



# Overview of Expression of Opposition Opinion to the Tender Offer by Nidec Corporation in Light of Securing Consideration Time for Competing Proposals

Makino Milling Machine Co., Ltd.

April 10, 2025



**Given that the time necessary for the materialization and consideration of competing proposals should be secured, the Company opposes the Tender Offer for the Company's shares by Nidec.**

**The Company kindly requests our shareholders **not to tender their shares in the Tender Offer by Nidec** and **to promptly cancel the tender if they have already tendered their shares.****

- The Company is continuing to exchange information in order to receive final and legally binding letters of intent regarding competing proposals from white knight candidates, but it will take a certain amount of time to receive such letters of intent.
- If the Company does receive such letters of intent from white knight candidates, we plan to amend our expression of opinion to the extent necessary in accordance with the results of the comparative consideration of such letters of intent and the Tender Offer by Nidec.

## Basis and reason for the opposition opinion

**1**

Taking into account the competing proposals and the content of the Company's financial results for the fiscal year ending March 2025, the time reasonably necessary for our shareholders to make a decision regarding whether to tender their shares in the Tender Offer by Nidec has not been secured.

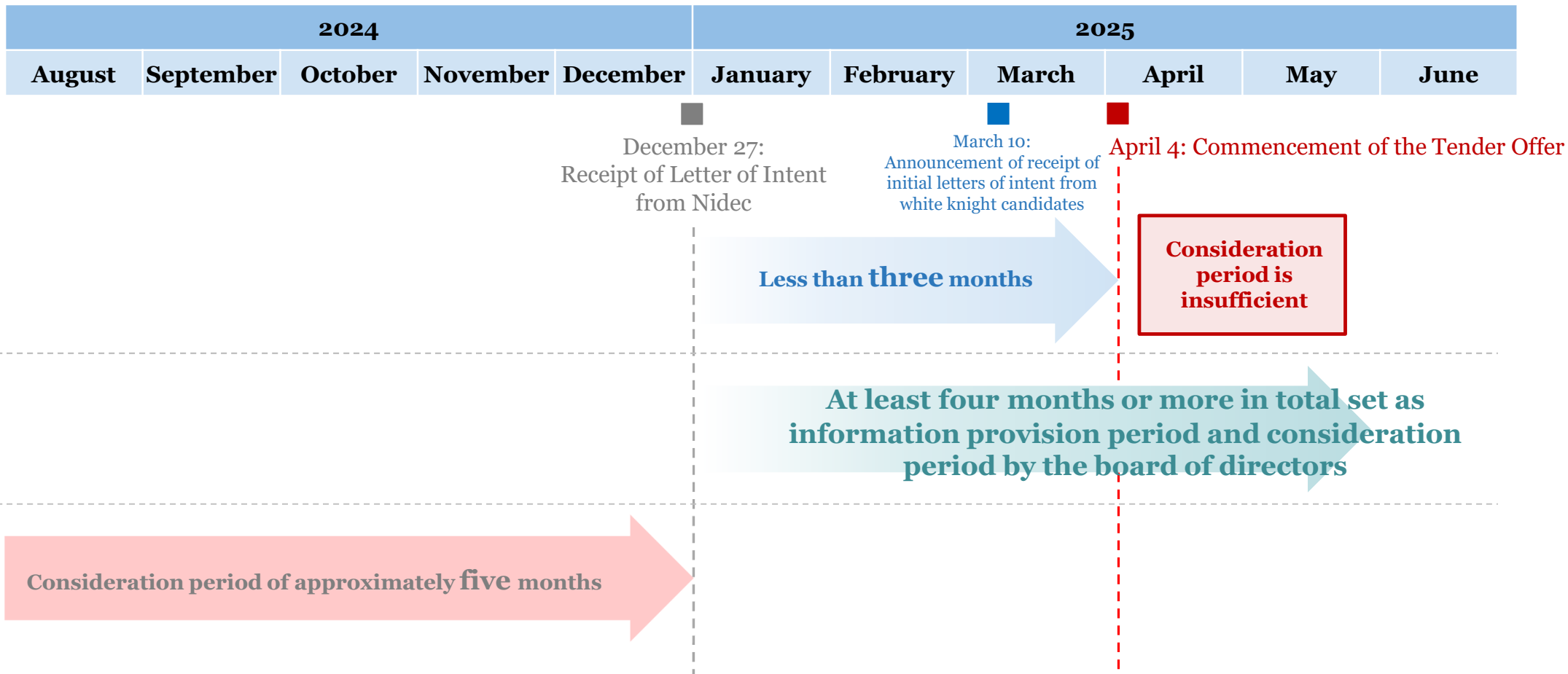
**2**

The terms of the Tender Offer by Nidec would expose our shareholders to a substantial degree of coercion and may harm the interests of our shareholders.

# The Company's opinion and background to such opinion (2/2)



The time provided to the Company for the materialization and consideration of competing proposals from white knight candidates amounts to less than three months, which, in comparison to the period secured in customary “takeover response policies” and Nidec’s consideration period, is clearly insufficient.



# Background leading up to the Tender Offer by Nidec (1/2)



**In order to secure the common interests of our shareholders, the Company repeatedly requested Nidec to secure the time reasonably necessary for a comparative consideration against Third-Party Proposals.**

## **The Company**

✓ **January 15, 2025:**  
In order to consider a broad range of strategic options, the Special Committee requested, among other things, the postponement of the commencement of the Tender Offer to May 9.

✓ **January 22, 2025:**  
The Special Committee again requested the postponement of the commencement of the Tender Offer to May 9.

## **Nidec**

**December 27, 2024:**  
The Company received from Nidec the Letter of Intent regarding making the Company its wholly-owned subsidiary.

✓ **January 17, 2025:**  
Nidec rejected the Special Committee's request.

✓ **January 27, 2025:**  
Nidec rejected the Special Committee's request.



# Background leading up to the Tender Offer by Nidec (2/2)



## The Company

- ✓ **January 31, 2025:**  
Our board of directors again requested the postponement of the commencement of the Tender Offer to May 9.
- ✓ **March 10, 2025:**  
Based on the fact that the Company received initial letters of intent from a number of third parties, the Company again requested the postponement of the commencement of the Tender Offer to May 9.
- ✓ **March 19, 2025:**  
The Company introduced time-securing measures with the aim of securing enough time reasonably necessary to consider the Third-Party Proposals.

## Nidec (Corp.)

- ✓ **February 5, 2025:**  
Nidec rejected our board of directors' request.
- ✓ **March 14 and 19, 2025:**  
Nidec merely responded that it was considering the request and did not provide any substantive response.
- April 3, 2025:**  
Nidec announced a press release stating that it would commence the Tender Offer and commenced the Tender Offer the following day, without complying with procedures specified in the time-securing measures.

# Possibility of the Tender Offer by Nidec being extended or withdrawn



Because Nidec commenced the Tender Offer for the Company's shares before the completion of procedures required under Chinese competition law, if such procedures are not completed by the end date of the Tender Offer Period (May 21), there is a possibility that the Tender Offer may be extended or withdrawn.

Nidec asserted on December 27, 2024 that Chinese competition law procedures would be completed in mid-March, has consistently asserted since the beginning of this year that the procedures would be completed in early April, and despite disclosing on April 3 that the “estimated completion date (tentative)” is “early April 2025,” the procedures are still not completed as of current. Please make particular note that if the procedures are not completed by May 21, there is a possibility that the Tender Offer may be extended or withdrawn.

## Possible future developments (based on Nidec's Tender Offer Registration Statement)

**1**

If the pre-filing notification is accepted by April 18, 2025, and the process does not proceed to a Detailed Review, the share acquisition will be approved within 30 days after the acceptance (by May 18, 2025).

**2**

If the pre-filing notification is not accepted by April 18, 2025, even if the process does not proceed to a Detailed Review, there is a possibility that the share acquisition will not be approved made by May 21, 2025. ⇒ Possibility of an extension or withdrawal of the Tender Offer

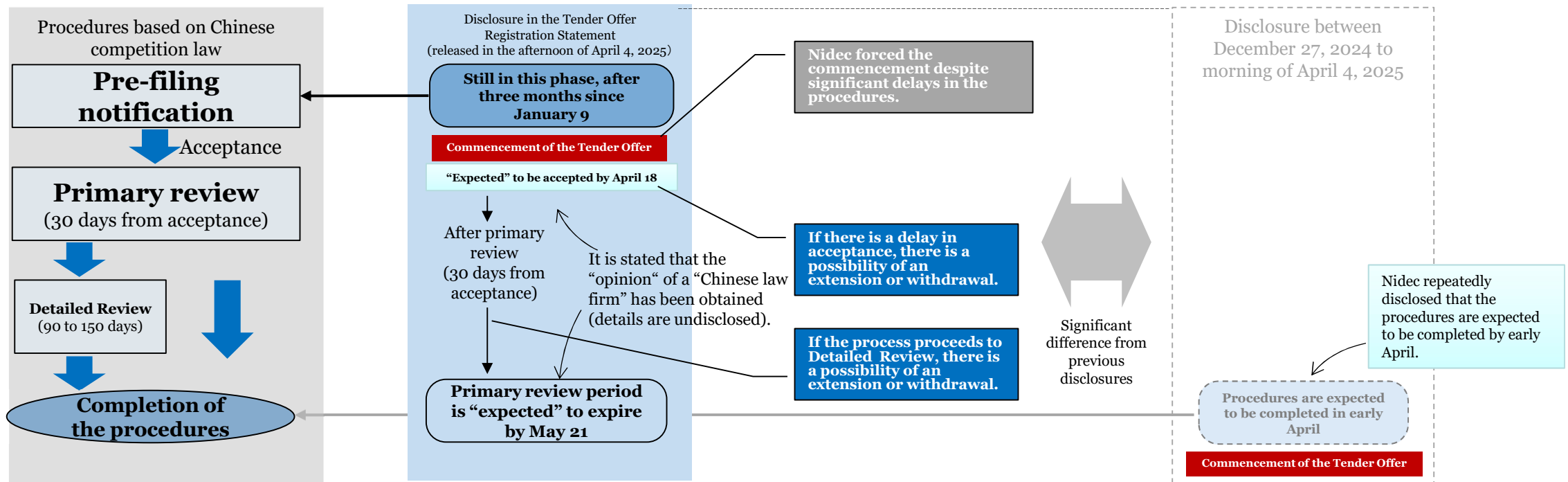
**3**

Even if the pre-filing notification is accepted by April 18, 2025, if the process proceeds to a Detailed Review, the share acquisition will be approved within 90-150 days thereafter (assuming May 16 as the decision date to proceed to a Detailed Review, between August 14-October 13, 2025) (will not be completed by May 21). ⇒ Possibility of an extension or withdrawal of the Tender Offer

# Possibility of the Tender Offer by Nidec being extended or withdrawn



Because Nidec commenced the Tender Offer for the Company's shares before the completion of procedures required under Chinese competition law, if such procedures are not completed by the end date of the Tender Offer Period (May 21), there is a possibility that the Tender Offer may be extended or withdrawn.



# Nidec could have postponed the commencement of the Tender Offer until May 9 or later



**If procedures under Chinese competition law cannot be completed on time, Nidec should have commenced the Tender Offer after the completion of such procedures, as initially planned. Nidec's forcible commencement of the Tender Offer on April 4 deprives our shareholders of the opportunity to consider competing proposals.**

- Initially, Nidec had stated on page 2 of the Tender Offer Notice Press Release dated December 27, 2024, regarding the timing of the commencement of the Tender Offer that “[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” (underline added by the Company).
  - Nevertheless, **as of April 4, 2025 when Nidec commenced the Tender Offer, the procedures required under Chinese competition law in relation to the Tender Offer had not yet been completed.**
- In Nidec’s Tender Offer Commencement Press Release (dated April 3), the estimated completion date for procedures under Chinese competition law (although indicated as “mid-March” on the Tender Offer Notice Press Release) is “by the last day of the Tender Offer Period”—in other words, the date has been revised to “May 21, 2025.”
- If that is the case, **“taking into consideration” the estimated completion date for procedure under Chinese competition law, Nidec could have postponed the commencement of the Tender Offer until May 21, as initially planned (or at least until May 9, which is the date the Company requested), but it did not do so. Nidec’s deliberate and forcible commencement of the Tender Offer on April 4 deprives our shareholders of the opportunity to consider competing proposals.**





**Nidec sent to our shareholders a letter stating that competing proposals from white knight candidates “only need to be announced and commenced by June 4,” but this information conflicts with the terms of the Tender Offer set by Nidec.**

- **Around April 8, 2025, Nidec sent to our shareholders a document encouraging them to tender their shares in the Tender Offer as well as a letter stating that competing proposals “in effect, only need to be announced and commenced by June 4,” as stated below.**

**In other words, even if third parties who intend to make a tender offer countering our Tender Offer “really exist”, **such third parties, effectively, only need to announce and commence their tender offers by June 4, and even if such third parties require time for the “materialization of the Third-Party Proposals,” sufficient time has already been secured** (Note 2).**

- **However, Nidec's Tender Offer Registration Statement clearly states that if 50% of shares are tendered within 21 business days from the commencement date of the Tender Offer Period (that is, by May 7), the Tender Offer Period will not be extended (in other words, **the Tender Offer will end on May 21**).**
- **In other words, while in certain cases the Tender Offer Period may end on May 21, Nidec has sent our shareholders a letter that misleadingly suggests that the Tender Offer Period will be secured until June 4; this is **significantly misleading and may cause our shareholders to misunderstand the terms of the Tender Offer. The Company kindly requests that our shareholders make appropriate decisions without being misled by Nidec's inaccurate information.****



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