents the synergies described in items (a) through (d) of "III. Anticipated Synergies with the Tender Offeror Group." Through these synergies, the Tender Offeror believes that, by working together, the Tender Offeror and the Target Company will be able to overcome the highly competitive environment faced by major machine tool manufacturers and jointly aspire to become one of the world's leading comprehensive machine tool manufacturers. Moreover, by effectively utilizing the advantages identified in "(b) About the Target Company" under "II. Issues Faced by the Target Company and Other Major Japanese Machine Tool Manufacturers," the Transaction is expected to generate significant benefits for the Target Company.

Based on these considerations, the Tender Offeror began reviewing the Transaction around August 2024, and on December 27, 2024, formally proposed a tender offer for the shares of the Target Company as part of a series of transactions aimed at making the Target Company a wholly owned subsidiary of the Tender Offeror.

V. Developments Since the December 27, 2024 Press Release

The Tender Offeror expressed in the Letter of Intent and the December 27, 2024 Press Release, its sincere intention to provide a full explanation to the Target Company and its Special Committee in order to obtain their support for the Tender Offer prior to the commencement of the Tender Offer. On January 10, 2025, the Special Committee requested an opportunity to receive such an explanation. In response, the Tender Offeror met with the Special Committee on January 17, 2025, from 10:00 a.m. for 1 hour and 15 minutes, during which the Tender Offeror explained the details of the Transaction and the anticipated synergies to be derived therefrom.

Subsequently, on January 28, 2025, the Target Company delivered to the Tender Offeror a "Questionnaire" requesting the provision of information deemed necessary by the Target Company, as disclosed in its announcement titled "Notice Regarding Sending of 'Letter of Inquiry' to Nidec Corporation" dated January 28, 2025. In response, on January 31, 2025, the Tender Offeror submitted a written response titled "Regarding the Letter of Inquiry Received From Makino," as disclosed in its press release titled "Nidec Submits Answers to the Questionnaire from Makino Milling Machine Co., Ltd. (Securities Code: 6135)" dated the same day.

Thereafter, on February 7, 2025, the Tender Offeror received a second questionnaire from the Target Company, as disclosed in the Target Company's press release titled "Notice Regarding Sending of 'Letter of Inquiry (2)' to Nidec Corporation" dated February 7, 2025. On February 14, 2025, the Tender Offeror submitted a written response titled "Regarding the Letter of Inquiry (2) Received from Makino," as disclosed in its announcement titled "Nidec Submits Answers to the Second Questionnaire from Makino Milling Machine Co., Ltd. (Securities Code: 6135)" dated the same day.

Further, on March 11, 2025, the Target Company issued a third questionnaire, as disclosed in its press release titled "Notice Regarding Sending of 'Letter of Inquiry (3)' to Nidec Corporation" dated the same date. The Tender Offeror responded to this on March 17, 2025, by submitting a document titled "Regarding the Letter of Inquiry (3) Received from Makino," as disclosed in its corresponding press release titled "Nidec Submits Answers to the Third Questionnaire from Makino Milling Machine Co., Ltd. (Securities Code: 6135)".

Throughout these exchanges, the Tender Offeror repeatedly requested an opportunity to meet with the Target Company's management team. On February 21, 2025, the Target Company requested a meeting to receive an explanation from the Tender Offeror. Accordingly, on March 4, 2025, from 8:30 a.m. for 1 hour and 35 minutes, the Tender Offeror met with the Target Company's management and the Special Committee to explain the details of the Transaction and the expected synergies, and also responded to their questions. Despite the Tender Offeror's repeated requests to engage in further dialogue, the Target Company did not provide additional opportunities for meetings with the management team of the Target Company, including the Representative Director and President, beyond those with the Special Committee and part of the management team.

On January 15, 2025, the Tender Offeror received from the Special Committee a written request titled "Request Regarding Scheduled Commencement Date and Planned Number of Shares to be Purchased for Tender Offer," as disclosed in the Target Company's announcement titled "Notice of Special Committee's Sending of a Request Letter" on the same date. The request included a proposal to postpone the launch of the Tender Offer and raise the minimum number of shares to be purchased. In response, on January 17, 2025, the Tender Offeror submitted a document titled "Regarding the Request Letter Received from Your Committee," outlining the Tender Offeror's understanding and position, as disclosed in its press release titled "Regarding the Request Letter from the Special Committee of Makino Milling Machine Co., Ltd. (Securities Code: 6135)" dated the same day.

On January 22, 2025, the Special Committee submitted a second written request titled "Views and the Second Request in Response to Your Letter Dated January 17, 2025," as disclosed in the Target Company's announcement titled "Notice Regarding Sending of 'Second Request' by the Special Committee" on the same date. The Tender Offeror responded on January 27, 2025, with a document titled "Regarding the Further Request Letter Received from Your Committee," outlining the Tender Offeror's understanding and position, as disclosed in its corresponding press release titled "Regarding the Response to the Further Request Letter Received from the Special Committee of Makino Milling Machine Co., Ltd. (Securities Code: 6135)".

Subsequently, on January 31, 2025, the Tender Offeror received the "Request from Our Board of Directors to Your Board of Directors" from the Board of Directors of the Target Company, as disclosed in the announcement titled "Notice Regarding Request Letter Sent by the Company's Board of Directors to Nidec" dated the same day. This request also included proposals to postpone the commencement of the Tender Offer and raise the minimum number of shares to be purchased. In response, on February 5, 2025, the Tender Offeror submitted a document titled "Reply to the Written Request from Makino Milling Machine Co., Ltd.'s Board of Directors," as disclosed in its press release titled "Nidec Submitted Its Reply to the Written Request from the Board of Directors of Makino Milling Machine Co., Ltd. (Securities Code: 6135)", and indicated that the matters raised in the request had already been thoroughly explained to the Special Committee.

Thereafter, on March 10, 2025, the Target Company's Board of Directors delivered another request titled "Receipt of Initial Letters of Intent from Third Parties with the Aim of Making Our Company a Wholly-Owned Subsidiary, and Second Request Regarding Scheduled Commencement of the Tender Offer," as disclosed in the Target Company's press release titled "Receipt of Initial Letters of Intent from Third Parties with the Aim of Making the Company a Wholly-Owned Subsidiary, and Sending of the Second Request Regarding Acquisition Proposal from Nidec Corporation" on the same date. This request also included proposals to postpone the commencement of the Tender Offer and raise the minimum number of shares to be purchased. In response, on March 14, 2025, the Tender Offeror submitted a document regarding the status of its deliberation of the request letter, explaining that the Tender Offeror was sincerely considering the Target Company's request, as disclosed in its press release titled "Nidec Announces the Status of Its Deliberation of the Additional Written Request from Makino Milling Machine Co., Ltd. (Securities Code: 6135)".

On March 18, 2025, the Target Company requested the Tender Offeror to respond to the request by 4:45 p.m., the close of the Target Company's business hours, on March 19, 2025. Accordingly, the Tender Offeror submitted a document regarding the status of its deliberation of the request letter, reiterating its continued sincere deliberation on the matter, as disclosed in its press release titled "Nidec Announces the Status of Its Deliberation of the Additional Written Request from Makino Milling Machine Co., Ltd. (Securities Code: 6135) (2)" dated March 19, 2025.

On March 19, 2025, the Target Company's Board of Directors resolved to adopt a basic policy regarding the manner of control over financial and business decision-making of the Target Company (as defined in Article 118, Item 3, the main paragraph, of the Ordinance for Enforcement of the Companies Act), and also adopted a response policy to the Tender Offer (the "Response Policy"). For details, please refer to the Target Company's announcement dated March 19, 2025, titled "Notice Regarding the Introduction of our Basic Policies for the Control of the Company and Policies for Responding to Large-scale Purchase Actions for Company Shares (Takeover Response Policies) Aimed Solely at Securing Time Necessary for the Materialization and Consideration of Third-Party Proposals Regarding the Tender Offer for the Company Shares by Nidec Corporation (Announced)." In light of the significant differences between the Tender Offeror and the Target Company regarding their views on the period for consideration of the Transaction

by the Target Company and its shareholders, as of April 3, 2025, the Tender Offeror is of the view that the adoption of the Response Policy does not constitute a reasonable ground for postponing the commencement date of the Tender Offer, and that an unreasonable delay in the commencement of the Tender Offer could cause confusion in the market. Accordingly, as announced in the December 27, 2024 Press Release, the Tender Offeror has decided to commence the Tender Offer on April 4, 2025.

Prior to the resolution at its Board of Directors meeting on December 26, 2024, to commence the Tender Offer as part of the Transaction, the Tender Offeror carefully considered the appropriate timing for launching the Tender Offer. Taking into account the expected timeline for obtaining necessary regulatory approvals and ensuring sufficient time for the Target Company and its shareholders to consider and evaluate the Transaction, the Tender Offeror decided to commence the Tender Offer on April 4, 2025, with the Tender Offer Period of 31 business days. As a result, the entire period from the submission of the Letter of Intent to the end of the Tender Offer Period spans four months or more, which the Tender Offeror believes provides adequate time for the Target Company and its shareholders to deliberate on the Transaction.

With regard to the minimum number of shares to be purchased, the Tender Offeror has designed the structure such that even shareholders who oppose the Transaction may initially choose not to tender their shares, thereby signaling their objection. If the total number of tendered shares reaches the threshold required for the Tender Offer to be successful, an announcement to that effect will be made, and such shareholders will still have ten business days from the date of that announcement to decide whether to tender their shares. This structure enables shareholders to separate their expression of opinion on the Transaction from their decision on whether to tender shares.

The Tender Offeror ultimately intends to acquire all of the shares of the Target Company (excluding shares already held by the Tender Offeror and treasury shares held by the Target Company). Even if the resolution for the Share Consolidation is not approved at the Extraordinary Shareholders' Meeting, the Tender Offeror will continue acquiring shares up to the level necessary to secure two-thirds of the voting rights at the next general shareholders' meeting and shall request that such a meeting be convened. The Tender Offeror will not alter its policy of making the Target Company a wholly owned subsidiary.

The Tender Offeror believes that this structure and policy eliminate coerciveness and are designed to provide as many shareholders as possible with a fair opportunity to tender their shares in the Tender Offer.

(3) Management Policy Following the Transaction

- (i) The management structure following the Transaction will be determined through future discussions with the Target Company.

The Tender Offeror is considering appointing directors to the Target Company in the event the Tender Offer is successfully completed. However, given the intention to work together toward transforming the machine tool industry and to jointly aspire to become one of the world's leading machine tool manufacturers, the specific management structure will be decided in good faith through discussions with the Target Company, with a view to further enhancing the corporate value of both parties.

After the Transaction, the Tender Offeror aims to realize synergies with the Tender Offeror Group at an early stage, unlock the latent corporate value of the Target Company, and move forward together toward becoming a global top-tier machine tool manufacturer. Specifically:

① To maximize the corporate value of the Target Company, the Tender Offeror will support its management by utilizing the management expertise accumulated through the Tender Offeror's experience in M&A and post-merger integration (PMI).

② By leveraging the complementarity between the two companies in areas such as manufacturing, R&D, and sales, as well as their respective geographical strengths, both parties will seek to maximize synergies and enhance their global presence, thereby achieving business growth together.

In addition, by effectively utilizing each company's strengths in products, development capabilities, manufacturing and sales bases, and human resources, the Tender Offeror intends to maximize the unique value that can only be realized through the integration of the two companies, as described in "III Anticipated Synergies with the Tender Offeror Group," of "② Background, Purpose, and Decision-Making Process Leading to the Implementation of the Tender Offer," "② Background, Purpose, and Decision-Making Process Leading to the Tender Offer, and Post-Tender Offer Management Policy" and work together toward becoming a world-class machine tool manufacturer.

The goal of the Tender Offeror is not merely to have the Target Company join the Tender Offeror Group. Rather, the Transaction represents the first step toward ensuring that the Target Company becomes a sustainably growing company that continues to grow over the long term together with the Tender Offeror Group. To achieve this, it is essential to preserve the strong corporate culture the Target Company has developed over the years and to ensure that its employees, who embody this culture, can continue to work actively with strong motivation and great hope.

While specific personnel assignments will be discussed and determined in consultation with the Target Company in due course, with respect to the officers of the Target Company following the consummation of the Transaction, the Tender Offeror intends to limit the number of personnel dispatched from the Tender Offeror Group to the minimum necessary—consistent with its approach for other companies that have

joined the Tender Offeror Group.

At the same time, in order to realize synergies with the Tender Offeror Group at an early stage, the Tender Offeror intends to utilize its management know-how accumulated through past M&A and PMI experience. The Tender Offeror Group's top management, as well as persons in charge at the operational level, will continuously visit the Target Company, and conversely, the Target Company will be encouraged to visit the Tender Offeror. Through these mutual visits, direct discussions with the Target Company's officers and employees will be conducted to collaboratively address future growth strategies. The Tender Offeror will take responsibility, as part of the Tender Offeror Group, for working toward the realization of becoming one of the world's leading machine tool manufacturers.

- (ii) The Tender Offeror will carefully consider maintaining the Target Company's brand.

As a general principle, companies that join the Tender Offeror Group are expected to include "Nidec" in their corporate name. However, in light of the fact that the Target Company's brand is already well recognized within the machine tool industry, the Tender Offeror will carefully consider maintaining the brand going forward.

(4) Fairness of Procedures in the Transaction Based on the Guidelines for Corporate Takeovers

The Tender Offeror believes that the Transaction qualifies as a "desirable acquisition" as defined under the Guidelines for Corporate Takeovers, as it is expected to enhance the medium- to long-term corporate value of the Target Company through the realization of synergies with the Tender Offeror Group, while at the same time enabling the fair distribution of value to the shareholders of the Target Company by offering a substantial premium over the market price.

In implementing the Transaction, the Tender Offeror intends to fully respect the principle of transparency by appropriately and proactively disclosing information that is useful for the shareholders of the Target Company to make informed decisions. Furthermore, in line with the principle of shareholder intent, the Tender Offeror will ensure that the shareholders of the Target Company are provided with a reasonable opportunity to make a considered judgment, and will ultimately rely on their decision.

In this regard, the Tender Offeror is committed to ensuring maximum procedural fairness and hereby proposes to implement the Transaction in accordance with the practices and principles outlined in the Guidelines for Corporate Takeovers, as detailed below.

① Ensuring Opportunities for Informed Judgment

The Tender Offeror believes that it has provided the Target Company and its shareholders with all necessary and sufficient information to make an informed assessment of the Tender Offer, including the outline of the Tender Offer, the synergies expected to be realized through the Transaction, and the post-Tender Offer management policy, through the Letter of Intent and the December 27, 2024 Press Release.

In the aforementioned documents, the Tender Offeror also expressed its sincere intention to provide a full explanation to the Target Company and its Special Committee prior to the commencement of the Tender Offer in order to gain their support. In response to a request from the Special Committee on January 10, 2025, the Tender Offeror met with the Special Committee on January 17, 2025, from 10:00 a.m. for 1 hour and 15 minutes, and provided an explanation regarding the content of the Transaction and the expected synergies to be realized therefrom.

Subsequently, on January 28, 2025, the Tender Offeror received a questionnaire from the Target Company and submitted a written response titled "Regarding the Letter of Inquiry Received From Makino" on January 31, 2025. Thereafter, the Tender Offeror received a second questionnaire on February 7, 2025, and submitted a response titled "Regarding the Letter of Inquiry (2) Received from Makino" on February 14, 2025. Furthermore, the Tender Offeror received a third questionnaire from the Target Company and submitted a written response titled "Regarding the Letter of Inquiry (3) Received from Makino" on March 17, 2025.

In the course of providing these responses, the Tender Offeror also requested opportunities to meet with the management of the Target Company. In response to a request from the Target Company on February 21, 2025, the Tender Offeror met with the management and the Special Committee of the Target Company on March 4, 2025, from 8:30 a.m. for 1 hour and 35 minutes. During this meeting, the Tender Offeror again explained the details of the Transaction and the synergies expected to be realized, and responded to questions from the management and the Special Committee.

Through these engagements, the Tender Offeror made every effort to ensure that the Target Company's management and the Special Committee fully understood the Transaction by providing detailed explanations within the opportunities made available by the Target Company. Moreover, the Tender Offeror appropriately responded to the Target Company Board of Directors and the Special Committee's requests for additional information, beyond what was included in the Letter of Intent, that was deemed necessary for forming their opinion on the Tender Offer.

In addition, in order to provide sufficient time for the Target Company and its shareholders to consider and evaluate the Transaction, the Tender Offeror has scheduled the commencement of the Tender Offer for April 4, 2025, taking into account the anticipated timing for the completion of relevant regulatory procedures. The

Tender Offer Period is set at 31 business days. Thus, the period from the submission of the Letter of Intent to the end of the Tender Offer period spans four months or more in total, which the Tender Offeror believes provides ample time for the Target Company and its shareholders to carefully consider the Transaction.

Accordingly, the Tender Offeror believes that it has complied with the principles of shareholder intent and transparency as set forth in the Guidelines for Corporate Takeovers, and that sufficient opportunities have been provided for the shareholders to make an informed decision—informed judgment—as to whether to tender their shares in response to the Tender Offeror’s acquisition proposal, with appropriate and transparent disclosure of necessary information having been ensured.

As stated in “(2) Background, Purpose, and Decision-Making Process Leading to the Tender Offer, and Post-Tender Offer Management Policy,” “② Background, Purpose, and Decision-Making Process Leading to the Implementation of the Tender Offer,” the Tender Offeror believes that the Transaction, by generating synergies between the Tender Offeror Group and the Target Company Group, will bring substantial benefits to the shareholders, customers, employees, and other stakeholders of both companies. Even if the Target Company does not express support for the Transaction, the Tender Offeror believes that the Tender Offer can be successfully completed and that shareholders who do not initially tender their shares will still support the subsequent proposal for the Share Consolidation following the Tender Offer.

As of today, however, the Tender Offeror has not confirmed that any shareholders of the Target Company have expressed their intention to support the Share Consolidation proposal in the event that the Tender Offer is successfully completed.

② Terms Designed to Eliminate Coerciveness

(a) Tender Offer Terms Aimed at Privatization of the Target Company

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

Furthermore, even if the Tender Offer is successful but the Tender Offeror is unable to acquire all of the shares of the Target Company (excluding the shares already held by the Tender Offeror and treasury shares held by the Target Company), the Tender Offeror intends to proceed with a squeeze-out process in all of the following cases:

- (a) where the Tender Offeror comes to hold shares representing 90% or more of the total voting rights of all shareholders of the Target Company;
- (b) where the Tender Offeror comes to hold shares representing two-thirds or more but less than 90% of the total voting rights; and
- (c) where the Tender Offeror does not reach two-thirds of the total voting rights.

In the cases described in (b) and (c), the Tender Offeror shall request the convening of the Extraordinary Shareholders' Meeting. As described in (Notes 6), (Note 8) through (Note 11) of “(1) Overview of the Tender Offer,” even in case (c), the Tender Offeror believes that the proposal for the Share Consolidation at the Extraordinary Shareholders' Meeting will likely meet the approval requirements. However, as of today, the Tender Offeror has not confirmed the existence of any shareholder of the Target Company who has expressed an intention to vote in favor of the Share Consolidation in the event the Tender Offer is completed.

If the proposal for the Share Consolidation is not approved at the Extraordinary Shareholders' Meeting, the Tender Offeror will continue to pursue its objective of acquiring all of the shares of the Target Company (excluding the shares already held by the Tender Offeror and treasury shares held by the Target Company). The Tender Offeror shall seek to acquire additional shares until it reaches the number of shares corresponding to two-thirds of the voting rights at the next scheduled general meeting of shareholders and shall request the convening of such a meeting.

The Tender Offeror intends to conduct the additional acquisition through market transactions, further tender offers, or off-market purchases (only where permitted by law), and if the proposal is rejected at the Extraordinary Shareholders' Meeting, the Tender Offeror intends to begin such additional acquisitions as soon as practicable. Regardless of the timing of such processes, if the Tender Offer is completed, the Tender Offeror will not alter its policy of making the Target Company its wholly owned subsidiary.

In such additional acquisitions, the consideration to be paid by the Tender Offeror to shareholders of the Target Company will be at a price that is economically equivalent to the Tender Offer Price (i.e., the same price per share, unless the Target Company conducts actions such as share consolidations or share splits that would require price adjustments).

Accordingly, the Tender Offeror considers that the Transaction is, in substance, a so-called “all-or-nothing” offer as presented in the Guidelines for Corporate Takeovers.

(b) Establishing a Tender Offer Period That Provides Shareholders with the Opportunity to Decide Whether to Tender Their Shares and to Assess the Merits of the Transaction

In the Tender Offer, the Tender Offeror has set the minimum number of shares to be purchased at 11,694,400 shares. If the total number of tendered shares falls short of this threshold, the Tender Offeror will not purchase any of the tendered shares. However, if the total number of tendered shares reaches the threshold during the Tender Offer Period (see (Note 14) of “(1) Overview of the Tender Offer” for the method

of confirmation), the Tender Offeror intends to immediately announce this fact and extend the Tender Offer Period to ensure that there are at least 10 business days remaining from the day following the announcement. (However, if the threshold is reached within the first 21 business days of the Tender Offer Period, 10 business days already remain between the business day following the date of the public announcement to that effect and the last day of the tender offer period, and therefore, no extension will be made.)

This arrangement allows shareholders to separate their decision on whether to support the Transaction from their decision on whether to tender their shares.

In addition, the Tender Offeror ultimately intends to acquire all of the shares of the Target Company (excluding the shares already held by the Tender Offeror and treasury shares held by the Target Company), and therefore, even if the proposal for the Share Consolidation is not approved at the Extraordinary Shareholders' Meeting, the Tender Offeror shall continue acquiring shares until it reaches the number corresponding to two-thirds of the voting rights at the next scheduled general meeting of shareholders and shall request the convening of such a meeting. If the Tender Offer is successfully completed, the Tender Offeror will not alter its policy of making the Target Company a wholly owned subsidiary.

Through this structure and policy, the Tender Offeror intends to eliminate any coerciveness in the Transaction and to provide as many shareholders of the Target Company as possible with a fair opportunity to tender their shares in the Tender Offer.

(5) Policy Regarding Organizational Restructuring Following the Tender Offer (Matters Related to So-Called Two-Step Acquisition)

As stated in “(1) Overview of the Tender Offer” above, the Tender Offeror intends to make the Target Company a wholly owned subsidiary. Accordingly, even if the Tender Offer is completed but the Tender Offeror does not acquire all of the Target Company's Stock (excluding shares already held by the Tender Offeror and treasury shares held by the Target Company), the Tender Offeror plans to proceed with a squeeze-out process in any of the following cases:

(i) where the Tender Offeror acquires shares representing 90% or more of the total voting rights of all shareholders of the Target Company as a result of the Tender Offer;

(ii) where the Tender Offeror acquires shares representing two-thirds or more but less than 90% of the total voting rights; and

(iii) where the Tender Offeror fails to acquire shares representing two-thirds of the total voting rights.

In case (i), the Tender Offeror intends to conduct a share consolidation procedure pursuant to the provisions of Section 4-2, Chapter 2, Part II of the Companies Act (Act No. 86 of 2005, as amended; as the “**Companies Act**”) by exercising the right to demand the sale of shares.

In cases (ii) and (iii), the Tender Offeror shall request that the Target Company convene an extraordinary general meeting of shareholders (the “**Extraordinary Shareholders' Meeting**”) to vote on a proposal to conduct a share consolidation (the “**Share Consolidation**”) pursuant to Article 180 of the Companies Act, together with a partial amendment to the Articles of Incorporation to abolish the provision regarding the number of shares constituting one unit, effective upon the Share Consolidation taking effect.

As noted in (Note 7), (Note 9), (Note 10), and (Note 12) under “(1) Overview of the Tender Offer,” even in the case of (iii), the Tender Offeror believes that the proposal for the Share Consolidation will likely meet the approval requirements at the Extraordinary Shareholders' Meeting.

However, in case (iii), there remains a possibility that the proposal for the Share Consolidation may be rejected at the Extraordinary Shareholders' Meeting. In such case, the Tender Offeror shall nevertheless continue to pursue its objective of acquiring all of the Target Company's Stock (excluding the shares held by the Tender Offeror and treasury shares held by the Target Company), and intends to acquire additional shares until it obtains a number of shares equivalent to two-thirds of the voting rights at the next scheduled general meeting of shareholders, and request that such a meeting be convened to seek approval for the Share Consolidation. (The duration required for such additional acquisitions and the approval of the Share Consolidation at a subsequent shareholders' meeting will depend on factors such as market conditions, and thus cannot be definitively determined at this time. The Tender Offeror will announce an expected timeline as soon as it becomes clear.)

The Tender Offeror intends to acquire such additional shares through market transactions, further tender offers, or off-market transactions (only to the extent permitted by applicable laws). If the proposal for the Share Consolidation is rejected at the Extraordinary Shareholders' Meeting, the Tender Offeror intends to commence the additional acquisition as promptly as practicable. Regardless of the expected timing, the Tender Offeror will not change its policy of making the Target Company a wholly owned subsidiary if the Tender Offer is completed.

In such additional acquisitions, the consideration paid by the Tender Offeror to the shareholders will be set at a price economically equivalent to the Tender Offer Price (i.e., the same price per share as the Tender Offer Price, unless the Target Company carries out actions that would require price adjustments, such as a share consolidation or share split).

Since the announcement of this Transaction, the market price of the Target Company's Stock has remained

above the Tender Offer Price. However, the Tender Offeror believes that such price levels have been influenced by various factors, including market expectations for competing proposals with higher offer prices. Once the Tender Offer is successfully completed, and the likelihood of a competing proposal is effectively eliminated, the market price is reasonably expected to converge to a level that no longer reflects such expectations.

Based on this analysis, the Tender Offeror believes that it will be able to acquire additional shares at the same price as the Tender Offer Price following the successful completion of the Tender Offer.

① Demand for Share Sale

If, as a result of the completion of the Tender Offer, the Tender Offeror comes to hold 90% or more of the total voting rights of all shareholders of the Target Company, and thus qualifies as a “Special Controlling Shareholder” as defined in Article 179, Paragraph 1 of the Companies Act, the Tender Offeror intends to promptly demand that all shareholders of the Target Company (excluding the Tender Offeror and the Target Company; the same shall apply hereinafter in this subsection ①) sell all of their shares in the Target Company to the Tender Offeror (such procedure, the **“Share Sale Demand”**), pursuant to the provisions of Section 4-2, Chapter 2, Part II of the Companies Act.

In the Share Sale Demand, the Tender Offeror plans to provide cash consideration to the shareholders of the Target Company in an amount equivalent to the Tender Offer Price per share. In this case, the Tender Offeror will notify the Target Company of its intention to make the Share Sale Demand and request the Target Company’s approval of the Share Sale Demand.

If the Board of Directors of the Target Company approves the Share Sale Demand by resolution, then in accordance with the procedures prescribed by applicable laws and regulations, the Tender Offeror will acquire all shares of the Target Company held by all shareholders (excluding the Tender Offeror and the Target Company) on the acquisition date specified in the Share Sale Demand, without requiring individual shareholder approval.

In relation to the Share Sale Demand, provisions of the Companies Act, including Article 179-8 and other relevant laws and regulations, are in place to protect the rights of minority shareholders. These provisions allow shareholders subject to the demand to file a petition with the court to determine the sale price of the Target Company’s Stock. If such a petition is filed, the final sale price of the shares will ultimately be determined by the court.

② Share Consolidation

If, as a result of the completion of the Tender Offer, the Tender Offeror does not come to hold shares representing 90% or more of the total voting rights of all shareholders of the Target Company, the Tender Offeror shall promptly after the settlement of the Tender Offer request that the Target Company convene the Extraordinary Shareholders’ Meeting within at least approximately three months from the completion of the Tender Offer. At the Extraordinary Shareholders’ Meeting, the Target Company shall be requested to submit for approval (i) a proposal to conduct the Share Consolidation pursuant to Article 180 of the Companies Act and (ii) a proposal to amend the Articles of Incorporation to abolish the provisions regarding the number of shares constituting one unit, such amendment being conditioned on the effectiveness of the Share Consolidation.

The timing and other details of the Extraordinary Shareholders’ Meeting will be determined through consultation between the Tender Offeror and the Target Company, and the Tender Offeror will request that the Target Company promptly disclose such details once determined. The Tender Offeror plans to provide good-faith explanations to seek the Target Company’s cooperation in convening the meeting. However, if the Target Company does not cooperate, the Tender Offeror intends, as a shareholder, to take the necessary procedures to convene the Extraordinary Shareholders’ Meeting as promptly as practicable. The Tender Offeror also intends to vote in favor of the relevant proposals at the meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders’ Meeting, shareholders of the Target Company will, on the effective date of the Share Consolidation, hold a number of shares proportionate to the approved consolidation ratio. In cases where the Share Consolidation results in fractional shares (i.e., holdings of less than one share), such fractional shares held by shareholders (excluding the Tender Offeror and the Target Company) will be aggregated and sold to either the Target Company or the Tender Offeror in accordance with Article 235 of the Companies Act and other relevant laws and regulations, and the proceeds from such sale will be distributed to those shareholders. If any fraction remains after aggregation, it will be rounded down.

With respect to the sale price of such aggregated fractional shares (the **“Total Fractional Shares”**), the Tender Offeror shall request the Target Company to file a petition with the court for approval of a voluntary sale, calculated so that the amount distributed to shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) is equal to the product of the number of shares they held and the Tender Offer Price.

As of today, the specific ratio of the Share Consolidation has not been determined. However, the Tender Offeror intends to request that the ratio be set such that shareholders (excluding the Tender Offeror and the Target Company) who did not tender their shares will hold fractional shares of less than one share, thereby enabling the Tender Offeror to acquire all of the shares of the Target Company.

Pursuant to Article 182-4 and Article 182-5 of the Companies Act and other relevant provisions, shareholders (excluding the Tender Offeror and the Target Company) who hold fractional shares as a result of the Share Consolidation will have the right to demand that the Target Company purchase those fractional shares at a fair price, and may also petition the court to determine the price of such shares. As the Share Consolidation is expected to result in fractional shares being held only by shareholders who did not tender their shares, such shareholders are expected to have the right to make such demands or petitions. The final purchase price, if such a petition is filed, will be determined by the court.

The above procedures described in ① and ② may require time to complete or may be subject to changes in method depending on amendments to applicable laws and regulations, their enforcement, or the interpretation thereof by relevant authorities. However, even in such cases, it is anticipated that shareholders who did not tender their shares (excluding the Tender Offeror and the Target Company) will ultimately receive cash consideration, and such consideration will be calculated to be economically equivalent to the product of the number of shares they held and the Tender Offer Price.

The specific procedures and timeline in each of the above scenarios will be determined through consultation with the Target Company, and the Tender Offeror will request the Target Company to promptly disclose the details once finalized.

Please note that the Tender Offer is not intended to solicit votes in favor of the proposals at the Extraordinary Shareholders' Meeting. In addition, shareholders are advised to consult with their own tax advisors or other professional experts at their own responsibility regarding the tax implications of tendering their shares in the Tender Offer or the subsequent procedures described above.

(6) Expected Delisting and Reasons Therefor

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

Even if the Tender Offer does not immediately result in a delisting, if the procedures described in "(5) Policy Regarding Organizational Restructuring Following the Tender Offer (Matters Related to So-Called Two-Step Acquisition)" are implemented following the completion of the Tender Offer, the Target Company's Stock is expected to be delisted through prescribed procedures in accordance with the TSE's delisting standards.

Once the shares of the Target Company are delisted, they will no longer be tradable on the TSE.

It should be noted that, in the Tender Offer, there is a possibility that the Tender Offeror may not come to hold shares representing two-thirds or more of the total voting rights of all shareholders of the Target Company after the completion of the Tender Offer. As a result, there is a possibility that the proposal for the Share Consolidation described in "(5) Policy Regarding Organizational Restructuring Following the Tender Offer (Matters Related to So-Called Two-Step Acquisition)" may not be approved at the Extraordinary Shareholders' Meeting.

However, even in such a case, the Tender Offeror's intention to acquire all shares of the Target Company (excluding the shares already held by the Tender Offeror and the treasury shares held by the Target Company) will remain unchanged. The Tender Offeror intends to acquire additional shares until it reaches the number of shares representing two-thirds of the voting rights at the next scheduled general meeting of shareholders and shall request the convening of such meeting to seek approval for the Share Consolidation.

The Tender Offeror intends to conduct such additional acquisitions through market transactions, further tender offers, or off-market transactions (to the extent permitted under applicable laws). If the proposal for the Share Consolidation is rejected at the Extraordinary Shareholders' Meeting, the Tender Offeror intends to begin the additional acquisitions as promptly as practicable. Regardless of the anticipated timeline, if the Tender Offer is completed, the Tender Offeror will not change its policy of making the Target Company a wholly owned subsidiary.

In such additional acquisitions, the consideration paid by the Tender Offeror to the shareholders will be at a price that is economically equivalent to the Tender Offer Price (i.e., the same price per share as the Tender Offer Price, unless the Target Company conducts actions requiring price adjustments such as a share consolidation or share split).

(7) Material Agreements Related to the Tender Offer

There are no applicable matters.

2. Outline of the Tender Offer, etc.

(1) Overview of the Target Company

①	Name	Makino Milling Machine Co., Ltd.
②	Headquarters	2-3-19 Nakane, Meguro-ku, Tokyo, Japan

③ Representative (Title and Name)	President, Director: Shotaro Miyazaki																				
④ Business Description	Manufacturing, sales, and services related to machine tools																				
⑤ Capital	JPY 21,142 million (as of September 30, 2024)																				
⑥ Establishment Date	May 1951																				
⑦ Major Shareholders and Shareholding Ratios (as of September 30, 2024)	<table> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account):</td><td>14.24%</td></tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td><td>6.77%</td></tr> <tr> <td>DEUTSCHE BANK AG FRANKFURT CC CLT OMNI 5000000 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Division)</td><td>4.99%</td></tr> <tr> <td>Nomura Trust and Banking Co., Ltd. (Trust Account 2052274)</td><td>4.28%</td></tr> <tr> <td>The Machine Tool Technology Promotion Foundation:</td><td>3.82%</td></tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Division)</td><td>2.85%</td></tr> <tr> <td>THE BANK OF NEW YORK MELLON 140044 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Division):</td><td>2.25%</td></tr> <tr> <td>Jiro Makino</td><td>2.05%</td></tr> <tr> <td>MUFG Bank, Ltd.</td><td>1.86%</td></tr> <tr> <td>OASIS JAPAN STRATEGIC FUND Y LTD. (Standing Proxy: Citibank, N.A., Tokyo Branch)</td><td>1.71%</td></tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust Account):	14.24%	Custody Bank of Japan, Ltd. (Trust Account)	6.77%	DEUTSCHE BANK AG FRANKFURT CC CLT OMNI 5000000 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Division)	4.99%	Nomura Trust and Banking Co., Ltd. (Trust Account 2052274)	4.28%	The Machine Tool Technology Promotion Foundation:	3.82%	STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Division)	2.85%	THE BANK OF NEW YORK MELLON 140044 (Standing Proxy: Mizuho Bank, Ltd., Settlement Sales Division):	2.25%	Jiro Makino	2.05%	MUFG Bank, Ltd.	1.86%	OASIS JAPAN STRATEGIC FUND Y LTD. (Standing Proxy: Citibank, N.A., Tokyo Branch)	1.71%
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OASIS JAPAN STRATEGIC FUND Y LTD. (Standing Proxy: Citibank, N.A., Tokyo Branch)	1.71%																				
⑧ Relationship between the Tender Offeror and the Target Company																					
Capital Relationship	As of today, the Tender Offeror owns 100 shares of the Target Company (ownership ratio: 0.00%)																				
Personal Relationship	There are no applicable matters.																				
Business Relationship	Ordinary business transactions (e.g., sales of products) exist between the Tender Offeror Group and the Target Company Group.																				
Status as a Related Party	There are no applicable matters.																				

(Note) “⑦ Major Shareholders and Shareholding Ratios (as of September 30, 2024)” is quoted from the Target Company’s 86th Semi-annual Securities Report submitted on November 13, 2024 (the “**Target Company’s Semi-annual Securities Report**”).

(2) Schedule, etc.

① Schedule

Resolution of the Board of Directors	April 3, 2025 (Thursday)
Date of Public Notice of Commencement of the Tender Offer	April 4, 2025 (Friday) A public notice will be made by electronic means, and a statement to such effect will be published in the Nihon Keizai Shimbun (URL for electronic public notice: https://disclosure2.edinet-fsa.go.jp/)
Date of Submission of the Tender Offer Registration Statement	April 4, 2025 (Friday)

② Initial Tender Offer Period as Stated in the Filing

From Thursday, April 4, 2025, to Wednesday, May 21, 2025 (31 business days)

③ Possibility of Extension Upon Request by the Target Company

There are no applicable matters.

However, in the Tender Offer, the Tender Offeror has set the minimum number of shares to be purchased at 11,694,400 shares. Accordingly,

(i) if the total number of tendered shares is less than 11,694,400 shares, the Tender Offeror will not purchase

any of the tendered shares; and

(ii) if the total number of tendered shares reaches 11,694,400 shares by the final day of the Tender Offer Period (for the method of confirming the total number of tendered shares, please refer to (Note 14) under “(1) Overview of the Tender Offer” in “1. Purpose of the Tender Offer, etc.” above), the Tender Offeror intends to promptly announce that fact and extend the Tender Offer Period to ensure that at least 10 business days remain from the business day following the date of such announcement.

However, if the total number of tendered shares reaches the minimum threshold within 21 business days from the commencement of the Tender Offer Period, and at least 10 business days already remain until the end of the period, the Tender Offeror will not extend the Tender Offer Period.

④ Contact Information for Confirmation of Extension of the Tender Offer Period

There are no applicable matters.

(3) Tender Offer Price

JPY 11,000 per share of common stock

(4) Basis for Calculation of the Tender Offer Price

① Basis of Calculation

In determining the Tender Offer Price, the Tender Offeror conducted a multifaceted and comprehensive analysis of the business and financial condition of the Target Company Group, based on publicly disclosed financial information and other available materials.

Given that the shares of the Target Company are traded on a financial instruments exchange, the Tender Offeror referred to the trading prices of the Target Company's Stock on the TSE Prime Market as of the business day immediately preceding the announcement date of the scheduled commencement of the Tender Offer (i.e., December 26, 2024), including:

the closing price of JPY 7,750 on that day,

the simple average closing price for the past one-month period of JPY 7,112,

the simple average closing price for the past three-month period of JPY 6,552, and

the simple average closing price for the past six-month period of JPY 6,313.

(Rounded to the nearest whole yen. The same applies hereinafter for average closing price figures.)

In addition to the foregoing, the Tender Offeror also took into consideration (i) the historical highest market price of the Target Company's Stock up to the business day immediately preceding the announcement date of the scheduled commencement of the Tender Offer (see Note 1 below), (ii) the premiums offered in comparable past tender offers in Japan for listed companies with the intent to make them wholly owned subsidiaries by acquirers other than the issuer or its parent company (see Note 2 below), and (iii) the outlook for shareholder acceptance of the Tender Offer.

As a result of this analysis, the Tender Offeror concluded that it would be appropriate to propose a price with a reasonable premium over the market price of the Target Company's Stock and decided to set the Tender Offer Price at JPY 11,000.

(Note 1) The Tender Offer Price of JPY 11,000 exceeds the historical highest closing price of the Target Company's Stock of JPY 9,600 (the adjusted closing price in June 1990) up to the business day immediately preceding the announcement date of the scheduled commencement of the Tender Offer. Accordingly, the price is set at a level that ensures all shareholders who purchased shares on the market prior to the announcement would realize a gain.

(Note 2) The premiums of the Tender Offer Price over the simple average closing prices of the Target Company's Stock for the one-month, three-month, and six-month periods up to December 26, 2024 (the business day immediately preceding the announcement date of the scheduled commencement of the Tender Offer), exceed the median premiums observed in comparable transactions by 11.62 percentage points, 23.08 percentage points, and 26.26 percentage points, respectively. The median premiums in such transactions were 43.05%, 44.81%, and 47.98%, respectively, over the one-month, three-month, and six-month average closing prices.

Furthermore, in connection with the commencement of the Tender Offer, the Tender Offeror engaged XIB Inc. (“XIB”), a financial advisor acting as an independent third-party valuation institution not affiliated with the Tender Offeror Group or the Target Company Group, to evaluate the value of the Target Company's shares. The Tender Offeror obtained a share valuation report from XIB (the “Share Valuation Report”) dated April 3, 2025.

According to XIB's valuation based on the market price analysis method, the per-share value of the Target Company's Stock was assessed as follows:

Market Price Analysis Method: JPY 6,313 – JPY 7,750 per share

In the Share Valuation Report, the valuation reference date is set as December 26, 2024. Based on the closing price of the Target Company's Stock on the TSE Prime Market on the valuation reference date of JPY 7,750, the simple average closing price for the one-month period up to the valuation reference date of JPY 7,112, the simple average closing price for the most recent three-month period of JPY 6,552, and the simple average closing price for the most recent six-month period of JPY 6,313, the value range per share of the Target has been calculated as between JPY 6,313 and JPY 7,750.

Taking into account the valuation results obtained from XIB as described above, the Tender Offeror has determined that the Tender Offer Price will exceed the median premium granted in similar transactions (43.05% compared to the simple average closing price over the most recent one-month period ending on the trading day immediately preceding the announcement date, 44.81% compared to the simple average closing price over the most recent three-month period, and 47.98% compared to the simple average closing price over the most recent six-month period). Consequently, the Tender Offer Price was ultimately determined to be JPY 11,000 per share as of December 26, 2024.

Additionally, the Tender Offeror acquired 100 shares of the Target Company through market transactions at a price of JPY 11,340 per share, with a settlement date of January 10, 2025, to request inspection and copying of the shareholders' register of the Target Company. There is a difference of JPY 340 between the Tender Offer Price (JPY 11,000) and this acquisition price (JPY 11,340); this difference is attributable to the share price movements at the time of acquisition.

② Calculation Process

As described in "① Basis of Calculation" above, the Tender Offeror has set the Tender Offer Price at JPY 11,000 per share for the following reasons:

(i) The price represents a premium of 41.94% over the closing price of JPY 7,750 for the Target Company's Stock on the Prime Market of the TSE on December 26, 2024, the business day preceding the announcement date of the scheduled commencement of the Tender Offer. Furthermore, this price represents a premium of 54.67% over the simple average of the closing prices for the past one month (JPY 7,112), a premium of 67.89% over the simple average of the closing prices for the past three months (JPY 6,552), and a premium of 74.24% over the simple average of the closing prices for the past six months (JPY 6,313). Additionally, these premiums surpass the median premiums offered in comparable cases (43.05% over the simple average of closing prices for the most recent one-month period, 44.81% for three months, and 47.98% for six months preceding the business day before the announcement date).

(ii) Moreover, considering that this price exceeds the historical highest price of the Target Company's Stock up to December 26, 2024, the business day prior to the announcement date, it will provide substantial premiums to all current shareholders of the Target Company. This pricing not only ensures the minimum guarantee of "the benefits shareholders should enjoy," as stated in the Guidelines for Corporate Takeovers, meaning the "value achievable without conducting an acquisition," but also fairly guarantees the distribution of the "value realizable only through conducting an acquisition."

Based on these considerations, we have determined the Tender Offer Price to be JPY 11,000.

(i) Name of Third Party Consulted in the Calculation

In determining the Tender Offer Price, the Tender Offeror requested XIB, a financial advisor acting as an independent third-party valuation institution, independent from both the Tender Offeror Group and the Target Company Group, to calculate the share value of the Target Company. The Tender Offeror received the share valuation report from XIB on April 3, 2025. It should be noted that XIB is neither a related party to the Tender Offeror nor the Target Company, and does not hold any significant interest related to this Tender Offer. Additionally, the Tender Offeror has not obtained a fairness opinion from XIB regarding the fairness of the Tender Offer Price.

(ii) Summary of the Opinion

According to the Share Valuation Report, the methods employed and the range of per-share values calculated for the Target Company's Stock based on these methods are as follows:

Market Price Method: JPY 6,313 to JPY 7,750

(iii) Background of Determining the Tender Offer Price Based on the Opinion

The Tender Offeror comprehensively analyzed the Target Company Group's business and financial conditions from various perspectives. Additionally, reference was made to the closing price of the Target Company's shares (JPY 7,750) on the Prime Market of the TSE on December 26, 2024—the business day prior to the announcement date of the scheduled commencement of the Tender Offer—as well as the simple average closing prices for the previous one month (JPY 7,112), three months (JPY 6,552), and six months (JPY 6,313).

Furthermore, considering factors such as the historical highest price of the Target Company's Stock up

to the business day preceding the announcement date, premiums granted in similar cases, and the outlook for subscriptions to the Tender Offer, the Tender Offeror concluded that it was appropriate to offer a price that included a suitable premium over the market price of the Target Company's Stock and therefore determined the Tender Offer Price at JPY 11,000.

The Tender Offeror believes that various synergies could arise between the Tender Offeror Group and the Target Company Group as a result of the Transaction. However, the Tender Offeror considers that specific numerical evaluations of revenue increases or other metrics resulting from these synergies would significantly depend on detailed management policies developed through discussions with the Target Company's management after the Transaction, and thus specific calculations are challenging at this stage.

Nevertheless, the Tender Offer Price represents premiums of 41.94%, 54.67%, 67.89%, and 74.24% over the closing price on the business day preceding the announcement date, and the simple average closing prices for the preceding one month, three months, and six months, respectively. These premiums surpass the median premiums provided in similar transactions (43.05%, 44.81%, and 47.98% for the respective periods).

Considering the absence of specific circumstances suggesting a significant divergence between the Target Company's market stock price and its intrinsic value up to the announcement date of the scheduled commencement of the Tender Offer, the Tender Offeror believes that the Transaction, including the Tender Offer, provides shareholders not only a guaranteed minimum value described in the Guidelines for Corporate Takeovers as "benefits shareholders should enjoy," representing "value achievable without conducting an acquisition," but also ensures a fair distribution of "value realizable only through conducting an acquisition." Therefore, the Tender Offeror regards the Tender Offer Price as a reasonable investment recovery opportunity and expects it to be acceptable to shareholders.

③ Relationship with the Valuation Institution

XIB, the financial advisor (valuation institution) of the Tender Offeror, is not a related party to either the Tender Offeror or the Target Company, and does not have any material interest in relation to the Tender Offer.

(5) Number of Share Certificates, etc. Scheduled to be Purchased

Number of Shares to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased
23,388,612 shares	11,694,400 shares	—

(Note 1) If the total number of tendered shares does not reach the minimum number of shares to be purchased (11,694,400 shares), none of the tendered shares will be purchased. If the total number of tendered shares reaches or exceeds the minimum number of shares to be purchased (11,694,400 shares), all of the tendered shares will be purchased.

(Note 2) The number of shares to be purchased represents the maximum number of shares in the Target Company that the Tender Offeror will acquire through the Tender Offer. This maximum number is calculated by deducting the number of treasury shares held by the Target Company as of December 31, 2024 (1,505,129 shares), as disclosed in the Target Company's Third Quarter Financial Results, and the number of shares currently held by the Tender Offeror (100 shares) from the total issued shares of the Target Company as of December 31, 2024 (24,893,841 shares) as disclosed in the Target Company's Third Quarter Financial Results, resulting in 23,388,612 shares.

(Note 3) Fractional unit shares are also included in the Tender Offer. Additionally, if shareholders exercise their right under the Companies Act to request the purchase of fractional unit shares, the Target Company may buy back its shares during the Tender Offer Period according to statutory procedures.

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

(6) Changes in Shareholding Ratio Due to Purchases and Other Transactions

Number of voting rights pertaining to the share certificates, etc. owned by the Tender Offeror prior to the commencement of the Tender Offer	1	(Ownership Ratio Before the Tender Offer: 0.00%)
Number of voting rights pertaining to the share certificates, etc. owned by specially related parties prior to the commencement of the Tender Offer	0	(Ownership Ratio Before the Tender Offer: 0.00%)

Number of voting rights pertaining to the share certificates, etc. to be owned by the Tender Offeror after the Tender Offer	233,887	(Ownership Ratio After the Tender Offer: 100.00%)
Number of voting rights pertaining to the share certificates, etc. to be owned by the specially related parties after the Tender Offer	0	(Ownership Ratio After the Tender Offer: 0.00%)
Total number of voting rights of all shareholders, etc. of the Target Company	233,463	

(Note 1) "Number of Voting Rights of Share Certificates Owned by Special Related Parties before the Purchase, etc." indicates the total number of voting rights attached to the shares owned by each Special Related Party (excluding those who are exempted from being Special Related Parties under Article 3, Paragraph 2, Item 1 of the Cabinet Office Ordinance concerning Disclosure of Tender Offers for Share Certificates by Parties other than the Issuer (Ministry of Finance Ordinance No. 38 of 1990, as amended, the "**Ordinance**") in the calculation of the shareholding ratio specified in each item of Article 27-2, Paragraph 1 of the Act). As the shares owned by Special Related Parties (excluding 100 shares of the Target Company owned by the Tender Offeror as of today and treasury shares owned by the Target Company) are also included in the Tender Offer, the "Number of Voting Rights of Share Certificates Owned by Special Related Parties after the Purchase, etc." is stated as zero.

(Note 2) "Number of Voting Rights of Share Certificates Owned by the Tender Offeror after the Purchase, etc." is the sum of the number of voting rights attached to the share certificates to be purchased in the Tender Offer and the "Number of Voting Rights of Share Certificates Owned by the Tender Offeror before the Purchase, etc."

(Note 3) "Total Number of Voting Rights of All Shareholders, etc., of the Target Company" is the total number of voting rights of all shareholders of the Target Company as of September 30, 2024, as indicated in the Target Company's semi-annual report. However, as shares constituting less than one unit are also subject to the Tender Offer, the calculation of "Shareholding Ratio before the Purchase, etc." and "Shareholding Ratio after the Purchase, etc." uses as the denominator the number of voting rights (233,887 rights) corresponding to the number of issued shares (23,388,712 shares), calculated by subtracting the number of treasury shares (1,505,129 shares) as of December 31, 2024, stated in the Target Company's Third Quarter Financial Results, from the total number of issued shares (24,893,841 shares) as of December 31, 2024, stated in the Target Company's Third Quarter Financial Results.

(Note 4) "Shareholding Ratio before the Purchase, etc." and "Shareholding Ratio after the Purchase, etc." are rounded to the second decimal place by rounding off the third decimal place.

(7) Purchase Amount
JPY 257,274,732,000

(Note) The purchase amount represents the amount obtained by multiplying the number of shares to be purchased (23,388,612 shares) mentioned in "(5) Number of Share Certificates, etc. Scheduled to be Purchased" above by the Tender Offer Price (JPY 11,000).

(8) Settlement Method

- ① Names and Addresses of Financial Instruments Dealers/Banks Handling Settlement
Mita Securities Co., Ltd. - 3-11 Nihonbashi Kabutocho, Chuo-ku, Tokyo
Monex, Inc. (Sub-agent) - 1-12-32 Akasaka, Minato-ku, Tokyo

- ② Settlement Commencement Date
Wednesday, May 28, 2025

③ Settlement Procedures

(When tendering through Mita Securities Co., Ltd.)

Promptly after the conclusion of the Tender Offer Period, notifications of purchase, etc., will be mailed to tendering shareholders (or their standing agents in the case of foreign shareholders). Payments for purchased share certificates will be made in cash, either transferred to a location designated by tendering shareholders (or their standing agents) or deposited into the account of the tendering shareholders who accepted the Tender Offer via the Tender Offer agent, promptly after the settlement commencement date. (When tendering through Monex, Inc.)

Promptly after the conclusion of the Tender Offer Period, notifications of purchase, etc., will be mailed to tendering shareholders (or their standing agents in the case of foreign shareholders). Payments for

purchased share certificates will be made in cash and transferred to locations designated by tendering shareholders (or their standing agents), promptly after the settlement commencement date.

④ Method for Returning Share Certificates

If all tendered share certificates are not purchased based on the conditions stated in "(9) Other Conditions and Methods of Purchase", "① Existence and Details of Conditions Listed in Article 27-13, Paragraph 4 of the Act" or "② Existence, Content, and Method of Disclosure for Conditions of Withdrawal of the Tender Offer" below, the Tender Offer agent will return the necessary share certificates on the second business day following the final day of the Tender Offer Period (or the day of withdrawal if the Tender Offer is withdrawn), restoring them to the state at the time the tender was made. The state at the time the tender was made refers to the state in which the execution of the tender for the Tender Offer has been cancelled.

(9) Other Conditions and Methods of the Tender Offer

① Existence and Details of Conditions Listed in Article 27-13, Paragraph 4 of the Act

If the total number of tendered shares does not reach the minimum planned purchase quantity (11,694,400 shares), none of the tendered shares will be purchased. If the total number of tendered shares reaches or exceeds this minimum (11,694,400 shares), all tendered shares will be purchased.

② Existence, Content, and Method of Disclosure for Conditions of Withdrawal of the Tender Offer

If any conditions stipulated under Cabinet Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the "**Enforcement Order**") Article 14, Paragraph 1, Item 1 (i) through (nu) and (wa) through (tsu), Item 2 (i), Item 3 (i) through (chi) and (nu), Item 4, or Article 14, Paragraph 2, Items 3 through 6 arise, the Tender Offer may be withdrawn.

The "matters equivalent to those listed in (i) through (tsu)" as stipulated in Article 14, Paragraph 1, Item 1 (ne) of the Enforcement Order refer to: (x) In cases where the decision-making body of the Target Company with respect to the execution of its business resolves (a) to distribute surplus with a record date prior to the Settlement Commencement Date (excluding distributions of surplus in which the amount of cash or other assets to be delivered to shareholders is expected to be less than 10% of the book value of the Target Company's net assets on a non-consolidated basis as of the end of its most recent fiscal year (JPY 10,450 million (Note))); or (b) to distribute surplus with a record date prior to the Settlement Commencement Date without specifying the amount of such distribution, if there is a possibility that the distribution would exceed 10% of the book value of the Target Company's net assets on a non-consolidated basis as of the end of its most recent fiscal year (JPY 10,450 million); and (y) In cases where the decision-making body of the Target Company resolves (a) to acquire treasury shares (excluding acquisitions where the amount of cash or other assets to be delivered in exchange for the acquisition is expected to be less than 10% of the book value of the Target Company's net assets on a non-consolidated basis as of the end of its most recent fiscal year (JPY 10,450 million)); or (b) to submit a proposal to the shareholders' meeting of the Target Company for the acquisition of treasury shares as described above.

"Facts equivalent to those listed in (i) through (ri)" as stipulated in Article 14, Paragraph 1, Item 3 (nu) of the Enforcement Order refer to: (x) Discovery of material misstatements or omissions in the statutory disclosure documents previously filed by the Target Company; (y) Occurrence of events listed from (i) through (to) of the same Item at the Target Company's significant subsidiaries.

Additionally, as described in "(2) Applicable Laws and Regulations" in the Tender Offer Registration Statement section "6. Permissions for Acquisition of Shares," if approval from China's State Administration for Market Regulation is not obtained by the day before the end of the tender offer period (including extensions), this situation constitutes an occurrence under Article 14, Paragraph 1, Item 4 of the Enforcement Order, and the Tender Offer may be withdrawn.

In the event of withdrawal, an electronic public notice will be made and published in the Nihon Keizai Shimbun. If notice is difficult to publish by the last day of the tender offer period, the announcement will be made according to the methods prescribed in the Ordinance Article 20, followed immediately by public notice.

(Note) According to the "Part 5: Financial Position, 2. Financial Statements, (1) Financial Statements,

① Balance Sheet" section of the Target Company's Annual Securities Report, the amount of net assets stated on the Target Company's non-consolidated balance sheet as of the end of the fiscal year ended March 2024 was JPY 104,502 million (with a net asset value per share of JPY 4,406.11). According to the , stated in the Target Company's Third Quarter Financial Results, the Target Company plans to distribute a dividend of JPY 100 per share at the end of the fiscal year ending March 2025. This amount is substantially lower than JPY 440.61, which represents 10% of the net asset value per share as stated on the Target Company's non-consolidated balance sheet for the fiscal year ended March 2024.

③ Conditions, Content, and Method of Disclosure for Price Reduction

Pursuant to Article 27-6, Paragraph 1, Item 1 of the Act, if the Target Company undertakes actions defined

in Article 13, Paragraph 1 of the Enforcement Order during the tender offer period, the purchase price may be reduced according to standards specified in the Ordinance Article 19, Paragraph 1. In case of a price reduction, an electronic public notice will be made and published in the Nihon Keizai Shimbun. If notice is difficult to publish by the last day of the tender offer period, the announcement will be made according to methods prescribed in the Ordinance Article 20, followed immediately by public notice. Tendered shares before this announcement will also be purchased at the reduced price.

④ Matters Regarding Rights of Tendering Shareholders to Cancel Agreements

(When tendering through Mita Securities Co., Ltd.)

During the tender offer period, tendering shareholders may cancel the contract pertaining to the Tender Offer at any time. To cancel the contract, the tendering shareholders must deliver or send a written notice indicating the intention to cancel the contract pertaining to the Tender Offer (the “**Cancellation Document**”) to the head office of the person designated below by 3:30 p.m. on the last day of the Tender Offer Period. However, in the case of sending the Cancellation Document by mail or other means, it must arrive at the head office of the person designated below no later than 3:30 p.m. on the last day of the Tender Offer Period. Accordingly, please note that if the Cancellation Document is sent by mail or other means, the cancellation will not be effective unless the document arrives at the Tender Offer Agent by 3:30 p.m. on the last day of the Tender Offer Period. The Cancellation Document is available at the head office of the person designated below, so if you wish to cancel the contract, please inquire with the person designated below.

Authorized Recipient: Mita Securities Co., Ltd. 3-11 Nihonbashi Kabutocho, Chuo-ku, Tokyo

(When tendering through Monex, Inc.)

During the tender offer period, tendering shareholders may cancel the contract pertaining to the Tender Offer at any time. To cancel the contract, tendering shareholders may either (i) complete the required information via the Tender Offer Sub-Agent’s website (<https://www.monex.co.jp>), or (ii) contact the Tender Offer Sub-Agent’s Customer Service Desk (Telephone: 0120-846-365, or 03-6737-1666 from mobile phones) by 12:00 p.m. (noon) on the last day of the tender offer period to complete the cancellation procedure.

Authorized Recipient: Monex, Inc. 1-12-32 Akasaka, Minato-ku, Tokyo

The Tender Offeror will not request compensation for damages or penalties due to cancellation by tendering shareholders. The Tender Offeror will bear the costs of returning tendered shares, which will be returned promptly according to the method stated in “(8) Settlement Method,” subsection “④ Return of Shares.”

⑤ Method of Disclosure for Changes to Tender Conditions

The Tender Offeror may change the conditions during the tender offer period except when prohibited by Article 27-6, Paragraph 1 of the Act and Article 13 of the Enforcement Order.

In case of changes, an electronic public notice will be made and published in the Nihon Keizai Shimbun. If notice is difficult to publish by the last day of the tender offer period, the announcement will be made according to the Ordinance Article 20, followed immediately by public notice. Changes will also apply retroactively to shares tendered before this announcement.

⑥ Method of Disclosure upon Submission of Amendment Statements

If an amendment statement (excluding cases defined under Article 27-8, Paragraph 11 proviso of the Act) is submitted to the Director-General of the Kanto Local Finance Bureau, information regarding changes from the initial tender offer notice will be promptly announced according to the Ordinance Article 20. The tender offer explanatory document will be immediately amended, and corrected documents will be provided to shareholders who received the initial document. However, if the scope of the amendment is limited, the amendment shall be made by preparing a written document stating the reason for the amendment, the matters amended, and the content after the amendment, and delivering such document to the tendering shareholders.

⑦ Method of Disclosure of Tender Offer Results

The results of the Tender Offer will be announced the day after the end of the tender offer period in accordance with Article 9-4 of the Enforcement Order and Article 30-2 of the Ordinance

(10) Date of Public Notice of Commencement of the Tender Offer

Friday, April 4, 2025

(11) Tender Offer Agents

Mita Securities Co., Ltd. 3-11 Nihonbashi Kabutocho, Chuo-ku, Tokyo
Monex, Inc. (Sub-agent) 1-12-32 Akasaka, Minato-ku, Tokyo

3. Policies Following the Tender Offer and Future Outlook

For policies and other related matters following this Tender Offer, please refer to the sections above under "1. Purpose of the Tender Offer, etc.": namely, "(2) Background, Purpose, and Decision-making Process Leading to the Implementation of the Tender Offer, and Management Policies Following the Tender Offer," "(5) Policies on Organizational Restructuring Following the Tender Offer (Matters Regarding the So-called Two-Step Acquisition)," and "(6) Expected Delisting and Reasons Therefor."

4. Other Matters

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

① Support for this Tender Offer

There are no applicable matters.

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

① Publication of "Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 2025 [Japanese GAAP]"

The Target Company published "Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 2025 [Japanese GAAP]" dated January 31, 2025. The profit and loss situation of the Target Company for the same period based on the said publication is as follows. Please note that the information has not undergone quarterly review by an auditing firm pursuant to Article 193-2, Paragraph 1 of the Act. Furthermore, the following overview is partially excerpted from the content published by the Target Company, and the Tender Offeror has not independently verified its accuracy or authenticity. Please refer to the published material for further details.

① Operating Results (Consolidated)

Fiscal Period	Cumulative Third Quarter of the Fiscal Year Ending March 2025 (From April 1, 2024 to December 31, 2024)
Revenue	JPY 168,794 million
Cost of Sales	JPY 115,413 million
Selling, General and Administrative Expenses	JPY 40,149 million
Non-operating Income	JPY 1,839 million
Non-operating Expenses	JPY 584 million
Quarterly Net Income Attributable to Owners of the Parent	JPY 10,532 million

② Information per Share (Non-consolidated)

Fiscal Period	Cumulative Third Quarter of the Fiscal Year Ending March 2025 (From April 1, 2024 to December 31, 2024)
Quarterly Net Income per Share	JPY 447.30
Dividend per Share	JPY 80.00



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

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

[U.S. Regulations]

The Tender Offer shall be implemented in compliance with the procedures and information disclosure standards provided by the Financial Instruments and Exchange Act of Japan, which procedures and standards are not necessarily identical to the procedures and information disclosure standards applied in the United States. Specifically, Section 13(e) or Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; “Securities Exchange Act”) or the rules promulgated under such Sections do not apply to the Tender Offer, and the Tender Offer is not necessarily in compliance with the procedures and standards thereunder. It is not necessarily the case that all financial information in this press release is equivalent to financial statements of companies in the United States. It may be difficult to enforce any right or claim arising under U.S. federal securities laws because the Offeror and Makino Milling Machine Co., Ltd. (“the Target”) are incorporated outside the United States and their directors are non-U.S. residents. Shareholders may not be able to sue a company outside the United States and its directors in a non-U.S. court for violations of the U.S. securities laws. Furthermore, there is no guarantee that shareholders will be able to compel a company outside the United States or its subsidiaries and affiliates to subject themselves to the jurisdiction of a U.S. court.

The financial advisors of the Offeror or Target and their respective affiliates may, within their ordinary course of business, purchase, or conduct any act toward the purchase of, the shares of the common stock of the Target for their own account or for their customers’ accounts outside the Tender Offer prior to the commencement of, or during, the period of the Tender Offer, etc. in accordance with the requirements of Rule 14e-5(b) under the Securities Exchange Act to the extent permissible under the financial instruments and exchange laws and other applicable laws and regulations in Japan. If any information concerning such purchase is disclosed in Japan, the disclosure of such information will be made in the United States in a similar manner.

All the procedures in connection with the Tender Offer shall be taken in the Japanese language. While a part or all of the documents in connection with the Tender Offer may be prepared in English, the Japanese documents shall prevail in case of any discrepancies between Japanese documents and corresponding English documents.

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