



[Translation¹]

March 19, 2025

To whom it may concern:

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

Name of Representative: President, Director

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

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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)

As announced in the press release dated December 27, 2024, “Notice Regarding Scheduled Commencement of Tender Offer for Shares of the Company by Nidec Corporation” by Makino Milling Machine Co., Ltd. (the “Company”), the Company received from Nidec Corporation (“Nidec”) a proposal to conduct a tender offer for the common shares of the Company with the aim of making the Company a wholly-owned subsidiary of Nidec (the “Tender Offer”; Nidec’s proposal to make the Company a wholly-owned subsidiary, the “Proposal”). In connection with this, we hereby announce that, taking into account the findings of the Special Committee (as defined in 1 below) and with the aim of securing time for our shareholders and the Company to make an appropriate decision, our board of directors has decided today on the basic policies regarding the way in which a person in control of the determination of financial and business policies of the Company shall carry out

¹ 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.

their duties (meaning those set forth in Article 118, item (iii) of the Regulations for Enforcement of the Companies Act; the “Basic Policies for the Control of the Company”) and have passed a resolution to introduce policies for responses to the Tender Offer (the “Response Policies”), as below.

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 an appropriate decision on the Proposal after a comparative consideration of the Proposal and Third-Party Proposals (as defined in 1 below; the same applies hereinafter). **Therefore, (i) if Nidec actually commences the Tender Offer on or after May 9, 2025 (provided, however, that the tender offer period is 31 business days or more as stated in the Proposal; the same applies hereinafter), or (ii) if, prior to the commencement of the Tender Offer, the Company confirms that it has received a final and legally binding Letter of Intent for a Third-Party Proposal that is reasonably determined to have terms that are substantially more favorable than the Proposal from a third party other than Nidec, we believe that an amount of time for shareholders to make reasonable decisions based on deliberation will have been secured. Accordingly, we will immediately terminate the Response Policies upon the earliest occurrence of (i) or (ii) above.**

Furthermore, in the event Nidec fails to comply with the procedures set forth in the Response Policies (the “Large-scale Purchase Rules”), in order for our board of directors to take countermeasures based on the Response Policies, we will hold a Shareholders’ Intent Confirmation Meeting (as defined in I below; the same applies hereinafter) as a forum for our shareholders to make a decision on the merits of the Tender Offer. If our shareholders express their intention to support the Tender Offer at the Shareholders’ Intent Confirmation Meeting (this intention should be expressed through the vote of a majority of the voting rights of shareholders who are entitled to exercise their voting rights and who are present at the Shareholders’ Intent Confirmation Meeting as to whether or not the proposal for the Company taking the prescribed countermeasures against the Tender Offer will be adopted), **our board of directors will not take any action to substantially prevent the Tender Offer, as long as the Tender Offer is carried out in accordance with the conditions and contents disclosed at the Shareholders’ Intent Confirmation Meeting.**

Notes

1. Background Which Led to Introduction of the Response Policies

The Company received a “Letter of Intent Regarding Management Integration Aimed at Maximization of Corporate Value” (the “December 27, 2024 Letter of Intent”) from Nidec 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, Nidec proposes to conduct a Tender Offer for the Company shares with the aim of making the Company a wholly-owned subsidiary of Nidec, 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 Nidec, 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”) on January 10, 2025 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 standpoint of enhancing the Company’s corporate value and ensuring the common interests of our shareholders, and has considered the Proposal, as well as the appropriateness and fairness of the conditions and procedures of the transaction, including the structure (for details of the Special Committee, please refer to the Company’s press release dated January 10, 2025, “Notice on Establishment of a Special Committee”; the Special Committee Regulations are as shown in Exhibit 1).

Immediately after the receipt of the December 27, 2024 Letter of Intent from Nidec, 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 (for details, please refer to 2(6) below). With the aim of

securing the time reasonably necessary for our shareholders and the Company to make appropriate decisions on 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 Nidec a letter (assuming that the Tender Offer Period will be 31 business days) requesting that Nidec postpone the commencement date of the Tender Offer to May 9, 2025, which is approximately one week after the date of 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"; currently, this is scheduled for April 30, 2025). **In addition, on January 31, 2025, our board of directors sent to Nidec's board of directors a request letter in which a similar request is 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, Nidec 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, which is scheduled for April 30, 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 (the second request letter from our board of directors, the "Board of Directors' Second Request Letter"), as of February 28, 2025, the Company has **received multiple initial Letters of Intent from third parties independent of the Company's management and the Company's directors** (the "Proposers") **regarding acquisition proposals with the aim of making the Company a wholly-owned subsidiary that compete with the Proposal** (the "Third-Party Proposals") **during the course of exploring alternative proposals more favorable to shareholders. In response, in order to receive final and legally binding Letters of Intent from the Proposers, we have responded to the due diligence conducted by the Proposers and have proceeded with 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 extremely difficult to receive such final Letters of Intent and disclose such receipt by April 4, 2025, which is the date announced as the**

commencement date of the Tender Offer. Accordingly, on March 10, 2025, the Company once again requested that Nidec postpone the commencement of the Tender Offer to May 9, 2025 since it will take a certain amount of time to receive the final and legally binding Letters of Intent regarding the Third-Party Proposals from the Proposers and disclose such receipt (such request, the “Board of Directors’ Second Request”). **However, Nidec has, while we had asked for a response by March 14 on the Board of Directors’ Second Request, merely disclosed that it was sincerely considering the Board of Directors’ Second Request on the same date and March 17, and thereafter, in the “Notice Regarding Disclosure of a Response to “Letter of Inquiry (3)” by Nidec Corporation” dated March 18 in which we requested for Nidec to provide a substantive response by today, no such response has been provided to date.**

We will continue to sincerely consider the merits of the Proposal from the perspective of whether it will lead to the enhancement of the Company’s corporate value and the common interests of shareholders. However, in light of such correspondence with Nidec, **we believe that during the course of such consideration, our shareholders will be forced to decide whether to tender their shares in the Tender Offer without the necessary preconditions for making a well-informed decision being met, as a result of Nidec proceeding with the Tender Offer on April 4, 2025 as originally scheduled, without allowing sufficient time for our shareholders and the Company to properly assess the Proposal after comparing and considering the Proposal and the Third-Party Proposals. The Company further believes that there is a specific and pressing concern that shareholders may be 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 that harm the common interests of our shareholders.**

Given such concern, and with the aim of securing the Company’s medium- to long-term corporate value and the common interests of our shareholders, the Company consulted with the Special Committee regarding the appropriateness of the following actions from the perspective of 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 the Third-Party Proposals: (i) deciding on the Basic Policies for the Control of the Company set forth in Article 118, item (iii) of the Regulations for Enforcement of the Companies Act; and (ii) inquiring on the appropriateness of introducing the Response

Policies as an emergency measure to prevent control of determination of the Company's financial and business policies by an inappropriate party, in light of the Basic Policies for the Control of the Company (item (iii)(b)(2) of the same Article 118). As of today, the Special Committee has given its findings to the effect that taking these measures described in (i) and (ii) above is reasonable in order to secure the Company's medium- to long-term corporate value and the common interests of our shareholders.

In light of the findings of the Special Committee, the Company today has decided on the Basic Policies for the Control of the Company, and has resolved to immediately introduce the Response Policies to address Nidec's Large-scale Purchase Actions for the Company shares and other similar instruments. Please also refer to the timeline table in Exhibit A with respect to the background up to the present.

As stated above, **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 Proposal after a comparative consideration of the Proposal and Third-Party Proposals, and the Response Policies are not intended to prevent the implementation of the Tender Offer itself.**

Therefore, **(i) if Nidec 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 and legally binding Letter of Intent for a Third-Party Proposal that is reasonably determined to have terms that are substantially more favorable than the Proposal from a third party other than Nidec, we believe that the certain amount of time necessary for our shareholders and the Company to make appropriate decisions on the Proposal after a comparative consideration of the Proposal and the Third-Party Proposals will have been secured. Accordingly, we will immediately terminate the Response Policies upon the earliest occurrence of (i) or (ii) above.**

The introduction of the Response Policies was approved with the agreement of all of the Company's directors, including four independent and external directors, through a resolution of our board of directors (the "Board of Directors Resolution") dated today, and all of the Company's audit and supervisory board members, including two independent and external audit and supervisory board members, have agreed to the Response Policies.

2. Necessity to Introduce the Response Policies

As stated in 1 above, according to the December 27, 2024 Letter of Intent, the Tender Offer is scheduled to commence on April 4, 2025. With respect to this timing, in the December 27, 2024 Letter of Intent, Nidec stated that, from the perspective of securing (i) the period necessary and sufficient for our board of directors and the Special Committee established by the Company to form an opinion on the Tender Offer after receiving sufficient information from Nidec, and (ii) the period sufficient for the Company and our shareholders to make appropriate decisions on the Proposal and whether to tender shares, it is desirable to secure a period of “two months” or more for these periods. Nidec has also taken into account the time expected for procedures related to domestic and foreign competition laws and foreign investment restrictions that are necessary for implementing the Tender Offer.

However, based on the reasons outlined below, we believe that our shareholders will be forced to decide whether to tender their shares in the Tender Offer without the necessary preconditions for making a reasonable decision based on deliberation being met and despite the fact that, currently, the time necessary for our shareholders and the Company to make an appropriate decision on the Proposal after a comparative consideration of the Proposal and the Third-Party Proposals has not been secured, as a result of Nidec proceeding with the Tender Offer on April 4, 2025 as originally scheduled. The Company and the Special Committee further believe that there is a specific and pressing concern that shareholders may be 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 that harm the common interests of our shareholders. Therefore, we believe that it is necessary to introduce the Response Policies.

- (1) Time for the materialization and sufficient consideration of Third-Party Proposals has not been secured during the period from the date of receipt of the December 27, 2024 Letter of Intent to the scheduled commencement date of the Tender Offer (April 4)

In “2.2.3 Respecting the Intent of Shareholders and Ensuring Transparency” of 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"), the Guidelines clearly stipulate that **"Sufficient 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, an 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). In addition, "4.1.2 Provision of Time to Consider the Acquisition Proposal" of the Guidelines clearly states that **"For 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.** Under the tender offer regulation, a target company may extend the tender offer period for up to 30 business days, but **if such time period is objectively considered insufficient, it is advisable for the acquiring party to set a longer tender offer period than originally proposed, or extend the period for a reasonable time period, taking into account the needs of the target company and its shareholders"** (emphasis and underline added by the Company).

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 Nidec 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 Nidec. 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, which has been announced as the commencement date of the Tender Offer.

As described in (3) below, while the Company also needs to consider the possibility of Third-Party Proposals as part of the consideration on the merits of the Proposal, as stated in the “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”), **Nidec “began considering the Transaction from around August 2024” and had considered the Proposal for approximately five months before making the Proposal on December 27, 2024.** This demonstrates that **substantial time is required for the consideration and announcement of an acquisition proposal, and it is clear that a period of less than three months is insufficient for the Company—having received no prior consultation on the Proposal—to explore and announce Third-Party Proposals.**

Furthermore, April 4, 2025 falls after the end of the Company’s fiscal year ending March 2025, which is the busiest time of the year, and it is difficult for us to secure sufficient resources to analyze and consider the Proposal.

Accordingly, in order to secure time necessary for our shareholders and the Company to deliberate on the merits of Proposal after a comparative consideration of Third-Party Proposals and other alternative proposals, it is necessary to postpone the commencement of the Tender Offer for a reasonable period of time, and the Special Committee and our board of directors have repeatedly requested that Nidec and its board of directors postpone the commencement of the Tender Offer. However, as described in 1 above, Nidec has flatly refused to do so.

- (2) A period of approximately 120 to 150 days should be secured for information gathering and consideration.

In light of current practices in Japan, if a company has adopted peacetime introduced-type takeover defense measures (so-called advance warning-type takeover defense measures) and a tender offer is proposed without prior consent

of the target company, in accordance with the Guidelines, it is customary to allow 60 days for information provision 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 addition, the aim of peacetime introduced-type takeover defense measures usually includes enabling the submission of alternative proposals.

In recent cases of tender offers made in Japan without the consent of the target company (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.), 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 in Japan described above, as stated in (1) above, **the Company and our shareholders received the Proposal abruptly and unilaterally on the final business day of 2024 and were forced to commence the consideration, without time being secured to sufficiently consider the Proposal taking into account alternative proposals during the period until the scheduled commencement date of the Tender Offer. Taking into account the practices and other matters regarding the peacetime introduced-type takeover defense measures described above, we believe that a period of approximately 120 to 150 days starting from the date on which the December 27, 2024 Letter of Intent was received should be secured for exploring alternative proposals, information gathering, and consideration. As stated in (3) above, especially given that the Company has already received initial Letters of Intent for Third-Party Proposals, there is a heightened necessity to secure a consideration period taking into account alternative proposals.** In addition, **given that our shareholders should be able to sufficiently consider the Proposal taking into account alternative proposals, we believe that it is reasonable to postpone the commencement date of the Tender Offer until at least May 9, 2025.**

which is about 4.5 months after the Company's receipt of the December 27, 2024 Letter of Intent, from the perspective of maximizing the Company's corporate value and the common interests of our shareholders.

- (3) The Company requested Nidec to postpone the commencement of the Tender Offer in order to secure time to receive and publish a legally binding Third-Party Proposal, but Nidec rejected the request.

As stated in (1), the Guidelines provide that sufficient time and information must be provided so that the shareholders can make the correct choice 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 analyze the Proposal and, as needed, negotiate its terms in order to make them more favorable to our shareholders and the Company, and to consider, formulate, and implement alternative proposals to enhance the corporate value and the common interests of our shareholders; and (ii) information related to the results of the analysis of the Proposal by our board of directors and the Special Committee, 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.** 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.

As stated above, our board of directors is required to secure the necessary time to consider, formulate, and implement alternative proposals to enhance the corporate value and the common interests of our shareholders. As stated in 1. above, at present, we received multiple initial Letters of Intent for Third-Party Proposals from the Proposers. In response, the Company has responded to the due diligence conducted by the Proposers, proceeded with exchanging information with the Proposers in order to receive final and legally binding Letters of Intent for the Third-Party Proposals, and believes that there is a sufficient probability that we will receive such final Letters of Intent from the Proposers in the future. However, given the time required for due diligence and other matters, it is

extremely difficult to receive such final Letters of Intent and disclose such receipt by April 4 of this year, which has been announced as the commencement date of the Tender Offer. In fact, we received a letter from the one of the Proposers asking us to urge Nidec 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 and legally binding Letter of Intent for the Third-Party Proposal 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 the time required to negotiate with the financial institution providing the acquisition funding.

Accordingly, as stated in 1. above, in order for our shareholders and the Company to make a decision on the merits of the Tender Offer after a comparative consideration of the Proposal and Third-Party Proposals, on March 10, 2025, our board of directors made a request to Nidec again to postpone the commencement of the Tender Offer until May 9, 2025, taking into account the multiple initial Letters of Intent for the Third-Party Proposals the Company received from the Proposers, and the certain amount of time it would take for the Proposers to submit final and legally binding Letters of Intent for such Third-Party Proposals and to disclose such submission. However, Nidec has not substantially responded to such request.

- (4) Considering the broader circumstances, there is a strong concern that, regardless of the existence of Third-Party Proposals, Nidec will force the Tender Offer through and attempt to complete the Tender Offer before the receipt of any final Letters of Intent for Third-Party Proposals.

As stated in (1) above, Nidec sent the December 27, 2024 Letter of Intent on the final business day of 2024 without any prior consultation. Mr. Shigenobu Nagamori, Representative Director (Chairman of the Board) of Nidec (the "Nagamori Group Representative"), stated in an interview in an article of the Nikkei Business magazine published online on December 27, 2024, the day when the Proposal was announced, titled "Nidec Nagamori 'can't spend time in the face

of the threat from China’ and makes TOB for Makino Milling Machine” (the “Nikkei Business Interview Article”), that **“[t]his time, we have not negotiated in advance. If we negotiate for a takeover and prolong the process, the other party might find a white knight (a friendly acquirer), which would take too much time.”** These remarks suggest the reason why Nidec did not make any preliminary inquiries with the Company before making the Proposal was to avoid prior negotiations with the Company and the appearance of a white knight. We understand that during a meeting held on January 17, 2025 at the request of Nidec between the Special Committee and six individuals from Nidec, including its Executive Vice Presidents and First Senior Vice Presidents (the “Meeting”), **in response to the question “[h]as such a case [Company Note: an acquisition proposal without prior discussion or consultation] arisen among acquisitions in the past?” from the chairperson of the Special Committee, Nidec’s Executive Vice President responded, “[t]his is the first time for our company.”**²

Further, in a private interview in the Nikkei Business Interview Article, the Nagamori Group Representative responded to the question, “[W]hat would you do if a white knight appeared?” by responding, “[I]f a rival party really appeared and raised the purchase price, I would even consider making a tender offer against that party.” This statement suggests that if another company were to make a competing proposal to the Proposal, Nidec would conduct a tender offer for that company in addition to the Company, which seems to discourage other companies from submitting such competing proposals.

² “Unsolicited” proposals without prior consultation are not common even in the United States. In cases where there is no prior consultation, there are often special circumstances related to the acquisition. (There was some form of prior contact in all 9 hostile takeovers identified in U.S. databases over the past three years, and in 13 out of 15 hostile takeovers in the past five years.) Even in the examples cited by Nidec Corporation, in Microsoft’s acquisition proposal for Yahoo! and Valeant’s acquisition proposal for Allergan, there was prior negotiation and discussion, and in the examples of Oracle’s acquisition of PeopleSoft and Elon Musk’s acquisition of Twitter, there was some form of prior consultation. **(For details thereof, please refer to “Requests to Nidec Corporation and Corresponding Reasons” issued by the Company dated January 31, 2025.)** In addition, the U.S. Securities and Exchange Commission’s complaint against Mr. Musk mentions that Mr. Musk told Twitter’s CEO, chairman of the board of directors, and other directors on March 31, 2022, before announcing the acquisition of Twitter on April 13, 2022, that he was considering acquiring Twitter.

In addition, in the written answer to the Second Letter of Inquiry (as defined in (6) below), as an answer to the question 4 (5), Nidec responded that “even if there are new shareholders who become shareholders in anticipation of a further rise in the market share price of your [Company Note: the Company’s] shares due to a counter offer, etc. to the TOB, we believe that they will approve the Reverse Stock Split Proposal because there will be no opportunity to further raise the market share price of your shares due to a counter offer, etc. once the TOB has been completed.” This answer suggests that even if there is an opportunity for the Company’s shareholders to enjoy more favorable terms through competing proposals, Nidec will ignore such fact and aim for the completion of the Tender Offer. Furthermore, in the press release dated February 27, 2025,³ “[Nidec’s] Report states, ‘We believe that Nidec’s Proposed Price of 11,000 yen is a necessary and sufficient level, and at this stage we have no plan to raise the TOB price from this price, even if any shareholder requests a price increase or if a competing proposal by a white knight or others offers a price higher than the proposed price.’ expressing merely Nidec’s current policy. More specifically, the aforementioned statement in Nidec’s Report explains Nidec’s policy that, even if a party makes a counteroffer to the Tender Offer, the Company will not increase its Tender Offer price to another price beyond the realm of fair assessment.” In this statement, Nidec disclosed its policy of not raising the Tender Offer Price even before the appearance of Third-Party Proposals were made public. As such, we believe that Nidec intends to force the Tender Offer through completion as originally proposed without raising the Tender Offer Price.

Based on the above, **Nidec has downplayed the opportunity for the Company’s shareholders to enjoy more favorable terms through competing proposals, and we believe there is a strong concern that, regardless of the fact that the Company has already received initial Letters of Intent for Third-Party Proposals, Nidec will force through the commencement of the Tender Offer on April 4, 2025 and attempt to complete the Tender Offer before the receipt of final Letters of Intent for Third Party Proposals.**

³ The press release titled “Request regarding the Press Release by Makino Milling Machine Co., Ltd. (Securities Code: 6135), “Makino Milling Machine’s Opinions regarding Nidec Corporation’s Press Release, ‘Report on the Progress After the Release of Nidec’s Letter of Intent and on Nidec’s Opinion’ ” ”

- (5) Commencing the Tender Offer before the Announcement of the Financial Results for the Fiscal Year Ending March 2025 would deprive our shareholders of the opportunity to consider whether the terms of the Tender Offer are favorable based on the announced results, and would be contrary to the interests of shareholders.

While it is believed that our shareholders will consider the Company's operating results and financial condition for the fiscal year ending March 2025 when making a decision on the merits of the Proposal, 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 will not be clarified until the Announcement of the Financial Results for the Fiscal Year Ending March 2025, for which a specific prediction is difficult to make; thus, commencing the Tender Offer before the Announcement of the Financial Results for the Fiscal Year Ending March 2025 would deprive our shareholders of the opportunity to consider whether the terms of the Tender Offer are favorable based on the announced results, and would pose a significant issue from the perspective of the interests of shareholders. In this regard, Nidec claims that there is no problem even if the Tender Offer commences on April 4, 2025, because 12 business days has 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 (the "FIEA") 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. Therefore, 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, Nidec'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.

Therefore, **given that it is necessary to enable our shareholders to consider whether the terms of the Tender Offer are favorable based on the Announcement of the Financial Results for the Fiscal Year Ending March 2025, we believe that postponing the commencement date of the Tender Offer to May 9, 2025, which is approximately one week after the Announcement of the Financial Results for the Fiscal Year Ending March 2025, is reasonable from the perspective of maximizing the Company's corporate value and the common interests of our shareholders.**

- (6) Explanations and information provided by Nidec are insufficient.

In order for our shareholders and the Company to make appropriate decisions on the merits of the Proposal after a comparative consideration of Third-Party Proposals, information regarding the synergies that would arise from Nidec making the Company a wholly-owned subsidiary is necessary. However, **the December 27, 2024 Letter of Intent only provides general and abstract descriptions of such information, without any reference to any specific synergies, and in the Meeting, Nidec did not fully explain the specific synergies assumed by Nidec.**

Therefore, on January 28, 2025 and February 7, 2025, the Company sent to Nidec letters of inquiry regarding matters that are particularly necessary or useful for determining whether or not the Proposal will contribute to the Company's corporate value and the common interests of its shareholders (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"; collectively, the "Letters of Inquiry"). However, although Nidec strongly advocates for transparency, Nidec has either substantially refused to respond for unreasonable reasons such as "we do not publicly disclose" such information or has only provided abstract responses with regard to most of the information that is objectively necessary to determine whether the Proposal will contribute to enhancing the Company's corporate value, as highlighted in the questions below. As a result, our shareholders and the Company have not been able to obtain sufficient information necessary to determine whether or not the Proposal will contribute to enhancing the Company's corporate value.

- Inquiry asking to specify the names of the divisions of Nidec as well as subsidiaries and affiliates of Nidec, which make up the Nidec Machinery and Automation segment, and also to specify the number of employees in each segment (Inquiry 1(5) of the Second Letter of Inquiry).
- Inquiry asking about the percentage of the number of Nidec Group's Competitors with which Mitsubishi Heavy Industries Machine Tool, OKK, PAMA S.p.A., and Takisawa had a business relationship prior to the acquisition by Nidec and continue to do business after the acquisition (Inquiry 1(8) of the Second Letter of Inquiry).
- In OKK's 164th securities report dated June 21, 2022, it was disclosed that as of March 31, 2022, OKK had 813 employees as a consolidated unit. However, on the "Company Profile" page of the OKK website, it is stated, "Employees: Approximately 550 (April 2024)." Inquiry asking to confirm whether this represents the number of employees on a consolidated basis that OKK previously disclosed (Inquiry 2(2) of the Second Letter of Inquiry (repeated inquiry from Inquiry 4(5) of the First Letter of Inquiry)).

Furthermore, in response to the Letters of Inquiry, Nidec strongly requested that we arrange a meeting with our management in order to provide an explanation in

a face-to-face meeting. In response to this request, **on March 4, 2025, our directors and members of the Special Committee held a meeting with nine members of Nidec, including its Executive Vice Presidents and First Senior Vice Presidents, to ask about inquiries in the Letters of Inquiry that were not responded to in writing. However, we were not provided with sufficient explanations regarding the specific figures in response to the inquiries above, nor were we given sufficient details on the potential synergies that would arise for the Company if Nidec were to acquire the Company or an explanation of the specific measures that would be taken to address the dis-synergies the Company is concerned about, such as potential customer defections.**

Accordingly, the Company sent a letter to inquiring about matters for which we were a sufficient response was not provided in the meeting (the “Third Letter of Inquiry”). However, Nidec’s response merely stated explanations were provided in the meeting, and our shareholders and the Company have not been able to obtain sufficient information necessary to determine whether or not the Proposal will contribute to enhancing the Company’s corporate value.

As such, the Company believes that based on the limited information currently available, it is extremely difficult for our shareholders and the Company to determine whether, and to what extent, the Proposal will contribute to the enhancement of the Company’s medium- to long-term corporate value and the common interests of our shareholders, and that careful examination and consideration will require a substantial amount of time.

- (7) In addition to the above, there are specific concerns that there is a substantial degree of coercion with respect to the terms of Nidec’s Tender Offer, and therefore, we and our shareholders need to carefully examine the Proposal.

- (a) The lower limit of shares to be purchased is 50%.

In the Proposal, 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 Nidec is unable to acquire two-thirds or more of the voting rights of all our shareholders and Nidec'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 Nidec 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 Proposal is aimed at 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.

- (b) Nidec'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, the December 27, 2024 Letter of Intent 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, related parties of the Company, and 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) the December 27, 2024 Letter of Intent provides no rational basis for assuming that the above-mentioned shareholders are "expected to exercise their voting rights in favor" of the proposal and (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 Nidec's plan to make the Company a wholly-owned subsidiary.** Therefore, **Nidec'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 Machine Tool Engineering Foundation (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 clear that they will not tender**

their shares in the Tender Offer, and plan to oppose the squeeze-out proposal.

In addition, (iii) in **the case of Nidec's unsolicited acquisition proposal for Takisawa,** according to the tender offer registration statement dated September 14, 2023 regarding the case, 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 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."** **On the other hand, in this case, they were somehow included in "shareholders expected to vote in favor of the special resolution for the share consolidation proposal" and Nidec's explanation is inconsistent.** Furthermore, (iv) in 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, and the same is assumed in the Tender Offer. 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 December 27, 2024 Letter of Intent, Nidec 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 Nidec will acquire two-thirds or more of the voting rights.

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

Nidec states in the December 27, 2024 Letter of Intent that if the number of shares tendered reaches the lower limit on the number of shares to be purchased during the Tender Offer Period, Nidec 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”). Nidec claims that the coercive nature of the Tender Offer has been substantially 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 TOB and squeeze-out, three potential outcomes exist: (i) TOB is successful + squeeze-out is also successful, (ii) TOB is successful + squeeze-out is unsuccessful, and (iii) the TOB 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. Apart from that, 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 Nidec 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.

- (d) Nidec'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 December 27, 2024 Letter of Intent states that if Nidec 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, Nidec 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"), Nidec states that "[p]lease note that the consideration to be paid by the Tender Offeror to the shareholders 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. 12 of the Tender Offer Notice Press Release), 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, Nidec states that it “intends to acquire additional shares of the Target Company’s Stock . . . , and will request such shareholders’ meeting ([w]ith 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, Nidec 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.

Based on (a) through (d) above, in the First Request Letter, the Second

Request Letter, the Board of Directors' Request Letter, and the Board of Directors' Second Request Letter, in order to eliminate the coercive nature of the Tender Offer and protect the interests of our shareholders, the Special Committee and our board of directors on four occasions repeatedly have requested that Nidec raise the lower limit on the number of shares to be purchased in the Tender Offer to 15,564,200 shares, which is equivalent to two-thirds of the total voting rights of the Company. However, despite our repeated and strong requests, Nidec has not changed its position that it intends to set the lower limit of the Tender Offer at 11,694,400 shares, which is the number equivalent to 50% of the total number of the Company's voting rights, as originally proposed.

In order to protect the interests of our shareholders, the Company believes that the implementation of the Tender Offer under such a substantial degree of coercion is inappropriate, and will continue to request that Nidec raise the lower limit of the Tender Offer. At the same time, we will explore takeover proposals aimed at making the Company a wholly-owned subsidiary, with *less* risk of our shareholders being left as minority shareholders (coercion), and we believe with respect to the Proposal that a careful consideration by both our shareholders and the Company is necessary.

- (8) The request for the commencement date of the Tender Offer to be May 9, 2025 does not infringe on Nidec's legitimate interests.

As stated at the beginning of this 2, Nidec claims that the reason for setting the commencement date of the Tender Offer on April 4, 2025 was in light of the expected time required for procedures based on domestic and international competition laws and foreign investment regulations, while securing a period for the Company and its shareholders to consider the Proposal. However, there is no claim for an objective necessity for the Tender Offer to commence on the same date. In addition, as described in (7)(d) above, **Nidec has not clearly indicated the timing of the Additional Acquisition, although it has stated that if it is unable to acquire two-thirds or more of the total voting rights of 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, it will make the Additional Acquisition. This suggests that the timing to complete the Company's transition into a wholly-owned subsidiary is not**

important for Nidec.

In addition, **given that the commencement date after the postponement of the Tender Offer requested by the Company is May 9, 2025, in light of the fact that the period of postponement from the scheduled commencement date of Nidec is approximately only one month, we believe that the introduction of the Response Policies to postpone the commencement of the Tender Offer to May 9 or later does not infringe on Nidec's legitimate interests.**

(9) Introduction of the Response Policies

As stated (1) through (8) above, **our shareholders will be forced to decide whether to tender their shares in the Tender Offer without the necessary preconditions being met for making a reasonable decision based on deliberation, without regard to the fact that the Company has already received initial Letters of Intent regarding Third-Party Proposals. This situation arises from Nidec proceeding with the Tender Offer on April 4, 2025, as originally scheduled, without allowing sufficient time for our shareholders and the Company to properly conduct a comparative consideration on the merits of the Proposal and Third-Party Proposals. As a result, the Company and the Special Committee believe that there is a specific and pressing concern that shareholders may be 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 that harm the common interests of our shareholders.**

The Company intends to continue to hold sincere discussions with Nidec regarding the timing of the commencement of the Tender Offer in order to respect the premise that the Company and its shareholders will make reasonable decisions based on careful consideration. However, **without a framework for Nidec that ensures a sufficient period to make reasonable decisions based on shareholders' deliberation, it is extremely difficult for our board of directors to secure sufficient bargaining power vis-à-vis Nidec and conduct effective discussions with Nidec on the Proposal, including the timing of the commencement of the Tender Offer. As a result, we recognize that the Tender Offer by Nidec could compromise the maximization of our medium- to long-term corporate value and the common interests of shareholders.**

Therefore, based on our belief that the shareholders should, based on their reasonable intent, make the final decision regarding whether or not to accept the Proposal made by Nidec based on the Guidelines, **the Company has decided to introduce the Response Policies, with the aim of securing the maximum amount of time reasonably necessary for our shareholders to receive legally binding Third-Party Proposals and make reasonable decisions based on deliberation after a comparative consideration of the Proposal and Third-Party Proposals, in order to prevent situations that are contrary to our medium- to long-term corporate value or the common interests of our shareholders.**

In light of the purpose of the above-mentioned Response Policies, **(i) if Nidec 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 and legally binding Letter of Intent from a third party other than Nidec with respect to a Third Party Proposal that is reasonably determined to have terms that are substantially more favorable than the Proposal, we believe that shareholders will have sufficient time to make a reasonable decision based on deliberation. Accordingly, we will immediately terminate the Response Policies at the earliest occurrence of (i) or (ii) above.**

If there is any amendment to the Companies Act, the FIEA or other laws, any rule, cabinet order, cabinet office order or ministerial order, or any rule of the financial instruments exchange on which the Company's shares are listed (collectively, "Laws") (including a name change of any Law, and the enactment of any new Law to replace a former Law; hereinafter the same), and any such amendment is enforced, the provisions of the Laws quoted in the Response Policies will be respectively replaced by the relevant provisions of the amended Laws that substantively replace those former Laws, unless separately determined by our board of directors.

I. Basic Policies for the Control of the Company

The Company believes that a transfer of management control is one of the effective means for revitalizing corporate activities and the economy, and that if a large-scale purchase of its shares is initiated, in principle, the acceptance of that action should be left to its shareholders.

However, in order for our shareholders and the board of directors to fully consider the details of any purchase or acquisition proposal, or other related information, and for the board of directors to present an alternative proposal, it is important to recognize that some large-scale purchase actions may not provide sufficient time or information for proper evaluation. These actions could damage our corporate value and the common interests of our shareholders, effectively forcing shareholders to sell the Company's shares.

Therefore, in order to secure and enhance our corporate value and the common interests of our shareholders, the Company will promptly take appropriate measures from time to time, to the extent permitted by the FIEA, the Companies Act, and other related laws and regulations. For example, we will require any person intending to make a Large-scale Purchase Action of the Company's shares to provide necessary and sufficient information to enable shareholders to make informed decisions regarding the purchase. At the same time, we will respect the opinions of independent and external directors, disclose the board's views, and ensure that shareholders have adequate time and information to evaluate the proposal.

Our basic policies regarding the role of persons who control the decisions of the our financial and business policies are as stated above. Thus, our board of directors believes that when a Large-scale Purchaser executes a Large-scale Purchase Action, the execution of the Large-scale Purchase Action should ultimately be conditional on our shareholders agreeing to carry out the Large-scale Purchase Action, and that such agreement should be made upon consideration of the details of the purposes and contents thereof and upon being provided in advance with sufficient time and information necessary to determine whether it is acceptable. As such, as long as a Large-scale Purchaser complies with the Large-scale Purchase Rules, our board of directors will not prevent such Large-scale Purchase Action. If a Large-scale Purchaser fails to comply with the Large-scale Purchase Rules, in order for our board of directors to take countermeasures based on the Response Policies, we will hold a general meeting of shareholders (the "Shareholders' Intent Confirmation Meeting") as a forum for our shareholders' consideration and determination. If our shareholders express their intention to support the Large-scale Purchase Action at the Shareholders' Intent Confirmation Meeting (this intention should be expressed through the vote of a majority of the voting rights of shareholders who are entitled to exercise their voting rights and

who are present at the Shareholders' Intent Confirmation Meeting as to whether or not the proposal for the Company's taking the prescribed countermeasures against the Large-scale Purchase Action will be passed), **our board of directors will not take any action to substantially prevent the Large-scale Purchase Action, as long as the Large-scale Purchase Action is carried out in accordance with the conditions and contents disclosed at the Shareholders' Intent Confirmation Meeting.**

Accordingly, we will take countermeasures (specifically, the allotment of share options without contribution) based on the Response Policies, fully respecting the Special Committee's findings and with an approval (including ratification) by the Shareholders' Intent Confirmation Meeting only if the Large-scale Purchaser seeks to conduct the Large-scale Purchase Action (including additional acquisition of the Company's shares) without complying with the procedures set forth in III.3 below.

II. Special efforts assisting in the implementation of the basic policies

1. Efforts to enhance the Company's corporate value and the shareholders' common interests

(1) Corporate philosophy

Since our establishment, we have consistently been a specialized manufacturer of machine tools, taking pride in our role as a key player in the industry. For many years, we have adhered to the principle of "Quality First" as the essence of machine tools and have outlined the following corporate philosophy:

"Trust is the foundation of a company's existence. Makino pursues "Quality First" in all of its products and services, as well as in its own organization and employees, with a strong belief in mutual trust among everyone involved in building, selling, and using Makino products."

(2) Management strategies

The essence of the machine tool industry's strategy lies in responding appropriately to the rapidly changing business environment. We target a wide range of manufacturing customers, from everyday necessities to large passenger

aircrafts, and the outcomes of our management depend greatly on our strategic approach. Our basic policies are as follows:

- (i) we will enhance our development capabilities to quickly introduce high-grade, high-precision machine tools that the market demands;
- (ii) while ensuring a stable environment for the production of high-grade, high-quality machine tools, we will establish a production system that can flexibly respond to fluctuations in demand; and
- (iii) in response to the global expansion of production bases for machine tool users in the manufacturing industry, we will organically collaborate with overseas group companies to expand and enhance our sales and service networks.

We will continue to actively invest in these areas with the aim of establishing a strong corporate structure capable of securing profits even in a challenging environments.

(3) Proactive measures to enhance corporate value

To proactively enhance corporate value, we are addressing the following four key challenges:

(i) Improving profitability:

We aim to increase productivity through investments in rationalization, such as the development of high-value-added products that meet customer needs, the enhancement of services, and the automation of operations.

(ii) Increasing asset efficiency:

We aim to shorten the cash conversion cycle by improving the inventory turnover ratio, reduce cross-shareholdings, and utilize interest-bearing debt.

(iii) Expanding shareholder returns:

We will generate cash by improving profitability and increasing asset efficiency, return profits through stable and continuous dividends, and implement flexible shareholder returns.

(iv) Enhancing sustainability:

We will collaborate as a group to actively invest in human capital for the development of global talent and implement various environmental initiatives to address climate change challenges.

2. Corporate governance initiatives

The Company views corporate governance as a critical measure to enhance medium- to long-term corporate value while considering various stakeholders, in alignment with its corporate philosophy and basic management policies. Given the extremely volatile performance of the machine tool industry, we aim to build effective and efficient corporate governance based on the following basic governance policies:

- (i) We will take appropriate measures to ensure the rights and equality of all shareholders and create an environment where shareholders can exercise their rights effectively;
- (ii) We will collaborate effectively with various stakeholders to contribute to the enhancement of our medium- to long-term corporate value;
- (iii) We strive to ensure appropriate information disclosure and transparency in order to provide accurate and understandable financial and non-financial information to our consumers;
- (iv) We are committed to ensuring the proper fulfillment of roles and responsibilities of the board of directors, in order to contribute to the enhancement of medium- to long-term corporate value; and
- (v) We strive to engage in constructive dialogue with shareholders to contribute to the enhancement of medium- to long-term corporate value.

Corporate Governance System

The Company has adopted the audit and supervisory board system as its governance framework, with the board of directors and the audit and supervisory board overseeing business execution. The board of directors is chaired by the president and consists of eight directors, four of whom are independent and external directors. In addition, three audit and supervisory board members, including two external members, also attend meetings of the board of directors to audit the execution of duties by directors, and all of the external members are independent and external audit and supervisory board members. Furthermore, in order to enhance the independence and objectivity of the board of directors regarding the nomination and remuneration of directors and executive officers, the nomination and remuneration committee has been voluntarily established under the board of directors to discuss these matters. The committee is composed of six directors, four of whom are independent and external directors, in order to ensure the independence and neutrality of the committee, and the committee is chaired by an independent and external director.

Audits by Audit and Supervisory Board Members and Internal Audits

Audits by audit and supervisory board members are conducted in accordance with the Laws. Three audit and supervisory board members, including two external audit and supervisory board members (one of whom is a certified public accountant and has considerable expertise in finance and accounting), gather sufficient information in cooperation with relevant parties, such as attending meetings of the board of directors, exchanging opinions with employees of the Company and group subsidiaries, and holding regular meetings with the accounting auditors. In addition, the internal audit office works to ensure that both the accounting auditors and the audit and supervisory board members deepen their understanding of our internal controls and conduct *more* efficient and effective audits by collaborating with each other. This includes reporting the results of internal audits to the accounting auditors and audit and supervisory board members.

Other

In addition to the above, we are diligently working to strengthen our corporate governance based on the latest corporate governance code. For details of our corporate governance system, please refer to our Corporate Governance Report (June 21, 2024).

III. Details of the Response Policies (efforts to prevent the determination of financial and business policies of the Company from being controlled by inappropriate persons in light of the basic policies for the control of the Company)

1. The purposes of introduction of the Response Policies

The Response Policies will be introduced in accordance with **I. “Basic Policies for the Control of the Company”** above, with the aim of maximizing the Company’s medium- to long-term corporate value and the shareholders’ common interests.

Our board of directors believes that the decision to accept Large-scale Purchase Actions should ultimately be made by the shareholders, from the viewpoint of maximizing the Company’s medium- to long-term corporate value and the shareholders’ common interests. Our board of directors also believes that, in order for the shareholders to properly decide to accept Large-scale Purchase Actions, it is necessary

to obtain sufficient information from a Large-scale Purchaser and to provide time to consider to the shareholders.

In light of the above, our board of directors decided on the Response Policies as procedures to be taken if Large-scale Purchase Actions are to be conducted, as described below. These Response Policies are the framework for requesting that a Large-scale Purchaser provide the necessary information and for securing the time required for the Company's shareholders to deliberate on the propriety of the relevant Large-scale Purchase Actions based on the provided information, as a precondition to enable the shareholders to determine, based on sufficient information and in advance of the Large-scale Purchase Actions, whether the Large-scale Purchase Actions will prevent the maximization of the Company's medium- to long-term corporate value and the shareholders' common interests. We believe that the above-mentioned procedures provide the shareholders with necessary and sufficient information and time to make a proper decision regarding whether to accept Large-scale Purchase Actions, and that such will contribute to the maximization of the Company's medium- to long-term corporate value and the shareholders' common interests.

Therefore, our board of directors plans to request that Large-scale Purchasers comply with the Response Policies; and if a Large-scale Purchaser fails to do so, our board of directors plans to take certain countermeasures, fully respecting the Special Committee's opinions and findings, from the viewpoint of maximizing the Company's medium- to long-term corporate value and the shareholders' common interests, only if an approval (or ratification) at the Shareholders' Intent Confirmation Meeting is obtained.

As stated above, the decision to introduce the Response Policies was made by our board of directors, based on the determination that it is necessary to establish certain procedures to respond to Large-scale Purchase Actions by Nidec for the Company's shares based on the Proposal and other Large-scale Purchase Actions for shares of the Company by others, from the viewpoint of maximizing the Company's medium- to long-term corporate value and the shareholders' common interests.

2. Actions and persons subject to the Response Policies

In the Response Policies, the term “Large-scale Purchase Actions” refers to the actions reasonably deemed to fall under the following categories of actions (except for those conducted with the prior consent of our board of directors):

- (i) a purchase (including but not limited to the commencement of a tender offer; hereinafter the same applies) of the Company’s shares (Note 3) with the aim of making the holding ratio of voting rights (Note 2) of the specific shareholders’ group (Note 1) 20% or greater;
- (ii) a purchase of the Company’s shares as a result of which the holding ratio of voting rights of the specific shareholders’ group would be 20% or greater; or
- (iii) irrespective of whether an action provided for in (i) or (ii) above is undertaken, any action conducted by the Company’s specific shareholders’ group with another shareholder of the Company (including cases where the relevant action is conducted with multiple other shareholders of the Company; hereinafter the same applies in this (iii)) that falls under either of the following items: (a) agreements or other actions after which the relevant shareholder would be categorized as a joint holder of the specific shareholders’ group; or (b) any action to establish a relationship between the specific shareholders’ group and the relevant shareholder where either one substantially controls the other or where they act jointly or cooperatively (Note 4) (Note 5) (limited to cases where the total holding ratio of shares of the specific shareholders’ group and the relevant shareholder would be 20% or greater with respect to the shares issued by the Company).

The term “Large-scale Purchaser” refers to a person who conducts or seeks to conduct Large-scale Purchase Actions alone or jointly or cooperatively with another person.

(Note 1) The term “specific shareholders’ group” refers to (i) a “holder” (as provided in Article 27-23, paragraph (1) of the FIEA, including a person who is included in the definition of a holder pursuant to paragraph (3) of the same Article) and a “joint holder” (as provided in Article 27-23, paragraph (5) of the same Act, including a person who is deemed to be a joint holder pursuant to paragraph (6) of the same Article; hereinafter the same applies) of shares (as provided in Article 27-23, paragraph (1) of the same Act) of the Company, (ii) a person who conducts a “purchase, etc.” (as provided in Article 27-2, paragraph (1) of the same Act,

including a purchase, etc. conducted on a financial instruments exchange market) of shares (as provided in Article 27-2, paragraph (1) of the same Act) of the Company and any party falling under the definition of a “specially related party” for it (as provided in Article 27-2, paragraph (7) of the same Act; hereinafter the same applies), and (iii) a related party of any of the persons falling under (i) or (ii) above (meaning investment banks, securities corporations, and other financial institutions that have concluded a financial advisory agreement with those persons, other persons who share common substantial interests with those persons, tender offer agents, attorneys, certified public accountants, tax accountants, consultants, other advisors, or persons reasonably considered by our board of directors as persons who are substantially controlled by those persons or who act jointly or cooperatively with those persons).

- (Note 2) The term “holding ratio of voting rights” refers to, depending on the specific purchase method used by the specific shareholders’ group, either (i) the “holding ratio of shares” (as provided in Article 27-23, paragraph (4) of the FIEA) of the specific shareholders’ group if such group is a holder and that of any joint holder of the shares (as provided in Article 27-23, paragraph (1) of the same Act) of the Company (in this case, the “number of shares held” (as provided in the same paragraph) by joint holders of the holder will be included for the purpose of this calculation); or (ii) the total of the “ownership ratio of shares” (as provided in Article 27-2, paragraph (8) of the same Act) of the specific shareholders’ group if such group is a person conducting a purchase, etc. of shares (as provided in Article 27-2, paragraph (1) of the same Act) of the Company and that of the specially related parties of such person. For the purpose of the calculation of the holding ratio of voting rights, (A) specially related parties as defined in Article 27-2, paragraph (7) of the same Act, (B) investment banks, securities corporations, and other financial institutions that have concluded a financial advisory agreement with specific shareholders, as well as the specific shareholders’ tender offer agents, lead underwriters, attorneys, as well as certified public accountants, tax accountants, consultants, and other advisors, and (C) persons who acquire the Company’s shares through off-market direct transactions or on-market after-hours transactions at the Tokyo Stock Exchange (ToSTNeT-1) from the persons falling under (A) and (B) above are deemed to be joint holders in regard to the specific shareholders in the Response Policies. In addition, for the purpose of the calculation of the holding ratio of voting rights, joint holders (including those who are deemed to be joint holders in the Response Policies; hereinafter the same

applies) are deemed to be specially related parties of the specific shareholders in the Response Policies. For the purpose of calculating a holding ratio of shares or an ownership ratio of shares of the Company, the latest annual securities report, semi-annual securities report, and report on repurchase may be referred to with respect to the “total number of issued shares” (as provided in Article 27-23, paragraph (4) of the same Act) and the “total number of voting rights” (as provided in Article 27-2, paragraph (8) of the same Act).

- (Note 3) The term “shares” refers to share certificates, etc. as provided in Article 27-23, paragraph (1) of the FIEA.
- (Note 4) A decision on whether “a relationship between the specific shareholders’ group and the relevant shareholder where either one substantially controls the other or where they act jointly or cooperatively” has been established will be made based on such factors as (a) the formation of any relationship such as an investment relationship, business alliance relationship, business or contractual relationship, interlocking officers relationship, funding relationship, credit granting relationship, the structure of the relationship in terms of the actual benefits with relation to the shares of the Company, through such things as purchases of shares of the Company, exercises of the voting rights related to the Company’s shares, derivatives, and stock lending, etc.; and (b) effects that the specific shareholders’ group and the relevant shareholder directly or indirectly have on the Company, among other things.
- (Note 5) Based on the findings of the Special Committee, a decision on whether an action specified in (iii) of the main text above has taken place will be made reasonably by our board of directors (in making the decision, the Special Committee’s findings will be fully respected). In addition, our board of directors may request information from our shareholders to the extent necessary to make a decision on whether the relevant action falls under the requirements specified in (iii) of the main text above.
- (Note 6) The term “related parties” refers to persons who acquire shares of the Company through off-market direct transactions or on-market after-hours transactions at the Tokyo Stock Exchange (ToSTNeT-1) from the persons falling under (i) through (iii) above (excluding cases through a tender offer), investment banks, securities corporations, and other financial institutions that have concluded a financial advisory agreement or tender offer agent agreement with those persons (including persons falling under (i) through (iii) above; hereinafter the same applies in this (Note 6)), as well as attorneys, certified public accountants, tax accountants, consultants, and other advisors, other persons who share common substantial

interests with those persons, and all persons who are substantially controlled by those persons or who act jointly or in cooperation with those persons. In deciding whether a partnership or other fund constitutes a “related party,” the fund manager’s substantive identity and other factors are taken into account.

Since the Tender Offer by Nidec clearly constitutes Large-scale Purchase Actions defined herein, Nidec constitutes a Large-scale Purchaser. Accordingly, in order for Nidec to acquire shares of the Company through the Tender Offer, Nidec is required to follow the procedures set forth in the Response Policies.

3. Procedures in the event of Large-scale Purchase Actions

The specific details of the Large-scale Purchase Rules are as follows:

(1) Submission of a Letter of Intent

Unless otherwise approved by our board of directors, the Large-scale Purchaser will be required to submit to the President of the Company, prior to the commencement or execution of Large-scale Purchase Actions, a written statement signed or affixed with the name and seal of the representative of the Large-scale Purchaser, in a form separately specified by the Company. This statement must pledge to our board of directors that the specific shareholders’ group, including the Large-scale Purchaser, will comply with the Large-scale Purchase Rules and ensure that they are followed. Additionally, a certificate of qualifications for the representative who signed or sealed the statement must be provided (collectively, “Letter of Intent”). Upon receiving the Letter of Intent, the President of the Company will immediately submit it to the board of directors and the Special Committee.

The Letter of Intent must clearly state a pledge to comply with the Large-scale Purchase Rules, as well as the items below. The Letter of Intent must be written in Japanese only.

- (1) Overview of the Large-scale Purchaser**
 - (i) Name**

- (ii) Address or location of head office, office, etc.
- (iii) Governing law of incorporation
- (iv) Name of representative
- (v) Contact information in Japan
- (2) Types and number of shares of the Company currently held by each member of the specific shareholders' group that includes the Large-scale Purchaser
- (3) The transaction status of the Company's shares by each member of the specific shareholders' group that includes the Large-scale Purchaser, during the 60 days prior to the submission of the Letter of Intent, and an overview of the contemplated Large-scale Purchase Actions

When a Large-scale Purchaser provides a Letter of Intent, the Company will disclose matters deemed appropriate by our board of directors or the Special Committee in a timely and appropriate manner, in accordance with applicable Laws and the rules of financial instruments exchanges.

With regard to the Tender Offer, the fact that Nidec submitted the December 27, 2024 Letter of Intent to our board of directors on December 27, 2024 shall be deemed to be the submission of a Letter of Intent.

- (2) Requests for information from the Large-scale Purchaser

The Large-scale Purchaser will be required to provide our board of directors with the information set forth in items (i) to (xvi) below (collectively, the "Large-scale Purchase Information") within five business days from the date on which our board of directors and the Special Committee received the Letter of Intent (the first day is not included; hereinafter the same applies). When our board of directors receives the Large-scale Purchase Information, it will immediately provide it to the Special Committee. **With regard to the Tender Offer, the submission of the December 27, 2024 Letter of Intent by Nidec to our board of directors on December 27, 2024, will be deemed as the provision of the Large-scale Purchase Information within five business days from the date of receipt of the Letter of Intent by our board of directors. However, any additional information deemed necessary by the Special Committee or the Company, other than the information included in the December 27,**

2024 Letter of Intent (referred to as additional Large-scale Purchase Information), shall be submitted in writing as appropriate.

If our board of directors or the Special Committee determines that it is difficult for shareholders to make a reasonable decision based on careful consideration as to whether or not to respond to the Large-scale Purchase Actions, undertaken by a specific shareholders' group that includes a Large-scale Purchaser, or for our board of directors and the Special Committee to form an opinion for or against the Large-scale Purchase Actions ("Opinion Formation"), or to prepare an alternative plan ("Alternative Plan Preparation") and present it appropriately to shareholders based solely on the Large-scale Purchase Information initially provided by the Large-scale Purchaser, by setting a reasonable period (within 60 business days from the date of receipt of the Letter of Intent by our board of directors and Special Committee; the "Required Information Provision Period") and within the specific period set, our board of directors or the Special Committee may, at any time, request that the Large-scale Purchaser (and, where necessary, any other person belonging to a specific shareholders' group) provide additional Large-scale Purchase Information necessary for shareholders to make a reasonable decision based on careful consideration and for our board of directors and Special Committee to conduct Opinion Formation and Alternative Plan Preparation. However, since the specific details of the Large-scale Purchase Information may differ depending on the details and scale of the Large-scale Purchase Actions, if the information provided by the expiration of the Required Information Provision Period is deemed insufficient for shareholders to make a reasonable decision based on careful consideration, or for the our board of directors and Special Committee to conduct Opinion Formation and Alternative Plan Preparation, taking into consideration the details and scale of the Large-scale Purchase Actions and the specific circumstances under which the Large-scale Purchase Information has been provided, our board of directors may extend the Required Information Provision Period for up to 30 business days based on the findings of the Special Committee. In such cases, our board of directors will respect the opinions of the Special Committee to the greatest extent possible.

With regard to the Tender Offer, the Company asked Nidec to provide some additional Large-scale Purchase Information through the First Letter of Inquiry, Second Letter of Inquiry, and the Third Letter of Inquiry, as well as through meetings with Nidec by the Special

Committee and the Company's management.

When our board of directors or the Special Committee determines that the provision of the Large-scale Purchase Information has been completed (even if some of the requested information is not submitted, if it is determined that a reasonable explanation for the non-submission has been provided, the submission of the Large-scale Purchase Information may be treated as completed) or the Required Information Provision Period has expired, the Company will immediately disclose that fact to its shareholders in accordance with applicable Laws and the rules of the financial instruments exchange. As described in (3) below, the Board of Directors' Evaluation Period (as defined in (3) below) will commence from the day following the date of such disclosure. Furthermore, in accordance with the decision of our board of directors or the Special Committee, the Company will, in principle, disclose any Large-scale Purchase Information that it deems necessary for our shareholders to make a reasonable decision based on careful consideration on whether or not to respond to the Large-scale Purchase Actions in a timely and appropriate manner in accordance with applicable Laws and the rules of the financial instruments exchange at an appropriate time after receiving the initial or additional Large-scale Purchase Information from the Large-scale Purchaser (and, where necessary, any other person belonging to a specific shareholders' group).

The following Large-scale Purchase Information which must be provided pursuant to the Large-scale Purchase Rules and other notices and communications to the Company shall be disclosed in Japanese.

As stated in 1. above, **(i) if Nidec 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 and legal binding Letter of Intent from a third party other than Nidec with respect to a Third-Party Proposal that is reasonably determined to have terms that are substantially more favorable than the Proposal, we will immediately terminate the Response Policies at the earliest occurrence of (i) or (ii) above. Therefore, if (i) or (ii) above applies, countermeasures based on the Response Policies (the "Countermeasures") will not be implemented against the Tender Offer on the grounds that the Large-scale Purchase Information has not been**

provided in accordance with the procedures set out in (2).

- (i) Overview of a specific shareholders' group that includes a Large-scale Purchaser, its group companies (including major shareholders or investors (regardless of whether direct or indirect; hereinafter the same applies), significant subsidiaries and affiliates, as well as joint holders and specially related parties, and if a specific shareholders' group that includes a Large-scale Purchaser is a fund or an entity related to its investment (regardless of whether they are established under Japanese law or any foreign law and regardless of legal form; the "Funds"), or if there are Funds that are substantially controlled or managed by a specific shareholders' group that includes a Large-scale Purchaser, including its main partners, investors, and other members, as well as managing partners and persons who provide investment advice on an ongoing basis; hereinafter the same applies) (specific name, address, governing law for incorporation, capital structure, investees, investment ratio at the investees, details of business, financial status, details of investment policy, details of investment and lending activities within the past ten years, whether falling under a "foreign investor" as defined in Article 26, paragraph (1) of the Foreign Exchange and Foreign Trade Act (the "FEFTA") and any supporting information, whether there have been any violations of laws and regulations within the past ten years (and if so, an outline of such violations), information as to whether there is any experience in businesses similar to the Company's business and the possibility of future competition, as well as the names and career histories of officers, and whether they have violated laws and regulations within the past ten years (and, if so, an outline of such violations);
- (ii) specific details of the internal control systems (including group internal control systems; hereinafter the same applies) of a specific shareholders' group that includes a Large-scale Purchaser, and its group companies, and the existence or status of the effectiveness of such systems;
- (iii) the holding status of the shares of the Company by a specific shareholders' group that includes a Large-scale Purchaser, and their group companies, the status of holdings and contracts for derivatives and other financial derivative products whose underlying assets are the shares of the Company or assets related to the business of the Company or the Company

group, and the status of stock lending, borrowing and short selling, etc. of the shares of the Company;

- (iv) if there are any lease contracts, security contracts, resale agreements, purchase-sale reservations, or other important contracts or arrangements (collectively “Security Contracts”) regarding the shares of the Company already held by a specific shareholders’ group that includes a Large-scale Purchaser, and its group companies, the specific details of such Security Contracts, such as the type of contract, the counterparty to the contract, and the quantity of the shares of the Company that are the subject of the contract;
- (v) if a specific shareholders’ group that includes a Large-scale Purchaser plans to enter into a Security Contract or other agreement with a third party regarding the shares of the Company that it plans to acquire in Large-scale Purchase Actions, the specific details of the agreement, such as the type of agreement planned, the counterparty to the contract, and the quantity of the shares that are the subject of the contract;
- (vi) purpose of Large-scale Purchase Actions (including acquisition of control or participation in management, net investment or policy investment, a transfer of shares of the Company to a third party after the Large-scale Purchase Actions, or material proposal; and if there are any other purposes, that fact and overview thereof. If there are multiple purposes, all of them must be described), and method and details thereof (including whether there is an intention to participate in management, the type and number of shares subject to the Large-scale Purchase Actions, the ownership ratio of the Company’s shares after the purchase pertaining to the Large-scale Purchase Actions, the type and value of the consideration for the Large-scale Purchase Actions, the timing of the Large-scale Purchase Actions, related transaction mechanisms, legality of the method of the Large-scale Purchase Actions, feasibility of the Large-scale Purchase Actions and related transactions (if the Large-scale Purchase Actions are related to certain conditions, the details of such conditions), the policy regarding the holding and disposal of the Company’s shares after completion of the Large-scale Purchase Actions, and the facts and reasons therefor if the Company’s shares are expected to be delisted. Regarding the legality of the Large-scale Purchase Actions, a written opinion by a qualified attorney must also be submitted.);

- (vii) whether there were communications when conducting Large-scale Purchase Actions (including communications related to making a material proposal to the Company; hereinafter the same applies) with a third party; and if there were communications, the specific form, details, and overview of the third party;
- (viii) basis for calculation of consideration for purchases pertaining to Large-scale Purchase Actions and the background of calculation (including facts and assumptions on which the calculation is based, calculation method, name of and information on the calculation agent, numerical information used in calculation, the amounts of synergies and dis-synergies expected to arise from a series of transactions in connection with the Large-scale Purchase Actions, and basis for the calculation; and if opinions of a third party were heard at the time of calculation, the name of and information on the third party and a summary of the opinions, as well as the background leading to the determination of the amount based on those opinions);
- (ix) financial support for the purchase pertaining to Large-scale Purchase Actions (including the specific name of a provider of the funds (including a substantial provider (whether directly or indirectly)), the procurement method, whether there are conditions for the fund provision and details thereof, and security after the provision of funds or whether there are commitments and details thereof, as well as specific details of related transactions);
- (x) management policy of the Company and the Company group contemplated after completion of Large-scale Purchase Actions, history and other details of director and auditor candidates planned to be dispatched after completion of the Large-scale Purchase Actions (including information on their knowledge and experience in the business the same as that of the Company and the Company group), business plan, financial plan, fund plan, investment plan, capital policy (including share buy-back policies), and dividend policy and asset utilization policy (including plans related to sale, provision of security, and other disposition of assets of the Company after completion of the Large-scale Purchase Actions);
- (xi) treatment policies of officers, employees, labor unions, clients, customers, and local related parties (including local governments in which plants,

warehouses, and other facilities or equipment are located) of the Company and the Company group after completion of Large-scale Purchase Actions, as well as other stakeholders related to the Company;

- (xii) specific measures to avoid conflicts of interest between Large-scale Purchasers or the specific shareholders' group and other shareholders of the Company;
- (xiii) status of transactions between the specific shareholders' group that includes a Large-scale Purchaser, as well as their group companies (including their officers and employees), and anti-social forces or terrorism-related organizations, whether there are any other relationships with them (whether direct or indirect), and if so, details of the relationship and policies for dealing with them;
- (xiv) regulations under the FEFTA or other domestic and foreign Laws that may apply to implementation of the Large-scale Purchase Actions, and the likelihood of obtaining approvals, permits, or licenses to be obtained from domestic and foreign governments or third parties based on the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the FEFTA, or other domestic and foreign Laws (these matters must be submitted together with a written opinion by a qualified attorney in the relevant jurisdiction);
- (xv) possibility of maintaining permits and licenses based on various domestic and foreign Laws necessary for the management of the Company group after the completion of Large-scale Purchase Actions and the possibility of complying with various domestic and foreign Laws; and
- (xvi) other information that our board of directors or the Special Committee considers reasonably necessary and that we request from the Large-scale Purchaser in writing within five business days from the date of receipt of the Letter of Intent (if the Large-scale Purchaser has already submitted a Letter of Intent to our board of directors at the time of the introduction of the Response Policies, within five business days from the date of introduction of the Response Policies).

(3) Setting of the Board of Directors' Evaluation Period

Our board of directors will set the period (i) or (ii) below as periods (both should be calculated from the day following the date on which we disclose that our board

of directors or the Special Committee has determined that the provision of Large-scale Purchase Information has been completed or that the period for providing necessary information has expired) during which our board of directors conducts evaluation, examination, Opinion Formulation, Alternative Plan Preparation, and negotiation with the Large-scale Purchaser (the “Board of Directors’ Evaluation Period”), depending on the details of the Large-scale Purchase Actions disclosed by the Large-scale Purchaser (and, if necessary, other persons belonging to the specific shareholders’ group). Unless otherwise stated in the Response Policies, Large-scale Purchase Actions should be commenced only after the expiration of the Board of Directors’ Evaluation Period. The Board of Directors’ Evaluation Period was set in consideration of the difficulty of evaluating and examining the Company’s business, the difficulty of Opinion Formulation and Alternative Plan Preparation, or other reasons. In light of the fact that the December 27, 2024 Letter of Intent was submitted without any prior consultation or communication, the timeframe referenced is based on business days rather than calendar days.

- (i) in the case of the purchase of all shares in the Company through a tender offer with consideration of cash (yen) only: up to 60 business days; or
- (ii) in the case of Large-scale Purchase Actions other than the case (i) above: up to 90 business days.

During the Board of Directors’ Evaluation Period, our board of directors conducts evaluation, examination, Opinion Formulation, Alternative Plan Preparation, and negotiation with the Large-scale Purchaser, and negotiates with a Large-scale Purchaser regarding the contemplated Large-scale Purchase Action, from the perspective of securing and enhancing our medium- to long-term corporate value and the common interests of shareholders, based on the Large-scale Purchase Information provided by the Large-scale Purchaser (and, if necessary, other persons belonging to the specific shareholders’ group). In conducting such activities, our board of directors should, as necessary, obtain advice from third-party experts (financial advisors, attorneys, certified public accountants, tax accountants, and other experts) independent of our board of directors. The Company will bear all such expenses, except in exceptional cases where bearing such expenses is deemed to be unreasonable.

In addition, when there are unavoidable circumstances in which our board of directors does not reach a resolution as to whether or not to take countermeasures

within the Board of Directors' Evaluation Period, such as where the Special Committee does not make the findings described in (5) below within the Board of Directors' Evaluation Period, based on the Special Committee's findings, our board of directors can extend the Board of Directors' Evaluation Period to a maximum of 30 business days (the first day is not to be counted) to the extent necessary. If our board of directors resolves to extend the Board of Directors' Evaluation Period, we will disclose the specific period of the resolution and the reasons why the specific period is required in a timely and appropriate manner in accordance with applicable Laws and the rules of financial instruments exchanges.

In addition, as stated in 1. above, **(i) if Nidec 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 and legally binding Letter of Intent from a third party other than Nidec with respect to a Third-Party Proposal that is reasonably determined to have terms that are substantially more favorable than the Proposal) since we believe that an amount of time for shareholders to make reasonable decisions based on deliberation will have been secured, we will immediately terminate the Response Policies at the earliest occurrence of (i) or (ii) above. Therefore, the end date of the Board of Directors' Evaluation Period will not be May 9, 2025 or after.**

(4) Consultation with the Special Committee

Our board of directors will utilize the Special Committee, which has already been established 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. Prior to the implementation of countermeasures, our board of directors will consult with the Special Committee on the propriety of the implementation of countermeasures, and the Special Committee will make a decision on the propriety of the implementation of countermeasures after carefully evaluating and examining Large-scale Purchase Actions from the perspective of securing and improving the Company's medium- to long-term corporate value and the shareholders' common interests.

The Special Committee may, as necessary, obtain advice from third-party experts (financial advisors, attorneys, certified public accountants, tax accountants, etc.) that are independent from our board of directors and the Special Committee. In addition, all expenses incurred in obtaining such advice will be borne by the Company, except in exceptional cases where bearing such expenses is deemed unreasonable.

The names and biographies of the current members of the Special Committee, which was established to consider the Proposal by Nidec, are shown in **Exhibit 2**. In principle, resolutions by the Special Committee on the Response Policies will be passed by a majority of the members of the Special Committee present at the meeting where all the members entitled to participate in the resolution are present at the meeting. However, in the event of an accident involving any of the members of the Special Committee or any other special circumstances, resolutions will be passed by a majority of the members of the Special Committee present at the meeting.

(5) Findings procedures of the Special Committee and resolutions by our board of directors

(a) Findings of the Special Committee

The Special Committee will, within the Board of Directors' Evaluation Period, make a report on findings to our board of directors regarding Large-scale Purchase Actions in accordance with the provisions of (i) to (iii) below. If such a report on findings is made, the Company will disclose the Special Committee's opinion, the reasons for such opinion, and other information deemed appropriate in a timely and appropriate manner in accordance with applicable Laws and the rules of the financial instruments exchange.

(i) Cases where the Large-scale Purchase Rules are not complied with

If the Special Committee recognizes that the specific shareholders' group that includes a Large-scale Purchaser has made a material violation of the

Large-scale Purchase Rules, and the violation is not corrected within five business days (the first day will not be counted; the “Correction Period”) after our board of directors requests the Large-scale Purchaser in writing to correct the violation, the Special Committee will, in principle, report its findings that our board of directors confirm (or ratify) the intention of the shareholders at the Shareholders’ Intent Confirmation Meeting regarding the implementation of countermeasures against the Large-scale Purchase Actions and other matters deemed necessary, except in cases where it is clear that it is not necessary to implement countermeasures in order to secure or improve the Company’s medium- to long-term corporate value and the shareholders’ common interests (in cases where it is clear that the violation will not be corrected, the Special Committee will report the same details even before the expiration of the Correction Period). In this case, after fully considering the findings, our board of directors will confirm the shareholders’ intentions at the Shareholders’ Intent Confirmation Meeting by referring to the necessity and details of the implementation of countermeasures against the Large-scale Purchase Actions. If approval is obtained for the implementation of the countermeasures, our board of directors may resolve to implement them in accordance with the shareholders’ intentions.

As stated in 1. above, **the Company repeatedly asked Nidec to commence the Tender Offer on or after May 9, 2025. Except for cases where (i) if Nidec 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 and legally binding Letter of Intent from a third party other than Nidec with respect to a Third-Party Proposal that is reasonably determined to have terms that are substantially more favorable than the Proposal, the Special Committee will deem that the Large-scale Purchase Rules are not complied with, because Nidec commenced the Large-scale Purchase Actions before the Board of Directors’ Evaluation Period ends and violated the procedures provided in (3) above. Unless there are special circumstances in which the countermeasures should not be implemented, it will report its findings that our board of directors confirm (or ratify) the intention of the shareholders at the Shareholders’ Intent**

Confirmation Meeting (in relation to the Proposal by Nidec, in principle, the Company's annual general meeting of shareholders to be held on June 19, 2025 (the "General Meeting of Shareholders") will be deemed as the "Shareholders' Intent Confirmation Meeting" as described in the Response Policies) **regarding the implementation of the Countermeasures against the Tender Offer and other matters deemed necessary. Based on such findings, our board of directors will submit a proposal to approve the implementation of the Countermeasures or other necessary proposals at the Shareholders' Intent Confirmation Meeting.**

- (ii) Cases where the Large-scale Purchase Rules are complied with

As stated in 1, (i) if Nidec 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 and legally binding Letter of Intent from a third party other than Nidec with regard to a Third-Party Proposal that is reasonably determined to have terms that are substantially more favorable than the Proposal, since we believe that sufficient time has been provided for shareholders to make reasonable decisions based on deliberation, we will immediately terminate the Response Policies at the earliest occurrence of these (i) or (ii) above. Therefore, as long as Nidec complies with the Large-scale Purchase Rules, the Special Committee will not report its findings to implement countermeasures.

- (iii) Other findings by the Special Committee

Even after finding for the implementation of countermeasures to our board of directors, the Special Committee may make a report to our board of directors to discontinue or suspend the implementation of countermeasures in the event that the Large-scale Purchase Actions are withdrawn or if there is any other change in the facts on which the judgment of the findings was based. Furthermore, even after making a report on findings to our board of directors that the intentions of shareholders should be confirmed at the Shareholders'

Intent Confirmation Meeting, the Special Committee may make a report on findings to our board of directors with a different detail in the event that the Large-scale Purchase Actions are withdrawn or there is any other change in the facts on which the decision was made.

In addition to the above, the Special Committee may make report on findings to our board of directors as appropriate in order to secure and improve the medium- to long-term corporate value of the Company and the common interests of shareholders.

(b) Resolutions by our board of directors

Unless there are special circumstances that clearly violate the duty of due care of a prudent manager as a director, our board of directors shall, after fully respecting the findings of the Special Committee, decide whether or not to implement countermeasures. The board will then convene a Shareholders' Intent Confirmation Meeting as described in (c) below and make any other necessary resolutions without delay, in accordance with the procedures prescribed in the Response Policies. The implementation of countermeasures will be limited to cases where the shareholders' intentions are confirmed (or ratified) at the Shareholders' Intent Confirmation Meeting by referring to the necessity and details of the implementation of countermeasures against the Large-scale Purchase Actions, and approval is obtained for such implementation of the countermeasures.

In addition, **(i) if Nidec 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 and legally binding Letter of Intent from a third party other than Nidec with respect to a Third-Party Proposal that is reasonably determined to have terms that are substantially more favorable than the Proposal, the Company will immediately terminate the Response Policies and will not take countermeasures in relation to the Tender Offer, as long as Nidec complies with the Large-scale Purchase Rules.**

Even after a report on findings has been made by the Special Committee to our

board of directors to implement countermeasures, our board of directors may suspend the implementation of countermeasures or make other decisions in the event that the Large-scale Purchase Actions are withdrawn or if there is any other change in the facts on which the judgment of the finding was based.

In the event that such a resolution is passed, the Company will disclose the opinion of our board of directors, the reasons for the opinion, and other information deemed appropriate in a timely and appropriate manner in accordance with applicable Laws and the rules of the financial instruments exchange.

(c) Convocation of a Shareholders' Intent Confirmation Meeting

In the event that our board of directors receives a report on findings from the Special Committee to implement countermeasures against Large-scale Purchase Actions, our board of directors shall convene a Shareholders' Intent Confirmation Meeting as soon as possible, after respecting the findings to the fullest extent, and confirm the intention of shareholders with regard to the necessity and details of such countermeasures against Large-scale Purchase Actions, by determining whether or not such measures are approved by a majority of the voting rights of shareholders who are able to exercise their voting rights and attend the Shareholders' Intent Confirmation Meeting.

In such a case, the Large-scale Purchase Actions should be carried out after the rejection of the proposal to implement countermeasures at the Shareholders' Intent Confirmation Meeting and the conclusion of the Shareholders' Intent Confirmation Meeting. In the event that a proposal to approve the implementation of countermeasures under the Response Policies is approved at the Shareholders' Intent Confirmation Meeting by a majority of the voting rights of shareholders who are able to exercise their voting rights and attend the Shareholders' Intent Confirmation Meeting, our board of directors shall pass a resolution to implement countermeasures in accordance with the Response Policies against the Large-scale Purchase Actions. In addition, if the proposal to approve the implementation of countermeasures under the Response Policies is rejected at the Shareholders' Intent Confirmation Meeting without gaining the approval of a majority of the voting rights of shareholders who are able to

exercise their voting rights and attend the Shareholders' Intent Confirmation Meeting, our board of directors will not implement such countermeasures.

In the event that the Company holds a Shareholders' Intent Confirmation Meeting, the Company will notify in a timely and appropriate manner of details such as the scope of shareholders who can exercise their voting rights, the record date for exercising their voting rights, and the date and time of the Shareholders' Intent Confirmation Meeting.

Except for cases where (i) Nidec commences the Tender Offer, and the commencement date of the Tender Offer is on or after May 9, 2025 or (ii) where, prior to the commencement of the Tender Offer, the Company confirms that it has received a final and legally binding Letter of Intent from a third party other than Nidec with respect to a Third-Party Proposal that is reasonably determined to have terms that are substantially more favorable than the Proposal, as described in (a)(i) above, unless there are special circumstances in which the Countermeasures should not be implemented, the Special Committee will report its findings that our board of directors confirm (or ratify) the intention of the shareholders at the Shareholders' Intent Confirmation Meeting regarding the implementation of Countermeasures and other matters deemed necessary. In accordance with such findings, our board of directors will submit a proposal to approve the implementation of the Countermeasures or other necessary proposals at the Shareholders' Intent Confirmation Meeting, and confirm the intention of shareholders with regard to those proposals, by determining whether or not such proposals are approved by a majority of the voting rights of shareholders who are able to exercise their voting rights and attend the Shareholders' Intent Confirmation Meeting.

- (6) Re-application of Large-scale Purchase Rules due to changes in Large-scale Purchase Information

In accordance with the provisions of (2) above, after the Company has disclosed that it has determined that the provision of the Large-scale Purchase Information

has been completed, **if our board of directors or the Special Committee determines that a specific shareholders' group that includes a Large-scale Purchaser has made a significant change to the Large-scale Purchase Information**, by disclosing this fact, the reasons therefor, and other information deemed appropriate in a timely and appropriate manner in accordance with applicable Laws and the rules of the financial instruments exchange, the Company **will discontinue the procedures that have been carried out in accordance with the Large-scale Purchase Rules** for the Large-scale Purchase Actions that are based on the previous Large-scale Purchase Information ("Large-scale Purchase Actions Before Change"), and **will treat the Large-scale Purchase Actions that are based on the revised Large-scale Purchase Information as Large-scale Purchase Actions separate from the Large-scale Purchase Actions Before Change, and will once again apply the Large-scale Purchase Rules.**

4. Specific details of countermeasures

The Company intends to carry out an allotment of share options without contribution (simply, "Allotment Without Contribution") as provided for in Article 277 and subsequent paragraphs of the Companies Act as a countermeasure against Large-scale Purchase Actions, that will be implemented pursuant to the Response Policies (the share options to be allocated pursuant to the countermeasures being hereinafter referred to as the "Share Options"). However, if it is deemed appropriate to take other measures that are permitted by the Companies Act, other laws and regulations, and our Articles of Incorporation with the authority of the board of directors, then such other measures may be taken.

In addition, the Company may, as a countermeasure, by resolution of its board of directors, register the issuance of the Share Options so that it can flexibly implement an Allotment Without Contribution of the Share Options.

The outline of the Allotment Without Contribution of Share Options is as set forth in **Exhibit 3**, and exercise conditions, acquisition clauses, exercise periods, etc. may be set taking into consideration their effectiveness as countermeasures against Large-scale Purchase Actions, such as (i) discriminatory exercise conditions stipulating that the exercise of rights by "Persons Falling Under Exceptional Grounds" (meaning a Large-

scale Purchaser belonging to a specific shareholders' group, certain persons other than a Large-scale Purchaser belonging to a specific shareholders' group that are determined by our board of directors in accordance with prescribed procedures based on the findings of the Special Committee, joint holders and specially related parties of those persons, and persons that our board of directors recognizes as being substantially controlled by the above persons or acting jointly or in concert with the above persons based on the findings of the Special Committee; the same applies hereinafter) will not be permitted, or (ii) acquisition clauses stipulating that the share options held by shareholders other than the Persons Falling Under Exceptional Grounds will be acquired in exchange for the Company's common shares, while the share options held by the Persons Falling Under Exceptional Grounds will be acquired in exchange for other share options that are subject to certain exercise conditions and acquisition clauses.

The Countermeasures to be taken against the Tender Offer pursuant to the Response Policies will be an Allotment Without Contribution of the Share Options.

5. **Effective term, abolition, changes, etc.**

The effective term of the Response Policies will be one year from today. However, if there is still a risk of Large-scale Purchase Actions by a specific shareholders' group at the time of the expiration of the effective term, the Response Policies will remain in effect until our board of directors reasonably determines that such risk has disappeared based on the findings of the Special Committee. Furthermore, if our board of directors, consisting of the directors elected at the general meeting of shareholders of the Company, resolves to terminate the Response Policies even before the expiration of the effective term, the Response Policies will be terminated at that time.

In addition, even during the effective term of the Response Policies, our board of directors may review the Response Policies from time to time from the perspective of ensuring and enhancing the Company's corporate value and the common interests of shareholders in the medium- to long-term, and may amend or change the Response Policies with the approval of the general meeting of shareholders of the Company.

However, even during the effective term of the Response Policies, if our board of directors deems it appropriate to amend or change the Response Policies in light of the establishment, amendment, or repeal of laws, regulations, court decisions, guidelines, rules of financial instruments exchanges, etc., or if our board of directors deems it appropriate to amend the wording of the Response Policies due to typographical errors or other reasons, then the Response Policies may be amended or changed without approval at the general meeting of shareholders of the Company, after obtaining approval from the Special Committee as necessary, provided that this does not cause any disadvantage to the shareholders.

If our board of directors decides to terminate or change the Response Policies, the details will be promptly disclosed.

In light of the above preamble and the purpose of the Response Policies in III.1, **(i) if Nidec 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 and legally binding Letter of Intent from a third party other than Nidec with respect to a Third-Party Proposal that is reasonably determined to have terms that are substantially more favorable than the Proposal, since we believe that sufficient time has been provided for shareholders to make reasonable decisions based on deliberation, we will immediately terminate the Response Policies at the earliest occurrence of (i) or (ii) above.**

6. Impact on shareholders and investors

- (1) Impact of the Response Policies on shareholders and investors when it comes into effect

When the Response Policies come into effect, the Share Options will not be issued. Therefore, when the Response Policies come into effect, it will not have a direct and concrete impact on the rights and economic interests of shareholders and investors.

(2) Impact on shareholders and investors upon Allotment Without Contribution of the Share Options

In accordance with the Response Policies, our board of directors may take countermeasures to Large-scale Purchase Actions, with the aim of securing and enhancing the Company's medium- to long-term corporate value and the common interests of shareholders. Due to the currently envisaged structure of the countermeasures, even at the time of the issuance of the Share Options, the per-share value of the shares of the Company held by shareholders will be diluted. However, the value of all the shares of the Company held by shareholders will not be diluted; thus, it is not anticipated that this will have any direct and concrete impact on the legal rights and economic interests of shareholders and investors other than the Persons Falling Under Exceptional Grounds.

However, if countermeasures are implemented, they may consequently cause some effects to the legal rights or economic interests of the Persons Falling Under Exceptional Grounds.

In addition, if a resolution is made to conduct an Allotment Without Contribution of the Share Options as a countermeasure, and after the shareholders who are to receive an Allotment Without Contribution of the Share Options are determined, the Company cancels the Allotment Without Contribution of the Share Options or acquires without any contribution the Share Options allotted without contribution, as a result, there will be no dilution of the value of each of our shares, and investors who traded on the assumption that the dilution of the per-share value of the shares of the Company occurs may incur significant damage due to fluctuations in the share price.

In addition, the procedures for shareholders to exercise and acquire the Share Options that have been allotted without contribution are as set forth below.

If our board of directors resolved to conduct an Allotment Without Contribution of the Share Options, the Company will set the record date for allotment of the Share Options and will allot the Share Options to shareholders entered or recorded in the Company's latest shareholder registry on the record date, in proportion to the number of shares held by each such shareholder. The Company will send the

request form for exercising the Share Options (Such request form must be in the format prescribed by the Company. In addition, the form may include a statement that the shareholders must pledge that they are not Persons Falling Under Exceptional Grounds, and that if there is any falsehood in the pledge, the delivered common shares of the Company will be immediately returned.) and other documents necessary for exercising the Share Options to all shareholders entered or recorded in the Company's latest shareholder registry as of the record date. Shareholders will be issued one common share of the Company for each Share Option by paying one yen per Share Option to the relevant payment agent and submitting the necessary documents within the exercise period of the Share Options to be determined separately by our board of directors. However, Persons Falling Under Exceptional Grounds may not be able to exercise the Share Options.

On the other hand, if an acquisition clause is attached to the Share Options and the Company acquires the Share Options pursuant to the acquisition clause, shareholders other than the Persons Falling Under Exceptional Grounds will receive a delivery of the common shares of the Company as compensation for such acquisition, without the need to pay money equivalent to the exercise price (in this case, in addition to documents for identity verification and information on the account for transferring the Company's common shares, shareholders may also be required to submit a separate document in which shareholders pledge that they do not fall under Persons Falling Under Exceptional Grounds, and states that if the pledge is found to be false, the delivered common shares of the Company will be returned immediately). However, regarding Persons Falling Under Exceptional Grounds, the Share Options held by them may not be subject to acquisition, or the Company's other share options may be delivered as consideration for acquisition.

Regarding the details of these procedures, the Company will make disclosure in a timely and appropriate manner in accordance with the applicable Laws and financial instruments exchange rules when these procedures actually become necessary. Accordingly, please check the specific content of such disclosures.

7. Reasonableness of the Response Policies

The Response Policies satisfies the three principles ((i) principle of protecting and enhancing corporate value and common interests of shareholders, (ii) principle of prior

disclosure and shareholder will, (iii) principle of ensuring necessity and appropriateness) set forth in the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” published by the Ministry of Economy, Trade and Industry and the Ministry of Justice, on May 27, 2005, as set forth below. Furthermore, the Response Policies are highly rational, as they are based on the content of the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” published by the Ministry of Economy, Trade and Industry and the Ministry of Justice, on May 27, 2005, the proposal for “Takeover Defense Measures in Light of Recent Environmental Changes” published by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry on June 30, 2008, the Guidelines, as well as the “Principle 1.5 Anti-Takeover Measures” of the “Japan’s Corporate Governance Code Seeking Sustainable Corporate Growth and Increased Corporate Value over the Mid- to Long-Term” that the Tokyo Stock Exchange started applying on June 1, 2015 and revised on June 1, 2018 and June 11, 2021, and other practices and discussions regarding takeover defense measures.

(1) Securing and enhancing corporate value and the common interests of shareholders

As stated in 1. above, the Response Policies ensure that that shareholders are provided with the information and time necessary to make a well-informed decision as to whether or not to accept the Large-scale Purchase Actions to be carried out. This will be introduced in order to secure and enhance the Company’s medium- to long-term corporate value and the common interests of its shareholders.

(2) Prior disclosure

The Company will disclose the Response Policies in advance in order to increase the predictability for shareholders, investors, and specific shareholders’ groups that include a Large-scale Purchaser, and to ensure that shareholders have the opportunity to make appropriate choices. In addition, the Company will continue to make timely and appropriate disclosures as required by applicable Laws and financial instruments exchange rules.

(3) Respect of the shareholders' intent

The Response Policies will be introduced by resolution of the board of directors, and when implementing countermeasures based on the Response Policies, the Company will reflect its shareholders' intent by holding a Shareholders' Intent Confirmation Meeting and requiring the approval of a majority of the total voting rights of the shareholders attending the Shareholders' Intent Confirmation Meeting in order to implement such countermeasures. Therefore, whether to implement countermeasures will be decided based *only* on the shareholders' intent expressed at the Shareholders' Intent Confirmation Meeting.

(4) Obtaining external experts' opinions

As stated in 3(3) above, our board of directors will, if necessary, obtain advice from third-party experts (financial advisors, attorneys, certified public accountants, tax accountants, etc.) that are independent from our board of directors and the Special Committee in evaluation and consideration of the Large-scale Purchase Actions, the Opinion Formation therefor, the Alternative Plan Preparation therefor, and negotiating with Large-scale Purchasers therefor. As a result, the objectivity and reasonableness of decisions by our board of directors will be secured.

(5) Consultation with the Special Committee

As stated in 3(4) above, the Company will utilize the Special Committee, which has already been established 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, and our board of directors will make a decision on the implementation of countermeasures, fully respecting the Special Committee's findings.

The Special Committee may, as necessary, obtain advice from third-party experts (financial advisors, attorneys, certified public accountants, tax accountants, etc.) that are independent from our board of directors and the Special Committee. As

announced in the Company's press release dated January 28, 2025,⁴ the Special Committee has separately selected and appointed JPMorgan Securities Japan Co., Ltd., which is a third party independent from the Company's management, as the Special Committee's independent financial advisor and Anderson Mori & Tomotsune, which is a third party independent from the Company's management, as the Special Committee's independent legal advisor to receive advice necessary for considering the Proposal and other matters. As a result, the objectivity and reasonableness of decisions regarding the Special Committee's findings are guaranteed.

(6) Setting of reasonable and objective requirements

As long as the specific shareholders' group that includes a Large-scale Purchaser complies with the Large-scale Purchase Rules, the Response Policies provides that the countermeasures will not be implemented, and a mechanism is in place to ensure that the countermeasures are not arbitrarily implemented by our board of directors.

(7) Not a dead-hand type takeover defense measure or slow-hand type takeover defense measure

As stated in 5. above, since the Response Policies can be terminated even within the effective term by a resolution of our board of directors, which is composed of directors elected at the Company's general meeting of shareholders, the Response Policies are not a so-called dead-hand type takeover defense measure (a takeover defense measure that cannot be prevented from being implemented even if a majority of members of a board of directors are replaced) or slow-hand type takeover defense measure (a takeover defense measure that takes time to be prevented, because it is not possible to replace members of a board of directors at once).

End

⁴ The press release titled "Review System of Nidec's Proposed Tender Offer".

(Exhibit 1)

Outline of the Special Committee Regulations

1. The Special Committee is established by the resolution of our board of directors in order to eliminate arbitrary decisions by it and to ensure the fairness, transparency, and objectivity of the decision-making process, from the standpoint of enhancing our corporate value and the interests of general shareholders.
2. The Special Committee consists of three or more members, appointed by resolutions of our board of directors. These members must be selected from the following groups: (1) our external directors, (2) our external audit and supervisory board members, or (3) external experts (such as proven company managers, former government officials, attorneys, certified public accountants, academic experts, or persons of equivalent expertise), all of whom must be independent from the management responsible for executing our business.
3. The term of office of a Special Committee member continues until the conclusion of our first board of directors meeting held after the ordinary general meeting of shareholders for the last fiscal year, which ends within one year from the time of their appointment.
4. The Special Committee meetings are convened by any director or any Special Committee member.
5. The Special Committee is chaired by the chairperson of the Special Committee, who is elected from among its members.
6. In principle, resolutions of the Special Committee will be passed by a majority vote of the Special Committee members present at a meeting where all the Special Committee members are present. However, if any member is unable to attend, or if another exception applies, resolutions may still be passed by a majority vote of the members present at a meeting attended by a majority of the Special Committee members.
7. The Special Committee is responsible for examining and determining the following matters, and must report the results to our board of directors along with the reasons

for their conclusions:

- (1) sufficiency and validity of the information that we request that Nidec provide in connection with the Proposal;
- (2) sufficiency of information provided by Nidec to us in connection with the Proposal;
- (3) reasonableness of requesting that Nidec extend the commencement date of the Tender Offer and the Tender Offer Period (if such request is made, including the appropriateness of the period during which our board of directors considers the request);
- (4) fairness and reasonableness of the Proposal (including whether it will prevent maximization of our medium- to long-term corporate value and the interests of general shareholders);
- (5) fairness and reasonableness of our expression of opinions on the Proposal; and
- (6) any other matter on which our board of directors or our representative director voluntarily asks for the Special Committee's advice in connection with the Proposal.

Each Special Committee member is required to deliberate and pass resolutions at the Special Committee meetings, solely from the viewpoint of whether the deliberation and resolutions contribute to our medium- to long-term corporate value and the interests of general shareholders, and they must not act to protect personal interests, whether of management or themselves.

8. The Special Committee may, as necessary, invite our directors, employees, or any other person deemed necessary to attend its meetings, and request that they provide opinions or explanations on relevant matters.
9. In carrying out its duties, the Special Committee may seek advice from external experts (including investment banks, securities firms, financial advisers, certified public accountants, attorneys, consultants, tax accountants, and any other experts)

independent from the management responsible for executing the business of the Company, at the Company's expense.

End

(Exhibit 2)

Names and Biographies of the Members of the Special Committee

Naofumi Masuda

June 2008	Managing Officer of TOYOTA MOTOR CORPORATION (Kinuura Plant General Manager, Myochi Plant General Manager)
June 2010	Senior Managing Director of ADVICS CO., LTD.
June 2014	Executive Vice President of ADVICS CO., LTD.
June 2017	Advisor & Chief Engineer of ADVICS CO., LTD.
June 2018	Executive Advisor of ADVICS CO., LTD.
June 2019	External Director & Member of the Audit & Supervisory Committee of YASUNAGA CORPORATION (to present)
June 2020	Director of the Company (to present)

Kodo Yamazaki

April 1989	Assistant Professor of Takayama Junior College
April 1994	Professor of Takayama Junior College
April 2001	Professor of Faculty of Law, Kumamoto University
June 2003	Managing Director of Japan Tax Jurisprudence Association
April 2007	Dean of Faculty of Law, Kumamoto University
April 2015	Trustee and Deputy President of Kumamoto University
April 2020	Professor of Graduate School, Kumamoto Gakuen University (to present)
June 2020	Director of the Company (to present)

Kazuo Takahashi

April 2007	Executive Officer of Daiwa Securities SMBC Co. Ltd.
January 2010	Executive Officer of Daiwa Securities Capital Markets Co. Ltd.
April 2010	Executive Managing Director of Daiwa Securities Capital Markets Co. Ltd.
April 2012	Executive Managing Director, Member of the Board of Daiwa Securities Co. Ltd.
April 2013	Senior Executive Managing Director, Member of the Board of Daiwa Securities Co. Ltd.
April 2015	Senior Executive Managing Director, Member of the Board, Head of Corporate Institution of Daiwa Securities Co. Ltd.

April 2017	Deputy President of Daiwa Securities Group Inc. Deputy President, Member of the Board of Daiwa Securities Co. Ltd.
June 2017	Director, Deputy President of Daiwa Securities Group Inc. Deputy President, Member of the Board of Daiwa Securities Co. Ltd.
June 2020	Deputy President of Daiwa Securities Group Inc. Deputy President, Member of the Board of Daiwa Securities Co. Ltd.
April 2022	Adviser of Daiwa Securities Co. Ltd.
June 2023	Director of the Company (to present)
June 2023	External Board Member (Audit and Supervisory Committee Member) of Paramount Bed Holdings Co., Ltd. (to present)
September 2023	External Director of Ai Holdings Corporation (to present)
Ayako Takai	
April 1999	Joined Sanwa Research Institute Corporation (currently Mitsubishi UFJ Research and Consulting Co., Ltd.)
April 2009	Associate Professor of Department of Management, School of Management, Tokyo University of Science
April 2016	Associate Professor of Division of International Social Sciences, Faculty of International Social Sciences, YOKOHAMA National University
April 2019	Professor of Division of International Social Sciences, Faculty of International Social Sciences, Professor of Department of Business Administration, Graduate School of International Social Sciences, and Professor of Specialization in Management, Department of Business Administration, College of Business Administration, YOKOHAMA National University (to present)
October 2019	Public Interest Committee Member of Labor Council in Kanagawa Area (to present)
April 2021	Professor of Interfaculty Graduate School of Innovative and Practical Studies, YOKOHAMA National University (to present)
July 2022	Councilor of Asahi Mutual Life Insurance Company (to present)
April 2023	Public Interest Committee Member of Minimum Wages Council in Kanagawa Area (to present)

October 2023	Councilor of the Academic Association for Organizational Science, Specified Nonprofit Corporation (to present)
June 2024	Director of the Company (to present)

(Exhibit 3)

**Outline of the Allotment Without Contribution of Share Options as
Countermeasures**

1. Shareholders eligible for allotment

One Share Option will be allotted to shareholders who are listed or recorded in the latest shareholder registry on the record date separately designated by our board of directors without contribution, per share held by them (excluding common shares held by the Company).

2. Number of shares underlying Share Options

The type of shares underlying the Share Options shall be common shares of the Company, and the number of common shares to be delivered through exercise of Share Options shall be less than or equal to one share.

3. Effective date of Allotment Without Contribution of Share Options

The effective date shall be separately determined by our board of directors.

4. Value of assets required for exercise of each Share Option

The form of assets required for the exercise of each Share Option shall be cash, and the value of assets required for such exercise of each Share Option per common share shall be one yen.

5. Restriction on transfer of Share Options

Any transfer of Share Options shall require the approval of our board of directors.

6. Conditions for exercise of Share Options

The conditions for the exercise of Share Options shall be separately determined by our board of directors (the Company may include additional exercise conditions, taking into account their effects as countermeasures against Large-scale Purchase Actions,

such as prohibiting the exercise of rights by the Persons Falling Under Exceptional Grounds).

7. Acquisition of Share Options by the Company

The Company may include acquisition clauses, taking into account the effect of acquisition as countermeasures against Large-scale Purchase Actions, as follows:

- (a) On a date that comes on or after the effective date of Allotment Without Contribution of the Share Options and that is designated by our board of directors, the Company may acquire the Share Options that can be exercised (i.e., which are held by persons who do not fall under the definition of Persons Falling Under Exceptional Grounds) but that have not been exercised yet (“Exercisable Share Options”), by providing, as consideration therefor, such persons with common shares of the Company in the number equivalent to the integer portion of the product of: (a) the number of the Share Options to be acquired; and (b) the number of shares underlying one Share Option.
- (b) On a date that comes on or after the effective date of Allotment Without Contribution of the Share Options and that is designated by our board of directors, the Company may acquire the Share Options, other than the Exercisable Share Options, that have not been exercised yet. It may do this by providing, as consideration therefor, such shareholders with share options, the exercise of which by Persons Falling Under Exceptional Grounds is subject to certain restrictions (i.e., subject to the exercise conditions and acquisition clause provided below and other features set forth by our board of directors; “Second Share Options”), in the same number as the number of the Share Options to be acquired.
 - (i) Exercise conditions

Persons Falling Under Exceptional Grounds may not exercise the Second Share Options except for cases where all of the following conditions in (x) and (y) are met, or other cases determined by our board of directors:

 - (x) Holders of the Second Share Options have ceased any Large-scale Purchase Actions and pledge not to conduct any Large-scale Purchase Actions in the future; and
 - (y) The holding ratio of shares of the specific shareholders’ group falls below 20% (provided, the foregoing shall only apply to Second Share Options with a post-exercise holding ratio below 20%).

(ii) Acquisition clause

If any of the Second Share Options remains unexercised as of the 10th anniversary of their delivery date, the Company may acquire the Second Share Options (limited to those for which the exercise conditions have not been satisfied) by providing, as consideration therefor, money equivalent to the market value of the Second Share Options at that time.

8. Events triggering the acquisition of Share Options without contribution (events triggering termination of countermeasures)

If any of the following events occur, the Company may acquire all Share Options without contribution:

- (a) If implementation of Large-scale Purchase Actions by the specific shareholders' group that includes a Large-scale Purchaser is approved at the Company's Shareholders' Intent Confirmation Meeting;
- (b) If our board of directors determines that circumstances exist in which the termination of countermeasures is in line with the directors' duty of due care of a prudent manager and resolves to terminate the countermeasures;
- (c) Under the unanimous decision of the Special Committee; or
- (d) In other cases separately determined by our board of directors.

9. Exercise period of Share Options and necessary details

The exercise period of Share Options and other necessary details shall be separately determined by our board of directors after taking into account the effect of the exercise of Share Options as countermeasures against Large-scale Purchase Actions.

End

(Exhibit A)

Date	Event
December 27, 2024	Nidec submits the December 27, 2024 Letter of Intent and the Tender Offer Notice Press to Makino. Nidec 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 Nidec, 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 Nidec's officers at the request of Nidec. Nidec rejects the requests in the First Request Letter in writing.
January 22, 2025	The Special Committee submits the Second Request Letter to Nidec.
January 27, 2025	Nidec 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	Nidec 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 Nidec's board of directors through the Board Request Letter. Makino publishes its supplementary explanatory materials regarding its requests to Nidec, titled "Requests to Nidec Corporation and Corresponding Reasons."
February 5, 2025	Nidec rejects the requests in the Board Request Letter in writing.
February 7, 2025	Makino issues and published the Second Letter of Inquiry.
February 12, 2025	Makino publishes its new business plan.

2025	
February 14, 2025	Nidec sends and publishes its answers to the Second Letter of Inquiry.
February 25, 2025	Nidec announces that it has no plans to raise the Tender Offer Price even if a counter-proposal were to appear.
February 26, 2025	Nidec explains at a press conference that if a white knight appears, Nidec will gracefully withdraw from the takeover.
	Makino announces its understanding of the above-mentioned Nidec's press release dated February 25, 2025 that Nidec had declared that it would not raise the Tender Offer Price even if a counter-proposal is made.
February 27, 2025	Nidec 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	The Company's management holds a meeting with Nidec's officers at the request of Nidec.
March 10, 2025	Makino announces that it had received the Third-Party Proposals from multiple parties and that it had once again requested Nidec 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	Nidec sends and publishes its answers to the Third Letter of Inquiry.
March 18, 2025	Makino requests Nidec to submit a response to the Second Request Letter by March 19
March 19, 2025	Makino introduces the Response Policies as Nidec merely disclosed that it is sincerely considering Board of Directors' Second Request Letter.
April 4, 2025	The scheduled commencement date of the Tender Offer Period announced by Nidec.
May 21, 2025	End date of the Tender Offer Period if the Tender Offer commences on April 4, 2025.

Around May 31, 2025	The settlement date of the Tender Offer if the Tender Offer is commenced on April 4, 2025.
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.