



[Translation<sup>1</sup>]

April 10, 2025

To whom it may concern:

Name of Company: Makino Milling Machine Co., Ltd.

Name of Representative: President, Director

Shotaro Miyazaki

(Securities Code: 6135 (the Prime Market of the Tokyo Stock Exchange, Inc.))

Inquiries: Executive Vice President, Director

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**Notice of Expression of Opinion (Opposition) Regarding the Tender Offer for Shares of the Company by Nidec Corporation in Light of Securing the Time Necessary for the Materialization and Consideration of Third-Party Proposals**

In relation to the tender offer for the shares of Makino Milling Machine Co., Ltd. (the “Company”) commenced by Nidec Corporation (the “Tender Offeror”) on April 4, 2025 (the “Tender Offer”), we hereby announce that, taking into account the findings of the Special Committee (as defined in 3(2) below; the same applies hereinafter), and **in light of securing the time necessary for the materialization and consideration of Third-Party Proposals** (as defined below), **the Company has resolved today to express its opposition to the Tender Offer**, as outlined below.

The resolution above by our board of directors has been made on the premise that the Tender Offeror intends to take the Company private through the Tender Offer and the series of subsequent procedures, and that the shares of the Company are scheduled to be delisted.

**We kindly request that all shareholders do not tender their shares in the Tender Offer, and all shareholders who have already tendered their shares in**

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<sup>1</sup> This document has been translated from the Japanese original for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

**the Tender Offer promptly terminate any agreements related to the Tender Offer.**

The Company has received multiple initial letters of intent (the “Initial Third-Party Letters of Intent”) from third parties independent of the Company’s management and the Company’s directors (the “Proposers”) regarding acquisition proposals aimed at making the Company a wholly-owned subsidiary, that compete with the Proposal (as defined in 3(2) below; the same applies hereinafter) (the “Third-Party Proposals”). Currently, the Company is exchanging information with the Proposers in order to receive final and legally binding letters of intent regarding the Third-Party Proposals (the “Final Third-Party Letters of Intent”). If a Final Third-Party Letter of Intent is received, the Company plans to revise this expression of opinion accordingly.

Further, the Tender Offer was commenced without complying with the “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,” which were introduced by the Company on March 19, 2025 (the “Response Policies”), and without securing the time necessary for our shareholders and the Company to make appropriate decisions on the merits of the Proposal after a comparative consideration of the Proposal by the Tender Offeror and Third-Party Proposals that compete with the Proposal. Accordingly, as of today, taking into account the findings of the Special Committee and in accordance with the Response Policies, the Company has resolved to implement countermeasures against the Tender Offer based on the Response Policies (the “Countermeasures”) and to submit a proposal to confirm the intention of shareholders regarding the implementation of such Countermeasures (such proposal, the “Item of Agenda”) at the Company’s annual general meeting of shareholders scheduled to be held in June 2025 (the “General Meeting of Shareholders”).

For details of the Response Policies, please refer to the Company’s press release dated March 19, 2025, “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)” (the “Response Policies Press Release”). For details of the implementation of the Countermeasures and submission of the Item of Agenda, please refer to the Company’s press release dated today, “Notice Regarding

Allotment of Share Options Without Contribution Based on Takeover Response Policies, Setting the Record Date for the Allotment of Share Options Without Contribution, and Confirmation of Shareholders' Intention at the 86th Ordinary General Meeting of Shareholders" (the "Press Release on Implementation of Countermeasures").

## 1. Overview of the Tender Offeror

(1) Name	Nidec Corporation	
(2) Address	338 Kuzetonoshiro-cho, Minami-ku, Kyoto	
(3) Name and title of representative	Mitsuya Kishida, Representative Director and President CEO (Chief Executive Officer)	
(4) Description of Business	Manufacturing and sales of electric equipment, including precision small-size motors, electric machinery, equipment, and other related products.	
(5) Capital	87,784 million yen (as of September 30, 2024)	
(6) Date of incorporation	July 23, 1973	
(7) Principle shareholders and shareholding ratio (as of September 30, 2024) (Note 1)	1.	The Master Trust Bank of Japan, Ltd. (trust account) 13.58%
	2.	Shigenobu Nagamori 8.59%
	3.	Custody Bank of Japan, Ltd. (trust account) 5.28%
	4.	The Bank of Kyoto, Ltd (Standing proxy: Custody Bank of Japan, Ltd.) 4.30%
	5.	SN Kosan Co., Ltd. 3.51%
	6.	MUFG Bank, Ltd. 2.58%
	7.	Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.) 2.28%
	8.	Meiji Yasuda Life Insurance Company (Standing proxy: Custody Bank of Japan, Ltd.) 2.22%
	9.	State Street Bank And Trust Company (Standing proxy: Mizuho Bank, Ltd.) 1.91%
	10.	The Shiga Bank, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.) 1.53%
(8) Relationship between the Company and the Tender Offeror		
	Capital relationship	The Tender Offeror owns 100 shares of the Company (ownership ratio (Note 2) 0.00%).
	Personnel relationship	Not applicable
	Transaction relationship	The Company subcontracts manufacturing to Nidec

		Precision Corporation, and purchases parts from Nidec Machine Tool Corporation, Nidec Drive Technology Corporation, and Nidec Components Corporation, each a subsidiary of the Tender Offeror.
	Status as a related party	Not applicable

(Note 1) “(7) Principle shareholders and shareholding ratio” is quoted from “Situation of Principle Shareholders” of the 52<sup>nd</sup> semi-annual securities report submitted by the Tender Offeror on November 13, 2024.

(Note 2) “Ownership Ratio” means the ratio (rounded to the second decimal place) with respect to the number of shares (23,388,712 shares) calculated by deducting the number of treasury shares held by the Company as of December 31, 2024 (1,505,129 shares) from the total number of issued shares of the Company as of the same date (24,893,841 shares), as stated in the “Share Buyback Report” submitted by the Company on January 14, 2025. The same applies hereinafter.

## 2. Tender Offer Price

11,000 yen per common share

## 3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof

### (1) Details of the Opinion Regarding the Tender Offer

**The Company has resolved to oppose the Tender Offer, since (i) the Tender Offer was commenced without securing the time reasonably necessary for our shareholders to make appropriate decisions on the merits of the Proposal after considering the details of Third-Party Proposals and the announcement of the Company’s financial results for the fiscal year ending March 2025 (the “Announcement of the Financial Results for the Fiscal Year Ending March 2025”), and forces our shareholders to decide whether to tender their shares in the Tender Offer without giving them the opportunity to consider the details, and (ii) there are specific concerns that there is a substantial degree of coercion with respect to the terms of the Tender Offer, and our shareholders may be left with no option but to tender their shares under conditions that harm the common interests of our shareholders.**

Therefore, **we kindly request that all shareholders do not tender their**

**shares in the Tender Offer, and all shareholders who have already tendered their shares in the Tender Offer promptly terminate any agreements related to the Tender Offer.**

In addition, the Tender Offer was commenced on April 4, 2025 prior to the receipt of a Final Third-Party Letter of Intent without complying with the procedures set forth in the Response Policies, and the commencement of the Tender Offer deprives our shareholders of the opportunity to consider whether the terms of the Tender Offer are favorable based on the Third-Party Proposal. Therefore, the Company resolved today to submit a proposal regarding the implementation of the Countermeasures and the Item of Agenda at the General Meeting of Shareholders, fully respecting the Special Committee's findings.

## **(2) Basis and Reasons for the Opinion Regarding the Tender Offer**

Based on the tender offer registration statement submitted by the Tender Offeror on April 4, 2025 (the "Tender Offer Registration Statement") and other information regarding the Tender Offer collected by the Company, the Company has evaluated and considered the Tender Offeror's proposal in detail. As a result, the Company opposes the Tender Offer. The specific details of the decision are as set forth in (a) through (e) below.

After receiving the proposal to make the Company a wholly-owned subsidiary (the "Proposal") from the Tender Offeror on December 27, 2024, the Company has been considering the Proposal, as well as the appropriateness and fairness of the conditions and procedures of the transaction, including the structure, and as announced in the press release dated January 28, 2025, "Review System for Nidec's Proposed Tender Offer" (the "Review System Press Release"), the Company selected and appointed Nomura Securities Co., Ltd. as its external financial advisor, Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as its external legal advisor mainly on Japanese legal matters, Sullivan & Cromwell LLP as its external legal advisor on U.S. legal matters, and IR Japan, Inc. as its external shareholder relations advisor to receive their advice.

Furthermore, as announced in the press release dated January 10, 2025, "Notice on Establishment of a Special Committee," the Company established a special

committee consisting of four independent and external directors of the Company (chaired by Kazuo Takahashi, former Director and Executive Vice President of Daiwa Securities Group Inc.; the “Special Committee”) to consider the Proposal, as well as the appropriateness and fairness of the conditions and procedures of the transaction, including the structure. The Special Committee was formed with the aim of eliminating arbitrary decisions by our board of directors and ensuring the fairness, transparency, and objectivity in the decision-making process, from the perspective of enhancing the corporate value of the Company and the interests of the general shareholders. As announced in the Review System Press Release, the Special Committee has separately selected and appointed JPMorgan Securities Japan Co., Ltd. as the Special Committee’s external and independent financial advisor and Anderson Mori & Tomotsune as the Special Committee’s external and independent legal advisor, apart from the Company’s external advisors.

In expressing our opinion on the Tender Offer, the Company consulted with the Special Committee regarding whether it would be appropriate for the Company to express its opposition to the Tender Offer. Today, the Company has received the Special Committee’s findings to the effect that it is reasonable for the Company to express its opposition to the Tender Offer. Based on the findings of the Special Committee, the Company’s board of directors has resolved today to express its opposition to the Tender Offer with the unanimous agreement of all of the directors.

(a) Background Leading to the Tender Offer

The Company received a “Letter of Intent Regarding Management Integration Aimed at Maximization of Corporate Value” (the “December 27, 2024 Letter of Intent”) from the Tender Offeror on December 27, 2024, which was the Company’s final business day of 2024, without any prior consultation or communication. According to the December 27, 2024 Letter of Intent, the Tender Offeror proposes to conduct a Tender Offer for the Company shares with the aim of making the Company a wholly-owned subsidiary of the Tender Offeror, with a commencement date of the tender offer period of April 4, 2025 and a tender offer period of 31 business days (the period of the Tender Offer, the “Tender Offer Period”; the period of a tender offer as a general legal term, the “TOB Period”), a tender offer price of 11,000 yen (the “Tender Offer Price”), a lower limit on the number of shares to be purchased at the number equivalent to

50% of the total number of the Company's voting rights, and no upper limit on the number of shares to be purchased.

In response to the Proposal from the Tender Offeror, as stated at the beginning of this (2), the Company established the Special Committee on January 10, 2025, and has considered the merits of the Proposal, as well as the appropriateness and fairness of the conditions and procedures of the transaction, including the structure.

Immediately after the receipt of the December 27, 2024 Letter of Intent from the Tender Offeror, the Company and the Special Committee began carefully examining whether the Proposal would lead to the enhancement of the Company's corporate value and the common interests of shareholders, and also began a broad consideration of all strategic options, including calculating the Company's intrinsic value and exploring alternative proposals more favorable to our shareholders. Furthermore, we believed that the information provided in relation to the Proposal was insufficient from the perspective of ensuring an opportunity for informed judgment by our shareholders, since the December 27, 2024 Letter of Intent did not include any specific information regarding the synergies that would arise for our Company from the Tender Offeror making the Company a wholly-owned subsidiary. With the aim of securing the time reasonably necessary for our shareholders and the Company to make appropriate decisions on the merits of the Proposal after a comparative consideration of the Proposal and other strategic options, **on January 15, 2025 and January 22, 2025, the Special Committee sent to the Tender Offeror a letter (assuming that the Tender Offer Period will be 31 business days) requesting that the Tender Offeror postpone the commencement date of the Tender Offer to May 9, 2025, which is approximately one week after the date of the Announcement of the Financial Results for the Fiscal Year Ending March 2025** (currently, this is scheduled for April 30, 2025). **In addition, on January 31, 2025, our board of directors sent to the Tender Offeror's board of directors a request letter in which a similar request was stated** (the request letters from the Special Committee, each, the "First Request Letter" and the "Second Request Letter"; the request letter from our board of directors, the "Board of Directors' Request Letter"). **As shown by the foregoing, we have repeatedly requested that the**

**Tender Offer commence on May 9 2025. However, the Tender Offeror has rejected all such requests**, noting, among other things, that there is a period of more than three months between the Proposal and the scheduled commencement date of the Tender Offer, and that 12 business days have been secured between the Company's Announcement of the Financial Results for the Fiscal Year Ending March 2025, and the last day of the Tender Offer Period.

Subsequently, as disclosed in the "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" dated March 10, 2025, **as of February 28, 2025, the Company had received multiple Initial Third-Party Letters of Intent from third parties independent of the Company's management and the Company's directors, during the course of exploring alternative proposals more favorable to shareholders. In response, in order to receive Final Third-Party Letters of Intent from the Proposers, we immediately commenced exchanging information with the Proposers. However, in light of the period required for due diligence, negotiations with lender financial institutions, and such other matters, it is clear that it is extremely difficult to receive Final Third-Party Letters of Intent and disclose such receipt by April 4, 2025, which is the date announced as the commencement date of the Tender Offer. In fact, the Company is currently still in the process of exchanging information with the Proposers and taking action to receive Final Third-Party Letters of Intent. Accordingly, on March 10, 2025, the Company once again requested that the Tender Offeror postpone the commencement of the Tender Offer to May 9, 2025 since it will take a certain amount of time to receive Final Third-Party Letters of Intent from the Proposers and disclose such receipt** (such request, the "Board of Directors' Second Request"). **However, the Tender Offeror**, while we had asked for a response by March 14 on the Board of Directors' Second Request, merely disclosed on the same date and March 17 that it was sincerely considering the Board of Directors' Second Request, and thereafter, merely responded to the "Notice Regarding Disclosure of a Response to 'Letter of Inquiry (3)' by Nidec Corporation" dated March 18 in which we requested for the Tender Offeror to provide a substantive response by March 19,



2025, that it was, once again, continuing their consideration, and **did not provide a substantive response.**

Taking into account such correspondence with the Tender Offeror, **we believe that there is a specific and pressing concern that our shareholders will be forced to decide whether to tender their shares in the Tender Offer, and that the Tender Offeror will commence the Tender Offer on April 4, 2025 as originally scheduled, without securing sufficient time for our shareholders and the Company to make appropriate decisions on the merits of the Proposal after a comparative consideration of the Proposal and Third-Party Proposals. Accordingly, based on the Special Committee's findings, we introduced the Response Policies on March 19, 2025.**

**The sole purpose of the Response Policies is to secure the time reasonably necessary for our shareholders and the Company to make appropriate decisions on the merits of the Proposal after a comparative consideration of the Proposal and Third-Party Proposals, and are not intended to prevent the implementation of the Tender Offer itself. Therefore, we had intended to immediately terminate the Response Policies (i) if the Tender Offeror actually commences the Tender Offer on or after May 9, 2025, or (ii) if, prior to the commencement of the Tender Offer, the Company confirms that it has received a Final Third-Party Letter of Intent that is reasonably determined to have terms that are substantially more favorable than the Proposal from a third party other than the Tender Offeror. However, the Tender Offeror commenced the Tender Offer on April 4, 2025, which does not satisfy either of (i) or (ii).**

**Although the Response Policies require that large-scale purchases of shares of the Company, including the Tender Offer, be carried out in accordance with the procedures set forth in the Response Policies, the Tender Offer has been commenced without complying with such procedures set forth in the Response Policies.**

Please also refer to the timeline table in **Exhibit A** with respect to the

background up to the present.

- (b) The Tender Offer was commenced without securing the time necessary for consideration based on Third-Party Proposals and the Announcement of the Financial Results for the Fiscal Year Ending March 2025.

We believe that **it is necessary to avoid the implementation of the Tender Offer under circumstances where our shareholders are left with no option but to tender their shares under conditions that do not reflect the Company's medium- to long-term corporate value and harm the common interests of our shareholders, as a result of our shareholders being forced to decide whether to tender their shares in the Tender Offer without the necessary preconditions being met to make a reasonable decision based on the deliberation of the shareholders.**

Based upon such belief, as stated in (a) above, we requested that the Tender Offeror postpone the commencement date of the Tender Offer to the earliest occurrence of (i) May 9, 2025 or thereafter or (ii) after the Company confirms that it has received a Final Third-Party Letter of Intent from a third party other than the Tender Offeror that is reasonably determined to have terms that are substantially more favorable than the Proposal, prior to the commencement of the Tender Offer, and introduced the Response Policies.

However, **the Tender Offeror did not accept the Company's requests and commenced the Tender Offer on April 4 of this year in violation of the Response Policies.** As stated in (i) to (iii) below, **since the Tender Offer was commenced without securing the time reasonably necessary for our shareholders to make appropriate decisions on the merits of the Proposal after considering the details of Third-Party Proposals and the Announcement of the Financial Results for the Fiscal Year Ending March 2025, and forces our shareholders to decide whether to tender their shares in the Tender Offer without giving them the opportunity to consider the foregoing, the Company believes that we cannot support the Tender Offer.**

- (i) The commencement of the Tender Offer prior to the receipt and announcement of a Third-Party Proposal, despite the probability that a legally binding Third-Party Proposal could be received, deprives our shareholders of the opportunity to consider whether the terms of the Tender Offer are favorable based on such Third-Party Proposal.

The “Guidelines for Corporate Takeovers - Enhancing Corporate Value and Securing Shareholders’ Interests” announced by the Ministry of Economy, Trade and Industry on August 31, 2023 (the “Guidelines”) stipulates that sufficient information and time must be provided so that the shareholders can make the correct decision regarding the merits of the acquisition and the transaction terms. The terms “sufficient time” and “sufficient information” repeated in the Guidelines are understood to include, as a matter of course, the following: (i) the time necessary for our board of directors and the Special Committee to consider, formulate, and implement alternative proposals to enhance the corporate value and the common interests of our shareholders; and (ii) information concerning the alternative proposals above and information related to the results of the analysis and consideration for the

comparison of the Proposal and alternative proposals<sup>2</sup>.

However, as stated in (a) above, **although the Company has received Initial Third-Party Letters of Intent from the Proposers**, the Company is currently continuing to exchange information with the Proposers in order to receive Final Third-Party Letters of Intent, **and has not yet received Final Third-Party Letters of Intent**.

**Therefore, there is a sufficient probability that we will receive Final Third-Party Letters of Intent from the Proposers in the future. However, if the Tender Offer is commenced at this time, it will not be possible for our shareholders to conduct a comparative**

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<sup>2</sup> This is because “2.2.2 Enhancing Corporate Value and Securing Shareholder Interests” in the Guidelines states that “. . . especially when the board of directors decides on a direction toward reaching agreement of an acquisition . . . , the target company directors should act in the interest of the company and its shareholders. In other words, a reasonable effort should be made to ensure that the acquisition will be based on terms that will secure the interest which shareholders should enjoy, in addition to determining whether the acquisition is appropriate from the perspective of enhancing the company’s corporate value”; “3.2.1 Possible Scenarios” in the Guidelines states that “**especially when deciding on a direction toward reaching agreement of an acquisition, the directors and board of directors of the target company (including the special committee if it is established; this inclusion shall apply hereinafter) should make reasonable efforts to ensure that the acquisition will be based on terms that will secure the interest which shareholders should enjoy, in addition to determining whether the acquisition is appropriate from the perspective of enhancing the company’s corporate value**” (emphasis and underline added by the Company); and in addition, “3.2.3 Negotiations Aimed at Best Available Transaction Terms for Shareholders” in the Guidelines states that “**the board of directors should negotiate diligently with the acquiring party with the aim of improving the transaction terms** (including the purchase ratio and purchase consideration, in addition to the price; the probability of a transaction occurring is also an important factor) **so that the acquisition is conducted on the best available transaction terms for the shareholders**,” and that “Specifically, **each director and the board of directors should make all reasonable efforts not only to enhance corporate value but also to secure interests of shareholders. An example of such reasonable effort is to extensively negotiate with the acquiring party to raise the purchase price to a level commensurate with the corporate value, taking advantage of the existence of competing proposals if any to seek a price increase to a level comparable to such competing proposals . . .**” (emphasis and underline added by the Company). Based on the above, if our board of directors and the Special Committee believe that our shareholders and the Company currently do not have the time and information necessary to deliberate on the merits of the Proposal after a comparative consideration of the Proposal and alternative proposals, we should make all reasonable efforts to secure such time and information.

**consideration of the Proposal and the Third-Party Proposals in deciding whether to tender their shares in the Tender Offer. Nevertheless, the Tender Offeror commenced the Tender Offer on April 4, 2025 without confirming the Company's receipt of Final Third-Party Letters of Intent, depriving our shareholders of the extremely important opportunity to conduct a comparative consideration of the Proposal and the Third Party Proposals in deciding whether to tender their shares in the Tender Offer.**

**Accordingly, the Tender Offer is being implemented under circumstances where our shareholders are left with no option but to tender their shares under conditions that harm the common interests of our shareholders, and forces shareholders to decide whether to tender their shares in the Tender Offer without the necessary preconditions for making a reasonable decision based on their deliberation being met.**

Mr. Takamitsu Araki, who is a First Senior Vice President and chief M&A officer of the Tender Offeror, stated in an interview with NHK on April 3, 2025, the date on which the Tender Offeror announced that the Tender Offer would commence on April 4, 2025, “even if there are competing offers, we absolutely will not get involved in any price bidding competition” (NHK News, April 3, 2025 article, “Nidec to Commence TOB for Makino Milling Machine on the 4<sup>th</sup> Without Consent”<sup>3</sup>), suggesting that the Tender Offeror, refusing the repeated requests of the Company, commenced the Tender Offer on April 4, 2025 with the aim of not providing room and depriving our shareholders of the opportunity to consider whether the terms of the Tender Offer are favorable taking into account the terms of a Third-Party Proposal.

As stated in (ii) below, since a period of less than three months between January 6, 2025, the first business day of 2025 (given that the Company received the December 27, 2024 Letter of Intent on December 27, 2024, the final business day of 2024) and April 4, 2025, the commencement date of the Tender Offer, is insufficient to receive Final Third-Party Letters of Intent, it is

not unreasonable that Final Third-Party Letters of Intent have not been received as of April 4, 2025.

- (ii) The period between the date of receipt of the December 27, 2024 Letter of Intent and the commencement date of the Tender Offer is an insufficient period to receive Final Third-Party Letters of Intent.

“4.1.2 Provision of Time to Consider the Acquisition Proposal” of the Guidelines clearly states that “[F]or the target company’s shareholders to have the opportunity to make an informed judgement, it is important that the shareholders and the board of directors are provided not only with information, but also given sufficient time to consider. If a tender offer is launched without negotiations with the target company, there may be insufficient time for the target company’s shareholders and board of directors to consider and prepare for the acquisition.”<sup>4</sup>

In this case, the Company received the December 27, 2024 Letter of Intent on December 27, 2024 (Friday), the final business day of 2024 for the Company and many other Japanese companies. As the Tender Offeror has acknowledged, until we received the December 27, 2024 Letter of Intent, there was no prior consultation or even preliminary inquiry regarding the Proposal from the Tender Offeror. As a result, the consideration period substantially began on January 6, 2025 (Monday), the first date of business operations in 2025, securing a consideration period of less than three months until April 4 of this year, when the Tender

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<sup>4</sup> With regard to ensuring informed judgment, “2.2.3 Respecting the Intent of Shareholders and Ensuring Transparency” of the Guidelines clearly states that “[s]ufficient information must be provided so that the shareholders can make the correct decision regarding the merits of the acquisition and the transaction terms. Thus, Principles 2 and 3 are required as a prerequisite for materializing Principle 1. . . . Basically . . . the expectation is that . . . transparency will be enhanced, and with the sufficient information and time, appropriate decision (informed judgment) shall be made by the shareholders. In this regard, the acquiring party should provide explanation to the target company until the acquisition is publicly announced, and after the announcement, the acquiring party should fulfill its duty to explain to the market, including shareholders, through appropriate descriptions in the tender offer registration statement and other documents” (emphasis and underline added by the Company).

**Offer commenced.**

As stated in (i) above, while the Company also needs to consider the possibility of Third-Party Proposals as part of the consideration on the merits of the Proposal, **in light of the period generally required for due diligence and negotiations with lender financial institutions, it is clear that a period of less than three months is insufficient time for the Company—having received no prior consultation on the Proposal—to explore and announce Third-Party Proposals. Therefore, it is extremely difficult to receive Final Third-Party Letters of Intent and disclose such receipt by April 4, 2025 (reason (i)).**

In fact, **prior to the introduction of the Response Policies, we received a letter from the one of the Proposers asking us to urge the Tender Offeror to postpone the commencement of the Tender Offer until at least May 9, 2025, as requested by the Special Committee and the Company's board of directors, because there is a possibility that they will find it difficult to submit a Final Third-Party Letter of Intent by May 21, 2025, which is announced as the last day of the Tender Offer Period, given the time required for due diligence on the Company and to negotiate with the financial institution providing the acquisition funding.**

In addition, under current practices in Japan, there are many companies that have adopted peacetime introduced-type takeover defense measures (so-called advance warning-type takeover defense measures) in preparation for tender offers without prior consent. The aim of peacetime introduced-type takeover defense measures, in accordance with the Guidelines, includes enabling the submission of alternative proposals. In addition, it is customary to allow 60 days for the provision of information and an additional 60 to 90 days for deliberation by the board of directors, amounting to a total of 120 to 150 days before the commencement of the tender offer.

In recent cases of unsolicited tender offers made in Japan without the

consent of the target company,<sup>5</sup> it took a period of approximately six months or more from the date the initial consultation regarding the potential takeover is thought to have occurred to the commencement date of the tender offer.

**In light of the practices regarding unsolicited tender offers , it is clear that a period of less than three months is too short for the period between the date of the initial consultation regarding the Tender Offer to the commencement date of the Tender Offer (reason (ii)).**

Furthermore, it is clear from the Tender Offeror's "Notice Regarding Scheduled Commencement of Tender Offer for Makino Milling Machine Co., Ltd. (Securities Code: 6135)" dated December 27, 2024 (the "Tender Offer Notice Press Release"), which states that it **"started to consider the Transaction from around August 2024" and considered the Proposal for approximately five months until the Proposal was submitted on December 27, 2024,** that **a considerable amount of time is necessary to consider and announce an acquisition proposal** (reason (iii)).

In light of the circumstances described in reasons (i) through (iii) above, **a period of approximately three months from December 27, 2024, when the December 27, 2024 Letter of Intent was received from the Tender Offeror, to April 4, 2025, the commencement date of the Tender Offer, is insufficient to receive Final Third-Party Letter of Intent.**

- (iii) Commencing the Tender Offer before the Announcement of the Financial Results for the Fiscal Year Ending March 2025 has deprived our shareholders of the opportunity to consider whether the terms of the Tender Offer are favorable based on such announced results.

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<sup>5</sup> Such as the tender offer by a wholly-owned subsidiary of ITOCHU Corporation for Descente Ltd., COLOWIDE Co., Ltd.'s tender offer for OOTOYA Holdings Co., Ltd., Japan Steel Corporation's tender offer for Tokyo Rope MFG. Co., Ltd., the tender offer by a wholly-owned subsidiary of SBI Holdings, Inc. for Shinsei Bank, Limited, and Dojima Kisen Co., Ltd.'s tender offer for Hyoki Kaiun Kaisha, Ltd.



In deciding whether the terms of the Tender Offer are favorable to determine whether to tender shares in the Tender Offer, we believe that our shareholders need to consider the Company's operating results and financial condition for the fiscal year ending March 2025. In addition, because sales of the Company as a machine tool manufacturer are usually the largest in the fourth quarter of each year, the Company's performance for the fiscal year ending March 2025, for which a specific prediction is difficult to make, will not be clarified until the Announcement of the Financial Results for the Fiscal Year Ending March 2025; therefore, by commencing the Tender Offer before the Announcement of the Financial Results for the Fiscal Year Ending March 2025, the Tender Offeror has deprived our shareholders of the opportunity to consider whether the terms of the Tender Offer are favorable based such the announced results.

Accordingly, the Tender Offer is being implemented under circumstances where our shareholders are left with no option but to tender their shares under conditions that harm the common interests of our shareholders, and forces shareholders to decide whether to tender their shares in the Tender Offer without the necessary preconditions for making a reasonable decision based on their deliberation being met.

The Tender Offeror claims that there is no problem even if the Tender Offer commences on April 4, 2025, because 12 business days have been secured during the period from the Company's Announcement of the Financial Results for the Fiscal Year Ending March 2025 to the last day of the Tender Offer Period. However, if the Announcement of the Financial Results for the Fiscal Year Ending March 2025 is made during the Tender Offer Period, it will not be possible to practically verify how the announcement of financial results affected the Company's share price due to the impact of the Tender Offer; therefore, as a result of not being able to secure sufficient information for our shareholders as to whether the Tender Offer is favorable, it will not

**be possible to make a reasonable decision on whether to tender their shares, which presents a clear issue.** Furthermore, in order to limit the period during which shareholders of a target company of a tender offer are placed in an unstable position, the Financial Instruments and Exchange Act sets an upper limit on the TOB Period based on the recognition that fair price formation on the exchange will be hindered during the TOB Period. Accordingly, during the TOB Period, shareholders of a target company of a tender offer are placed in an unusually unstable position due to share price fluctuations and other factors due to various speculations. In particular, in light of the fact that the Tender Offer was proposed without prior discussion with the Company and that our shareholders are required to make a more careful decision on whether to tender their shares in the Tender Offer compared to an ordinary tender offer that is announced based on an agreement after discussions between the tender offeror and the target company, we believe that prior to the commencement of the TOB Period during which shareholders are not placed in such an unstable position, it is necessary to secure a certain amount of time to consider whether the terms of the Tender Offer are favorable, taking into account the details of the Announcement of the Financial Results for the Fiscal Year Ending March 2025. Therefore, the Tender Offeror's aforementioned claim that there is no issue in commencing the Tender Offer on April 4, 2025 because 12 business days have been secured during the period from the Announcement of the Financial Results for the Fiscal Year Ending March 2025 to the last day of the Tender Offer Period does not address the concern at issue.

- (c) There are specific concerns that there is a substantial degree of coercion with respect to the terms of the Tender Offeror's Tender Offer, and even if the terms of the Tender Offer harm the common interests of our shareholders, they will be forced to tender their shares in the Tender Offer.
- (i) The lower limit of shares to be purchased is 50%.

In the Tender Offer Registration Statement, there is no upper limit on the number of shares to be purchased in the Tender Offer, which is to be conducted with the aim of making the Company a wholly-owned subsidiary, and the lower limit is 11,694,400 shares, which is the number equivalent to

50% of the total number of voting rights of the Company shares.

However, in this case, even if the Tender Offer is completed, if the Tender Offeror is unable to acquire two-thirds or more of the voting rights of all our shareholders and the Tender Offeror's proposal to make the Company a wholly-owned subsidiary does not get approved at our general meeting of shareholders after the Tender Offer (a proposal for a squeeze-out, typically involving a proposal for share consolidation for the squeeze-out), there remains a possibility that our shareholders could end up as minority shareholders with the Tender Offeror as the parent company. Therefore, even if our shareholders are dissatisfied with the terms of the Tender Offer, they may feel compelled to tender their shares (a situation commonly referred to as "exposure to coercion").

In this regard, in Section 1-3-1(iv) of the "Points to Note Regarding Disclosure of a Tender Offer (Guidelines for Disclosure of a Tender Offer)" published by the Financial Services Agency in October 2024, it is stated that "it will be examined whether the purpose of the tender offer aligns with the upper and lower limits on the number of shares to be purchased. **In particular, in tender offers aimed at acquiring all outstanding shares, if the lower limit on the number of shares to be purchased is set at a level that risks resulting in the tender offeror and its specially related parties holding less than two-thirds of the voting rights of all shareholders after the tender offer, it will be examined whether the offeror specifically has disclosed the reason for why it considers that such lower limit on the number of shares to be purchased is necessary and appropriate for achieving the purpose of the tender offer**" (emphasis and underline added by the Company). Here, in the case of a tender offer aimed at acquiring all outstanding shares, it is generally considered that the lower limit on the number of shares to be purchased should be two-thirds of the voting rights of all shareholders, in order to prevent coercion of general shareholders. Accordingly, **even though the Tender Offer is implemented with the aim of making the Company a wholly-owned subsidiary, setting the lower limit on the number of shares to be purchased in the Tender Offer at the number equivalent to 50% of the total voting rights of the Company shares (which is below the**

**two-thirds of the voting rights of all shareholders required to pass a resolution at a general meeting of shareholders for a share consolidation to effect a squeeze-out) would force our shareholders to tender their shares in the Tender Offer, as stated below, and expose our shareholders to a substantial degree of coercion.**

- (ii) The Tender Offeror's claim that the squeeze-out proposal is reasonably expected to be approved, even if the number of shares tendered in the Tender Offer is close to the lower limit, is unfounded.

Regarding this point, on p. 7 of the Tender Offer Registration Statement, the Tender Offeror states that even if the number of shares tendered in the Tender Offer is close to the aforementioned lower limit, since domestic passive index funds, the Machine Tool Engineering Foundation (the "MTEF") and executive officers of the Company, as well as cross-shareholding partners of the Company (the "Domestic Passive Funds") are "expected to exercise their voting rights in favor" of the proposal for a share consolidation (on the assumption that they will not tender their shares in the Tender Offer), it is reasonably expected that the proposal for a share consolidation will be approved with an approval rate of at least approximately 74.12% (a percentage of ownership). However, **(i) no rational basis is mentioned for assuming that the above-mentioned shareholders are "expected to exercise their voting rights in favor" of the proposal.** As stated on p. 7 of the Tender Offer Registration Statement, "as of the submission date of this document, 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," the Tender Offeror merely states, without confirming the intent of the MTEF and Company executives and without any specific basis, that they are "expected to vote in favor of the proposal."

In addition, **(ii) given that the Proposal was made in a way that did not allow sufficient time for our shareholders and the Company to deliberate on the Proposal, at the very least, there is currently no particular evidence to assume that the Domestic Passive Funds would support the Tender Offeror's plan to make the Company a**

wholly-owned subsidiary. Therefore, the Tender Offeror's explanation does not provide a reasonable justification for concluding that the coerciveness of the Tender Offer would not arise even if the lower limit on the number of shares to be purchased in the Tender Offer is set at 50% of the total voting rights of the Company shares. In fact, among our major shareholders, the MTEF (shareholding ratio of approximately 3.77%) and three members of the founding family (shareholding ratio of approximately 4.1%) will not tender their shares in the Tender Offer, and also submitted a letter to the Financial Services Agency opposing the squeeze-out proposal. In total, shareholders holding at least approximately 8% of the Company's shares have made it clear that they will not tender their shares in the Tender Offer, and plan to oppose the squeeze-out proposal.

Moreover, (iii) in the case of the Tender Offeror's unsolicited acquisition proposal for Takisawa Machine Tool Co., Ltd. ("Takisawa"), according to the tender offer registration statement dated September 14, 2023 regarding the case (the "Takisawa Tender Offer Registration Statement"), despite receiving advice from Mita Securities Co., Ltd. regarding setting of a lower limit of the tender offer with respect to the proposal, the squeeze-out proposal to make the company a wholly-owned subsidiary was believed to be passed even if the lower limit on the number of shares to be purchased in the tender offer was not set at two-thirds or more of the total voting rights of all shareholders, because the so-called cross-shareholding partners were not included in the "shareholders expected to vote in favor of the special resolution for the share consolidation proposal at the extraordinary general meeting of shareholders if the Tender Offer is successfully completed and transitions to the extraordinary general meeting of shareholders." The Tender Offer Registration Statement is clearly inconsistent with the Takisawa Tender Offer Registration Statement submitted by the Tender Offeror approximately a year and a half ago. Furthermore, the Tender Offeror states on p. 7 of the Tender Offer Registration Statement that "the number of the Target Company's shares expected to vote in favor of the proposal for the Share Consolidation is

approximately 70.30%.” It is understood that this figure is obtained by assuming that a number of shares equivalent to 50% of the total number of voting rights of the Company shares will be tendered in the Tender Offer and then adding the number of shares held by domestic passive institutional investors (by the Tender Offeror’s estimation, an ownership ratio of approximately 13.05%) and the number of shares held by the cross shareholding partners (by the Tender Offeror’s estimation, an ownership ratio of approximately 7.25%). However, as stated above, if the shareholding of “cross shareholding partners,” which were not expected to vote in favor of the proposal for the squeeze-out in the Takisawa Tender Offer Registration Statement, is deducted, “the number of the Target Company’s shares expected to vote in favor of the proposal for the Share Consolidation” ends up being “approximately 63.05% (i.e., 50% + approximately 13.05%).” This is contrary to the statement in the Tender Offer Registration Statement, and is less than “the number of shares required for the resolution for the proposal for the Share Consolidation (two-thirds).” In other words, if the same assumptions are made here as in the Takisawa Tender Offer Registration Statement, “the number of shares required for the resolution for the proposal for the Share Consolidation (two-thirds)” is not secured, contrary to the statement in the Tender Offer Registration Statement. The Tender Offeror intentionally and arbitrarily exaggerated the likelihood of the squeeze-out proposal being passed in connection with the Tender Offer. Furthermore, we believe that the reasons given by the Tender Offeror are clearly not appropriate as “reasons why the minimum number of shares planned to be purchased is considered necessary and appropriate to attain the purpose of the purchase etc.”, which are required under the Financial Services Agency’s “Points to Note Regarding Disclosure of a Tender Offer (Guidelines for Disclosure of a Tender Offer)” for “cases where the minimum number of shares to be purchased is set at a number that is likely to be less than two-thirds of the voting rights of all shareholders”.

Furthermore, (iv) in the Tender offer, similar to the case of Takisawa, it was assumed that although no shareholders that are passive institutional investors

would tender their shares in the tender offer, they would vote in favor of the squeeze-out proposal. However, IR Japan, Inc., the Company's shareholder relations advisor, has reported to us that there are a certain number of domestic passive index funds that will tender their shares in a tender offer depending on the terms of the tender offer. In addition, the Government Pension Investment Fund (GPIF) website states in its "Request for Asset Manager Applications (Japanese Equities)" section that "GPIF requests passive investment managers to add value in excess of the benchmark within a certain range of tracking error." We believe that some domestic passive index funds are willing to accept a certain level of tracking error and may tender their shares.

In addition, in the Tender Offer Registration Statement, the Tender Offeror states that "the ratio of voting rights exercised by shareholders other than the tender offeror at a shareholder meeting to approve the proposal for a share consolidation (squeeze-out proposal) after the completion of the tender offer is expected to be significantly lower than the ratio of voting rights exercised at an ordinary annual general meeting of shareholders" in cases where a share consolidation is chosen as the method of squeeze-out. However, this assumption is based on the premise that, at the time of the general meeting of shareholders to approve the share consolidation, the tender offeror already holds two-thirds or more of the voting rights, making it evident that the proposal will be approved. Consequently, shareholders other than the tender offeror are less likely to exercise their voting rights, and this assumption does not apply to the Tender Offer in which the lower limit of the Tender Offer is not set to two-thirds or more of the voting rights of all shareholders, and there is no guarantee that the Tender Offeror will acquire two-thirds or more of the voting rights.

- (iii) The fact that an Additional Tender Period has been set during the Tender Offer Period does not eliminate its coercive nature.

The Tender Offeror states in the Tender Offer Registration Statement that if the number of shares tendered reaches the lower limit on the number of shares to be purchased during the Tender Offer Period, the Tender Offeror will promptly announce this and extend the Tender Offer Period to secure ten

business days from the business day following such announcement (the extended ten business days for the tender offer period, the “Additional Tender Period”). The Tender Offeror claims that the coercive nature of the Tender Offer has been eliminated by the Additional Tender Period.

However, in Japan, where the approval of a squeeze-out proposal at a general meeting of shareholders is not certain unless two-thirds or more of the total voting rights are acquired, depending on the combination of the success or failure of the tender offer and squeeze-out, three potential outcomes exist: (i) tender offer is successful + squeeze-out is also successful, (ii) tender offer is successful + squeeze-out is unsuccessful, and (iii) tender offer itself is unsuccessful. Given that the lower limit for the Tender Offer is set at 50%, even if the Tender Offer is successful, there remains a possibility that the squeeze-out proposal will be unsuccessful and our shareholders could end up as minority shareholders. Therefore, coercion on our shareholders still remains. Japan’s tender offer system, unlike the tender offer systems in the United Kingdom and Germany, allows shareholders to freely withdraw their tendered shares during the TOB Period. Even with an Additional Tender Period, there is no change to the fact that if the number of shares tendered reaches 50% of the Company’s total voting rights, the Tender Offer will be successful. Therefore, even after the Additional Tender Period has passed, the voting rights held by the Tender Offeror may remain below two-thirds of all shareholders’ voting rights after the Tender Offer is completed, and the approval of a proposal for share consolidation for the squeeze-out is not guaranteed. As a result, there remains a concern that our shareholders who do not participate in the Tender Offer could end up as minority shareholders.

Based on the above, we believe that the coercive nature of the Tender Offer has not been resolved, even with the Additional Tender Period.

- (iv) The Tender Offeror’s plan to acquire additional shares of the Company at an amount equal to the Tender Offer Price if the squeeze-out proposal



is not approved does not resolve the coercive nature.

The Tender Offer Registration Statement states that if the Tender Offeror is unable to acquire two-thirds or more of the total number of voting rights in the Company's shares as a result of the Tender Offer, and if the squeeze-out proposal is not approved at the general meeting of shareholders of the Company, the Tender Offeror will acquire additional shares of the Company until a voting rights holding ratio of two-thirds or more is reached (such additional acquisition, the "Additional Acquisition").

However, (i) not only is this is merely a "plan" and not a "commitment" but (ii) regarding the price of such Additional Acquisitions (the "Additional Acquisition Price"), the Tender Offeror states, "[p]lease note that the consideration to be paid by the Tender Offeror to the shareholders of the target in the above additional acquisition will be a price that is evaluated to be economically equivalent to the Tender Offer Price for the shareholders who sold their shares in response to such additional acquisition (unless the Target Company takes any action that requires adjustment of the consideration to be paid, such as a stock split or stock consolidation, the consideration per share will be the same as the Tender Offer Price)" (p.10 of the Tender Offer Registration Statement), and it has been clarified that the Additional Acquisition Price is the same amount as the Tender Offer Price (and not "equal to or greater than" the Tender Offer Price). In addition, (iii) **with regard to the timing of the Additional Acquisition, the Tender Offeror states that it "intends to acquire additional shares of the Target Company's Stock . . . , and will request such shareholders' meeting (with respect to the period required for such additional acquisition and subsequent approval of the Share Consolidation by the Shareholders' Meeting, it is difficult to specify a definite timing at this time, as it depends on market conditions and other circumstances, and the Tender Offeror will announce such timing when a specific expected timing becomes known)," where the timing of the Additional Acquisition is not clearly stated. Therefore, taking into account the "time value of money" (the time value of money cannot be ignored given that the Bank of Japan raised its policy interest rate (the short-term interest rate on**

**uncollateralized overnight call rates) from 0.25% to 0.5% on January 24, 2025).** we believe that **the planned Additional Acquisition will not resolve the coercive nature of the Tender Offer.**

Rather, by aiming to acquire at least two-thirds of the total number of voting rights through additional acquisitions at an Additional Acquisition Price equal to the Tender Offer Price, the Tender Offeror is capitalizing on its decision-making power at the Company's general meeting of shareholders after obtaining a majority of the total voting rights of the Company through the Tender Offer. Even for shareholders who have chosen not to tender their shares in the Tender Offer because the price is insufficient, there is a possibility that the shareholders may be compelled to accept the sale at the Tender Offer Price in some way after the Tender Offer (e.g., a reduction in dividends), and since it is possible for the Company's shareholders to be aware of this possibility at the time of the Tender Offer, this could even be perceived to exacerbate the coercive nature.

We believe that there is a possibility that **the Tender Offer, which has a substantial degree of coercion, will harm shareholder interests, creating a situation in which our shareholders are left with no option but to tender their shares even if the terms of the Tender Offer are harmful to their common interests.** In particular, given the current circumstances where we are exploring less coercive Third-Party Proposals aimed at making the Company a wholly-owned subsidiary, we believe that we cannot agree to the Tender Offer, which has a substantial degree of coercion.

- (d) The specific synergies that will arise for the Company through the implementation of the Tender Offer are unclear, and there are specific concerns that dis-synergies that are serious from the perspective of the enhancement of the Company's medium- to long-term corporate value would arise; accordingly, the Company is not convinced that acquisition of the Company by the Tender Offeror through the Tender Offer will contribute to securing the Company's corporate value and the common interests of our shareholders.

Because the Tender Offeror and the Company have different customer bases and the products they handle have different levels of precision, we believe that it

will be difficult to generate sufficient synergies by combining the technologies of the two firms. It is for this reason that the Company asked the Tender Offeror to provide a quantitative explanation of the synergies; however, as the Tender Offeror state in its response dated March 17 to the Letter of Inquiry (3) that the Company sent to the Tender Offeror on March 11, 2025 (the “Third Letter of Inquiry”), “at this time we do not have a plan for the next fiscal year and subsequent fiscal years for your company” and “the synergies that will be created by having your company join our group through the Transaction will be refined after the Transaction is completed,” the Tender Offeror has made no quantitative consideration of the synergies. Further, in its responses to the two letters of inquiry that the Company sent to the Tender Offeror on January 28 and February 14, 2025 (the letter of inquiry dated January 28, 2025, the “First Letter of Inquiry”; the letter of inquiry dated February 7, 2025, the “Second Letter of Inquiry”) and to the Third Letter of Inquiry, and in the meeting held between the Company and its Special Committee and the Tender Offeror, the Tender Offeror provided no specific response regarding the specific details of the synergies or quantitative analysis results. Therefore, at this point in time, it is not clear what specific synergies will arise for the Company through the Tender Offer and we are not confident that sufficient synergies will be obtained.

Meanwhile, for the following reasons, the Company has specific concerns that dis-synergies that are serious from the perspective of the enhancement of the Company’s medium- to long-term corporate value would: (i) The Japan Die and Mold Industry Association, which is made up of Japanese die and mold manufacturers that are major clients of the Company, published a survey which showed that roughly 75% of its members had a bad impression of the Tender Offer and roughly 60% thought that the Tender Offer would have a negative impact on their company; (ii) the China Die & Mold Industry Association and other die and mold industry associations throughout China, which are made up of Chinese die and mold manufacturers that also are major clients of the Company, have issued statements expressing their concerns that if the Tender Offeror’s acquisition of the Company is completed, there will be an undesirable impact on the quality of the Company’s technical services; (iii) the domestic transaction partners of the Company that have stated that they expect to stop transactions with the Company if the Tender Offeror becomes its parent company represent more than 10% of domestic sales, and if the Tender Offeror does become the wholly-owning parent of the Company through the Proposal,

there is the danger that the foregoing sales will be lost; (iv) in an all-member voting at the Company's labor union, to which over 90% of the Company's employees belong, in response to a question regarding whether they support the opinion that states, "the Company Union strongly opposes the Tender Offer (TOB)," 92.1% expressed support for the opinion (i.e., strongly oppose the Tender Offer) and 7.9% opposed the opinion (i.e., do not oppose the Tender Offer) (voter turnout was 91.6%); (v) in comparing the "Company Profile" page of the website of the Tender Offeror OKK Corporation, which is a subsidiary of the Tender Offeror and a machine tool manufacturer, against the 164th Term Securities Report for the Tender Offeror OKK Corporation, dated June 21, 2022, it appears that the number of employees at the Tender Offeror OKK Corporation has decreased by roughly 300 since 2022, when it was acquired by the Tender Offeror (the Company has repeatedly asked the Tender Offeror for the average employee turnover rate over the past five years for its four machine tool subsidiaries, but the Tender Offeror has not once responded); and (vi) the Tender Offeror has not provided specific explanations sufficient to eliminate these concerns.

As discussed above, at this point in time, it is not clear what synergies will arise for the Company from the Tender Offer; meanwhile, there are specific concerns that dis-synergies that are serious from the perspective of the enhancement of the Company's medium- to long-term corporate value would arise; accordingly, the Company is not convinced that the Tender Offeror's acquisition of the Company through the Tender Offer will contribute to securing the Company's corporate value and the common interests of our shareholders.

(e) Conclusion

In conclusion, the Company is not convinced that the acquisition of the Company by the Tender Offeror through the Tender Offer will contribute to securing the corporate value and the common interests of our shareholders, and **opposes the Tender Offer because (i) the Tender Offer was commenced without securing the time reasonably necessary for our shareholders to make appropriate decisions on the merits of the Proposal after considering the details of Third-Party Proposals and the Announcement of the Financial Results for the Fiscal Year Ending March 2025, and forces our shareholders to decide whether to tender**

**their shares in the Tender Offer without giving them the opportunity to consider the foregoing, and (ii) there are specific concerns that there is a substantial degree of coercion with respect to the terms of the Tender Offer, creating a situation where our shareholders are left with no option but to tender their shares even if the terms of the Tender Offer are harmful to the common interests of our shareholders.**

### **(3) Prospects for Delisting and its Reasons**

As of today, the Company shares are listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”).

According to the Tender Offer Registration Statement, the details are as follows:

Because the Tender Offeror has not set an upper limit on the number of shares to be purchased in the Tender Offer, there is a possibility, depending on the results of the Tender Offer, that pursuant to the delisting standards of the Tokyo Stock Exchange, Company shares will be delisted after certain procedures are undertaken. Moreover, even in the event where, at the time the Tender Offer is completed, the standards for delisting have not been met, if, after completion of the Tender Offer, the procedures set forth in “(5) Post-Tender Offer Reorganization Policy (Matters Relating to so-called Two-Step Acquisition)” on p.20 of the Tender Offer Registration Statement are executed, pursuant to the delisting standards of the Tokyo Stock Exchange, shares of the Company will be delisted after certain procedures are undertaken.

### **(4) Post-Tender Offer Reorganization Policy (Matters Relating to so-called Two-Step Acquisition)**

According to the Tender Offer Registration Statement, the details are as follows:

Because the Tender Offeror aims to make the Company its wholly-owned subsidiary, even in the event the Tender Offer is completed but the Tender Offeror is unable to acquire all Company shares (excluding Company shares owned by the

Tender Offeror and treasury shares owned by the Company), the Tender Offeror plans to implement squeeze-out procedures if, as a result of the Tender Offer, (i) the Tender Offeror comes to own Company shares representing at least 90% of the voting rights of all Company shareholders, (ii) the Tender Offeror comes to own Company shares representing at least two-thirds but less than 90% of the voting rights of all Company shareholders, or (iii) the Tender Offeror was unable to reach a position of owning Company shares representing at least two-thirds of the voting rights of all Company shareholders. In the case of (i) above, the Tender Offeror plans to make a demand to cash-out pursuant to Title 2, Chapter 2, Section 4-2 of the Companies Act, and in the case of (ii) or (iii), will request that the Company convene an extraordinary general meeting of shareholders (“Extraordinary General Meeting of Shareholders”) that includes a proposal for consolidation of Company shares pursuant to Article 180 of the Companies Act and, subject to the Share Consolidation taking effect, a proposal for partial amendment of the Articles of Incorporation for eliminating provisions concerning shares of less than one unit (“Share Consolidation”).

However, in the case of (iii), there is a possibility that the resolution pertaining to the Share Consolidation will not pass at the Extraordinary General Meeting of Shareholders, but even in the event where such resolution fails to pass, because the Tender Offeror intends ultimately to acquire all Company shares (excluding Company shares owned by the Tender Offeror and treasury shares owned by the Company), it will additionally acquire Company shares until it holds a number representing two-thirds of the voting rights at the next general meeting of shareholders scheduled to be held to approve the Share Consolidation, and will request that such general meeting of shareholders be held (because the time needed for such additional acquisition and approval of the Share Consolidation at a subsequent general meeting of shareholders will depend on market and other conditions, it is difficult to specify a definite timeframe at this point in time). Regarding the method of such additional acquisition, the Tender Offer plans to use market trades, tender offers, and off-market trades other than tender offers (limited to cases allowed by law), and if the resolution for Shareholder Consolidation fails to pass at the Extraordinary General Meeting of Shareholders, the Tender Offeror plans to commence an additional acquisition of Company shares as soon as practicably possible. If the Tender Offer is successfully completed, there will be no change to the policy of making the Company a wholly-owned subsidiary, regardless of what the projected timing is.

**(5) Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest**

**(a) Establishment of Special Committee and its Findings**

As stated in (2) above, the Company established a Special Committee consisting of four independent and external directors of the Company to consider the merits of the Proposal, as well as the appropriateness and fairness of the conditions and procedures of the transaction, including the structure. The Special Committee was formed with the aim of eliminating arbitrary decisions by our board of directors and ensuring the fairness, transparency, and objectivity in the decision-making process, from the perspective of enhancing the Company's corporate value and ensuring the interests of our general shareholders. Furthermore, the Special Committee has selected and appointed JPMorgan Securities Japan Co., Ltd. as the Special Committee's external and independent financial advisor and Anderson Mori & Tomotsune as the Special Committee's external and independent legal advisor. None of the foregoing external advisors are a related party of the Tender Offeror or the Company, and have no material conflict of interest that should be stated in relation to the Tender Offer.

Since January 10, 2025, the Special Committee has been held a total of 18 times and, in accordance with the Special Committee regulations, has considered the Proposal, as well as the appropriateness and fairness of the conditions and procedures of the transaction, including the structure.

Today, the Special Committee reported its findings to our board of directors, concluding that the Company's opposition to the Tender Offer is reasonable.

The summary of the findings is as follows:

**(i) Content of Findings**

Given the specific facts of this case, the Company's opposition to the Tender Offer is reasonable.

(ii) Reasons of Findings

(A) The Tender Offer has been commenced in a manner that deprives our shareholders of the opportunity to compare and consider the terms of the Tender Offer in light of the attractive Third-Party Proposals from the Proposers in determining whether to tender their shares in the Tender Offer, and it is likely to be detrimental to the common interests of our shareholders.

- In connection with the Proposal, as part of the Company's consideration of all strategic options, the Company is actively conducting market checks with the aim of considering the best option for the Company and our shareholders. The Company has, upon such active market checks, received multiple Initial Third-Party Letters of Intent from the Proposers by February 28, 2025. The Company's financial advisor, Nomura Securities Co., Ltd., before the submission of the Initial Third-Party Letters of Intent, informed the Proposers that they would need to submit proposal price that exceeded the Tender Offer Price; it is accordingly believed that, in submitting the Third-Party Proposals, the Proposers were aware that acquiring the Company would be unlikely unless they make an offer that exceeds the Tender Offer Price. Furthermore, after the Company received the Initial Third-Party Letters of Intent from the Proposers, the Proposers have been exchanging information with the Company while taking steps to submit the Final Third-Party Letters of Intent up to the point of submission of the Findings Report dated April 10, 2025 (the "Findings Report"). Therefore, as of the time of submission of the Findings Report, it is probable that the Company will receive Final Third-Party Letters of Intent for Third-Party Proposals from the Proposers in which the tender offer prices included in such Third-Party Proposals exceed the Tender Offer Price.
- It is not unreasonable that the Company has not received Final Third-Party Letters of Intent from the Proposers as of the time of submission of the Findings Report. Specifically, it was on December 27, 2024, the Company's final business day of 2024, that the Company received the Proposal without any prior consultation or even preliminary inquiry from the Tender Offeror,



which stated its intention to commence the Tender Offer on April 4, 2025. As the Company's first business day of 2025 was January 6, the Company substantively had only approximately three months to consider the Proposal until the time of submission of the Findings Report. On the other hand, according to Nishimura & Asahi (Gaikokuho Kyodo Jigyo), in recent cases of tender offers in Japan that were conducted without the consent of the target company, there was a period of approximately six months or more between the date when the initial consultation for the tender offer was thought to have been made and the commencement date of the tender offer. In addition, the market capitalization of the Company is approximately 280 billion yen as of the time of submission of the Findings Report. According to publicly available materials collected by JP Morgan Securities Japan Co., Ltd, when executing a tender offer aimed at acquiring all outstanding shares in which the total tender offer amount (the amount obtained by multiplying the number of shares to be acquired by the tender offer price) exceeds 100 billion yen, it takes a period of more than three months from the submission of the initial letters of intent to the submission of the final letters of intent. Furthermore, some of the Proposers are expected to require loans from financial institutions to raise the funds for the acquisition, and in order for the Proposers to obtain such financing, it is necessary to conduct a detailed due diligence on the Company, share the due diligence report with the financial institutions, and subsequently negotiate the various conditions of the financing with the financial institutions. In fact, by March 19, 2025, which was the submission date of the findings report submitted by the Special Committee to the Company in introducing the Response Policies, the Company has received a letter from one of the Proposers (i) informing that, in light of the time required for the due diligence on the Company and the time required for negotiations with financial institutions from which to borrow acquisition funds, it may be difficult to submit the Final Third-Party Letters of Intent by May 21, 2025, the last day of the Tender Offer Period, and (ii) requesting the Company to

urge the Tender Offeror to postpone the commencement of the Tender Offer to until at least May 9, 2025, in accordance with the requests of our board of directors and the Special Committee.

- From the above, it cannot be said that sufficient time has been secured for the Company to receive Final Third-Party Letters of Intent from the Proposers, and it is not unreasonable that Final Third-Party Letters of Intent have not been received as of the time of submission of the Findings Report.
- The Company and the Special Committee has made requests to the Tender Offeror in the First Request Letter, the Second Request Letter, and the Board of Directors' Request Letter to postpone the commencement of the Tender Offer, but the Tender Offeror rejected all of these requests. In addition, on March 10, 2025, the Company informed the Tender Offeror in the Board of Directors' Second Request Letter that the Company had received the Initial Third-Party Letters of Intent from the Proposers by February 28, 2025 and that it was necessary to secure sufficient time for our shareholders to compare and consider the Proposal and the Third-Party Proposals, and again requested that the Tender Offer be postponed. However, the Tender Offeror did not provide any substantive response by the deadline set by the Company, and therefore, the Company introduced the Response Policies on March 19, 2025. Nevertheless, the Tender Offeror commenced the Tender Offer on April 4, 2025, in violation of the Response Policies.
- As described above, as of the time of submission of the Findings Report, it is probable that the Company will receive Final Third-Party Letters of Intent from the Proposers, and if it receives Final Third-Party Letters of Intent, the tender offer prices included in the Third-Party Proposals are expected to exceed the Tender Offer Price. Notwithstanding these facts, the Tender Offeror has refused the repeated requests of the Company and the Special Committee and commenced the Tender Offer in violation of the Response Policies and deprives our shareholders of the opportunity to compare and consider the terms of the Tender Offer in light of the Third-Party Proposals in determining

whether to tender their shares in the Tender Offer. The commencement of the Tender Offer under such circumstances and in such manner is likely to be detrimental to the common interests of our shareholders.

(B) Our shareholders were deprived of the opportunity to consider the terms of the Tender Offer in light of the contents of the Company's Announcement of the Financial Results for the Fiscal Year Ending March 2025.

- In addition, in deciding whether the terms of the Tender Offer are favorable enough to tender their shares in the Tender Offer, in light of the fact that sales of the Company as a machine tool manufacturer are usually the largest in the fourth quarter of each year and the Company's performance for the fiscal year ending March 2025 is difficult to specifically predict until the Announcement of the Financial Results for the Fiscal Year Ending March 2025, our shareholders have a strong need to consider the latest information about the Company, such as the Company's operating results and financial condition for the fiscal year ending March 2025. In view of the Company's Announcement of the Financial Results for the Fiscal Year Ending March 2025, the Company had requested to the Tender Offeror that the commencement of the Tender Offer be postponed. Nevertheless, the Tender Offeror commenced the Tender Offer under a timeline in which the Company's Announcement of the Financial Results for the Fiscal Year Ending March 2025 would occur during the Tender Offer Period.
- The Tender Offeror refused to postpone the commencement date of the Tender Offer on the grounds that 12 business days had been secured between the Company's Announcement of the Financial Results for the Fiscal Year Ending March 2025, which is scheduled for April 30, 2025, and the last day of the Tender Offer Period. However, it cannot necessarily be said to be based on reasonable grounds in view of the impact of the commencement of the Tender Offer on the share price, and the various other effects of the commencement of the Tender Offer on the factors used by shareholders in making their decisions.

- As described above, the Tender Offer has been commenced in a manner that deprives our shareholders of the opportunity to determine, without being affected by the commencement of the Tender Offer, whether to tender their shares based on the contents of the Announcement of the Financial Results for the Fiscal Year Ending March 2025, which is important information, and such a situation is likely to be detrimental to the common interests of our shareholders.

(C) While the specific synergies that will arise for the Company as a result of the Tender Offer are unclear, there are specific concerns that significant dis-synergies could arise from the perspective of enhancing the Company's corporate value in the medium- to long-term and, therefore, as of the time of submission of the Findings Report, the Company is not convinced that the Proposal will contribute to enhancing our corporate value and securing the common interests of our shareholders.

- Due to the differences in the customer bases and the degree of precision of the products of the Tender Offeror and the Company, the Company thought that it would be difficult to achieve sufficient synergies by combining their technologies and other aspects. As such, the Company has requested in the "Letter of Inquiry" dated January 28, 2025, the "Second Letter of Inquiry" dated February 7, 2025, and the Third Letter of Inquiry that the Tender Offeror provide a quantitative explanation of synergies. However, in its written response, dated March 17, 2025, to the Third Letter of Inquiry, the Tender Offeror only stated that it had not formulated any plans for the Company for the next fiscal year or beyond at this time and that the synergies to be created by the Company becoming a wholly-owned subsidiary of the Tender Offeror and joining the Tender Offeror's group will be refined after the completion of the Transaction. In addition, in its response to the Company's "Letter of Inquiry" dated January 28, 2025, "Second Letter of Inquiry" dated February 7, 2025, and the Third Letter of Inquiry, and in the meetings held between the Company and the Tender Offeror on March 4, 2025 and between the Special Committee and the Tender Offeror on January 17, 2025, the Tender Offeror did not provide any specific details or

the results of any quantitative analysis regarding the synergies that would arise for the Company by implementing the Tender Offer. Accordingly, as of the time of the submission of the Findings Report, the Company is not convinced that it will be able to achieve sufficient synergies as a result of the Tender Offer.

- On the other hand, for the following reasons, it is considered that there are specific concerns that the Tender Offer could cause significant dis-synergies from the perspective of enhancing the Company's medium- to long-term corporate value: (i) the Japan Die & Mold Industry Association, which is comprised of Japanese die and mold manufacturers who are the Company's main customers, has published survey results stating that approximately 75% of its members had a negative impression of the Tender Offer and approximately 60% believed that it would have a negative impact on their companies; (ii) the China Die & Mold Industry Association, which is comprised of Chinese die and mold manufacturers who are also the Company's main customers, and the die and mold industry associations in various parts of China, have issued statements expressing concern that the quality of the Company's technical services would be adversely affected if the Tender Offeror's acquisition of the Company is completed; (iii) the Company's domestic business partners accounting for more than 10% of its domestic sales have stated that they intend to cease transactions with the Company if the Tender Offeror becomes the Company's parent company, and thus there is a risk that the Company will lose the above-mentioned sales if the Tender Offeror becomes the Company's 100% parent company in accordance with the Proposal, (iv) when the Company's labor union, which has over 90% of its employees as members, asked for opinions on whether they would support a proposal to express the opinion that "the labor union strongly opposes the Tender Offer (TOB)" in a vote of all union members, 92.1% voted in favor (i.e., strongly opposed the Tender Offer), while 7.9% voted against it (the voting rate was 91.6%); (v) comparing the "Company Profile" page on the website of Nidec OKK Corporation ("Nidec OKK"), a subsidiary of the

Tender Offeror and a machine tool manufacturer, and Nidec OKK's 164th annual securities report dated June 21, 2022, it is considered that the number of Nidec OKK's employees has decreased by approximately 300 people since 2022, when it was acquired by the Tender Offeror (in this regard, the Company has asked the Tender Offeror about the average employee turnover rate over the past five years for the four machine tool manufacturer subsidiaries of the Tender Offeror, but has not received any response from the Tender Offeror on the grounds that such information is not public); and (vi) the Tender Offeror has not provided any specific explanation sufficient to eliminate these concerns.

- As described above, the Company's stakeholders (our business partners and labor union) have expressed negative opinions on the Tender Offer, and careful consideration is required. While the specific synergies that would arise for the Company are unclear, there are specific concerns that significant dis-synergies could arise from the perspective of enhancing the Company's corporate value in the medium- to long-term, and therefore, as of the time of submission of the Findings Report, the Company is not convinced that the Proposal will contribute to enhancing the Company's corporate value and securing the common interests of our shareholders.

(D) There are reasonable concerns that there is coercion in the Tender Offer by the Tender Offeror.

- The Tender Offeror commenced the Tender Offer by setting the lower limit on the number of shares to be purchased at 11,694,400 shares, which is equivalent to 50% of the total number of voting rights of the Company shares, with the aim of making the Company a wholly-owned subsidiary. With regard to the lower limit on the number of shares to be purchased, if the Tender Offer is completed but the Tender Offeror is unable to acquire two-thirds or more of the voting rights of all of our shareholders, it is possible that the proposal for a squeeze-out to make the Company a wholly-owned subsidiary of the Tender Offeror will not be approved at the Company's general meeting

of shareholders after the Tender Offer, and our shareholders could end up as minority shareholders of the Company with the Tender Offeror as the parent company.

- In this regard, the Tender Offeror stated in the Tender Offer Registration Statement that even if the number of shares tendered in the Tender Offer was close to the lower limit on the number of shares to be purchased, the domestic passive index funds, the Company's officers, and the Company's cross-shareholding partners (assuming that they would not tender their shares in the Tender Offer) "are expected to vote in favor of" of the squeeze-out proposal and therefore, the squeeze-out proposal is reasonably expected to be approved with approximately 74.12% or more of the votes cast in favor or the proposal in terms of ownership ratio (According to the Tender Offeror, even if it assumes that the MTEF and the officers of the Company will vote against the proposal for the squeeze-out, the percentage of the Company's shares expected to vote in favor of the proposal for the squeeze-out will be approximately 70.30%, which exceeds the number of shares required for the resolution for the proposal for the squeeze-out (two-thirds), and therefore, even under this assumption, the Tender Offeror believes that the requirements for passage of the proposal for the squeeze-out are satisfied.). However, (i) while the Tender Offeror assumes that all domestic passive index funds will not tender their shares in the Tender Offer but will vote in favor of the squeeze-out proposal, IR Japan, Inc., our external shareholder relations advisor, has reported to the Company that there are a certain number of domestic passive index funds that will tender their shares in the Tender Offer depending on the terms of the Tender Offer, and the Company cannot rely entirely on the Tender Offeror's assumption. Furthermore, (ii) among our major shareholders, the MTEF (shareholding ratio of approximately 3.77%) and three members of the founding family (shareholding ratio of approximately 4.1%) submitted a letter to the Financial Services Agency stating that they will not tender their shares in the Tender Offer and plan to oppose the squeeze-out proposal,

and the Tender Offeror expects the MTEF to exercise its voting rights in favor of the share consolidation proposal at the general meeting of shareholders. The Tender Offeror asserts that the reason for this is that, in summary, there are similarities between the philosophy of the MTEF and the goals of the Tender Offeror and it believes that the MTEF will understand the Tender Offeror's management policies after the completion of the Tender Offer, and that since this is a prediction of future actions, it is not inconsistent with the MTEF's current expression of opposition to the Tender Offer. However, the reasonableness of this assertion is questionable. Similarly, (iii) the Tender Offeror states that the cross-shareholding partners of the Company are expected to exercise their voting rights in favor of the share consolidation proposal at the general meeting of shareholders. The Tender Offeror states that the reason for this is that, in summary, after the Tender Offeror becomes the new parent company of the Company, it is expected that the board of directors of the Company will have a certain level of understanding of the management policies of the Tender Offeror, the new parent company, and will cooperate with the Tender Offeror to operate its business with the aim of enhancing its corporate value, and, along with the understanding of the Company, it will also be able to obtain understanding of its related parties with respect to such management policies. However, considering that the Tender Offeror itself has stated in the Tender Offer Registration Statement that it has not confirmed the intentions of the cross-shareholding partners regarding this view, and that it has not applied such treatment of cross-shareholding partners in the case of the Tender Offeror's previous tender offer for Takisawa, the reasonableness of such statement is questionable.

- Based on the above points, contrary to the results expected by the Tender Offeror, even after the completion of the Tender Offer, which sets the lower limit on the number of shares to be purchased at 50% of the total number of voting rights, there remains a reasonable doubt as to the feasibility of taking the



Company private. Therefore, (since the Company is not convinced that the Proposal will contribute to enhancing our corporate value and securing the common interests of our shareholders as stated in (iii) above,) there is a situation in which the Company's shareholders are concerned about the realistic likelihood of our corporate value declining after the completion of the Tender Offer, and even if the terms of the Tender Offer are detrimental to the common interests of our shareholders, it is reasonably believed that they have no choice but to tender their shares in the Tender Offer in order to avoid being left as minority shareholders of the Company, and thus, there are reasonable concerns that the Tender Offer has a coercive nature.

- In the Tender Offer Registration Statement, the Tender Offeror has stated that if the number of shares tendered during the Tender Offer Period reaches the lower limit on the number of shares to be purchased, it intends to promptly announce such fact and extend the Tender Offer Period to ensure that at least ten business days are secured from the business day following the date of such announcement, thereby eliminating coerciveness. However, while shareholders may withdraw their tenders during the extended period, even if an additional tender period is set, the Tender Offer will still be successful if the number of shares tendered reaches 50% of the total number of voting rights of the Company. Therefore, it still cannot be denied that there is a reasonable concern that the Tender Offer by the Tender Offeror has a coercive nature. In addition, the Tender Offeror has announced that if, as a result of the Tender Offer, the Tender Offeror is unable to acquire the number of shares that would constitute two-thirds or more of the total voting rights of the Company shares, and the squeeze-out proposal is not approved at the Company's general meeting of shareholders, it will acquire additional Company shares at the Additional Acquisition Price, which will be a price that is evaluated to be economically equivalent to the Tender Offer Price for the shareholders who sell their shares in response to such additional acquisition, until a voting rights holding ratio of two-thirds or more is reached.

However, the Tender Offeror has not clarified the specific completion date for such additional acquisition, and it cannot be denied that the shareholders who considers the price is insufficient and therefore choose not to tender their shares in the Tender Offer may be placed in an unstable position as minority shareholders of the Company for a long time, or that they may suffer disadvantages as minority shareholders during such period. Therefore, such response will not eliminate the coerciveness.

(E) Summary

- The Tender Offer (i) has been commenced in a manner that deprives our shareholders of the opportunity to compare and consider the terms of the Tender Offer in light of the Third-Party Proposals, notwithstanding the fact that, as of the time of submission of the Findings Report, it is probable that the Company will receive Final Third-Party Letters of Intent from the Proposers that includes a tender offer price higher than the Tender Offer Price in the future, and is likely to be detrimental to the common interests of our shareholders, (ii) deprives our shareholders of the opportunity to consider, without being affected by the commencement of the Tender Offer, the terms of the Tender Offer based on the Company's Announcement of the Financial Results for the Fiscal Year Ending March 2025, (iii), while the specific synergies that will arise for the Company as a result of the Tender Offer are unclear, raises specific concerns that significant dis-synergies could arise from the perspective of enhancing the Company's corporate value in the medium- to long-term, and therefore, as of the time of the submission of the Findings Report, the Company is not convinced that the Proposal will contribute to enhancing our corporate value and the common interest of our shareholders, and (iv) involves reasonable concerns that the Tender Offer has a coercive nature, and the Tender Offer may create a situation in which shareholders will have no choice but to tender their shares even if the terms of the Tender Offer are detrimental to the common interests of our shareholders.

In light of the foregoing, it is not reasonable for the Company to express an opinion in favor of or neutral with respect to the Tender Offer, and it is rather reasonable to express its opposition to the Tender Offer.

(b) Appointment of External Advisors

As stated in (2) above, in expressing our opinion regarding the Tender Offer, the Company selected and appointed Nomura Securities Co., Ltd. as its external financial advisor, Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as its external legal advisor primarily for Japanese legal matters, Sullivan & Cromwell LLP as its external legal advisor on U.S. legal matters, and IR Japan, Inc. as its external shareholder relations advisor. Based on their advice, the Company is carefully evaluating and considering the Tender Offer. None of these external advisors are related parties of the Tender Offeror or the Company, and do not have any conflict of interest that should be disclosed regarding the Tender Offer.

(c) Introduction of the Response Policies

As stated in (1) above and 6 below, the Company has introduced the Response Policies by a resolution of the board of directors dated March 19, 2025, for the sole purpose of securing the time reasonably necessary for the materialization of Third-Party Proposals, in order for our shareholders and the Company to make appropriate decisions on the merits of the Proposal after a comparative consideration of the Proposal and Third-Party Proposals.

Please refer to 6(1) below for the background regarding the Company's resolution dated today to submit a proposal regarding the implementation of Countermeasures and the Item of Agenda regarding the Countermeasures at the General Meeting of Shareholders.

**4. Matters Relating to Important Agreements for the Tender of Shares in the Tender Offer Between the Tender Offeror and the Company's Shareholders and Directors**

Not applicable.

**5. Details of Benefits Provided by the Tender Offeror or its Specially Related Parties**

Not applicable.

**6. Response Policies Regarding Basic Policies for the Control of the Company**

**(1) The Background and Reasons that Led to the Decision to Introduce the Response Policies and to Implement Countermeasures**

As stated in 3(1) and (2)(a) above and in the Response Policies Press Release, our board of directors has resolved as of March 19, 2025 to introduce the Response Policies as a measure to prevent control of determination of the Company's financial and business policies by an inappropriate party, in light of the basic policies of the Company (Article 118, item (iii)(b)(2) of the Regulations for Enforcement of the Companies Act).

The Company believes that the decision of whether to accept large-scale purchase actions for the Company shares should ultimately be made by the shareholders, from the perspective of maximizing the Company's corporate value to the common interests of our shareholders. The sole purpose of the Response Policies is to secure the time reasonably necessary for the materialization of Third-Party Proposals in order for our shareholders and the Company to make appropriate decisions on the merits of the Proposal after a comparative consideration of the Proposal and Third-Party Proposals, and are not intended to prevent the implementation of the Tender Offer itself. In addition, our board of directors will utilize the Special Committee, which had already been established at

the time Response Policies were introduced and consists of four external directors who are independent from the management that executes the Company's business, in order to eliminate arbitrary decisions by the Company's directors regarding the implementation of countermeasures against large-scale purchase actions (as defined in the Response Policies Press Release; the same applies hereinafter).

The Response Policies were introduced because the Tender Offeror rejected our request that the Tender Offeror postpone the Tender Offer in order to secure time for our shareholders and the Company to conduct a comparative consideration of the Proposal and Third-Party Proposals. However, the Tender Offeror disregarded all of the procedures provided in the Response Policies and commenced the Tender Offer on April 4 of this year without securing the time necessary for our shareholders and the Company to make appropriate decisions on the merits of the Proposal after a comparative consideration of the Proposal and Third-Party Proposals.

Since the Tender Offer was commenced before May 9, 2025 without confirming the Company's receipt of Final Third-Party Letters of Intent, this violates procedures set forth in the Response Policies as described in the Response Policies Press Release. Further, because our shareholders have actually been deprived of the opportunity to consider whether the terms of the Tender Offer are favorable based on Third-Party Proposals as a result of the Tender Offer, the Company has resolved as of today to submit a proposal regarding the implementation of Countermeasures against the Tender Offer and the Item of Agenda regarding Countermeasures at the General Meeting of Shareholders in accordance with the Response Policies.

In addition, today, our board of directors received the Special Committee's findings concluding that it is also reasonable to submitting a proposal regarding the implementation of Countermeasures against the Tender Offer and the Item of Agenda regarding Countermeasures at the General Meeting of Shareholders in accordance with the Response Policies.

## **(2) Matters to Be Resolved at the Shareholders' Intent Confirmation Meeting and Requirements for Resolutions**

As stated in (1) above, because our board of directors has adopted an opposing position on the Tender Offer and has concluded that countermeasures based on the Response Policies should be implemented in response, the Company plans to hold the General Meeting of Shareholders as the shareholders' intent confirmation meeting and submit the Item of Agenda regarding the approval of the implementation of countermeasures based on the Response Policies.

Details of the General Meeting of Shareholders will be announced promptly after the convocation is formally decided.

For more information on the Countermeasures, please refer to the Press Release on Implementation of Countermeasures.

## **(3) Future Procedures**

Since the Tender Offeror commenced the Tender Offer on April 4 of this year, the Tender Offer will be concluded prior to the scheduled date of the General Meeting of Shareholders in June of this year, which will serve as the shareholders' intent confirmation meeting. As a result, it will not be possible to secure an opportunity to confirm the intentions of our shareholders regarding whether to accept the large-scale purchase actions before such meeting. Therefore, the Company's board of directors has resolved, as of today, to implement the Countermeasures without going through the shareholders' intent confirmation meeting, fully respecting the Special Committee's findings.

However, even in this case, although the board of directors has resolved to implement the Countermeasures, the Company will still hold the General Meeting of Shareholders as the shareholders' intent confirmation meeting in June of this year and submit the Item of Agenda. Additionally, the record date and the effective date for the allotment of share options without contribution, as part of the Countermeasures, will be set for dates after the General Meeting of Shareholders. If the Item of Agenda is approved at the General Meeting of Shareholders

(shareholders' intent confirmation meeting), our board of directors will implement the allotment of share options without contribution in accordance with our shareholders' intentions. On the other hand, if the Item of Agenda is not approved, the Company will respect our shareholders' intentions and will not implement the allotment of share options without contribution.

If, after the resolution for implementation of the Countermeasures, the Tender Offer is withdrawn by the Tender Offeror, Tender Offer fails as a result of the total number of the Company shares tendered in the Tender Offer not reaching the lower limit on the number of shares to be purchased, or there is any other change in the facts that formed the basis for the Special Committee's findings regarding implementation of the Countermeasures, and if it is determined that implementation of any countermeasures is no longer necessary, we plan to terminate the allotment of share options without contribution, which are subject to discriminatory exercise conditions, acquisition clauses, and other provisions attached as part of the Countermeasures.

**7. Questions to the Tender Offeror**

Please see Exhibit 1.

**8. Request for Extension of the Tender Offer Period**

Not applicable.

As stated in 3(2)(a) above, the Company and the Special Committee requested that the Tender Offeror postpone the commencement date of the Tender Offer to May 9, 2025 on a total of three occasions prior to the receipt of initial letters of intent from third parties, but the Tender Offeror rejected all three requests. Company thereafter made the same request to the Tender Offeror after the receipt of initial letters of intent from third parties, specifically noting such receipt, but the Tender Offeror again rejected this request and commenced the Tender Offer.

End

## Inquiries to the Tender Offeror

Inquiries to the Tender Offeror are as follows.

Please note that in this document, the term “Tender Offeror” refers to Nidec Corporation, “Tender Offer” refers to the tender offer for shares or other securities of Makino Milling Machine Co., Ltd. (the “Company”) by the Tender Offeror, and “Proposal” refers to the Tender Offer for shares of the Company aimed at making the Company a wholly owned subsidiary of the Tender Offeror, dated December 27, 2024, respectively.

In addition, when responding, if the Tender Offeror intends to indicate that the information has already been provided in the Tender Offer Registration Statement submitted on April 4, 2025 (the “Tender Offer Registration Statement”), please respond by stating, “as stated on page [xx], line [xx] of the Tender Offer Registration Statement.”

**Section 1 Commencement date of the Tender Offer**

1. Prior to the receipt of initial letters of intent (the “Initial Third-Party Letters of Intent”) for acquisition proposals aimed at making the Company a wholly owned subsidiary that compete with the Proposal (the “Third-Party Proposals”), the Company and Special Committee established by the Company on January 10, 2025 consisting of four independent and external directors (the “Special Committee”) have repeatedly requested, on a total of three occasions, that the Tender Offeror commence the Tender Offer on May 9, 2025, since the information provided by the Tender Offeror regarding the Tender Offer was insufficient from the perspective of securing an opportunity for informed judgment by our shareholders.

In addition, the same request was made after the receipt of Initial Third-Party Letters of Intent, specifically noting such receipt, that time was required to receive a final and legally binding letter of intent for a Third-Party Proposal (the “Final Third-Party Letters of Intent”), and that it was difficult to receive and announce such letter of intent by the commencement date of the Tender Offer.

These requests are based on the “Guidelines for Corporate Takeovers - Enhancing Corporate Value and Securing Shareholders’ Interests” (the “Guidelines”) published by the Ministry of Economy, Trade and Industry on August 31, 2023, which are believed to require that the necessary time is secured for the target company’s board of directors and special committee to consider, formulate, and implement alternative proposals in order for shareholders to make the correct choice regarding the merits of the proposal and its



transaction terms, and that information regarding alternative proposals, as well as the results of the comparative consideration of the proposal and alternative proposals is provided.

Although the Tender Offeror states on p. 5 of the Tender Offer Registration Statement that it “believes that it has complied with all of the processes required of it as a tender offeror in the Guidelines for Corporate Takeovers throughout the transaction,” **it has disregarded the Company’s request for postponement pursuant to the above-mentioned Guidelines, without stating any compelling reason for requiring the commencement date of the Tender Offer to be on April 4, 2025 in the Tender Offer Registration Statement. (In particular, with respect to the procedures under Chinese competition law, although the Tender Offeror has consistently stated since December 27, 2024, that the “expected completion date (tentative)” was “early April,” there has been a significant delay from the originally estimated timeframe, as stated in Section 2 below, and the Tender Offeror has revised its estimate without touching whatsoever on the reasons for such delay.) Considering the above, please tell us the reason why this Tender Offer was forcibly commenced on April 4, 2025.**

2. Please provide specific details of the reasonable grounds for the Tender Offeror’s board of directors approving the commencement of the Tender Offer on April 4 by the Tender Offeror’s executive directors despite of the repeated requests by the Company about postponing the commencement of the Tender Offer, and the risk that the procedures under Chinese competition law will not be completed by May 21, 2025 as scheduled (see Section 2 below) and that countermeasures will be implemented in accordance with the Response Policies (see Section 5 below); in addition, if there were external directors who disagreed with the commencement, please provide specific details of their opinions and the response of the Tender Offeror’s executive directors to those opinions.

## **Section 2 Procedures for the Tender Offer under Domestic and Foreign Competition Laws and Foreign Investment Regulations**

1. According to p. 4 of the Tender Offer Registration Statement, in relation to procedures under Chinese competition law, the Tender Offeror obtained an opinion from a Chinese law firm stating that the review period under such procedures (a primary review period of 30 days) is expected to be completed by the last day of the Tender Offer Period (the period during which purchases, etc., are conducted in the Tender Offer) with a high

degree of certainty. Furthermore, according to p. 30 of the same document, the Tender Offeror also obtained an opinion from a Chinese law firm stating that acceptance of the filing was expected to occur by April 18, 2025.

As for the expected completion of these procedures under Chinese competition law, the Tender Offeror's "Notice Regarding Scheduled Commencement of Tender Offer for Makino Milling Machine Co., Ltd. (Securities Code: 6135)" (the "Tender Offer Notice Press Release") dated December 27, 2024, stated on p. 8 and p. 50 that completion was initially expected by "early March 2025". This expectation was later revised to "early April 2025" and repeatedly announced (for further details on this matter, please refer to 2 below). Moreover, **the Tender Offer Registration Statement asserts that "overlapping business areas are extremely limited" and that "the market share is also minimal". Nevertheless, as of today, the procedures under Chinese competition law remain incomplete. We would therefore appreciate a persuasive and specific explanation as to why the procedures have not yet been completed.**

2. As mentioned above, with respect to the procedures under Chinese competition law, **the expected schedule was stated as "Mid-March" according to p. 8 and p. 50 of the Tender Offer Notice Press Release.** However, in "Nidec Corporation Completed Procedure Required under US Hart-Scott-Rodino Antitrust Improvement Act of 1976 regarding Tender Offer Bid for Makino Milling Machine Co., Ltd. (Securities Code: 6135)" (the "Press Release on Completion of U.S. Antitrust Law Procedures") released by the Tender Offeror on January 22, 2025, **the "Estimated Completion Date (tentative)" was revised to "Early April 2025" without any explanation. Moreover, in "Nidec Corporation Completed Procedure Required under French Monetary and Financial Code (Foreign Investment Regulations) regarding Tender Offer Bid for Makino Milling Machine Co., Ltd. (Securities Code: 6135)" (the "Press Release on Completion of French Monetary and Financial Code Procedures") released by the Tender Offeror on April 3, 2025, the "Estimated Completion Date (tentative)" was also stated as "Early April 2025."**

Nevertheless, **in the "Notice Regarding Commencement of Tender Offer for Makino Milling Machine Co., Ltd. (Securities Code: 6135)" which was released just hours after the Press Release on Completion of French Monetary and Financial Code Procedures on the same day ("Tender Offer Commencement Press Release"), the Tender Offeror suddenly made**

**revisions**, stating that “[a]lthough the pre-filing notification under Chinese competition law had not yet been accepted by the State Administration for Market Regulation of China as of the same date [note: April 3], *the Tender Offeror received a legal opinion from a Chinese law firm stating that [...] the Tender Offer is considered to be of very little competitive concern under Chinese competition laws, and the review period under such procedures (a primary review period of 30 days) is expected to be completed by the last day 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” (italics added by the Company), and **revised the estimated completion of procedures to “by the end of the Tender Offer Period,” namely, “May 21, 2025.”**

Furthermore, **according to p.30 of the Tender Offer Registration Statement**, the Tender Offeror has not completed procedures regarding the Tender Offer under Chinese competition law as of April 4, 2025, stating “[b]efore the State Administration for Market Regulation of China (SAMR) accepts the notification, officials in charge confirm the completeness of such notification. Upon the acceptance of the notifications one that is complete, the SAMR determines whether, within the review period of 30 days after the date of the acceptance of such notification, to approve the share acquisition or to conduct a more detailed review (“Detailed Review”). If the SAMR decides to conduct a Detailed Review and approves the share acquisition within the review period of 90 days after such decision (provided, said review period may be extended by up to an additional 60 days), the Tender Offeror will be allowed to conduct the share acquisition. Although the pre-filing notification on the share acquisition, which was filed to the SAMR on January 9, 2025 (local time), has not yet been accepted as of the filing of the Tender Offer Registration Statement, the Tender Offeror received a legal opinion from its Chinese legal counsel stating that it is expected to be accepted by April 18, 2025.” Accordingly, it has been clearly revealed that **if the pre-filing notification is accepted by April 18, 2025, the share acquisition will be approved within 30 days after the acceptance (or by May 18, 2025) unless SAMR proceeds to a detailed review, but if SAMR does decide to proceed to a detailed review, the share acquisition will be approved within 90 days after such decision (with the possibility of a further extension of up to 60 days thereafter) (in other words, if a detailed review is confirmed, for example, on May 16, 2025 (Friday), the share acquisition will be approved by August 14 of the same year in the case of a 90-day review period, and by October 13 of the same year in the case of a 150-day review period).**

On the other hand, with respect to procedures based on competition laws and foreign investment regulations in countries other than China, the Tender Offeror consistently issued press releases upon the completion of each procedure—for instance, from the Press Release on Completion of U.S. Antitrust Law Procedures dated January 22, 2025 to Press Release on Completion of French Monetary and Financial Code Procedures dated April 4 of the same year. **However, with respect to procedures under Chinese competition law, it can be inferred that as of mid-February to early March of the same year—when the “pre-filing notification” had not yet been “accepted”—there was an increasing likelihood that the “primary review period of 30-days” would not be completed by “mid-March” or “early April,” which had been publicly indicated by the Tender Offeror as the anticipated timeframe for completion. Despite this, the Tender Offeror provided no explanation through press releases or any other means, nor gave any explanation during the meeting with the Company on March 4, 2025.**

In the Tender Offer Notice Press Release, the Tender Offeror stated that it had “*carefully examined*” the procedures based on domestic and international competition laws and foreign investment regulations “*by engaging domestic and international law firms*” (italics added by the Company). However, as described above, **the Tender Offeror has changed the disclosed expected completion date for the procedures under Chinese competition law without explaining the reasons or background to shareholders. Furthermore, it appears that the Tender Offeror deliberately avoided making timely disclosures even after it had become clear that the estimate would change, which inevitably raises doubts about the reliability of its disclosures and we deem it highly problematic. Please explain to us persuasive reasons for conducting such problematic disclosures to our shareholders and the market.** In addition, **please explain the following respective points to us in detail: whether, currently, the Tender Offeror believes that SAMR will not proceed to a detailed review, and when the Tender Offeror expects procedures under Chinese competition law to be completed.**

3. As stated above, the Tender Offeror has changed the disclosed expected completion date for the procedures under Chinese competition law without providing any explanation to shareholders. While it stated in the Tender Offer Notice Press Release that it had “*carefully examined*” the procedures “*by engaging domestic and international law*

*firms*” (italics added by the Company; the same applies hereinafter), it has also repeatedly cited the “*opinion*” of a “*Chinese law firm*” in the Tender Offer Registration Statement.

Furthermore, it can be inferred that the description of the expected completion date for the procedures under Chinese competition law in the Tender Offer Registration Statement is entirely based on the “*opinion*” of the “*Chinese law firm*.” Nevertheless, while the Tender Offer Registration Statement identifies the UK and U.S. law firms, “Freshfields LLP and Davis Polk & Wardwell LLP,” as having “provided legal advice . . . regarding the implementation of competition law and foreign investment regulation procedures,” whereas the name of the “*Chinese law firm*” is, for some reason, withheld.

As stated above, **whether the expected completion date for the procedures under Chinese competition law, as described in the Tender Offer Registration Statement, is reliable depends on the content of the “*opinion*” provided by the “*Chinese law firm*.”** Therefore, **we request that you disclose the name of the “*Chinese law firm*” that issued the “*opinion*,” the names of the attorneys involved, and the track record of the firm and those attorneys in the field of competition law.** In addition, **please disclose the full text of the *opinion*.** Furthermore, with respect to the Chinese law firm that was said in the Tender Offer Notice Press Release to have conducted a “*careful examination*,” please explain specifically with respect to each of the following: **(i) whether it is the same as the above-mentioned “*Chinese law firm*”; (ii) if it is the same, why the expected completion date for the procedures under Chinese competition law has changed; and (iii) if it is different, why a different law firm was engaged in the middle of the process.**

4. On p. 2 of the Tender Offer Notice Press Release, the Tender Offeror states with respect to the commencement date of the Tender Offer, “[w]e believe it is desirable to ensure a sufficient period for the target company and its shareholders to consider, understand, and agree to this transaction, and we consider a period of *at least* two months to be appropriate. Therefore, also **taking into account the expected completion date (early April 2025) of these permits and licenses procedures, we anticipate commencing the Tender Offer on April 4, 2025.**” [italics added by the Company]. However, as stated above, as of April 4, 2025, when the Tender Offer commenced, the procedures under Chinese competition law concerning the Tender Offer had not yet been completed.

In that case, as stated above, (even if the procedures under Chinese competition law

were not to proceed to a detailed review,) **if approval for the share acquisition could still be delayed until as late as May 18, 2025 (or until May 21), there would be no issue whatsoever in postponing the commencement of the Tender Offer to May 9, 2025, as requested by our company. In fact, if the Tender Offer is launched without completing the procedures under Chinese competition law, any shareholders who tender their shares in the Tender Offer would not be able to receive settlement of the purchase consideration until such procedures are completed. Accordingly, it would have been more appropriate to postpone the commencement of the Tender Offer to a suitable date after May 9.** Please specifically provide the Tender Offeror's opinion on this matter.

In relation to this, our Company has repeatedly pointed out a serious concern that the Tender Offeror may be attempting to forcibly commence the Tender Offer on April 4, 2025 and complete the Tender Offer before receiving Final Third-Party Letters of Intent. This concern is evidenced by, among other things, remarks from Mr. Shigenobu Nagamori, Representative Director and Global Group Representative (chairman of the board) ("Representative Nagamori"), seemingly suggesting that the purpose was to prevent the emergence of a white knight (for details, please refer to p. 9 to p. 11 of the Response Policies Press Release (as defined in Section 4 below)). **Given the forcible commencement of the Tender Offer as stated above, please clearly answer with a "yes" or "no" as to whether you can unequivocally deny any intention to preclude the possibility of a competing proposal.**

5. Regarding **procedures under U.S. foreign investment regulations (Committee on Foreign Investment in the United States (CFIUS) regulations)**, the Tender Offeror had **consistently announced that the procedures had not yet been complete up until disclosure of the press release regarding the completion of the French foreign investment regulation procedures, which was released merely hours prior to the Tender Offer Commencement Press Release.** Nonetheless, according to p. 30 of the Tender Offer Registration Statement, the Tender Offeror confirmed that, with the expiry of the waiting period on February 21, 2025, it could conduct the share acquisition as of February 22 of the same year.

Please explain to us reasonable grounds for why the Tender Offeror concealed that it had completed procedures under U.S. foreign investment regulations on February 21 of the same year, without disclosing the fact for one and a half months.

### **Section 3      Regarding the Tender Offer Price of the Tender Offer**

According to reports, Mr. Takamitsu Araki, First Senior Vice President and Chief M&A Officer of the Tender Offeror (“Vice President Araki”), emphasized in a press conference regarding the commencement of the Tender Offer on April 4, 2025 that the Tender Offer Price of 11,000 yen per share was both “necessary and sufficient” for the Tender Offer.

In light of the above, we would be grateful if you could confirm whether we can understand that the Tender Offer Price as 11,000 yen is a so-called ‘best and final offer’, in other words, the maximum price that the Tender Offeror can pay, and that the Tender Offeror will not acquire the Company at a price exceeding that amount.

### **Section 4      Regarding the Lower Limit on the Number of Shares to be Purchased in the Tender Offer**

As stated in Section 1 above, when the Company, together with the Special Committee, made four requests to the Tender Offeror to postpone the commencement of the Tender Offer, we also requested that the lower limit on the number of shares to be purchased be raised to two-thirds of the total voting rights of our Company. This was because the lower limit at only 50% of the total voting rights could potentially exert significant coercion on our shareholders.

Furthermore, in our press release 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” (the “Response Policies Press Release”), we announced that if the Tender Offeror were to set the lower limit on the number of shares to be purchased at a level equivalent to 50% of the total voting rights of our company, the Tender Offer would pose a substantial degree of coercion for the following reasons:

- (i) If the lower limit on the number of shares to be purchased in the Tender Offer is set at a number equivalent to 50% of the total voting rights of our company, the Tender Offer would be successful. However, if the Tender Offeror’s voting rights remains below two-thirds of the total voting rights of our shareholders, any proposal for a squeeze-out following the Tender Offer would not be approved at the Company’s general meeting of shareholders. As a result, the transition to becoming a wholly-

owned subsidiary may not be realized, and our shareholders could be left behind as minority shareholders.

- (ii) No reasonable basis has been provided to anticipate that Japanese passive index investment funds, related parties of the Company (the Machine Tool Engineering Foundation and our executive officers), or our cross-shareholding partners (collectively, “Domestic Passive Funds”) would approve the squeeze-out proposal (on the assumption that they do not tender their shares in the Tender Offer).
  - (iii) It has come to light that, among our major shareholders, the Machine Tool Engineering Foundation (shareholding ratio of approximately 3.77%) and three members of the founding family (with a combined shareholding ratio of approximately 4.1%) have submitted letters to the Financial Services Agency expressing their intention not to tender their shares in the Tender Offer and their opposition to the squeeze-out proposal. Accordingly, shareholders representing a shareholding ratio of least approximately 8% of our outstanding shares have indicated that they do not intend to participate in the Tender Offer and expressly oppose the squeeze-out.
  - (iv) According to IR Japan, Inc., it turns out that there are also a certain number of domestic passive institutional investors that would tender their shares in a tender offer depending on the terms of the offer.
  - (v) Even if an Additional Tender Period, were to be set, this does not change the fact that if the number of shares tendered reaches 50% of the Company’s total voting rights, the Tender Offer will be successful, and accordingly, its coercive nature will not be resolved.
  - (vi) The Tender Offeror announced that it planned to acquire additional shares of the Company at an amount equal to the Tender Offer Price (the “Additional Acquisition”) if the squeeze-out proposal was not approved after the Tender Offer. However, this is merely a “plan” and not a “commitment,” and if the timing of the Additional Acquisition is not clearly stated in that announcement, taking into account the “time value of money,” the planned Additional Acquisition will not resolve the coercive nature of the Tender Offer.
1. As described above, the Company has repeatedly warned that if the lower limit on the number of shares to be purchased in the Tender Offer were a number equivalent to 50% of the Company’s total voting rights and other terms of the offer remained same as those stated in the Tender Offer Notice Press Release, it would expose our shareholders to a substantial degree of coercion. Nevertheless, as stated on p. 3 of the Tender Offer



Registration Statement that “after the announcement of the press release dated December 27, 2024, excluding the fact that the Tender Offeror . . . has acquired 100 shares of the Target Company’s Stock through market transactions, and that the number of shares to be purchased has been changed according to changes in the number of the Target Company’s treasury shares, there are no changes to the information announced in the press release dated December 27, 2024 about the terms of the Tender Offer,” the lower limit on the number of shares to be purchased in the Tender Offer was set to a number equivalent to 50% of the Company’s total voting rights, with reconsideration of the acquisition terms. Please explain specific reasons for such decision.

2. On p. 7 of the Tender Offer Registration Statement, similarly to the Tender Offer Notice Press Release, it is stated that Domestic Passive Funds, including cross-shareholding partners, are “expected to exercise their voting rights in favor” of the proposal for a share consolidation (squeeze-out proposal) (on the assumption that they will not tender their shares in the Tender Offer). However, in the tender offer registration statement dated September 14, 2023 concerning the unsolicited acquisition proposal for Takisawa Machine Tool Co., Ltd. (“Takisawa”; such registration statement, the “Takisawa Tender Offer Registration Statement”) (consistent with the Tender Offer, the lower limit on the number of shares to be purchased in the tender offer was equivalent to 50% of Takisawa’s total voting rights), despite stating that, consistent with the Tender Offer, it receives advice from Mita Securities Co., Ltd. (“Mita Securities”), **so-called cross-shareholding partners are not included in the “shareholders expected to vote in favor of the special resolution for the share consolidation proposal at the extraordinary general meeting of shareholders, if the Tender Offer is successfully completed and transitions to the extraordinary general meeting of shareholders.” Accordingly, the statement on p. 7 of the Tender Offer Registration Statement is clearly inconsistent with the Takisawa Tender Offer Registration Statement submitted by the Tender Offeror approximately a year and a half ago.** The Company also clearly pointed this out on p. 15 and p. 16 of the Response Policies Press Release.

Moreover, on p. 7 of the Tender Offer Registration Statement, the Tender Offeror states that the “level of the Target Company’s shares held by the shareholders expected to vote in favor of the share consolidation proposal is approximately 70.30%.” It is understood that this statement is made on the assumption that 50% of the shares are tendered in the Tender Offer, to which those held by domestic passive institutional investors (ownership ratio of approximately 13.05% as estimated by the Tender Offeror)

and cross-shareholding partners (ownership ratio of approximately 7.25% as estimated by the Tender Offeror) are added. **As stated above, when deducting the number of shares held by “cross-shareholding partners” not expected to vote in favor of the squeeze-out proposal in the Takisawa Tender Offer Registration Statement, the “level of the Target Company’s shares held by the shareholders expected to vote in favor of the share consolidation proposal” becomes “approximately 63.05% (i.e., 50% plus approximately 13.05%),” which is different from the statement in the Tender Offer Registration Statement, and falls below the “level of shares required to pass a resolution for the share consolidation proposal (two-thirds).”**

Furthermore, in the Takisawa Tender Offer Registration Statement, the Tender Offeror excluded cross-shareholding partners of financial institutions from the list of shareholders who were expected to vote in favor of the special resolution at the general meeting of shareholders after the Tender Offer, and classified them as shareholders who might tender their shares. However, in the Tender Offer Registration Statement, the Tender Offeror reclassified these shareholders as those who were expected to vote in favor of the special resolution at the general meeting of shareholders after the Tender Offer, even though it is uncertain whether they will tender their shares in the Tender Offer. When the Company asked the Offeror about the reasons for the lack of consistency through the Letter of Inquiry dated January 28, 2025, the Offeror responded in a very inexplicable manner, that unlike in the Tender Offer, the cross-shareholding shareholders of financial institutions in the Takisawa Tender Offer Registration Statement corresponded to the case of ‘no relationship with the registrar group,’ and that the possibility of cross-shareholding partners of financial institutions tendering their shares was different from that of financial institutions with a business relationship with the registrar group as a normal lender and borrower. The Tender Offeror, without confirming with the concerned financial group, insisted that this was “based on objective circumstances.”

Taking into account the above, **if the same assumption as the Takisawa Tender Offer Registration Statement is made, where the Tender Offeror is advised and analyzed by Mita Securities in the same manner as the Tender Offer, the “number of shares required to pass a resolution for the share consolidation proposal (two-thirds) cannot be secured, contrary to the statement on p. 7 of the Tender Offer Registration Statement.** We have to say that **the Tender Offeror intentionally and arbitrarily exaggerated the likelihood of the squeeze-out proposal being passed in connection with the**

**Tender Offer** (in other words, it is clear that the Tender Offeror is trying to arbitrarily lower the “number of shares required for the resolution for the proposal for the Share Consolidation (two-thirds)” by adopting a different approach to the calculation of the cross-shareholding parties stated above (with a shareholding ratio of approximately 7.25%) from that in the Takisawa Tender Offer Registration Statement). Furthermore, the arbitrary interpretation by the Tender Offeror of cross-shareholding partners of financial institutions is against the Financial Services Agency's effort such as pointing out in Action Program for Corporate Governance Reform 2024 published on June 7, 2024 that with regard to disclosure in Annual Securities Reports regarding cross-shareholdings, “actual situations are unclear because disclosure of the reason for changing the purpose of a holding to pure investment is not required,” and revising the Cabinet Office Ordinance on Disclosure of Corporate Affairs in order to encourage listed companies to make more objective disclosures.

In light of all of the consideration above, we believe that such statement on p. 7 of the Tender Offer Registration Statement is **clearly inappropriate as the “reason for why it considers that such lower limit on the number of shares to be purchased is necessary and appropriate for achieving the purpose of the tender offer,” which is required “if the lower limit on the number of shares to be purchased is set at a level that risks resulting in the holding of less than two-thirds of the voting rights of all shareholders” in the “Points to Note Regarding Disclosure of a Tender Offer (Guidelines for Disclosure of a Tender Offer)” of the Financial Services Agency, and would be unable to completely deny the possibility that the statement constitutes a so-called false statement that “lacks a statement of a material fact that is necessary to prevent a misunderstanding” (Article 27-8, paragraph (4), item (ii) and Article 27-20, item (ii) of the Financial Instruments and Exchange Act).**

Therefore, please provide, specifically and respectively, the reason for why “cross-shareholding partners” (including “cross-shareholding partners of financial institutions”) are expected to vote in favor of the share consolidation proposal although they are not expected to vote in favor of the squeeze-out proposal in the Takisawa Tender Offer Registration Statement (i.e., the reason for differences in decision between the Takisawa Tender Offer Registration Statement and the Tender Offer Registration Statement), and whether the Tender Offeror plans to voluntarily correct the statement above on p. 7 of the Tender Offer Registration Statement.

3. As stated in the beginning of Section 4 above, although there are also a certain number

of domestic passive institutional investors that would tender their shares in a tender offer depending on the terms of the offer, p. 7 of the Tender Offer Registration Statement states that Domestic Passive Funds are “expected to exercise their voting rights in favor” of the proposal for a share consolidation (squeeze-out proposal) (on the assumption that they will not tender their shares in the Tender Offer), and we believe that the Tender Offeror is unable to deny the possibility that the Tender Offeror intentionally exaggerated the likelihood of the squeeze-out proposal being passed in the present case. Therefore, we request that you provide specific reasons for why the Tender Offeror decided that Domestic Passive Funds are “expected to exercise their voting rights in favor” of the proposal for a share consolidation (squeeze-out proposal).

4. On p. 9 of the Tender Offer Registration Statement, it is stated that “the ratio of voting rights exercised by shareholders other than the Tender Offeror at a shareholder meeting to approve the proposal for a share consolidation (squeeze-out proposal) after the completion of the tender offer is expected to be significantly lower than the ratio of voting rights exercised at an ordinary annual general meeting of shareholders” in cases where a share consolidation is chosen as the method of squeeze-out. In this regard, on p. 16 of the Response Policies Press Release, the Company has already pointed out that this assumption is based on the premise that, at the time of the general meeting of shareholders to approve the squeeze-out proposal, the tender offeror already holds two-thirds or more of the voting rights, making it evident that the share consolidation proposal will be approved. Consequently, shareholders other than the Tender Offeror are less likely to exercise their voting rights, and this assumption does not apply to the Proposal in which the lower limit on the Tender Offer is not set to two-thirds or more of the voting rights of all shareholders and there is no guarantee that the squeeze-out proposal will be passed and approved.

Please provide the basis for the conclusion stated in the Tender Offer Registration Statement that “the ratio of voting rights exercised by shareholders other than the Tender Offeror at a shareholder meeting to approve the proposal for a share consolidation (squeeze-out proposal) after the completion of the Tender Offer is expected to be significantly lower than the ratio of voting rights exercised at an ordinary annual general meeting of shareholders,” while keeping the lower limit on the number of shares to be purchased in the Tender Offer at 50% of the Company’s total voting rights, despite the issue above pointed out by the Company.

## **Section 5     Response Policies for the Tender Offer Introduced by the Company**

According to media reports, Mr. Araki asserted at a press conference on April 4, 2025 for the commencement of the Tender Offer, with respect to the Company's Policies for Responding to Large-scale Purchase Actions for Company Shares (the "Response Policies") introduced on March 19, 2025, that "it is a so-called emergency takeover defense measure," "if we withdraw the TOB, the share price would return to its original price, and shareholders would lose the opportunity to sell at our proposed price," "if the conditions are not met, share options would be issued and lead to dilution and elimination of NIDEC, which means this policy is clearly a poison pill" and "there is a possibility of a huge loss for shareholders."

However, **there are no circumstances in which the implementation of Countermeasures based on the Response Policies would disadvantage general shareholders in the first place, and the Response Policies are aimed to secure the time reasonably necessary for the materialization of competing proposals from a third party other than the Tender Offeror. Since this is a measure to draw out terms substantially more favorable than the Tender Offer for our shareholders, it is not anticipated that "our Company's" shareholders will suffer losses instead of benefits.**

In addition, as clearly stated on p. 1 of the Response Policies Press Release, the Response Policies will be terminated immediately if (i) the Tender Offeror actually commences the Tender Offer on or after May 9, 2025, or (ii) prior to the commencement of the Tender Offer, the Company confirms that it has received a Final Third-Party Letter of Intent that is reasonably determined to have terms that are substantially more favorable than the Proposal from a third party other than the Tender Offeror. In other words, the **Tender Offeror does not need to "withdraw the TOB" and will not be "eliminated" as long as the Tender Offeror postpones the commencement of the Tender Offer for up to approximately one month, until May 9, 2025, or until the Company confirms that it has received a final and legally binding letter of intent for a Third-Party Proposal before that date.**

In this respect, **the Response Policies are very different from emergency takeover defense measures (so-called poison pill) that allow for the "elimination" of a takeover proposal in advance by making a substantially negative evaluation of the content of the proposal (even if time is given for consideration by the target company and its shareholders), and the purpose of the Response Policies is to secure time necessary for market checks,**

**which clearly contributes to securing the common interests of our shareholders.**

In light of above, it can be understood that it is the Tender Offeror's forcible commencement of the Tender Offer on April 4, without postponing to May 9 or after, that is causing "a huge loss for shareholders." We would be grateful if you could specifically explain what you mean by "a huge loss to shareholders" after accurately understanding the content of the Response Policies.

## **Section 6    Regarding Letter of Inquiry (3)**

Among inquiries contained in the letters of inquiry sent to the Tender Offeror by the Company as specified on p. 16 of the Tender Offer Registration Statement (the "Third Letter of Inquiry"), the Company has not received sufficient responses from the Tender Offeror to the inquiries set forth below (as partially modified from the inquiries contained in the Letters of Inquiries in accordance with the content of the Tender Offer Registration Statement, and with related inquiries added to some inquiries). These inquiries are each considered particularly important in deciding whether the Tender Offer will contribute to the enhancement of the Company's corporate value .

1. Please provide approximate figures, in deciding to set the Tender Offer Price for Company shares at 11,000 yen per share, for (1) the quantitative results of synergies you assumed would arise for Nidec, and (2)(i) the quantitative results of synergies you assumed would arise for the Company, the Company's (ii) sales, (iii) sales growth rate, (iv) operating profit amount, (v) operating profit margin, (vi) ROE, (vii) capital investment (capital expenditures), (viii) research and development investment amount, (ix) free cash flow amount, and (x) dividend amount.
2. With regard to this Tender Offer Price, the Company asked the Tender Offeror about the quantitative results of synergies it assumed would arise in determining the Tender Offer Price in the Third Letter of Inquiry. **The Tender Offeror then responded that "at this time we do not have a plan for the next fiscal year and subsequent fiscal years for your company" and that "the proposed price is not calculated or determined based on your company's plan for the next fiscal year and beyond," revealing that it did not conduct a quantitative analysis of synergies.**

**Please explain to us the specific reasons why, despite the lack of such**

**quantitative analysis on synergies, the Tender Offeror emphasizes that the Tender Offer Price of 11,000 yen per share is both necessary and sufficient in the Tender Offer, as stated in Section 3 above.**

3. (1) Please provide approximate figures you assumed for the Company's (i) sales, (ii) sales growth rate, (iii) operating profit amount, (iv) operating profit margin, (v) ROE, (vi) capital investment (capital expenditure), (vii) research and development investment amount, and (viii) free cash flow amount as a standalone business.  
(2) Please explain the reason why the Tender Offeror believes that the Proposal would contribute more to the enhancement of the Company's corporate value than the Company's new business plan, taking into account the quantitative results of synergies the Tender Offeror assumed would arise within the Company after the Proposal is realized as compared with the Company's new business plan titled "For Enhancement of Corporate Value" announced by the Company on February 12, 2025.
4. Please provide approximate figures for the percentage of companies with which Nidec Machine Tool Corporation ("Nidec Machine Tool"), Nidec OKK Corporation ("Nidec OKK"), PAMA S.p.A., and Takisawa had a business relationship prior to the acquisition by the Tender Offeror and were also competitors of the Tender Offeror's group, that continue to do business after the acquisition (the percentage of companies that continue to do business with the Tender Offeror's group, out of competitors of the Tender Offeror's group prior to the acquisition), as well as a comparison between the transaction amount prior to the acquisition by the Tender Offeror and the current transaction amount (the percentage of current transaction amount in comparison to the transaction amount prior to the acquisition).
5. Please provide the percentage of sales to the Tender Offeror's group represented in the annual sales amounts for each of Nidec Machine Tool, Nidec OKK, PAMA S.p.A., and Takisawa, before and after the acquisition by the Tender Offeror. In the answer to the Third Letter of Inquiry, the Tender Offeror wrote, "[a]s we explained during the interview on March 4." However, the Tender Offeror did not explain this during the interview, so we would be grateful if you could provide a definite answer this time.
6. Please specify all of the divisions of the Tender Offeror, as well as subsidiaries and affiliates of the Tender Offeror (regardless of whether they are domestic or foreign companies), which make up the (8) Nidec Machinery and Automation segment as listed

in the Tender Offeror's securities report for the fiscal year ending in March 2024, and also specify the number of employees in each division, subsidiary or affiliate categorized by department.

7. The Tender Offeror explained that "Zhejiang Mold Industry Association" is "an organization with a position of significant importance to the Chinese domestic mold industry." Please specifically explain the details of the "position" and reasons for determining such "significant importance."

## **Section 7     Inquiries from the Company's Labor Union**

As announced in the "Letter of Inquiry from the Company Union to Nidec Corporation" dated March 31, 2025, the Company's labor union (the "Company Union") sent to the Tender Offeror a letter of inquiry stating questions listed under 1 through 11 below (the "Company Union Letter of Inquiry"). As the Company announced in the "Nidec Submits its Reply to the Written 'Letter of Inquiry' from the Company's Labor Union" dated April 3, 2025, the Tender Offeror **merely responded, "[p]lease kindly consider an opportunity for our company's executives to provide explanation, in person, regarding your questions and concerns," without providing any specific response to the questions.**

As stated in question no. 1 of the Company Union Letter of Inquiry, "since you have not yet responded to questions in the initial Letter of Inquiry the Company sent to you, the union believes there is a possibility that holding a separate meeting with you would present issues in ensuring transparency, and we would not be able to obtain the understanding of employees." Given that it is desirable for the Company's employees to receive responses in writing to ensure transparency, the Company would like to resubmit here the questions listed in the Company Union Letter of Inquiry. In order to ensure transparency as the Tender Offeror has previously emphasized, we kindly request that all the question be answered clearly in writing. **Should the Tender Offeror be unable to respond to all or part of these questions in writing, please explain the specific reasons why it cannot do so, in spite of the fact that the Tender Offeror has repeatedly and strongly advocated for transparency and the fact that these questions are also understood as issues of interest to your shareholders (who should naturally have a keen interest in PMI once the Proposal is realized) and all of our stakeholders.**

The wording of the following questions has been revised from the Company Union



Letter of Inquiry, but the content substantially remains unchanged.

1. (1) Although the Tender Offeror has requested a meeting with the leaders of the Company Union, since the Tender Offeror has not yet responded to questions in the initial Letter of Inquiry the Company sent to the Tender Offeror, the Company Union believes that holding a separate meeting with the Tender Offeror could raise issues in ensuring transparency, and we would not be able to obtain the understanding of employees.

In addition, we ask for your specific response to questions 3(1) and 3(2) of the Third Letter of Inquiry that the Company sent to the Tender Offeror dated March 11, 2025, which concern basic employment terms and conditions.

- (i) Does the statement “Employees: Approximately 550 (April 2024)” on the “Company Profile” page of the Nidec OKK website represent the number of employees on a consolidated basis (which can be compared with previously disclosed Nidec OKK figures)?

Further, please provide to us (A) the Tender Offeror’s annual average employee turnover rate for the past five years and (B) the annual average employee turnover rate for Nidec Machine Tool, Nidec OKK., PAMA S.p.A., and Takisawa during (i) the five years prior to joining the Tender Offeror’s group and (ii) the five years after joining the Tender Offeror’s group. In the answer to the Third Letter of Inquiry, the Tender Offeror wrote, “[a]s we explained during the interview on March 4.” However, the Tender Offeror did not explain this during the interview, so we would be grateful if you could provide a definite answer this time.

- (ii) Please explain to us in detail any changes to the following items for Nidec Machine Tool, Nidec OKK., PAMA S.p.A., and Takisawa after the acquisition thereof by the Tender Offeror: (i) standard working hours; (ii) standard number of days off per year; (iii) flex-time systems; (iv) extra pay rate for overtime, night work, and holiday work; (v) number of months of salary paid for bonuses; (vi) retirement allowance and defined contribution pension plans; and (vii) continuation of the labor agreement.

Also, with respect to Mitsubishi Heavy Industries Machine Tool Co., Ltd. (now Nidec Machine Tool), there were reports in the media regarding the demotion of the President in office at the time of acquisition. Please confirm the accuracy of this report. If the report is true, please explain in detail the human resource policies of the Tender Offeror that were applied and how they applied to such demotion.

(2) Please tell us whether the Tender Offeror envisions any changes or any reassignment of employees in the event the Tender Offeror acquires the Company, regarding (i) standard working hours, (ii) standard number of days off per year; (iii) flex-time systems, (iv) extra pay rate for overtime, night work, and holiday work, (v) number of months of salary paid for bonuses, (vi) retirement allowance and defined contribution pension plans, and (vii) continuation of the labor agreement. If, hypothetically, the Tender Offeror answers, “in principle, we do not envision any change or reassignment,” please explain specifically the circumstances that would fall under exceptions to this general principle. Please also provide the Tender Offeror’s thoughts on guaranteeing the employment of workers.

(3) The question “OKK’s employees have decreased by approximately 300 since joining the Nidec group in 2022. Please provide a specific reason for this” stated in 4(5) of the Letter or Inquiry sent by the Company to the Tender Offeror dated January 28, 2025 is a matter of great interest in terms of both employment of workers and corporate value. In this regard, the Company’s labor union holds concerns that, despite its plan to invest capital in the head office of Nidec OKK prior to the acquisition of the company, the Tender Offeror is suspected to have taken a complete turn away from the plan after the acquisition and closed the head office, pressing officers and employees working at the office into accepting transfers. Please tell us the number of employees who separated from Nidec OKK following such transfers.

(4) With respect to Nidec OKK, Takisawa, and Nidec Machine Tool, please provide the specific figures for (i) standard annual working hours, (ii) extra pay rate for overtime and holiday work, (iii) state of payment of commuting allowance, family allowance, residence allowance, and other allowances, (iv) number of days worth of hourly paid leave available, and (v) whether there is special leave for women and the pay rate at which the special leave may be taken.

2. The Company considers that employees play a large role in its corporate activities. The Company Union prepared a written opinion stating, “the Company Union strongly opposes the take-over bid (TOB).” On January 16, 2025, all union members were asked to approve or disapprove this written opinion in a vote. As a result, 92.1% approved (strongly opposing the TOB), and 7.9% disapproved (not opposing the TOB) (the voter turnout was 91.6%). In addition, more than 90% of the Company’s employees, excluding managerial personnel, are union members.

As we have seen, more than 90% of respondents to our labor union survey are opposed to the acquisition of the Company by the Tender Offeror. Please share with us how and what specifically the Tender Offeror plans to do to address these results.

3. (1) Please tell us whether there have been any instances of employees of Nidec OKK, Takisawa and Nidec Machine Tool being seconded outside their company after joining the Tender Offeror's group.  
(2) Please tell us whether there have been any instances of employees who were involved in the machine tool business being seconded or transferred outside of the machine tool business. If so, please tell us the specific name of the department or company to which such employees were seconded or transferred, and the number of employees subject to such secondment or transfer.
4. (1) Please tell us which business operations and sections have been consolidated at Nidec OKK, Takisawa and Nidec Machine Tool after the acquisition by the Tender Offeror. For example, we would like to review the status of the sales division, procurement division, personnel and general affairs division, and service division.  
(2) Please tell us whether there have been any large-scale changes in the work locations of employees of Nidec OKK, Takisawa and Nidec Machine Tool after they joined the Tender Offeror's group.
5. Please answer how the number of the full-time officers, executive officers and members of the labor union of Nidec OKK, Takisawa and Nidec Machine Tool have changed before and after the acquisition.
6. (1) Please answer whether or not there were collective bargaining sessions at the 2025 *Shunto* wage negotiations at Nidec OKK, Takisawa and Nidec Machine Tool. If there were collective bargaining sessions, please answer how many times the meetings for collective bargaining negotiations have been held, who attended the meetings from the labor union and the management, as well as the results of the negotiations.  
(2) Please explain how you plan to implement collective bargaining negotiations between the labor and management of the Company after the Company joins the Tender Offeror's group.
7. Employees are deeply concerned, given no substantial responses have been provided by

the Tender Offeror regarding the personnel system, pay structure, employee benefits, retirement package, and other related matters established by the Tender Offeror. Accordingly, please tell us whether, after joining the Tender Offeror's group, the Tender Offeror expects that the Company will continue to independently have labor-management negotiations regarding the employment terms and wages or, in the alternative, whether the Tender Offeror envisions applying the employment terms and wages specified by the Tender Offeror to the Company in the future.

8. Please tell us how many times per year meetings for regular labor-management negotiations (such as exchange of opinions on business management, employee benefits, and safety and health) are held Nidec OKK, Takisawa and Nidec Machine Tool. Please also tell us who attended the meetings from the labor union and the management as well as matters agreed therein.
9. At the financial results briefing on January 24, 2024, Representative Nagamori said, "we work hard until we win. Talking about the work-life balance will only lead to losing the battle." Is the work-life balance not considered important at the Tender Offeror's group? What kind of support do you provide in terms of working conditions for workers who are raising young children or providing nursing care? Please tell us if there are any matters that labor and management have discussed or agreed upon regarding childcare or nursing care.
10. There are rumors that employees of the Tender Offeror pay for office supplies at their own expense. Please tell us whether or not such practice exists in each of the Tender Offeror's group companies including Nidec OKK, Takisawa and Nidec Machine Tool.
11. There are rumors that employees of the Tender Offeror purchase a book describing the philosophy of the founder of the Tender Offeror at their own expense. Please tell us whether or not such practice exists in the Tender Offeror's group companies including Nidec OKK, Takisawa and Nidec Machine Tool.

**(Exhibit A)**

<b>Date</b>	<b>Event</b>
December 27, 2024	the Tender Offeror submits the December 27, 2024 Letter of Intent and the Tender Offer Notice Press Release to Makino.  the Tender Offeror issues a press release regarding the submission of the December 27, 2024 Letter of Intent and its plan to commence the Tender Offer from April 4, 2025.
January 10, 2025	Makino establishes the Special Committee.
January 15, 2025	The Special Committee submits the First Request Letter to the Tender Offeror, requesting that the commencement date of the Tender Offer be postponed and the lower limit on the planned number of shares to be purchased be raised.
January 17, 2025	The Special Committee holds a meeting with the Tender Offeror's officers at the request of the Tender Offeror.  the Tender Offeror rejects the requests in the First Request Letter in writing.
January 22, 2025	The Special Committee submits the Second Request Letter to the Tender Offeror.
January 27, 2025	the Tender Offeror rejects the requests in the Second Request Letter in writing.
January 28, 2025	Makino issues and publishes the First Letter of Inquiry.
January 31, 2025	the Tender Offeror sends and publishes its written answers to the First Letter of Inquiry.  Makino's board of directors requests the same matters as in the Second Request Letter to the Tender Offeror's board of directors through the Board Request Letter.  Makino publishes its supplementary explanatory materials regarding its requests to the Tender Offeror, titled "Requests to Nidec Corporation and Corresponding Reasons."
February 5, 2025	the Tender Offeror rejects the requests in the Board Request Letter in writing.
February 7, 2025	Makino issues and published the Second Letter of Inquiry.

2025	
February 12, 2025	Makino publishes its new business plan.
February 14, 2025	the Tender Offeror sends and publishes its answers to the Second Letter of Inquiry.
February 25, 2025	the Tender Offeror announces that it has no plans to raise the Tender Offer Price even if a counter-proposal were to appear.
February 26, 2025	the Tender Offeror explains at a press conference that if a white knight appears, the Tender Offeror will gracefully withdraw from the takeover.
	Makino announces its understanding of the above-mentioned the Tender Offeror's press release dated February 25, 2025 that the Tender Offeror had declared that it would not raise the Tender Offer Price even if a counter-proposal is made.
February 27, 2025	the Tender Offeror explains that its comments on the Tender Offer Price in the above-mentioned press release dated February 25, 2025 were only a policy "at this stage," and that even if a party makes a counteroffer to the Tender Offer, it will not increase the Tender Offer Price to another price beyond the realm of fair assessment.
March 4, 2025	Makino's management holds a meeting with the Tender Offeror's officers at the request of the Tender Offeror.
March 10, 2025	Makino announces that it had received the Third-Party Proposals from multiple parties and that it had once again requested the Tender Offeror to postpone the commencement of the Tender Offer on or after May 9, 2025, because it would take some time to obtain a final and legally binding letter of intent regarding the Third-Party Proposals.
March 11, 2025	Makino issues and published the Third Letter of Inquiry.
March 17, 2025	the Tender Offeror sends and publishes its answers to the Third Letter of Inquiry.
March 18, 2025	Makino requests the Tender Offeror to submit a response to the Second Request Letter by March 19
March 19, 2025	Makino introduces the Response Policies as the Tender Offeror merely disclosed that it is sincerely considering Board of Directors' Second Request Letter.

April 4, 2025	The Tender Offeror commences the Tender Offer.
April 10, 2025	Makino exercises its right to inquire regarding the Tender Offer, and express its opinion to oppose the Tender Offer. In addition, implementation of Countermeasures based on the Response Policies.
April 17, 2025	Response deadline for “Inquiries to Tender Offeror”
May 21, 2025	End date of the Tender Offer Period
May 28, 2025	The commencement date for the settlement of Tender Offer
Late June, 2025	At the General Meeting of Shareholders, a proposal to ratify the implementation of the Countermeasures and other necessary proposals will be submitted.
June 26, 2025	Record date for allotment of share options without contribution as the implementation of the Countermeasures
June 27, 2025	Effective date for allotment of share options without contribution as the implementation of the Countermeasures