



[Translation¹]

June 3, 2025

To whom it may concern:

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

Name of Representative: President, Director

Shotaro Miyazaki

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

Inquiries: Executive Vice President, Director

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**Notice Regarding Expression of Endorsement and Recommendation to
Tender Shares in Relation to the Plan to Commence a Tender Offer for
Company Shares by MM Holdings LLC**

The Company hereby announces, with respect to the planned commencement of a tender offer by MM Holdings LLC (the “Tender Offeror”) for the common shares of the Company (the “Company Shares”) under the Financial Instruments and Exchange Act (Law No. 25 of 1948, as amended; the “Act”) and other relevant laws and regulations (the “Tender Offer”), that at a meeting of its board of directors convened today it resolved that, as the Company’s opinion at the present time, that if the Tender Offer is commenced, the Company will express an opinion endorsing the Tender Offer and recommend that all shareholders tender their shares in the Tender Offer.

According to the Tender Offeror, in matters examined to date with respect to the Tender Offer, a certain amount of time is expected to be required for the procedures and responses regarding the necessary permits and authorizations pursuant to competition laws in Japan and other countries (in examination to date, we believe that procedures in China and the United States are necessary and there is a possibility that procedures may become necessary in Australia, but going forward there may be further changes in the judgment as to whether

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.

procedures are necessary, depending on further confirmation of facts and the opinions of related authorities regarding the Tender Offeror's and the Company's business or assets; the same applies hereinafter) and domestic and international laws and regulations regulating investment (in examination to date, we plan to carry out procedures in Japan, the United States, France, Germany, and Italy, but going forward, there may be further changes in the judgment as to whether procedures are necessary, depending on further confirmation of facts and the opinions of related authorities regarding the Company's business or assets; the same applies hereinafter) (collectively, "Clearance"), and therefore we plan to commence the Tender Offer on a date separately agreed by the Tender Offeror and the Company on or after the date that the conditions precedent to the Tender Offer, such as completion of the acquisition of Clearance (the "Conditions Precedent to the Tender Offer"), described below in "Conditions Precedent to the Tender Offer" as set forth in the agreement for the Tender Offer entered into by and between the Company and the Tender Offeror on today's date (the "Tender Offer Agreement"; for details of the Tender Offer Agreement, see "4. Matters Relating to Important Agreements with Respect to the Tender Offer" below) are satisfied (or the date when waived by the Tender Offeror) (the Tender Offeror intends to commence the Tender Offer as soon as reasonably possible once the Conditions Precedent to the Tender Offer are satisfied (or waived by the Tender Offeror)). As of today, the Tender Offeror aims to commence the Tender Offer by around early December 2025, but as it is difficult to accurately predict the amount of time necessary for procedures, etc. at domestic and international authorities with jurisdiction for Clearance procedures, we will promptly provide notice of the details of the schedule for the Tender Offer once they are determined. We will also promptly provide notice if there is a change to the anticipated timing of commencement of the Tender Offer.

< Conditions Precedent to the Tender Offer >

The Tender Offer will be commenced if all of the following conditions precedent are satisfied (or waived by the Tender Offeror).

(i) The Company's board of directors has adopted resolutions to express (i) as of the date of the announcement of the plan to commence the Tender Offer, an opinion to the effect that it endorses the Tender Offer and that it recommends that the Company's shareholders tender their shares in the Tender Offer (the "Pre-Commencement Endorsement and Tender Recommendation Opinion"), and (ii) as of the day before the commencement date of the Tender Offer, an opinion to the effect that it endorses the Tender Offer (the "Post-Commencement Endorsement Opinion"; collectively with the Pre-Commencement

Endorsement and Tender Recommendation Opinion, the “Endorsement Opinion”), the Endorsement Opinion has been publicly disclosed in accordance with laws and regulations, the Endorsement Opinion has not been amended or withdrawn, and no other resolution with content that contradicts it has been adopted (Note 1).

(ii) The Company’s special committee had given reports with affirmative content regarding the Company’s board of directors making a resolution with respect to the Pre-Commencement Endorsement and Tender Recommendation Opinion and the Post-Commencement Endorsement Opinion, respectively, and the content of the respective reports has not been amended (excluding the case where the amended report has content that is affirmative with respect to the Company’s board of directors maintaining the Pre-Commencement Endorsement and Tender Recommendation Opinion and the Post-Commencement Endorsement Opinion, respectively) or withdrawn (Note 2).

(iii) When implementing the Transaction (defined below), acquisition of Clearance has all been completed or the Tender Offeror objectively and reasonably judges that it is objectively and reasonably expected to be completed by the last day of the purchase, etc. period in the Tender Offer (the “Tender Offer Period”) (Note 3).

(iv) No event has arisen that would permit withdrawal of a tender offer set forth in the proviso to Article 27-11(1) of the Act (Note 4).

(v) The Company has provided confirmation that there are no material facts (material facts about business set forth in Article 166(2) of the Act (however, excluding those that have been publicly disclosed in accordance with Article 166(4) of the Act)) regarding the Company that have not been publicly disclosed, and it is not aware of any fact that a tender offer, etc. will be launched or the fact that a tender offer, etc. will be suspended set forth in Article 167(2) of the Act (however, excluding the Tender Offer and those publicly disclosed in accordance with Article 167(4) of the Act) (Note 4).

(vi) The obligations that the Company must perform or comply with under the Tender Offer Agreement have been performed or complied with in material respects (Note 5).

(vii) The representations and warranties of the Company set forth in the Tender Offer Agreement are all true and accurate in material respects (Note 6).

(viii) There is no event or circumstances that would cause a material adverse effect on the business, assets, liabilities, management performance, or financial situation of the Company Group (Note 7), and there is no specific risk of such event or circumstances arising (however, excluding a circumstance or event arising out of (i) a change of laws and regulations, etc. or accounting standards (limited to cases in which there will not be a disproportionate adverse impact on the Company Group in comparison to other business operators who conduct a business similar to the business of the Company Group), (ii) the result of having carried out

an act that is expressly contemplated in the Tender Offer Agreement, or (iii) a breach by the Tender Offeror of an obligation set forth in the Tender Offer Agreement or a matter that the Tender Offeror has consented to in writing).

(Note 1) With respect to condition precedent (i) above, at the meeting of the board of directors held on today's date, as its opinion as of that time, the Company adopted a resolution to the effect that, if the Tender Offer was commenced, it would express an opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer. Therefore, as of the present date, the requirement in condition precedent (i) above for a resolution for the Endorsement Opinion at the time that the plan to commence the Tender Offer is announced has been satisfied. Furthermore, as of today's date, the Tender Offeror is not aware of any specific facts that would make it impossible for the Company to, on the day prior to the commencement of the Tender Offer, adopt a resolution recommending that the Company's shareholders tender their shares in the Tender Offer.

(Note 2) With respect to condition precedent (ii) above, at the meeting of the Company's special committee held on today's date, a report was issued with affirmative contents with regard to the Company's board of directors expressing an opinion endorsing the Transactions and recommending that the Company's shareholders tender their shares in the Tender Offer. Therefore, as of today's date, condition precedent (ii) above has been satisfied.

(Note 3) With respect to condition precedent (iii) above, as of today, the Tender Offeror is moving forward with necessary measures based on advice from lawyers so that it can complete Clearance before the commencement of the Tender Offer Period, and the current status and outlook going forward are as set forth in the table below. Taking into consideration the fact that, of the Clearance in the table below, implementation of the Tender Offer needs to have been publicly announced when carrying out procedures with regard to Chinese and U.S. competition law, that a certain amount of time is required for procedures under competition law and investment regulation laws in each region in the table below, and that it is difficult to accurately predict how much time is required for these procedures, as of today, the Tender Offeror announces that it plans to implement the tender offer before giving public notice of the commencement of a tender offer.

<Current status and outlook for acquisition of the Clearance>

Region	Governing Law	Current Status	Expected Completion of Procedures
China	The Anti-Monopoly Law of the People's Republic of China (competition law)	Plan to carry out notification between today and early August 2025	By around early October 2025 (planned)

Region	Governing Law	Current Status	Expected Completion of Procedures
U.S.	The Hart-Scott-Rodino Antitrust Improvements Act of 1976 (competition law)	Plan to carry out notification between today and early August 2025	By around early October 2025 (planned)
Australia	The Competition and Consumer Act 2010 (competition law)	Plan to carry out notification between today and early July 2025 (Procedures will be required if the settlement commencement date of the Tender Offer will be on or after January 1, 2026, and at this time that possibility cannot be ruled out. As voluntary notification can be carried out at this time, we are told that the plan is to carry out that notification.)	By around the beginning of September 2025 (planned)
Japan	The Foreign Exchange and Foreign Trade Act (investment regulation laws and regulations)	Plan to carry out notification between today and late August 2025	By around early October 2025 (planned)
U.S.	The Committee on Foreign Investment in the United States (CFIUS) (investment regulation laws and regulations)	Plan to carry out notification between today and mid July, 2025	By around early December 2025 (planned)
France	France Monetary and Financial Code (investment regulation laws and regulations)	Plan to carry out notification between today and mid July 2025	By around late September 2025 (planned)

Region	Governing Law	Current Status	Expected Completion of Procedures
Germany	Foreign Trade and Payments Ordinance of Germany (investment regulation laws and regulations)	Plan to carry out notification between today and early July 2025	By around early September 2025 (planned)
Italy	Italy Law Decree No. 21/2012 (the Golden Power Decree) (investment regulation laws and regulations)	Plan to carry out notification between today and late June 2025	By around early August 2025 (planned)

(Note 4) As of today, the Tender Offeror is not aware of any event having arisen that falls under conditions precedent (iv) or (v) above.

(Note 5) Please see “4. Matters Relating to Important Agreements with Respect to the Tender Offer” in the Company Press Release for the details of the Company’s obligations under the Tender Offer Agreement.

(Note 6) Please see “4. Matters Relating to Important Agreements with Respect to the Tender Offer” in the Company Press Release for the details of the Company’s representations and warranties under the Tender Offer Agreement.

(Note 7) The “Company Group” means the Company and its subsidiaries, collectively.

Because it appears that the period from the time of announcement of plans to commence the Tender Offer until the Tender Offer is actually commenced will be at most approximately six months, the Company plans to, at the time the Tender Offer commences, ask the Special Committee (as defined in “The Background, Purpose and Decision-making Process Leading to Tender Offeror’s Decision to Implement the Tender Offer” in “(2) Basis and Reasons for the Opinion Regarding the Tender Offer” in “3. Details, Basis and Reasons for the Opinion Regarding the Tender Offer” below; the same applies hereinafter) to once again consider whether there are any changes to the findings report that the Special Committee submitted to our board of directors on June 3, 2025, (the “Findings Report”) and inform our board of directors either of the fact that there is no change to its previous opinion or, if there are any changes, its revised opinion, whereupon, in light of such opinion, the Company will make a fresh expression of opinion regarding the Tender Offer.

It should be noted that the foregoing resolution by our board of directors was made on the assumption that the Tender Offeror intends to, through the Tender Offer and the series of subsequent procedures (the “Transaction”), acquire and own the Company Shares listed on the Prime Market of Tokyo Stock Exchange, Inc. (“the Tokyo Stock Exchange”) in order to take the Company private, and that the Company Shares are scheduled to be delisted.

1. Overview of the Tender Offeror

(1) Name	MM Holdings LLC
(2) Address	2-6-1 Toranomom, Minato-ku, Tokyo
(3) Name and title of representative	Representative member MBK Partners K.K. Manager Daisuke Ikeda
(4) Description of Business	(1) Management consulting business (2) Acquisition, holding, and sale of negotiable securities (3) All business ancillary to the foregoing
(5) Capital	5,000 yen
(6) Date of incorporation	September 27, 2023
(7) Principle shareholders and shareholding ratio (as of June 3, 2025) (Note)	100% held by MBK Partners K.K.
(8) Relationship between the Company and the Tender Offeror	
Capital relationship	Not applicable
Personnel relationship	Not applicable
Transaction relationship	Not applicable
Status as a related party	Not applicable

(Note) During the period from now until the Tender Offer is commenced, a fund to which MBK Partners K.K. or its related companies (collectively, “MBK Partners”) provides services (the “MBKP Fund”) is planned to receive assignment of all the issued shares of the Tender Offeror after converting from an LLC to a Kabushiki Kaisha (for details, see “(i) Overview of the Tender Offer” in “(2) Basis and Reasons for the Opinion Regarding the Tender Offer” in “3. Details, Basis and Reasons for the Opinion Regarding the Tender Offer”).

2. Tender Offer Price

11,751 yen per common share. (Note)

(Note) The price to be paid in the Tender Offer for each of the Company Shares (the “Tender Offer Price”) assumes that the Company will not pay a dividend of surplus with a record date preceding commencement of settlement of the Tender Offer

(including the interim dividend for the fiscal year ending March 31, 2026) or will not acquire treasury shares with an acquisition date before the commencement date of settlement of the Tender Offer. If, during the period until the business day before the commencement date of the Tender Offer, the Company's body that makes decisions for the execution of business has decided to pay a dividend of surplus with a record date before the commencement date of settlement of the Tender Offer, or has decided to put a proposal to the Company's general meeting of shareholders to the effect that it will pay the above dividend, the dividend amount per share in that dividend may be deducted from the above price. In addition, if, during the period until the business day before the commencement date of the Tender Offer, the Company's body that makes decisions for the execution of business has decided to acquire treasury shares with an acquisition date before the commencement date of settlement of the Tender Offer, or has decided to put a proposal to the Company's general meeting of shareholders to the effect that it will carry out the above acquisition of treasury shares, the amount calculated by dividing the total consideration for such acquisition of treasury shares by the total number of issued shares of the Company (excluding treasury shares held by the Company) may be deducted from the above price. Furthermore, if it becomes necessary to revise the Tender Offer Price pursuant to the above grounds, the Tender Offeror will make such revision by the time of commencement of the Tender Offer. With respect to the dividend of surplus at the ordinary general meeting of shareholders of the Company scheduled to be held in June 2025 (the "Year-End Dividend"), only if a resolution for a Year-End Dividend that is greater than the 100 yen per share Year-End Dividend anticipated as of today is approved at that ordinary general meeting of shareholders, there is the possibility that the Tender Offer Price will be revised before the commencement of the Tender Offer pursuant to the above grounds.

3. Details, Basis and Reasons for the Opinion Regarding the Tender Offer

(1) Details of the Opinion Regarding the Tender Offer

Based on the basis and reasons set out in "(2) Basis and Reasons for the Opinion Regarding the Tender Offer" below, the Company resolved, at a meeting of its board of directors held today, to express, as the Company's opinion at the present time, an opinion endorsing the Tender Offer and to recommend that all shareholders tender their shares in the Tender Offer.

It is planned that the Tender Offer will commence on a date which shall be on or

after the date the Conditions Precedent to the Tender Offer are satisfied (or the date on which waived by the Tender Offeror) as separately agreed to by the Tender Offeror and the Company. As of today, the Tender Offeror aims to commence the Tender Offer by early December 2025, but because it is difficult to accurately predict the time required to obtain the Clearance (the Tender Offeror has indicated that as soon as it decides the details of the schedule for the Tender Offer, it will notify the Company), the Company resolved at the above-referenced meeting of the board of directors to ask the Special Committee to examine whether there are any changes to the Findings Report, and to report to its board of directors either the fact that there is no change to the previous opinion or, if there are any changes, a revised opinion, whereupon, in light of such opinion, the Company will express another opinion regarding the Tender Offer when the Tender Offer is commenced. Further, such resolution of the board of directors was made in the manner described in “[6] Approval of All Disinterested Directors and Opinion Stating There is No Objection from Disinterested Corporate Auditors” in“(6) Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest” below.

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

The portion of the description of Basis and Reasons for the Opinion Regarding the Tender Offer that pertain to the Tender Offeror are based on explanations provided by the Tender Offeror.

(i) Overview of the Tender Offer

The Tender Offeror is a Japan LLC (limited liability company) established in late September 2023 (Note 1), and as of today, MBK Partners holds all of the equity interests therein, but during the period from now until the Tender Offer is commenced, a fund to which MBK Partners or its related companies provides services is planned to receive assignment of all of the issued shares of the Tender Offeror after entity conversion. The main aim of the Tender Offeror is to control and manage the Company’s business conducting the Transactions. As of today, neither the Tender Offeror, MBK Partners K.K., nor the MBKP Fund hold any of the Company Shares.

(Note 1) As it will be necessary when entering into the loan agreements pertaining to the Borrowings (defined below), during the period from now until the Tender Offer is commenced, the Tender Offeror plans to undergo entity conversion from an LLC (limited liability company) to a Kabushiki

Kaisha (stock company).

The MBKP Fund is a fund to which MBK Partners provides services. MBK Partners is an independent private equity firm established in March 2005, with a dedicated focus on private equity investment in three East-Asian countries: Japan, the Peoples's Republic of China, and South Korea. With the support of predominantly institutional investors such as global companies, banks, financial institutions, family offices, public pensions, foundations, sovereign funds, and funds-of-funds, as of today it has approximately 31.5 billion US dollars in capital under management, and carries out investment in large to medium-sized companies with a focus on the retail/consumer goods, communications/media/technology, financial services, and healthcare fields. After investment, MBK Partners proactively provides management support to maximize the corporate value of the companies it has invested in. Since its establishment in March 2005, MBK Partners has achieved a track record of 80 investment deals in various countries in East Asia, including 15 companies/18 investment deals in Japan such as Yayoi Co., Ltd., USJ LLC, Invoice Inc., KOMEDA Co., Ltd., TASAKI & Co., Ltd. (formerly TASAKI SHINJU CO., LTD.), Accordia Golf Co., Ltd., Kuroda Electric Co., Ltd., Orchid Inc. (formerly Godiva Japan, Inc.), Tsukui Holdings Corporation, EPS Holdings, Inc., SOYOKAZE Co., Ltd. (formerly UNIMAT Retirement Community Co., Ltd.), HITOWA Holdings Co., Ltd., Japan Best Rescue System Co., Ltd., Alinamin Pharmaceutical Co., Ltd., and FICT Limited. After investment, MBK Partners has successfully increased sales and earning capacity by partnering with the management teams on value boosting topics for each company over the medium to long term.

The Tender Offeror entered into the Tender Offer Agreement and made the decision to implement the Tender Offer with the aim of acquiring all of the Company Shares (excluding treasure shares held by the Company), as part of the Transaction, on the condition that the Conditions Precedent to the Tender Offer are satisfied (or waived by the Tender Offeror).

The Tender Offeror has set a lower limit of 15,592,300 shares (ownership ratio (Note 2): 66.67%) on the number of shares to be purchased (Note 3), and if the total number of shares tendered in the Tender Offer (the "Tendered Shares") does not reach 15,592,300 shares, the Tender Offeror will not purchase any of the Tendered Shares. On the other hand, because the goal is to acquire all Company Shares, no upper limit on the number of shares to be purchased has been set in the Tender Offer, and if the total number of Tendered Shares is equal to or greater than the lower limit

on the number of shares to be purchased (15,592,300 shares), the Tender Offeror will purchase all of the Tendered Shares. However, that there is a possibility that the lower limit on the actual number of shares to be purchased in the Tender Offer will differ from the above figure as a result of changes in the number of treasury shares held by the Company etc. since the record date of the relevant information (March 31, 2025). The Tender Offeror plans to make a final decision on the lower limit on the number of shares to be purchased before commencing the Tender Offer, based on the latest information that can be obtained at the time of commencement of the Tender Offer. However, to ensure the feasibility of the series of procedures that will result in the Tender Offeror becoming the Company's sole shareholder (the "Squeeze-Out Procedures"), the Tender Offeror intends to set a lower limit on the number of shares to be purchased, which will ensure that the Tender Offeror will hold at least two-thirds of the voting rights of the Company's shares after the Tender Offer. If the Tender Offer is successfully completed, the Tender Offeror plans to implement the Squeeze-Out Procedures as described in "(5) Post-Tender Offer Reorganization Policy (Matters Relating to so-called Two-Step Acquisition)" below.

(Note 2) "Ownership Ratio" means the ratio (rounded to the second decimal place) with respect to the number of shares (23,388,434 shares) calculated by deducting the number of treasury shares held by the Company as of March 31, 2025 (1,505,407 shares) from the total number of issued shares of the Company as of the same date (24,893,841 shares), as stated in the Share Buyback Report (the "Share Buyback Report") submitted by the Company on April 30, 2025. The same applies hereinafter.

(Note 3) "Lower limit on the number of shares planned to be purchased" is the number of shares (15,592,300) calculated by multiplying by $\frac{2}{3}$ the number of voting rights (233,884 voting rights) pertaining to the number of shares (23,388,434; the "Base Number of Shares") calculated by deducting the number of treasury shares held by the Company as of March 31, 2025 stated in the Share Buyback Report (1,505,407) from the total number of issued shares of the Company as of March 31, 2025 stated in the Company Summary of Results (24,893,841), rounding the product up to the nearest whole number (155,923 voting rights), and then multiplying by the Company's share trading unit number (100 shares). The Tender Offeror aims to take the Company Shares private in the Transaction, and as described below in "(5) Post-Tender Offer Reorganization Policy (Matters Relating to so-called Two-Step Acquisition)," plans to implement

the “Squeeze-out Procedures” so that the Tender Offeror becomes the sole shareholder of the Company, but when implementing procedures for a share consolidation of the Company Shares (the “Share Consolidation”) for the Squeeze-Out Procedures, based on the fact that Article 309(2) of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”) sets forth the requirement of a special resolution of the general meeting of shareholders, the minimum number of shares planned to be purchased has been set so that the Tender Offeror holds at least 2/3 of the voting rights of all of the Company’s shareholders after the Tender Offer, in order to ensure that the Squeeze-Out Procedures are carried out.

The Tender Offeror plans to cover the funds necessary for the Transactions, including the Tender Offer, through borrowings (the “Borrowings”) from MUFG Bank, Ltd., Mizuho Bank, Ltd., The Bank of Yokohama, Ltd., and Aozora Bank, Ltd., which are senior lenders (“Senior Lenders”) and Mizuho Bank, Ltd. and MCP Mezzanine Co., Ltd., which are mezzanine lenders (“Mezzanine Lenders”), and an equity contribution from the MBKP Fund (the “Contribution”), and on the condition that the Tender Offer is successful, etc., plans to receive the contribution no later than two business days before the settlement commencement date for the Tender Offer and plans to receive the Borrowings no later than the business day before the settlement commencement date for the Tender Offer (the “Settlement Commencement Date”). With regard to the Borrowings, the Tender Offeror has received a commitment letter from the Senior Lenders to the effect that they are prepared to provide financing up to a maximum of 129,980 million yen in total and a commitment letter from Mezzanine Lenders to the effect that they are prepared to provide financing up to a maximum of 12,998 million yen in total, both respectively dated April 21, 2025, and has received from MBK Partners Fund VI, L.P. a document certifying that it intends to provide 161 billion yen of direct or indirect equity financing to the Tender Offeror (an Equity Commitment Letter) dated as of today, and has therefore completed preparations for the settlement funds necessary for the purchase price for the Tender Offer.

The details of the Loans are to be specified in the loan agreements related to the relevant loans following separate consultation with the Senior Lenders and the Mezzanine Lenders, but it is planned that under the loan agreements related to the relevant loans, all of the issued shares of the Tender Offeror, the Company Shares to be acquired by the Tender Offeror through the Tender Offer, and certain other assets of the Tender Offeror will be provided as collateral.

(ii) The Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer

[i] Overview of the Company

Since its founding in May 1937 as the Manufacturing Division of Makino Shoten, a manufacturer specializing in No. 1 type vertical milling machines, the Company has been consistently engaged in the manufacture of high-speed, high-precision and high-quality machine tools as a dedicated machine tool manufacturer, with a primary focus on machining centers (Note 1), electrical discharge machines (Note 2), and milling machines (Note 3). The Company was listed on the Second Section of the Tokyo Stock Exchange in July 1964, moved to the First Section of the Tokyo Stock Exchange and the First Section of the Osaka Exchange, Inc. (the "Osaka Exchange") in August 1971, and was delisted from the Osaka Exchange in March 2009. In conjunction with the Tokyo Stock Exchange's reorganization in April 2022, the Company transitioned to the Prime Market of the Tokyo Stock Exchange.

(Note 1) A "machining center" is an all-in-one machine that can automatically select and change tools and perform multiple processes such as drilling or surface milling.

(Note 2) An "electrical discharge machine" is a machine that performs metal processing by discharging electric current.

(Note 3) A "milling machine" is a machine that uses rotating tools to process flat surfaces, holes and grooves.

Under its management philosophy of "Quality First," the Company strives at all times to provide customers with optimal machine tools and processing technologies. Our development, manufacturing and sales and service departments work in unison to provide one-stop services, from machine tools customized for customer needs or software and automatic devices for enhancing production efficiency, to after-purchase support for products. The machine tool industry to which the Company belongs is an industry where we believe that demand fluctuates significantly depending on changes in the external environment and, based on the aforementioned philosophy, we are committed to reliably providing optimal products and meticulous services to customers in a wide range of manufacturing industries, from everyday necessities to large

passenger aircraft and, through these practices, to stand by our customers and work with them to overcome the challenges they face, building relationships of trust and realizing long-term growth based on this foundation.

The Company operates nine production bases in five countries including Japan, Singapore and China, and has a global development, production, sales and services network that supports sustained growth. The Company has established a production system that is optimal for its entire Group from the standpoint of quality and cost, producing mainly large machines designed for high-precision machining (Note 4), five-axis machines (Note 5) and other advanced devices in Japan, and cost-effective devices in Asia, and in major manufacturing centers throughout the world, has established “technical centers” with sales, service, machine display, and application support functions, and has otherwise built an optimal system for the timely provision of the products services that customers need, always endeavoring to provide optimal products and services to our customers throughout the world who wish to produce better industrial products more efficiently.

(Note 4) “Large machines” are machines designed for the processing of large automobile part molds, aircraft parts, and other large or long objects).

(Note 5) A “five-axis machine” is a machine capable of simultaneously controlling three linear axes of length, width and height, as well as rotational and tilt axes.

As described in the “Notice regarding Formulation of Business Plan” dated February 12, 2025, the Company has revised the numerical targets disclosed on October 31, 2023 to have a sales target of 270 billion yen and an operating margin of 12.0% for the fiscal year ending March 2028, and formulated a new business plan with a sales target of 290 billion yen and an operating margin of 12.5% for the fiscal year ending March 2030 (the “Business Plan Disclosed by the Company”), under which it will be pursuing initiatives to enhance corporate value through: (i) improved profitability, (ii) enhanced asset efficiency, (iii) increased returns to shareholders, and (iv) sustainability. Specifically, with respect to (i) improved profitability, the Company is working to release new products in growth markets in a timely manner, improve unit prices by expanding its lineups of large machines and five-axis machines, strengthen its multi-solution offerings pallet transport systems (Note 6) and other automated equipment and software utilizing its proprietary technologies, shrink lead times for launching new equipment models through its new PLM (Note 7), and reduce assembly lead times

through the deployment of a module production system (Note 8) for large machines and electrical discharge machines. With respect to (ii) enhanced asset efficiency, the Company is focusing on improving productivity through investment in production facilities and human capital, selling investment securities, and taking other measures to optimize inventory and improve operations. With respect to (iii) increased returns to shareholders, the Company aims to implement stable and continuous dividend payouts and flexible share buybacks. And with respect to (iv) sustainability, the Company is taking initiatives to address climate change and to expand investment in human capital.

(Note 6) A “pallet transport system” is equipment that uses conveyor belts etc. for automatic transport of products and parts within a facility.

(Note 7) “PLM” or “Product Lifecycle Management” is a method or system for comprehensively managing the sequence of processes for products, from planning, through design, development and sales, to disposal.

(Note 8) A “module production system” is a manufacturing system enabling the parallel implementation of multiple assembly processes by dividing machines into multiple units, and separating and breaking down assembly processes.

[ii] The Background Leading to Tender Offer’s Decision to Implement the Tender Offer

MBK Partners regard private equity investments in Japan (including transactions to take listed companies private) as an area of focus on the same level as investments in the People’s Republic of China and the Republic of Korea, and has been selecting ventures that are promising for the purpose of promoting the further enhancement of the corporate value of top-tier companies with particularly good growth potential.

MBK Partners learned from the “Notice Regarding Scheduled Commencement of Tender Offer for Makino Milling Machine Co., Ltd. (Securities Code: 6135)” published by Nidec on December 27, 2024, that, on said date, Nidec Corporation (“Nidec”) had submitted the Nidec Proposal (as defined in “(iv) The Decision-Making Process Leading to the Company’s Endorsement of the Tender Offer and the Reasons for doing so”; hereinafter the same) as part of a series of transactions for making the Company a wholly-owned subsidiary of Nidec (the “Nidec Transaction”). Likewise, MBK Partners learned, from the “Notice on Establishment of a Special Committee” published by the Company on January 1,

2025, that in response to the Nidec Proposal, as a mechanism for consideration of the merits of the Nidec Proposal and of the appropriateness and fairness of the conditions and procedures of the Transaction, including the structure, the Company's board of directors had resolved to establish a special committee (the "Special Committee") with the aim of eliminating arbitrary decisions by our board of directors and ensuring the fairness, transparency, and objectivity of the decision-making process from the perspective of enhancing the corporate value of the Company and the interests of the general shareholders. In light of these circumstances, MBK Partners began a detailed examination of the feasibility of enhancing the Company's corporate value through the Transaction.

Subsequently, on February 13, 2025, the Company approached MBK Partners through its financial advisor Nomura Securities Co., Ltd. ("Nomura Securities") regarding the Transaction and, after examining the Company's growth potential and profitability through securities reports, timely disclosure materials and other public information, as well as conducting its own analyses, MBK Partners concluded that the Company, being a global machine tool manufacturer from Japan having machining precision and speed and machine durability, and with exceptional technical capability and room for further enhancement of its corporate value, and is therefore aligned with the above-referenced investment strategy of MBK Partners. Further, MBK Partners determined that, because it is an investment fund and is not currently invested in any companies that compete with the Company, there are no demerits or dis-synergies that will arise from investing in the Company. With respect to the enhancement of the corporate value of the Company, specifically, MBK Partners recognized that it would contribute the enhancement of the corporate value of the Company to utilize MBK Partners' management resources to focus on (i) strengthening systems for the development and production of high value-added products by formulating and supporting the implementation of strategies relating to increasing production capacity, shortening delivery times and reducing costs through manufacturing process improvements, improvement of new product development processes, etc.; (ii) strengthening systems for direct sales and services by supporting the deployment of other companies' best practices in order to improve such practices as proposal and sales techniques and processes for developing the Company's sales staff; (iii) enhancing distributor management systems through such means as the adoption of quantitative analysis methods for distributor management and designing evaluation metrics; and (iv)

increasing unit prices by formulating and supporting the implementation of pricing strategies to realize appropriate price settings with respect to the added value of the Company's products based on surveys of the Company's customers and competitors. On February 27, 2025, MBK Partners submitted to the Company an initial proposal expressing its intent with regard to the delisting of the Company Shares through a tender offer (the "Letter of Intent") premised on the delisting of Company Shares through a cash tender offer and the Squeeze-Out Procedures, to be executed by a special purpose acquisition company that would be established or directly or indirectly controlled by MBK Partners.

Subsequently, on March 4, 2025, MBK Partners received a communication from the Company indicating that the Company wished to proceed with further consideration of several candidates including MBK Partners, and the request to submit a final and legally binding proposal with a submission deadline of April 16, 2025. MBK Partners appointed, Mori Hamada & Matsumoto ("Mori Hamada & Matsumoto") as its legal advisor in early March 2025 and Mizuho Securities Co., Ltd. ("Mizuho Securities") as its financial advisor in mid March 2025, (both Mori Hamada & Matsumoto and Mizuho Securities are not only independent of MBK Partners, MBKP Fund, and the Company, but also the Tender Offeror). Then, from mid-March to late April 2025, MBK Partners conducted interviews with the Company's management and due diligence of the Company regarding business, financial, tax, legal, and environmental issues, on the basis of information disclosed by the Company concerning such matters as the business environment in which the Company operates, its sales strategies, business plans and public information such as securities reports and timely disclosure materials, and in light of the information obtained in the course of these activities, MBK Partners proceeded with further analysis and examination of the significance of the Transaction, the structure of the acquisition, the feasibility of the Transaction, and post-acquisition management policies. Note that on April 10, 2025, which was during the Due Diligence Process, MBK Partners received a communication from the Company that, due to the early April, 2025 announcement regarding the imposition of additional tariffs and reciprocal tariffs by the United States (the "US Tariffs"). The notice explained that, in order to secure sufficient time for the Final Proposal Candidates to examine the impact of the US Tariffs, given the likelihood of significant changes to the macroeconomic environment, the Company extended the deadline for submission of the Final Third-Party Proposals from April 16 to May 7, 2025.

While conducting such examination, MBK Partners learned on April 3, 2025, from the “Notice Regarding Commencement of Tender Offer for Makino Milling Machine Co., Ltd. (Securities Code: 6135)” published by Nidec that day without the Company’s consent, that Nidec intended to implement a tender offer for the Company with a purchase period from April 4, 2025, to May 21, 2025 (the “Nidec Tender Offer”). On April 10, 2025, MBK Partners learned from the “Notice of Expression of Opinion (Opposition) Regarding the Tender Offer for Shares of the Company by Nidec Corporation in Light of Securing the Time Necessary for the Materialization and Consideration of Third-Party Proposals” and the “Notice Regarding Allotment of Share Options Without Contribution Based on Takeover Response Policies (Time-Securing Measures), Setting of Record Date for Allotment of Share Options Without Contribution, and Confirmation of Shareholders’ Intention at the 86th Ordinary General Meeting of Shareholders” published by the Company on the same day, that in light of the finding of the Special Committee that it was reasonable for the Company to express an opinion in opposition to the Nidec Tender Offer, the Company’s board of directors had unanimously resolved that the Company express an opinion opposing the Nidec Tender Offer, and that based on the March 19, 2023 “Policies for Responding to Large-scale Purchase Actions for Company Shares (Takeover Response Policies) Aimed Solely at Securing Time Necessary for the Materialization and Consideration of Third-Party Proposals Regarding the Tender Offer for the Company Shares by Nidec Corporation (Announced)” (the “Response Policies”) that were introduced as measures to secure the time necessary for the materialization and consideration of Third-Party Proposals, the Company had implemented countermeasures (the “Countermeasures”) through a resolution to allot the Company’s First Class A Share Options to shareholders without contribution.

In light of the circumstance that a tender offer was being conducted by Nidec without the Company’s consent, and of the above-mentioned analysis and examination of the Company by the Tender Offeror, MBK Partners concluded, in consideration of the fact that the funds for the Tender Offer would be procured by the Loans, which would be LBO loans, that the conduct of the Tender Offer with the Tender Offeror as the purchaser, a special purpose purchase company, the delisting the Company, and the subsequent implementation of the various measures set forth below in the “(iii) Post-Tender Offer and Post-Transaction Management Policy” would contribute to overcoming of the Company’s

management challenges, growing the Company over the medium- to long-term, and would further enhance the Company's corporate value. Based on the results of such consideration, on May 7, 2025, MBK Partners proposed a delisting of Company Shares to the Company and submitted a final written proposal (the "May 7, 2025, Final Proposal") with a total share value for the Company Shares of 264.3 billion yen and a tender offer price of 11,300 yen (the amount after adding a premium of 0.89% over 11,200 yen, which is the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on May 2, 2025, the business day preceding the proposal date (rounded down to the second decimal place; hereinafter the same for the calculation of premium rates)).

MBK Partners later learned from the "Notice Regarding the Withdrawal of the Tender Offer for Makino Milling Machine Co., Ltd. (Securities Code: 6135)" published by Nidec on May 8, 2025, and the "Notice Regarding Withdrawal of Tender Offer for Shares of the Company by Nidec Corporation, Discontinuation of Allotment of Share Options Without Contribution, and Prospects Going Forward" published by the Company on May 9, 2025, that, given the likelihood that Nidec would be harmed if the Countermeasures were implemented and that it would likely be quite economically irrational to maintain the Nidec Tender Offer, Nidec had decided to withdraw the Nidec Tender Offer on May 9, 2025, and had submitted a Tender Offer Withdrawal Registration Statement for the Nidec Tender Offer on the same day; and that on the same day, in light of the withdrawal of the Nidec Tender Offer, the Company had discontinued implementation of the Countermeasures and terminated the Response Policies.

Subsequently, on May 16, 2025, MBK Partners received from the Company a communication to the effect that as a result of careful discussion and consideration in light of the particulars of the final written proposal dated May 7, the Company was requesting that MBK Partners make a new proposal of conditions, including an increase in the tender offer price, by May 22, 2025, from the perspective of maximizing values for its minority shareholders. In response to this, MBK Partners held a meeting with the Company on May 20, 2025, at which they discussed the management policy for maximizing the medium- to long-term corporate value of the Company and the feasibility of the terms of the proposal. Subsequently, on May 22, 2025, as described above, with the submission deadline for the Final Third-Party Proposals having been changed from the initial date of April 16, 2025, to May 7, 2025, and having already submitted the May 7 Final Proposal to the Company, because it has been

requested to submit a new proposal, MBK Partners submitted to the Company a final written proposal (the “May 22 Final Proposal”), under which, subject to the condition that a final candidate was selected at the meeting of the Special Committee held on May 22 and that, if a final candidate was not selected, the terms of the proposal could be withdrawn or amended and that the total value of Company Shares was 269.4 billion yen and that the Tender Offer Price was 11,520 yen per Company Share (an amount representing a 20% premium over the closing price for Company Shares of 9,600 yen on the Tokyo Stock Exchange Prime Market on May 21, the business day immediately preceding the proposal date).

Subsequently, on May 22, 2025, MBK Partners received from the Company a communication to the effect that, provided (i) that from the perspective of maximizing values for its minority shareholders, MBK Partner further raise the price, (ii) that from the perspective of protecting the interests of its shareholders, MBK Partners comply with the request to amend significant terms of the tender offer agreement in a manner favorable to the Company and its shareholders, and (iii) that MBK Partner aimed to announce the Tender Offer as soon as reasonably possible ((i) through (iii) are collectively referred to as the “Conditions for Grant of Exclusive Negotiating Rights”), the Tender Offeror could be granted exclusive negotiating rights. In response to this, on May 23 2025, MBK Partners submitted to the Company a final written proposal (the “May 23 Final Proposal”) having a Tender Offer Price of 11,560 yen per Company Share (an amount representing an 18.93% premium over the closing price for Company Shares of 9,720 yen on the Tokyo Stock Exchange Prime Market on May 22, 2025, the business day immediately preceding the proposal date) and a response to the effect that MBK Partners accepted the Conditions for Grant of Exclusive Negotiating Rights. As a result, on May 23, 2025, MBK Partners received a notice from the Company to the effect that the Company would grant MBK Partners exclusive negotiating rights.

Subsequently, the Company requested that MBK Partners submit a further additional proposal that would raise the Tender Offer Price from that which had been recorded on the May 23 Final Proposal (11,560 yen per Company Share). In response to this request, MBK Partners submitted a final proposal (the “June 3 Final Proposal”) with a Tender Offer Price of 11,751 yen per Company Share (reflecting a premium of 4.45% over 11,250 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on June 2, 2025, the

business day preceding the submission date of the June 3 Final Proposal). As a result of discussions that MBK Partners subsequently held with the Company and the Special Committee regarding the particulars of a tender offer agreement, agreement was reached today, and the Tender Offeror today decided to execute the Tender Offer Agreement with the Company, and subject to the satisfaction of the Conditions Precedent to Tender Offer (or the waiving of such conditions by the Tender Offeror), to implement the Tender Offer as part of the Transaction, with the goal of acquisition of all Company Shares (excluding treasury shares held by the Company).

(iii) Post-Tender Offer and Post-Transaction Management Policy

MBK Partners believes that based on the Company's high-speed, high-precision and high-quality product development capabilities and its "quality first" corporate philosophy, the Company has been a leader in the global machine tool market from its founding to the present day, has the trust of customers as well as an excellent business foundation and strong market position, and thus has significant potential for growth based on the foregoing. MBK Partners therefore holds the Company in high regard. MBK Partners has a past track record of investing in global machine tool makers and believes that it have a deep understanding of the machine-tool industry.

The MBK Partners post-Transaction management policy will be to promote the following measures for enhancing the Company's corporate value in partnership with the Company's management and employees.

(A) Strengthening the continuous development of high value-added products

The Company has developed and manufactured a speedy, high-precision, and high-quality machining center based on its own technologies, and believes that it has built strong brand power by realizing the complex processing techniques required by our customers. Meanwhile, looking towards the future MBK Partners believes that in order to maintain strong brand power without being pulled into price competition, continuous development of high-value-added products differentiated from those of other companies will be essential. MBK Partners believes that in order to realize such continuous development, the Company must secure a product development budget that provides an advantage over other companies and to promote the ongoing development of differentiated products.

(B) Expanding engineering services centered around automated solutions

MBK Partners believes that the advancement of software and technologies for controller systems limits the potential for differentiation through individual products and that “diversification” and “multi-layering,” including in services, will lay a foundation for competitiveness. MBK Partners believes that as the need for automation and productivity improvement rises because of labor shortages, it will be necessary to facilitate the reinforcement of engineering services including automation solutions.

(C) Improving efficiency of the production and procurement processes

MBK Partners believes that to realize the above expansion of manufacturing and services, as well as growth in profits, further strengthening of manufacturing and procurement is necessary. Amidst an increasingly uncertain business environment, MBK Partners intends to improve the efficiency of the production and procurement processes while maintaining and enhancing the Company’s competitiveness and customer satisfaction.

(D) Enhancing high added value and fair pricing

MBK Partners believes that in order for the Company to continue to maintain and strengthen its market share in the machine tool market as it has, it will be necessary to combine high quality “machinery” and “services,” work to constantly increase our added value, and to raise unit prices to an appropriate level for the added value provided to customers. MBK Partners believes that avoiding pricing that prioritizes the volume of orders by providing unnecessarily large discounts, while management unit pricing and profitability strategically and carefully, will allow products to be priced appropriately and lead to adequate profitability.

(E) Improving sales productivity

MBK Partners believes that for the Japanese market, which has a higher degree of maturity than other countries, it is important to shift to more effective sales activities. MBK Partners will aim to build a sales organization system that will better realize sales growth through such means integrating sales organizations and strengthening KPI management.

(F) Streamlining management and building a slim organizational system

MBK Partners believes that amidst the threats of the Trump tariffs and a highly uncertain business environment, supporting business growth with streamlined management systems is also important for ensuring financial

resilience. Going forward, MBK Partners will focus on systemization and automation to build a management organization system that can realize future growth in sales without significantly increasing headcount.

After the Transaction, MBK Partners will also consider bringing in additional highly skilled staff from outside the Company, as necessary to promote the aforementioned measures. MBK Partners envisions that after the completion of the Transaction, a majority of the directors of the Company will be seconded from MBK Partners and the board of directors will be operated in accordance with applicable laws and regulations and the articles of incorporation. However, as of today, details regarding the selection and number of the persons to be seconded as directors and the exact composition of the board of directors have not been thought out and remain undecided.

MBK Partners plans to introduce stock options and other incentive plans for the Company's officers and employees, to build a system whereby the Tender Offeror and the Company's officers and employees will work together to enhance the long-term corporate value of the Company.

(iv) The Decision-Making Process Leading to the Company's Endorsement of the Tender Offer and the Reasons for Doing so

[i] Establishment of the review system for the Nidec Proposal and examination and negotiations of strategic options

On December 27, 2024, the Company's final business day of 2024, the Company received a "Letter of Intent Regarding Management Integration Aimed at Maximization of Corporate Value" (the "Nidec Proposal") from Nidec without any prior consultation or communication. According to the Nidec Proposal, Nidec intended to conduct the Nidec Tender Offer and the subsequent series of procedures to make Nidec the Company's sole shareholder, acquiring all Company Shares listed on the Prime Market of the Tokyo Stock Exchange (excluding treasury shares owned by the Company) and conducting the Nidec Transaction, with a commencement date of April 4, 2025, a tender offer period of 31 business days, a tender offer price of 11,000 yen, a lower limit on the number of shares to be purchased 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.

After receiving the Nidec Proposal, the Company has been considering the Nidec Proposal, as well as the appropriateness and fairness of the conditions and procedures of the transaction, including the structure, and as announced in the press release dated January 28, 2025, “Review System for Nidec’s Proposed Tender Offer” (the “Review System Press Release”), the Company selected and appointed Nomura Securities Co., Ltd. as its external financial advisor and third-party appraiser, Nishimura & Asahi Gaikokuho Kyodo Jigyo (“Nishimura & Asahi”) as its external legal advisor mainly on Japanese legal matters, Sullivan & Cromwell LLP (“Sullivan & Cromwell”) as its external legal advisor on U.S. legal matters, and IR Japan, Inc. as its external shareholder relations advisor to receive their advice by the same date. Furthermore, as announced in the press release dated January 10, 2025, “Notice on Establishment of a Special Committee,” the Company on the same date established the 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.) with the aim of eliminating arbitrary decisions by our board of directors and ensuring the fairness, transparency, and objectivity in the decision-making process, from the perspective of enhancing the corporate value of the Company and the interests of the general shareholders. As announced in the Review System Press Release, the Special Committee has separately selected and appointed JPMorgan Securities Japan Co., Ltd. (“JPMorgan Securities”) as the Special Committee’s external and independent financial advisor and third-party appraiser and Anderson Mori & Tomotsune Gaikokuho Kyodo Jigyo (“Anderson Mori & Tomotsune”) as the Special Committee’s external and independent legal advisor, apart from the Company’s external advisors.

Immediately after the receipt of the Nidec proposal, 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.

Specifically, the Special Committee, on January 15, 2025 and January 22, 2025 sent Nidec letters requesting: (i) that Nidec postpone the commencement date of the Nidec Tender Offer (assuming a Tender Offer Period of 31 business days) to May 9, 2025, which is approximately one week after the date of the announcement of the Company’s financial results for the fiscal year ending March

2025 (the “Announcement of the Financial Results for the Fiscal Year Ending March 2025”), due to its belief that the information provided in relation to the Nidec Proposal was insufficient from the perspective of ensuring an opportunity for informed judgment by our shareholders due to the Nidec Proposal not including any specific information regarding the synergies that would arise for the Company from Nidec making the Company a wholly-owned subsidiary, and therefore seeking to secure time reasonably necessary for our shareholders and the Company to make appropriate decisions on the merits of the Nidec Proposal after a comparative consideration of the Nidec Proposal and other strategic options; and (ii) suspecting that setting the lower limit on the number of shares to be purchased in the Nidec Tender Offer at only 50% of the total voting rights could expose our shareholders to coercion, also requested in the aforementioned letters that the lower limit on the number of shares to be purchased be raised to two-thirds of the total voting rights of the Company. The Company’s board of directors then sent a letter outlining similar requests to the Nidec’s board of directors on January 31. Through these and other such efforts, the Special Committee and the Company repeatedly requested that the commencement of the Nidec Tender Offer be postponed to May 9, 2025, and that the lower limit on the number of shares to be purchased be raised to two-thirds of the total number of voting rights of the Company Shares.

In parallel, to seek out the best possible option from the standpoint of maximizing corporate value and the common interests of our shareholders, the Company conducted a market check of multiple companies and investment funds through its financial advisor, Nomura Securities, and in early February 2025, the Company approached eight investment funds that had expressed initial interest in making the Company a wholly-owned subsidiary, inquiring whether any of those funds might submit non-binding letters of intent to counter to the Nidec Proposal. Between then and February 28, 2025, the Company received non-binding letters of intent with the aim of making the Company a wholly-owned subsidiary from three investment funds (the “Third-Party Letters of Intent”). After reviewing the particulars of the Third-Party Letters of Intent, the Company and the Special Committee held discussions and determined that the Third-Party Letters of Intent were serious proposals that could be considered sufficiently concrete, valid in their purposes, and feasible in light of their proposed terms and conditions, including the tender offer prices, financing capabilities, management strategies and support systems to be employed after the Company is made a

wholly-owned subsidiary, and treatment of employees, and that disclosing the Company's information through due diligence most likely would allow them to receive a proposal that surpasses the Nidec Proposal from the standpoint of the common interests of our shareholders. Accordingly, on March 4, 2025, the Company requested that the three investment funds (the "Final Proposal Candidates") submit the Final Third-Party Proposals by April 16, 2025, and provided the Final Proposal Candidates with an opportunity for due diligence from early March until early May 2025 (the "Due Diligence Process"). Note that in early April 2025, which was during the Due Diligence Process, an announcement was made regarding the US Tariffs. In order to secure sufficient time for the Final Proposal Candidates to examine the impact of the US Tariffs, given the likelihood of significant changes to the macroeconomic environment, the deadline for submission of the Final Third-Party Proposals was extended from April 16 to May 7, 2025.

Regarding the receipt of the Final Third-Party Proposals, the Company concluded that a certain period of time would be required for the Due Diligence Process and for negotiations between the Final Proposal Candidates and lender financial institutions and that it would be extremely difficult to receive the Final Third-Party Proposals and disclose the receipt thereof by April 4, 2025, the date that had been announced as the commencement date of the Nidec Tender Offer. Accordingly, on March 10, 2025, the Company once again requested that Nidec postpone the commencement of the Nidec Tender Offer to May 9, 2025, due to the fact that it would take a certain amount of time to receive the Final Third-Party Proposals and disclose receipt thereof, and that Nidec raise the lower limit on the number of shares to be purchased to two-thirds of the total voting rights of the Company Shares in order to avoid exposing our shareholders to coercion (the "Board of Directors' Second Request"). Nidec, while we had asked for a response by March 14 on the Board of Directors' Second Request, merely disclosed on the same date and March 17 that it was sincerely considering the Board of Directors' Second Request, and thereafter, merely responded to the "Notice Regarding Disclosure of a Response to 'Letter of Inquiry (3)' by Nidec Corporation" dated March 18 in which we requested for Nidec to provide a substantive response by March 19, 2025, that it was, once again, continuing their consideration, and did not provide a substantive response. The Company therefore believed that there was a specific and pressing concern that Nidec would commence the Nidec Tender Offer on April 4, 2025, as originally scheduled,

without securing the time necessary for our shareholders and the Company to make appropriate decisions on the merits of the Nidec Proposal after a comparative consideration of the Nidec Proposal and Final Third-Party Proposals. Accordingly, taking into account the Special Committee's findings, on March 19, 2025, the Company introduced the Response Policies.

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

In light of the commencement of the Nidec Tender Offer, the Company's board of directors resolved on April 10, 2025, to oppose the Nidec Tender Offer, because (i) the Nidec Tender Offer had been commenced without securing the time reasonably necessary for our shareholders to make appropriate decisions on the merits of the Nidec Proposal after considering the details of Final Third-Party Proposals and the Announcement of the Financial Results for the Fiscal Year Ending March 2025, and would force our shareholders to decide whether to tender their shares in the Nidec Tender Offer without having given them the opportunity to consider these issues; and (ii) because the lower limit on the number of shares to be purchased was set at 50% of the total number of voting rights of Company Shares there were specific concern that there was a substantial degree of coercion with respect to the terms of the Nidec Tender Offer, and it was believed that this could create a situation in which our shareholders would be left with no option but to tender their shares even if the terms of the Nidec Tender Offer were harmful to the common interests of our shareholders. Based on the Response Policies, the board of directors also resolved to allot its First Class A Share Options to shareholders without contribution

However, on April 16, 2025, Nidec filed a petition with the Tokyo District Court seeking a provisional injunction against the Countermeasures (the "Petition").

On May 7, 2025, the Tokyo District Court issued a decision dismissing the Petition in its entirety (a decision that was a complete victory for the Company) and as a result, Nidec announced the withdrawal of the Nidec Tender Offer on May 8, 2025. Because the Nidec Tender Offer was withdrawn, in consideration of the findings of the Special Committee, the Company resolved on May 9, 2025, to discontinue the implementation of the Countermeasures and terminate the Response Policies, as stated in the “Notice Regarding Withdrawal of Tender Offer for Shares of the Company by Nidec Corporation, Discontinuation of Allotment of Share Options Without Contribution, and Prospects Going Forward” dated the same day.

By securing a sufficient period for consideration through the Response Policies, the Company was able to proceed steadily with the Due Diligence Process. As a result, on May 7, 2025, the Company received the May 7, 2025, Final Proposal, from MBK Partners. The tender offer price as stated in the final written proposal dated May 7 was 11,300 yen per Company Share, such tender offer price representing a premium of, respectively, 0.89%, ▲0.10%, ▲2.28%, and 12.21% over, respectively: 11,200 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on May 2, 2025, the business day preceding the submission date of the May 7, 2025, Final Proposal; 11,311 yen (these and all other average share prices are rounded to the nearest yen), the simple average closing price for the most recent one month (from April 3, 2025 to May 2, 2025); 11,563 yen, for the most recent three months (from February 3, 2025 to May 2, 2025); and 10,071 yen, for the most recent six months (from November 5, 2024 to May 2, 2025). Further, such tender offer price represented a premium of, respectively, 45.81%, 58.88%, 72.47%, and 79.00% over, respectively: 7,750 yen, the closing price on December 26, 2024, the business day preceding December 27, 2024, the date on which the Nidec Proposal was announced, which triggered a change in the price of the Company Shares; 7,112 yen, the simple average closing prices for the one month immediately preceding such date (from November 27, 2024 to December 26, 2024); 6,552 yen, for the three months immediately preceding such date (from September 27, 2024 to December 26, 2024); and 6,313 yen for the six months immediately preceding such date (from June 27, 2024 to December 26, 2024). Note that the May 7, 2025, Final Proposal was the only legally binding proposal received from the Final Proposal Candidates by the proposal submission deadline. As a result of careful discussion and consideration in light of the terms of the May 7, 2025, Final

Proposal, on May 16, 2025, the Company and the Special Committee requested, from the perspective of maximizing value for our minority shareholders, that MBK Partners submit a new proposal with different conditions, including an increase in the tender offer price, by May 22, 2025. After receiving the May 7, 2025, Final Proposal, on May 20, 2025, the Company held a meeting with MBK Partners and confirmed the management policy for maximizing the medium- to long-term corporate value of the Company and the feasibility etc. of the terms of the proposal. Subsequently, on May 22, 2025, the Company received the May 22 Final Proposal from MBK Partners. The tender offer price as stated in the final written proposal dated May 22 was 11,520 yen for each unit of Company Shares, such tender offer price representing a premium of, respectively, 20.00%, 9.87%, 3.09%, and 10.47% over, respectively: 9,600 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on May 21, 2025, the business day preceding the submission date of the May 22 Final Proposal; 10,485 yen, the simple average closing price for the most recent one month (from April 22, 2025 to May 21, 2025); 11,175 yen, for the most recent three months (from February 25, 2025 to May 21, 2025); and 10,428 yen, for the most recent six months (from November 22, 2024 to May 21, 2025). Further, such tender offer price represented a premium of, respectively, 48.65%, 61.97%, 75.83%, and 82.48% over, respectively: 7,750 yen, the closing price on December 26, 2024, the business day preceding December 27, 2024, the date on which the Nidec Proposal was announced, which triggered a change in the price of the Company Shares; 7,112 yen, the simple average closing prices for the one month immediately preceding such date (from November 27, 2024 to December 26, 2024); 6,552 yen, for the three months immediately preceding such date (from September 27, 2024 to December 26, 2024); and 6,313 yen for the six months immediately preceding such date (from June 27, 2024 to December 26, 2024). Note that in the May 22 Final Proposal the proposed price was subject to the condition precedent that if no final candidate was selected at the Special Committee meeting held on May 22, 2025, the terms of the May 22 Final Proposal could be withdrawn or amended. As a result of careful discussion of the terms of the May 22 Final Proposal by the Company and the Special Committee, the Company communicated to the MBK Partners on May 22, 2025, that the conditions for granting exclusive negotiation rights would be: (i) that, from the perspective of maximizing values for our minority shareholders, MBK Partners further raise the price, (ii) that from the perspective of protecting the interests of

our shareholders, MBK Partners complies with a request to amend major provisions in the tender offer agreement in a manner favorable to the Company and our shareholders, and (iii) that MBK Partners aims to announce the Tender Offer as soon as reasonably possible. In response to this, on May 23, 2025, the Company received from MBK Partners the May 23 Final Proposal and a response to the effect that the Tender Offeror accepted conditions (i) through (iii). The tender offer price as stated in the May 23 Final Proposal was 11,560 yen per each of the Company Shares, such tender offer price representing a premium of, respectively, 18.93%, 11.28%, 3.67%, and 10.58% over, respectively: 9,720 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on May 22, 2025, the business day preceding the submission date of the final written proposal dated May 23; 10,388 yen, the simple average closing price for the most recent one month (from April 23, 2025 to May 22, 2025); 11,150 yen, for the most recent three months (from February 25, 2025 to May 22, 2025); and 10,454 yen, for the most recent six months (from November 25, 2024 to May 22, 2025). Further, such tender offer price represented a premium of, respectively, 49.16%, 62.54%, 76.44%, and 83.12% over, respectively: 7,750 yen, the closing price on December 26, 2024, the business day preceding December 27, 2024, the date on which the Nidec Proposal was announced, which triggered a change in the price of the Company Shares; 7,112 yen, the simple average closing prices for the one month immediately preceding such date (from November 27, 2024 to December 26, 2024); 6,552 yen, for the three months immediately preceding such date (from September 27, 2024 to December 26, 2024); and 6,313 yen for the six months immediately preceding such date (from June 27, 2024 to December 26, 2024). In consideration of the terms of the final written proposal dated May 23 and the fact that MBK Partners had agreed to the conditions for being granted exclusive negotiating rights, the Company notified MBK Partners on May 23, 2025, that it was granting exclusive negotiating rights.

Note that on May 7, 2025, the date set by the Company as the submission deadline for final written proposals, the Company received from an investment fund other than MBK Partners (“Candidate A”) a non-binding continuing letter of intent, which included a proposed price in a tender offer for the Company Shares (the “Candidate A Continuing Letter of Intent”). According to the Candidate A Continuing Letter of Intent, submission by Candidate A of a legally binding final proposal was subject to certain conditions precedent (the “Candidate A Continuing Letter of Intent Conditions Precedent”), including that

through multiple discussions with the Company's management, agreement is reached to Candidate A's reasonable satisfaction regarding the Company's management structure and management policy following the delisting of the Company Shares. In consideration of the Candidate A Continuing Letter of Intent, on May 16, 2025, the Company and the Special Committee requested that Candidate A submit a legally binding final proposal by May 22, 2025. In order to make best efforts to satisfy the Candidate A Continuing Letter of Intent Conditions Precedent, on May 16, 17 and 20, 2025, the Company and the Special Committee held a total of three meetings with Candidate A and exchanged opinions on management policy regarding the liquidity of the Company's assets and the management system as well as investment for expanding the Fuji Yoshida Plant following the delisting of the Company Shares. At that time, the Company confirmed the specific points that Candidate A wished to discuss regarding submission of a legally binding final proposal and specific matters for which the Company's cooperation would be required, but the Company did not receive a clear response from Candidate A. Subsequently, on May 22, 2025, the Company received communication from Candidate A that submission of a legally binding final proposal by May 22, 2025, as the Company had requested from Candidate A, would be difficult, and that Candidate A hoped to maintain the terms of the Candidate A Continuing Letter of Intent and continue discussions with the Company. After careful consideration, for the reasons indicated below, the Company and the Special Committee reached the conclusion that the MBK Partners proposal was the best and that proceeding with the Transaction would contribute to enhancing of the corporate value of the Company and maximizing the interests of the general shareholders. Accordingly, and as stated above, on May 22, 2025, the Company and the Special Committee determined that, subject to MBK Partner's acceptance of the Conditions for Grant of Exclusive Negotiating Rights, exclusive negotiating rights would be granted to MBK Partners. Considering both the fact that MBK Partners had accepted the Conditions for Grant of Exclusive Negotiating Rights, on May 23, 2025, the Company notified MBK Partners of the fact that it was being granted exclusive negotiating rights while also notifying Candidate A of the fact that MBK Partners had been granted exclusive negotiating rights and that the Company was formally breaking off discussions with Candidate A.

(A) The terms of MBK Partners' management strategies after the implementation of the Transaction, including its growth strategy, were

based on a deep understanding of the Company and the Company's businesses, and were more concrete and feasible compared to those proposed by Candidate A, and were expected to provide the greatest enhancement of the corporate value after the delisting of the Company Shares.

- (B) In the Due Diligence Process, the Company answered at least twice as many questions in response to Candidate A's requests as had been asked by MBK Partners, provided numerous opportunities for meeting with the Company's officers and employees, and otherwise made its best efforts to provide necessary and sufficient information to receive a legally binding final proposal from Candidate A. Nevertheless, the Candidate A submitted only a non-binding Candidate A Continuing Letter of Intent and the situation in which the specific matters requiring the Company's cooperation were not clearly indicated continued for over two weeks.
- (C) Given that the Tender Offeror's final written proposal dated May 22 indicated that, if a final candidate was not selected by May 22, 2025, the terms of the final written proposal dated May 22 could be withdrawn or amended, and considering the course of events described in (b) above, there were concerns that there was not a high likelihood of Candidate A submitting a legally binding final proposal that could be promptly agreed on and that continuing to wait for such proposal could result in MBK Partners' final written proposal dated May 22 being withdrawn or amended, ultimately leading to a situation where the tender offer price finally agreed upon would not contribute to maximizing value for our minority shareholders.
- (D) The Company believes that, in its pursuit of options for enhancing its corporate value that were initiated by the Nidec Proposal, for its our customers and shareholders, it is critical to achieve the delisting of the Company Shares with a new partner quickly and stabilize management, and then build as early as possible a system for the medium- to long-term enhancement of corporate value.

The proposed price of 11,560 yen in the May 23 Final Proposal by MBK Partners was the highest proposal price as of May 23, 2025, the date of the decision to grant exclusive negotiating rights, surpassing the price set forth in the Candidate A Continuing Proposal, and the Company and the Special Committee believed that this price was the best possible for maximizing value for our minority shareholders. Subsequently, on May 27, certain media organizations reported that MBK Partners

had made an acquisition proposal to the Company. For this reason, as set forth in the press release of the same date, the “Notice Concerning Certain Press Reports Relating to the Company; Receipt of Legally Binding Proposals from White Knight Candidates”, the Company announced that it would quickly move forward with negotiations with MBK Partners, with the aim of reaching a final agreement.

However, on May 29, 2025, roughly three weeks after the May 7, 2025, deadline for the submission of the Third-Party Final Proposals, the Company received a legally binding proposal from Candidate A (the “Candidate A Counterproposal”). The tender offer price set forth in the Candidate A Counterproposal was 11,750 yen per Company Share, which was higher than the price proposed by MBK Partners in the May 23 Final Proposal. As a result of discussions taking into account the Candidate A Counterproposal, the Company and the Special Committee, for the reasons listed below, on May 30, 2025, decided to make a further request that MBK Partners raise their proposed price to at least the proposed price of 11,750 yen for each of the Company Shares and to continue negotiations with MBK Partners with the aim of quickly reaching a final agreement.

- A) In order to maximize the interests of our shareholders and make a fair selection of a Final Proposal Candidate, the Company provided Candidate A and all other Final Proposal Candidates multiple opportunities to submit a legally binding final proposal. Candidate A failed to submit a legally binding proposal at all such opportunities, and the Candidate A Counterproposal was only submitted unilaterally after the Company had granted MBK Partners exclusive negotiating rights.
- B) The Company thought that the behavior of Candidate A as described in (A) was such that it would be difficult to build a relationship of trust as a partner that could work for the enhancement of corporate value after the delisting of the Company Shares, and because the Candidate A Counterproposal described the management policy after the delisting of the Company Shares as requiring further continued discussions with the Company regarding material terms, the proposal by MBK Partners was superior in terms of its specificity and feasibility.
- C) Comprehensively considering the conditions set forth in the Candidate A Counterproposal for Candidate A to make announcement of a tender offer for Company Shares and the content of the tender offer agreement presented by Candidate A, it was envisioned that it would take considerable time before an agreement could be formed with Candidate A, and so the Company

determined that because there was only a small 190 yen difference between the price proposed by MBK Partners and the price in the Candidate A Counterproposal, quickly reaching a final agreement with MBK Partners, which already had exclusive negotiating rights, would contribute to maximizing the interests of our shareholders, both in terms of economic terms and the amount of time required to realize sales opportunities.

Subsequently, on June 3, 2025, the Company received a final written proposal from the Tender Offeror (the “June 3 Final Proposal”). The tender offer price as stated in the June 3 Final Proposal was 11,751 yen per Company Share, such tender offer price representing a premium of, respectively, 4.45%, 15.59%, 6.09% and 10.21% over, respectively: 11,250 yen, the closing price on June 2, 2025, the business day preceding the submission date of the June 3 Final Proposal; 10,166 yen, the simple average closing price for the most recent one month (from May 7, 2025 to June 2, 2025); 11,076 yen, for the most recent three months (from March 3, 2025 to June 2, 2025); and 10,663 yen, for the most recent six months (from December 3, 2024 to June 2, 2025). Further, such tender offer price represented a premium of, respectively, (51.63%, 65.22%, 79.36%, and 86.14% over, respectively: 7,750 yen, the closing price on December 26, 2024, the business day preceding December 27, 2024, the date on which the Nidec Proposal was announced, which triggered a change in the price of the Company Shares; 7,112 yen, the simple average closing prices for the one month immediately preceding such date (from November 27, 2024 to December 26, 2024); 6,552 yen, for the three months immediately preceding such date (from September 27, 2024 to December 26, 2024); and 6,313 yen for the six months immediately preceding such date (from June 27, 2024 to December 26, 2024). Because the proposed price in MBK Partners’ June 3 Final Proposal exceeded the proposed price of 11,750 yen in the Candidate A Counterproposal, the Company determined that the proposed price in the June 3 Final Proposal was the best price for maximizing to the extent possible value for our shareholders and was at a level that enabled the Company to express an opinion recommending that shareholders tender their shares. For details of the Special Committee’s determination, please refer to “(iii) Establishment of Independent Special Committee at the Company and Obtaining Findings Report from the Special Committee” in “(6) Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest” below. In addition, the Company and the Special Committee engaged in discussions with MBK Partners concerning the particulars of a tender offer agreement, and on June 3, 2025, reached agreement.

(ii) The Company's Determinations

Given the course of events as described above, at the meeting of its board of directors held today, with utmost deference to the legal advice obtained from Nishimura & Asahi, the financial advice obtained from Nomura Securities, the content of the share valuation report obtained from Nomura Securities on June 3, 2025 (the "Share Valuation Report (Nomura Securities)") and the Findings Report received from the Special Committee on June 2, 2025, the Company carefully discussed and evaluated whether the Transaction including the Tender Offer would lead to the enhancement of the corporate value of the Company and whether the terms of the Transaction, including the Tender Offer Price, were appropriate.

Since receiving the May 7, 2025, Final Proposal from MBK Partners, the Company has held multiple discussions with MBK Partners and listened to the MBK Partners' planned management policy and growth strategy to be adopted following the implementation of the Transaction. Since its founding in 1937, under its corporate philosophy of "quality first," the Company has consistently engaged in its business with the belief that building trust with customers is the most important consideration. MBK Partners understands such philosophy of the Company and has expressed its intention to provide support to further enhance the added value of the Company's products and services, and the Company believes that even after the Transaction it will be able to continue to work sincerely to address any challenges its customers might face.

The Company also believes that with MBK Partners' management knowhow based on past investments along with its support in terms of personnel and funding support, the Company will be able to increase the likelihood of achieving the Business Plan Disclosed by the Company and thus achieve further enhancement of the Company's corporate value. The Company has been informed by MBK Partners that MBK Partners possesses deep understanding and knowledge of the machine tool industry gained through its investment in leading South Korean machine tool manufacturer Doosan Machine Tools by improving its profitability through the creation of high added value for products and expansion of production capacity, and by improving productivity through the establishment of an efficient and functional sales and management framework. As set forth in "[i] Overview of the Company" in "(ii) The Background, Purpose

and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer" above, the Company has formulated the Business Plan Disclosed by the Company with a sales target of 290 billion yen and an operating margin target of 12.5% for the fiscal year ending March 2030, with a particular focus on executing a growth strategy centered on improving profitability and asset efficiency. Specifically, the Company plans to improve profitability by releasing new products in growth markets in a timely manner, increasing unit prices by expanding its lineup of large and five-axis machines, strengthening its integrated solutions combining automated equipment and software based on its proprietary technologies, shortening lead times for launching new equipment models through its PLM, and reducing assembly lead times by introducing a module production system for large machines and electrical discharge machines. The Company also intends to improve asset efficiency by improving productivity through investment in production facilities and human capital, selling investment securities, and taking other measures to optimize inventory and improve operations. The Company believes that, with the Tender Offeror's knowledge and understanding of the machine tool industry and its support based on past investments, the likelihood of achieving enhanced profitability and asset efficiency as set forth under the Business Plan Disclosed by the Company will be further increased and thus enhance its corporate value.

The Company has further determined, for the following reasons, that the Tender Offer Price is an appropriate price, which ensures that our minority shareholders receive the profits to which they are entitled, and that the Tender Offer provides our minority shareholders with a reasonable opportunity to sell their Company Shares at a price reflecting an appropriate premium.

- A) The valuation results for the Company Shares as calculated by Nomura Securities, described in "[1] Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser (Nomura)" in "(3) Matters related to calculation" below, show that the Tender Offer Price is higher than the highest value calculated by the average market share price method (Reference Date (1)) and the average market share price method (Reference Date (2)), and within the ranges of values calculated by the average market share price method (Reference Date (2)), the trading multiple analysis method, and exceeds the median value of the range of values calculated by the discounted cash flow method (the "DCF Method") ("Reference Date (1)" and "Reference Date (2)" are defined in "(ii) Overview of calculation" in "[1] Share Valuation

Report Obtained by the Company from an Independent Third-Party Appraiser (Nomura)” in “(3) Matters related to calculation” below; the same applies hereinafter).

- B) The valuation result for the Company Shares as calculated by JPMorgan Securities, described in “[2] Share Valuation Report Obtained by the Special Committee from an Independent Third-Party Appraiser (JPMorgan)” in “(3) Matters related to calculation” below, shows that the Tender Offer Price is higher than the highest value calculated by the average market share price method (Reference Date (1)) and the average market share price method (Reference Date (2)) and is within the ranges of values calculated by the trading multiple analysis method and the DCF Method.
- C) The Tender Offer Price offers a premium of 51.63% over 7,750 yen, which is the closing price of the Company Shares on the Tokyo Stock Exchange on December 26, 2024, a date considered to be unaffected by the announcement of the Nidec Proposal; 65.22% over 7,112 yen, which is the simple average closing price for the month immediately preceding such date; 79.36% over 6,552 yen, which is the simple average closing price for the three months immediately preceding such date; and 86.14% over 6,313 yen, which is the simple average closing price for the six months immediately preceding such date, and so, comparing the Tender Offer Price to the median value of the premium levels seen in the 188 cases of publicly announced tender offers by companies which targeted listed companies in Japan, were successfully completed, and took the target company private, since the June 28, 2019, publication of the “Fair M&A Guidelines” (and excluding transactions in which the tender offeror, including special related parties, held voting rights above a certain percentage, as well as MBO transactions) (the premium levels in such transactions were: 44.8% over the closing price for the business day immediately preceding the date of announcement, 45.8% over the simple average closing price for the month immediately preceding such date, 47.9% over the simple average closing price for the three months immediately preceding such date, and 50.3% over the simple average closing price for the six months immediately preceding such date), the Tender Offer Price is at a level that compares favorably, and therefore, the Tender Offer Price can be considered to include a reasonable premium.

(Note) The Tender Offer Price includes a premium of 4.45% over 11,250 yen, which is the closing price of Company Shares on the Prime Market

of the Tokyo Stock Exchange on June 2, 2025, the business day preceding the announcement of the Tender Offer; 15.59% over the simple average closing price for the month immediately preceding such date; 6.09% over the simple average closing price for the three months immediately preceding such date; and 10.21% over the simple average closing price for the six months immediately preceding such date, but because the price of Company Shares as of such date was affected by the announcement of the Nidec Proposal, the Company's premium analysis emphasizes comparison the share price before the announcement of the Nidec Proposal.

- D) The measures to ensure the fairness of the Tender Offer stated in “(6) Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest” below have been sufficiently put in place.
- E) According to the Findings Report obtained from the Special Committee, as stated in “[3] Establishment of Independent Special Committee at the Company and Obtaining Findings Report from the Special Committee” in “(6) Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest” below, the Tender Offer Price and other terms of the Transaction were determined to be reasonable.

In general, the disadvantages of share delisting include no longer being able to raise funds through equity financing from capital markets or to enjoy the enhanced social credibility and reputation and other advantages enjoyed by listed companies. As for the financing aspect, given the Company's current financial situation, it would be possible for funding to be secured through the Company's own funds, loans from financial institutions, etc., and financial support from the Tender Offeror is also a possibility; thus, for now, there is no great need for financing. Further, as for the issue of enhanced reputation and social credibility, because the Company's name and brand would be maintained after the Transaction, it appears that the disadvantages of delisting Company Shares will be limited.

Given the above, at a meeting of its board of directors held today, the Company resolved that, as the Company's opinion at the present time, if the Tender Offer is commenced the Company will express an opinion endorsing the Tender Offer and recommend that all shareholders tender their shares in the Tender Offer. It

is planned that the Tender Offer will commence on a date which shall be on or after the date the Conditions Precedent to the Tender Offer are satisfied (or the date on which waived by the Tender Offeror), as separately agreed to by the Tender Offeror and the Company. As of today, the Tender Offeror aims to commence the Tender Offer by early December, 2025, but because it is difficult to accurately predict the time required to obtain the Clearance (the Tender Offeror has indicated that as soon as it decides the details of the schedule for the Tender Offer, it will notify the Company), the Company resolved, at the above-referenced meeting of the board of directors, to ask the Special Committee to examine whether there are any changes to the Findings Report, and to report either the fact that there is no change to the previous opinion or, if there are any changes, a revised opinion, whereupon, in light of such opinion, the Company will express another opinion regarding the Tender Offer when the Tender Offer is commenced.

(3) Matters Related to Calculation

- (i) Share Valuation Report and Fairness Opinion Obtained by the Company from an Independent Third-Party Appraiser (Nomura)

[i] Name of Independent Third-Party Appraiser (Nomura) and its relationship with the Company and the Tender Offeror

In order to express its opinions on the Tender Offer the Company asked Nomura Securities, a third-party appraiser independent of the Company and the Tender Offeror, to conduct a valuation of the Company Shares in order to ensure the fairness of decision-making by the board of directors, and obtained the Share Valuation Report (Nomura Securities) dated June 2, 2025.

Nomura Securities is not a related party of the Company or the Tender Offeror and does not have any material conflict of interest in regard to the Transaction, including in regard to the Tender Offer. The Special Committee, at its second meeting, confirmed that there were no issues with the independence or qualifications of Nomura Securities and appointed Nomura Securities as a third-party appraiser for the Company. As stated in “(6) Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest,” because the Company and the

Tender Offeror have taken measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, the Company has not obtained a fairness opinion regarding the Tender Offer Price from Nomura Securities.

The compensation to be paid to Nomura Securities in relation to the Transaction includes fees to be paid contingent upon the Transaction being successful. The Company took into consideration the general business customs in similar transactions as well as the advisability of a fee structure where, if the Transaction is not successful, the Company would still have a degree of financial burden, and in light of this, the Company, having determined that the inclusion of a fee to be paid contingent upon the Transaction being successful would not jeopardize the independence of Nomura Securities and appointed Nomura Securities as its financial advisor and third-party appraiser under the aforementioned fee structure.

[ii] Overview of calculation

Nomura Securities, being of the view that the appropriate course of action for the Tender Offer would be to consider the valuation methods to be used for the valuation of the Company Shares from among several valuation methods and conduct valuation using multiple approaches on the assumption that the Company is a going concern, and so Nomura Securities conducted a valuation of the Company Shares using the following methods: the average market share price method, because Company Shares are listed on the Prime Market of the Tokyo Stock Exchange; the multiple analysis method, because there are multiple public companies comparable to the Company and it is possible to infer the value of Company Shares through comparison with such comparable companies; and the DCF Method, to ensure that the valuation would reflect the circumstances of future business activities. The Company obtained from Nomura Securities the Share Valuation Report (Nomura Securities) dated June 2, 2025.

In the Share Valuation Report (Nomura Securities), the ranges of the per-share value of Company Shares calculated using each of the above methods are as follows.

Average market share price method (Reference Date (1)):	6,313 yen - 7,750 yen
Average market share price method(Reference Date (2)):	10,166 yen -11,250 yen
Trading multiple analysis method:	10,859 yen - 14,854 yen

In the valuation using the average market share price method, in order to eliminate any impact on the share price resulting from the announcement of the Nidec Proposal, a reference date which was considered to be unaffected by that announcement, December 26, 2024 (“Reference Date (1)”), was set as the first calculation reference date, and based on the Company Shares’ closing price of 7,750 yen on the Prime Market of the Tokyo Stock Exchange on Reference Date (1), the simple average closing price of 7,594 yen for the five business days immediately preceding Reference Date (1), the simple average closing price of 7,112 yen for the month immediately preceding Reference Date (1), the simple average closing price of 6,552 yen for the three months immediately preceding Reference Date (1), and the simple average closing price of 6,313 yen for the six months immediately preceding Reference Date (1), the per-share value of Company Shares was calculated to be in the range between 6,313 yen and 7,750 yen. June 2, 2025 (“Reference Date (2)”) was set as the second calculation reference date, and based on the Company Shares’ closing price of 11,250 yen on the Prime Market of the Tokyo Stock Exchange on Reference Date (2), the simple average closing price of 11,080 yen for the five business days immediately preceding Reference Date (2), the simple average closing price of 10,166 yen for the month immediately preceding Reference Date (2), the simple average closing price of 11,076 yen for the three months immediately preceding Reference Date (2), and the simple average closing price of 10,663 yen for the six months immediately preceding Reference Date (2), the per-share value of Company Shares was calculated to be in the range between 10,166 yen and 11,250 yen.

In the valuation using the trading multiple analysis method, through a comparison against financial indicators showing factors such as market prices and profitability of listed companies engaged in business relatively similar to ours, the per-share value of Company Shares was calculated to be in the range between 10,859 yen and 14,854 yen.

In the valuation using the DCF Method, based on various factors including publicly available information, the investment plans and the business plan prepared by the Company for the period from the fiscal year ending March 2026 to the fiscal year ending March 2030 (the “Business Plan”), a valuation of the Company Shares was calculating by discounting the free cash flow the Company is expected to generate during and after the fiscal year ending March 2026 to

present value at a certain discount rate, and the per-share value of Company Shares was calculated to be in the range between 8,842 yen and 14,533 yen. The Business Plan used as a premise for the analysis using the DCF Method does not include any fiscal year for which any substantial year-on-year profit change is projected. However, it does include fiscal years for which a substantial change in free cash flow is anticipated. Specifically, from the fiscal year ended March 2025 to the fiscal year ending March 2026, free cash flow is expected to decrease substantially due to an increase in capital expenditures associated mainly with the expansion of the Fuji Yoshida plant and the renovation of the Kunshan plant. Thereafter, from the fiscal year ending March 2026 to the fiscal year ending March 2027, free cash flow is projected to increase substantially because the Company will no longer need to make the capital investment that had been planned for the preceding year and because of higher sales resulting from launching new products in growth markets and increased operating profit resulting from integrated proposals that combine our proprietary technologies in machinery, automated equipment, and software, over the period from the fiscal year ended March 2027 to the fiscal year ended March 2028.

The Business Plan used by Nomura Securities for the DCF Method valuation does not consider synergistic effects expected to be realized due to the Proposal, because at present they are difficult to estimate precisely.

(Note) In calculating the valuation of the Company Shares, Nomura Securities assumed that all publicly available information and information provided to Nomura Securities was accurate and complete and did not conduct any independent verification of the accuracy or completeness of such information. Nomura Securities also did not independently evaluate, appraise, or assess any assets or liabilities of the Company or its affiliates (including financial derivatives, off-balance-sheet assets and liabilities, and other contingent liabilities), or request such an appraisal or assessment from any third-party agency. It is assumed that the Business Plan was reasonably prepared and considered by the Company's management team based on the best and most sincere forecasts and judgements available at the present time. The valuation by Nomura Securities reflects the information and economic preconditions that Nomura Securities had obtained by June 2, 2025, and is intended solely as a reference to be used by the Company's board of directors when considering the share value of the Company Shares.

(ii) Share Valuation Report Obtained from Third Party Appraiser Independent from the Special Committee

[i] Name of Independent Third-Party Appraiser (JPMorgan) and its relationship with the Company, the Tender Offeror, and Nidec

When reviewing the consultation matters, the Special Committee requested JPMorgan Securities, a financial advisor independent from the Company, the Tender Offeror, and Nidec, to calculate the value of the Company Shares and also requested that JPMorgan Securities submit an opinion that the Tender Offer Price is fair to the Company's shareholders (excluding the Tender Offeror, MBK Partners K.K. and their affiliates) from a financial viewpoint (the "Fairness Opinion"). On today's date, The Special Committee obtained a share valuation report from JPMorgan Securities (the "Share Valuation Report (JPMorgan Securities)") dated June 3 and the Fairness Opinion. The Share Valuation Report (JPMorgan Securities) and the Fairness Opinion were prepared solely to provide information and to support the Special Committee in its review of the Transaction. JPMorgan Securities is not a related party of the Company, the Tender Offeror, or Nidec and does not have any material interests in the Transaction, including the Tender Offer, or the Nidec Transaction, including the Nidec Tender Offer.

[ii] Overview of calculation

JPMorgan Securities, being of the view that the appropriate course of action for the Tender Offer would be to consider the valuation methods to be used for the valuation of the Company Shares from among several valuation methods and conduct valuation using multiple approaches on the assumption that the Company is a going concern, and so JPMorgan Securities conducted a valuation of the Company Shares using the following methods: the average market share price method, because Company Shares are listed on the Prime Market of the Tokyo Stock Exchange; the multiple analysis method, because there are multiple public companies comparable to the Company and it is possible to infer the value of Company Shares through comparison with such comparable companies; and the DCF Method, to ensure that the valuation would reflect the circumstances of future business activities.

In the Share Valuation Report (JPMorgan Securities), the ranges of the per-share value of Company Shares calculated using each of the above methods are as follows.

Average market share price method (Reference Date (1)):	6,313 yen - 7,750 yen
Average market share price method(Reference Date (2)):	10,166 yen - 11,250 yen
Trading multiple analysis method:	7,780 yen - 13,453 yen
DCF Method:	10,110 yen -
13,642yen	

Under the average market share price method, with December 26, 2024 (“Reference Date (1)”), the day before Nidec announced the Nidec Offer, as the valuation date, based on the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on Reference Date (1) of 7,750 yen the simple average of the closing price for the period of one month immediately preceding Reference Date (1) of 7,112 yen, the simple average of the closing price for the period of three months immediately preceding this date of 6,552 yen, and the simple average of the closing price for the period of six months immediately preceding this date of 6,313 yen, with the range of the per-share value of the Company Shares calculated to be 6,313 yen to 7,750 yen. And, with June 2, 2025 (“Reference Date (2)”) as the valuation date, based on the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on Reference Date (2) of 11,250 yen, the simple average of the closing price for the period of one month immediately preceding Reference Date (2) of 10,166 yen, the simple average of the closing price for the period of three months immediately preceding Reference Date (2) of 11,076 yen, and the simple average of the closing price for the period of six months immediately preceding Reference Date (2) of 10,663 yen, with the range of the per-share value of the Company Shares calculated to be 10,166 yen to 11,250 yen.

Under the trading multiple analysis method, the range of the per-share value of the Company Shares has been calculated to be 7,780 yen to 13,453 yen based on a calculation of the share value of the Company Shares through comparisons with market prices and financial indicators showing factors such as profitability of listed companies engaged in businesses that are comparably similar to the Company.

Under the DCF analysis, JP Morgan Securities conducted an analysis based on

the Company's business plan and financial forecasts for the fiscal year ending March 2026 through the fiscal year ending March 2030 (the "Business Plan, etc."), the revenue and investment plans outlined in the Company's business plan, which were approved by the Special Committee for JP Morgan Securities to use, as well as information and other elements available to the public. Based on that analysis, by discounting the free cash flow that the Company is expected to generate from the fiscal year ending March 2026 onwards to the present value using a certain discount rate, JP Morgan Securities determined that the range of the per-share value for the Company is between 10,110 yen and 13,642 yen. In the Business Plan and other assumptions used in the DCF analysis, there are no fiscal years that anticipate significant increases and decreases in profits compared to the previous year. However, it does include fiscal years with significant increases and decreases in free cash flow. Specifically, from the fiscal year ending March 2025 to the fiscal year ending March 2026, a significant decrease is expected due to increased capital investment associated with the expansion of the Fujiyoshida plant and the renovation of the Kunshan plant. From the fiscal year ending March 2026 to the fiscal year ending March 2027, a significant increase is expected as the capital investment anticipated in the previous year falls off. From the fiscal year ending March 2027 to the fiscal year ending March 2028 and From the fiscal year ending March 2028 to the fiscal year ending March 2029, a significant increase is expected due to the increased sales in the growth markets, the expansion of operating profit through the composite proposal of proprietary technologies such as machinery, automation equipment, and software, and the improvements in working capital through inventory optimization.

Additionally, potential synergy effects expected to be realized through the execution of the Transaction were not reflected in the Business Plan, etc. used by JP Morgan Securities for the calculation under the DCF analysis.

(Note) In expressing the opinions stated in the Fairness Opinion and calculating the share value of the Company Shares in the Share Valuation Report (JP Morgan Securities) upon which those opinions are based, JP Morgan Securities assumed that all public information, information provided by the Special Committee, the Company, and the Tender Offeror, and information discussed with the Special Committee, the Company, and the Tender Offeror, as well as any other information, etc. that JP Morgan Securities reviewed or had reviewed on its behalf, is accurate and complete. JP Morgan Securities has not

independently verified the accuracy or completeness of that information (and does not assume any responsibility or obligation to do so). JP Morgan Securities has not conducted any evaluation or assessment of any assets or liabilities of the Tender Offeror or the Company and no such evaluation or assessment has been conducted on its behalf. Additionally, JP Morgan Securities has not evaluated the creditworthiness of the Tender Offeror or the Company under any laws or regulations related to insolvency, suspensions of payments, or similar matters. In relying on the financial analyses and forecasts submitted by the Company or derived therefrom, JP Morgan Securities assumed that those analyses and forecasts were reasonably prepared based on the best current estimates and judgments of the management of the Company regarding the future performance and financial condition of the Company relevant to such analyses and forecasts. JP Morgan Securities does not express any opinion on those analyses or forecasts or on the assumptions on which they are based. Additionally, JP Morgan Securities assumes that the Tender Offer and all transactions intended to be carried out by the Tender Offeror as described in the Tender Offer Agreement (the “Tender Offer, Etc.”) will be executed as described in the Tender Offer Agreement. JP Morgan Securities is not an expert in legal, regulatory, tax, accounting, or similar matters and has relied on the judgment of the advisors of the Special Committee on those matters. Further, JP Morgan Securities assumes that all important consents and approvals from governments, regulatory authorities, and other parties required for the execution of the Tender Offer, Etc. will be obtained without adversely affecting the Company or the benefits expected to be realized by the execution of the Tender Offer, Etc.

The Fairness Opinion and the underlying valuation results in the Share Valuation Report (JP Morgan Securities) are necessarily based on the information available to JP Morgan Securities as of the date of the Fairness Opinion and on the economic, market, and other conditions as they existed on that date. Events occurring after that date might affect the Fairness Opinion and the underlying valuation results in the Share Valuation Report (JP Morgan Securities). However, JP Morgan Securities is under no obligation to update, revise, or reaffirm its analysis or opinions. The Fairness Opinion only expresses an opinion that the Tender Offer Price is fair to the Company’s shareholders (excluding the Tender Offeror, MBK Partners K.K. and their related parties) from a financial perspective under certain conditions. It does not express an opinion

on whether the Tender Offer Price is fair to holders of any other types of securities, creditors, or other stakeholders of the Company. Additionally, it does not give an opinion on the appropriateness of the Company's decision to proceed with the Tender Offer, Etc. JP Morgan Securities does not express any opinion on the amount or nature of any compensation related to the Tender Offer Price in the Tender Offer, Etc. for any officer, director, employee, or any related party of any of the parties involved in the Tender Offer and it does not give an opinion on the fairness of any such compensation. Further, JP Morgan Securities does not express any opinion on the prices of the Company Shares to be traded in the future. Furthermore, JP Morgan Securities does not express any opinion or make any recommendation to the shareholders of the Company on whether they should tender their shares in the Tender Offer or how they should act with respect to the Tender Offer, Etc. or any related matters.

Additionally, the Fairness Opinion and the underlying valuation results in the Share Valuation Report (JP Morgan Securities) do not constitute a recommendation to the Company or its Board of Directors regarding any specific purchase price and do not recommend that any specific purchase price is the only appropriate price.

The business plans and financial forecasts of the Company (the "Financial Forecasts") submitted by the Company to JP Morgan Securities in connection with the analysis by JP Morgan Securities of the share value of the Company Shares and the Fairness Opinion have been approved by the Special Committee for use by JP Morgan Securities. Please note that all of the Financial Forecasts have not been publicly disclosed by the Company and were not prepared for the purpose of public disclosure. The Financial Forecasts are inherently uncertain and depend on numerous variables and assumptions beyond the control of the Company's management. These include, but are not limited to, factors related to general economic conditions, competitive conditions, and prevailing interest rates. Therefore, actual performance might differ significantly from the Financial Forecasts.

The opinions expressed in the Fairness Opinion and the results and summary of the valuation methods outlined in the Share Valuation Report (JP Morgan Securities), upon which those opinions are based, do not encompass all the analyses conducted or data referenced by JP Morgan Securities. The Fairness Opinion and the Share Valuation Report (JP Morgan Securities) have been

prepared after going through a complex process, so any partial or summarized description of the analysis results in those documents will not necessarily accurately represent the entirety of the analysis. The results of the analysis by JP Morgan Securities must be considered as a whole and relying on only a part or a summary of those results without considering the analysis results in their entirety might result in an incorrect understanding of the processes underlying the analysis and the opinions of JP Morgan Securities. In expressing its opinion, JP Morgan Securities has considered each analysis and factor holistically and comprehensively, without assigning undue weight to any specific analysis or factor. Moreover, JP Morgan Securities does not express an opinion on whether any particular analysis or factor was the primary basis for its opinion or the extent to which any individual analysis or factor contributed to its opinion. Additionally, the companies selected for comparison in the analysis were chosen by JP Morgan Securities for the purpose of the analysis because they are publicly traded companies that are (in some cases) engaged in businesses considered to be similar to that of the Company. However, those companies are not identical to the Company's business segment or subsidiaries. Therefore, the analysis by JP Morgan Securities necessarily involves complex considerations and judgments regarding differences in the financial and business characteristics of the companies selected for comparison with the Company, as well as other factors that might affect those companies.

JP Morgan Securities has acted as financial advisor to the Special Committee with respect to the proposed Transaction and will receive a fee from the Company for their services as financial advisor. That compensation is payable regardless of whether the Tender Offer, Etc. is executed. In addition, the Company has agreed to indemnify JP Morgan Securities for certain liabilities arising out of its service. During the two years preceding the date of the Fairness Opinion, neither JP Morgan Securities nor its affiliates have had any other material financial advisory or other material commercial or investment banking relationships with the Company. During the two years preceding the date of the Fairness Opinion, JP Morgan Securities and its affiliates have had investment banking relationships with MBK Partners K.K., the parent entity of the Tender Offeror, and its affiliates for which we and such affiliates have received customary compensation. Such services during such period have included acting as the (i) buy-side financial advisor to MBK Partners K.K. on its acquisition of Alinamin Pharmaceutical Co.,

Ltd., which transaction closed in July 2024, and (ii) the sell-side financial advisor to Lotte Card Co., Ltd. (a portfolio company of MBK Partners K.K. and its affiliates) in connection with its sale of a wholly-owned subsidiary, Loca Mobility Corp., which transaction closed in May 2023. In addition, JP Morgan Securities and its affiliates hold, on a proprietary basis, less than 1% of the outstanding common stock of the Company. In the ordinary course of its businesses, JP Morgan Securities and its affiliates may actively trade the debt and equity securities or financial instruments (including derivatives, bank loans or other obligations) of the Company and MBK Partners K.K. and their affiliates for their own accounts or for the accounts of clients and, accordingly, JP Morgan Securities and its affiliates may at any time hold long or short positions in such securities or other financial instruments.

(4) Prospects for Delisting and Reasons for Doing so

As of today, the Company shares are listed on the Prime Market of the Tokyo Stock Exchange, Inc. Because the Tender Offeror has not set an upper limit on the number of shares to be purchased in the Tender Offer, there is a possibility, depending on the results of the Tender Offer, that pursuant to the delisting standards of the Tokyo Stock Exchange, Company shares will be delisted after certain procedures are undertaken.

Moreover, even in the event that, at the time the Tender Offer is completed, the standards for delisting are not met, the Tender Offeror intends to, after the completion of the Tender Offer, own all Company Shares in accordance with the procedures set forth in “(5) Post-Tender Offer Reorganization Policy (Matters Relating to so-called Two-Step Acquisition)” below, in such case, pursuant to the delisting standards of the Tokyo Stock Exchange, the Company Shares will be delisted after the appropriate procedures are undertaken. After the delisting, it will not be possible for Company Shares to be traded on the Tokyo Stock Exchange.

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

As stated in “(i) Overview of the Tender Offer” in “(2) Basis and Reasons for the Opinion Regarding the Tender Offer”, in the event that, even if the Tender Offer is

completed, the Tender Offeror is unable to acquire all Company Shares through the Tender Offer (excluding treasury shares held by the Company), the Tender Offeror intends to implement Squeeze-Out Procedures after the Tender Offer is completed, using the following method, for the purpose of acquiring all Company Shares (excluding treasury shares held by the Company).

(i) Demand for Share Cash-Out

In the event where, upon the completion of the Tender Offer, the total number of voting rights in the Company held by the Tender Offeror will be 90% or more of the voting rights of all Company shareholders, thus making the Tender Offeror a special controlling shareholder as prescribed in Article 179, Paragraph 1 of the Companies Act, immediately following the completion of the settlement for the Tender Offer, the Tender Offeror intends to demand pursuant to Title 2, Chapter 2, Section 4-2 of the Companies Act that all our shareholders (excluding the Tender Offeror and the Company) (the “Shareholders Subject to the Cash-Out”) sell and transfer all of Company Shares that they hold (the “Demand for Share Cash-Out”). The Tender Offeror intends to stipulate in the Demand for Share Cash-Out that proceeds in an amount equal to the Tender Offer Price will be delivered to the Shareholders Subject to the Cash-Out as the per-share consideration to be paid for the Company Shares. In this case, the Tender Offeror will notify the Company to that effect, and request the Company approve the Demand for Share Cash-Out. If the Company approves the Demand for Share Cash-Out through a resolution of our board of directors, then in accordance with the procedures prescribed in the relevant laws and regulations, the Tender Offeror will, without requiring separate consent from the Company’s shareholders, acquire from all of the Shareholders Subject to the Cash-Out all of the Company Shares that they hold, on the acquisition date specified in the Demand for Share Cash-Out. In this case, the Tender Offeror will deliver proceeds in an amount equal to the Tender Offer Price to the Shareholders Subject to the Cash-Out as the per-share consideration to be paid for the Company Shares that held by the respective Shareholders Subject to the Cash-Out.

It should be noted that if the Company receives a notice from the Tender Offeror stating intent to make the Demand for Share Cash-Out and indicating containing the items specified under Article 179-2, Paragraph 1 of the Companies Act, the Company intends to approve the Demand for Share Cash-Out at a meeting of our board of directors.

The provisions in the Companies Act intended to protect the rights of general

shareholders in relation to a Demand for Share Cash-Out, i.e. Article 179-8 of the Companies Act and other relevant laws and regulations, those of our shareholders that did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) are entitled to petition the court for a determination of the sale price of the Company Shares that they hold. It should also be noted that the sale price of the Company Shares in the event where no such petition is filed will ultimately be determined by the court.

(ii) Share Consolidation

In the event where after the completion of the Tender Offer, the total number of voting rights in the Company held by the Tender Offeror will be less than 90% of the voting rights of all shareholders, immediately following the completion of the settlement for the Tender Offer, the Tender Offeror will request that the Company convene an extraordinary general meeting of shareholders that includes, in its agenda items for deliberation, a proposal for consolidation of Company Shares pursuant to Article 180 of the Companies Act (the “Share Consolidation”) and, subject to the Share Consolidation taking effect, a proposal for partial amendment of the articles of incorporation for eliminating provisions concerning shares that constitute one trading unit (the “Extraordinary General Meeting of Shareholders”). It should be noted that the Tender Offeror intends to vote in favor of this agenda item at the Extraordinary General Meeting of Shareholders.

If the agenda item concerning the Share Consolidation is approved at the Extraordinary General Meeting of Shareholders then our shareholders will, as of the effective date of the Share Consolidation, own Company Shares in a number determined according to the Share Consolidation ratio that was approved at the Extraordinary General Meeting of Shareholders. If the Share Consolidation results in any fractional shares being included in the number of shares, then in accordance with Article 235 of the Companies Act and procedures specified in other relevant laws and regulations, the proceeds obtained from selling, whether to the Company or to the Tender Offeror, Company Shares equivalent to the total sum of the fractional shares (in cases where the total sum includes a fractional share, such fractional share is to be rounded off) will be delivered to those of our shareholders who had held fractional shares. The sale price of the Company Shares equivalent to the total sum of the fractional shares will be calculated such that the sum of the proceeds resulting from the sale to be delivered to our shareholders (excluding the Tender Offeror and the Company) that did not tender their shares in the Tender Offer will be the same as the

price obtained by multiplying the Tender Offer Price by the number of Company Shares held by the relevant shareholders, after which the Tender Offeror will request that the Company file a petition with the court seeking permission for voluntary sale. In addition, although the consolidation ratio for the Company Shares is currently undecided, in order to ensure the Tender Offeror will hold all issued shares of the Company (excluding treasury shares held by the Company), the Tender Offeror intends to request that the ratio be determined in such a manner that the number of Company Shares held by those of our shareholders that did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) will result in a fractional share of less than one full share. The Company intends to comply with these requests by the Tender Offeror should the Tender Offer be successfully completed. In the event that the Tender Offer has been commenced around early December, 2025, the Company will aim to hold an Extraordinary General Meeting of Shareholders in around March, 2026, and the Company will decide the specific procedures and the timing for implementation thereof through consultation with the Tender Offeror, after which it will promptly make a public announcement.

Under the provisions in the Companies Act that are intended to protect the rights of general shareholders in relation to a share consolidation, if a share consolidation results in any fractional shares being included in the number of shares, then in accordance with Article 182-4 and Article 182-5 of the Companies Act and the procedures specified in other relevant laws and regulations, those of our shareholders that did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) would be entitled to demand that the Company purchase, at a fair price, any fractional shares that any of them holds, and would also be entitled to file a petition with the court seeking determination of the price of the Company Shares.

It should be noted that the acquisition price of the Company Shares in the event where no such petition is filed will ultimately be determined by the court.

The method and timing for implementation of the various procedures for the Demand for Share Cash-Out and the Share Consolidation may change depending on revisions to or enforcement of relevant laws and regulations, interpretation by the authorities, and other such circumstances. However, even in such event, the method of ultimately delivering the proceeds to those of our shareholders that did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) will still be applied, and the sum of the proceeds to be delivered to the relevant shareholders in that event will be calculated so as to equal the price obtained by

multiplying the Tender Offer Price by the number of Company Shares held by those shareholders.

The Company will decide the specific procedures for each of the abovementioned events and the timing for implementation thereof through consultation with the Tender Offeror, after which it will promptly make a public announcement.

It should be noted that the Tender Offer is not intended in any way to solicit the approval of our shareholders at the Extraordinary General Meeting of Shareholders. Our shareholders are asked to consult with their own tax specialists regarding taxes treatment relating to tendering their shares in the Tender Offer and the procedures described above.

(6) Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest

As of today, MBK Partners and the Tender Offeror do not hold any Company Shares, nor would the Tender Offer be considered a tender offer by a controlling shareholder. The Tender Offer would also not be considered a tender offer in which the tender offeror is an officer of the Company, or a tender offer in which the tender offeror is a person who is conducting the tender offer on the request of an officer of the Company and who also has a common interest with the officer of the Company, nor would the Transaction, including the Tender Offer, be considered a so-called management buyout (MBO).

However, given that the Tender Offer will be conducted partly for the purpose of delisting the Company Shares, and also because the Transaction, including the Tender Offer, is being conducted as the result of the Company's consideration of every strategic option for maximizing its corporate value as prompted by the Nidec Proposal, the Company has taken the following steps to eliminate potential arbitrariness from the decision-making process of our board of directors, and to thereby ensure the fairness and transparency of the Transaction.

The statements below regarding steps taken with regard to the Tender Offeror are based on explanations received from the Tender Offeror.

(i) Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser (Nomura)

The Company asked Nomura Securities to calculate the value of Company Shares as a third-party appraiser independent of the Company and the Tender

Offeror, and obtained the Share Valuation Report (Nomura Securities) dated June 2, 2025. For details, please refer to “[1] Share Valuation Report Obtained by the Company from an Independent Third-Party Appraiser (Nomura)” in “(3) Matters related to calculation” above.

(ii) Advice for the Company from Independent Legal Advisors

As legal advisors independent of the Company and the Tender Offeror, the Company appointed Nishimura & Asahi as an advisor primarily for Japanese law and Sullivan & Cromwell as an advisor primarily for U.S. law, and has received legal advice from these advisors, including advice on the measures to be taken to ensure the fairness of procedures in the Transaction, the various procedures of the Transaction, and methods and processes for the Company’s decision-making regarding the Transaction.

Nishimura & Asahi and Sullivan & Cromwell are not related parties of the Company or the Tender Offeror and have no material conflict of interest with regard to the Transaction. Furthermore, the compensation to be paid to Nishimura & Asahi and Sullivan & Cromwell does not include any fees to be paid contingent upon the consummation etc. of the Transaction.

(iii) Establishment of Independent Special Committee at the Company and Obtaining Findings Report from the Special Committee

[i] Background of Establishment of Special Committee etc.

As stated in “(iv) The Decision-Making Process Leading to the Company’s Endorsement of the Tender Offer and the Reasons for Doing so” in “(2) Basis and Reasons for the Opinion Regarding the Tender Offer” above, for the purpose of eliminating arbitrary decisions by its board of directors and ensuring the fairness, transparency, and objectivity of decision-making processes from the perspective of enhancing the Company’s corporate value and securing the interests of general shareholders, the Company established on January 10, 2025, a Special Committee consisting of four independent external directors: Mr. Naofumi Masuda, Mr. Kodo Yamazaki, Mr. Kazuo Takahashi, and Ms. Ayako Takai. All members of the Special Committee are independent external directors who with

no interests in either the Company or the Tender Offeror. Mr. Kazuo Takahashi was elected as the chair of the Special Committee from among its members, and the membership of the Special Committee has not changed since its establishment. Furthermore, compensation to be paid to the Special Committee members is calculated in accordance with the number of times said members attend meetings of the Special Committee without regard to the content of their findings, and no success fees are to be paid.

[ii] Background of the Consideration

The Special Committee met a total of 26 times between January 10, 2025, and June 3, 2025, carefully discussing and evaluating the Transaction and the Nidec Transaction by making reports, deliberating, rendering formal decisions, etc., as well as by exchanging opinions from time to time via email and such in the periods between meeting dates.

In considering each proposal, the Special Committee selected and appointed JPMorgan Securities as the Special Committee's external and independent financial advisor and Anderson Mori & Tomotsune as the Special Committee's external and independent legal advisor. None of the foregoing external advisors are a related party of the Company, the Tender Offeror, or Nidec, and have any material conflict of interest that should be stated in relation to the Tender Offer or the Nidec Tender Offer.

The Special Committee received reports in a timely manner on the course and the particulars etc. of the discussions and negotiations regarding the Transaction and the Nidec Transaction, and, with the advice of the Special Committee's external and independent advisors JPMorgan Securities and Anderson Mori & Tomotsune, was substantively involved in the process of consideration of the Transaction and the Nidec Transaction, as stated above in "[4] The Decision-Making Process Leading to the Company's Support of the Tender Offer and the Reasons for Doing so" in "(2) Basis and Reasons for the Opinion Regarding the Tender Offer."

The Special Committee also received explanations from the Company regarding the particulars, assumptions, background of preparation, etc. of the Business Plan, confirmed the reasonableness of those explanations, and received explanations from Nomura Securities and JPMorgan Securities regarding the results of the valuation of the Company Shares based on the Business Plan.

[iii] Details of the Decision

The Special Committee, with the background described above and taking into account the legal advice of Anderson Mori & Tomotsune and the financial advice of JPMorgan Securities as well as the details of the Share Valuation Report (JPMorgan Securities), which was submitted on June 2, 2025, repeatedly engaged in serious discussions and consideration, and on June 3, 2025, upon the unanimous agreement of its members, submitted the Findings Report to the Company's board of directors, as summarized below.

The Special Committee, in light of the aforementioned circumstances, has carefully deliberated and examined the legal advice received from Anderson Mori & Tomotsune, the advice received from J.P. Morgan Securities from a financial perspective, and the details of the Stock Valuation Report (JPMorgan Securities) prepared by JPMorgan Securities that the Special Committee received on June 2, 2025. As a result, on June 3, 2025, the Special Committee unanimously submitted the Findings Report to our board of directors, the main points of which are outlined below.

I. Matters to be Considered

- (a) The fairness and reasonableness of the purpose of all strategic options, including a capital alliance with a prospective partner (the "Option").
- (b) The reasonableness of the terms and conditions of the Option.
- (c) The fairness of the procedures related to the Option.
- (d) Taking into account the above points (a) to (c), whether the Option contributes to the maximization of the medium to long-term corporate value of the Company and the interests of our general shareholders.

II. The Special Committee's Response

- (a) The fairness and reasonableness of the purpose of the Option are recognized.
- (b) The reasonableness of the terms and conditions of the Option is recognized.
- (c) The fairness of the procedures related to the Option is recognized.
- (d) Taking into account the above points (a) to (c), the decision to adopt the Option (including the Squeeze-Out Procedures) is recognized as not being detrimental to our minority shareholders and is recognized as contributing to the maximization of the

medium- to long-term corporate value of the Company and the interests of our general shareholders.

III. Reasons for Response

(1) Fairness and Reasonableness of the Purpose of the Option

(a) Measures to enhance corporate value expected to result from the Transaction

According to the draft of the press release regarding expression of opinion in support of the planned commencement of, and recommendation to tender shares in, the Tender Offer for Company Shares to be announced by the Company on June 3, 2025 (the “Press Release”) and the meeting between the Special Committee and MBK Partners on May 13, 2025, the details of the corporate value enhancement measures contemplated by MBK Partners after the Tender Offer are as described in “(iii) Post-Tender Offer Management Policy” in “(2) Basis and Reasons for the Opinion Regarding the Tender Offer” above, and the outlook for the realization of the enhancement of the Company’s corporate value based on the corporate value enhancement measures contemplated by MBK Partners are as described in “(ii) The Company’s Determinations” in “(iv) The Decision-Making Process Leading to the Company’s Support of the Tender Offer and the Reasons for Doing so” in “(2) Basis and Reasons for the Opinion Regarding the Tender Offer” above.

Since receiving the May 7 Final Proposal, from MBK Partners, the Company has engaged in discussions with MBK Partners and has been briefed on MBK Partners’ management policies and growth strategy following the implementation of the Transaction. The Company acknowledges that the management strategy following the implementation of the Transaction, including MBK Partners’ growth strategy, is based on a deep understanding of the Company and its business. Furthermore, the Company evaluates that the measures for enhancing corporate value contemplated by MBK Partners will increase the likelihood of achieving the profitability and asset efficiency improvements outlined in the Business Plan, thereby realizing an increase in corporate value.

The Special Committee believes that these explanations by the Company are not inconsistent with the Company’s previous measures to enhance corporate value, and that there are no facts that clearly contradict them objectively, and therefore deems them to be reasonable.

(b) Whether or not there are any disadvantages expected from the Transaction

As stated in “(ii) The Company's Determinations” in “(iv) The Decision-Making Process Leading to the Company’s Support of the Tender Offer and the Reasons for Doing so” in “(2) Basis and Reasons for the Opinion Regarding the Tender Offer” above, the disadvantages for the Company resulting from the Transaction exist. However, given the Company’s current financial situation, the Company believes that the impact on its funding ability will be limited, as the Company is able to secure funds through its own capital and loans from financial institutions. Additionally, given the possibility of financial support from the Tender Offeror, the Company also believes that the need for borrowing from financial institutions will not be high in the near term.

Furthermore, the Company believes that the disadvantages of delisting our shares will be limited, as the Company has already established a certain level of trust with its business partners and the Company’s name and brand will be maintained after the Transaction, which will help maintain the Company's social credibility and reputation.

In light of the above, the Special Committee considers that there are no circumstances that would significantly hinder the enhancement of the Company’s corporate value through the Transaction.

(c) Summary

The Special Committee believes that the Company’s view that the content of the management strategy following the implementation of the Transaction, including MBK Partners’ growth strategy, is based on a deep understanding of the Company and its business, and that the corporate value enhancement measures contemplated by MBK Partners will increase the likelihood of achieving the profitability and asset efficiency improvements set out in the Business Plan, thereby contributing to the enhancement of its corporate value, is not inconsistent with the Company’s previous corporate value enhancement measures and that there are no facts that clearly contradict such view objectively, and therefore deems it to be reasonable.

Furthermore, the Special Committee considers that there are no facts that contradict the Company’s view that, given the Company’s current financial situation and that the Company's social credibility and reputation will not be lost as a result of delisting because the Company has already established a certain level of trust with its business partners and because the Company’s name and brand will be maintained after the Transaction, the considerations generally pointed out in relation to taking private cases, including, the inability to raise funds through equity financing from capital markets or

the loss of benefits enjoyed as a listed company, such as increased social credibility and reputation, would not seem to result in circumstances that would constitute a significant impediment to the enhancement of the Company's corporate value. Therefore, the Special Committee considers such view to be reasonable.

Based on the above, the Special Committee believes that the Transaction contributes to the enhancement of the Company's corporate value, and that the fairness and reasonableness of the purpose of the Option are recognized.

(2) Reasonableness of the terms and conditions of the Option

(a) The Tender Offer is the Best Proposal Obtained through Active Market Check

(A) Overview of Active Market Check

The Company, through the implementation of the market check as described in “[i] Establishment of the Review System for the Nidec Proposal and Examination and Negotiations of Strategic Options” under “(iv) The Decision-Making Process Leading to the Company's Support of the Tender Offer and the Reasons for Doing so” under “(2) Basis and Reasons for the Opinion Regarding the Tender Offer” above, resulted in receiving a final and legally binding proposal solely from MBK Partners by the deadline for submission of the Final Third-Party Proposals. During the implementation of the above-mentioned market check, the Special Committee was provided with timely reports from the Company not only regarding the Transaction but also regarding the proposals from other candidates, and the market check for the Transaction can be evaluated as a fair market check conducted under the substantial involvement of the Special Committee.

Furthermore, it can be expected that the transaction terms and conditions offered by MBK Partners, which are the best among the proposals obtained through a fair market check under a competitive environment, as described in “(b) Proposal by MBK Partners” below, will fairly allocate the increase in corporate value resulting from the acquisition between MBK Partners and our shareholders.

(B) Proposal by MBK Partners

The tender offer price as stated in the May 7 Final Proposal from MBK Partners had been set at 11,300 yen per Company Share; however, after careful discussion and consideration by the Company and the Special Committee based on the contents of the May 7 Final Proposal, on May 16, 2025, the Company and the Special Committee requested that MBK Partners submit a proposal with revised terms and conditions,

including an increase in the price, by May 22, 2025, from the perspective of maximizing the value of our minority shareholders. The Company received a final proposal from MBK Partners on May 22, 2025, indicating a tender offer price of 11,520 yen per Company Share, with no upper limit on the number of shares to be purchased and a lower limit of two-thirds of the total voting rights of the Company. Based on the said proposal, the Company and the Special Committee decided to demand a further price increase from MBK Partners and, if such price increase was made by MBK Partners, to grant MBK Partners the exclusive negotiation right. The Company and the Special Committee conveyed this to MBK Partners, and MBK Partners, on May 23, 2025, submitted the May 23 Final Proposal with a tender offer price of 11,560 yen per Company Share, with no upper limit on the number of shares to be purchased, and a lower limit of two-thirds of the total voting rights of the Company. As a result, the Company and the Special Committee granted MBK Partners the exclusive negotiation right. Thereafter, MBK Partners and the Company continued negotiations, and MBK Partners, on June 3, 2025, submitted the June 3 Final Proposal with a tender offer price of 11,751 yen per Company Share, with no upper limit on the number of shares to be purchased, and a lower limit of two-thirds of the total voting rights of the Company.

Thus, the Company and the Special Committee, after receiving the May 7 Final Proposal from MBK Partners, continued to pursue the maximization of value for our minority shareholders, negotiated the price, and received a proposal for a Tender Offer Price of 11,751 yen per Company Share.

On the other hand, Candidate A, in contrast with MBK Partners, submitted a non-legally binding Candidate A Letter of Continued Intent on May 7, 2025, which was the deadline set by the Company for the submission of the Final Third-Party Proposals—offering a tender offer price of 11,550 yen per Company Share, with no upper limit on the number of shares to be purchased and a lower limit of two-thirds of the total voting rights of the Company. After conducting multiple rounds of discussions between the Company’s management and Candidate A as requested by Candidate A, the Company requested Candidate A to submit a legally binding proposal. On May 22, 2025, the Company received a communication from Candidate A stating that it would be difficult to submit the final and legally binding proposal requested by the Company by May 22, 2025, that Candidate A wished to maintain the contents of the previously submitted Candidate A Letter of Continued Intent, and that it hoped to continue discussions with the Company. In light of Candidate A’s communication dated May 22, 2025, and MBK Partners’ proposal of 11,560 yen per Company Share for the Tender Offer, the Company informed Candidate A on May 23, 2025 that, as a result of granting

exclusive negotiation rights to a candidate other than Candidate A, discussions with Candidate A were suspended. However, Candidate A, more than approximately three weeks past the deadline for the submission of the Final Third-Party Proposals set by the Company (May 7, 2025), submitted a legally binding proposal dated May 29, 2025 (the “Candidate A Proposal”). The Candidate A Proposal set the tender offer price at 11,750 yen per Company Share, with no upper limit on the number of shares to be purchased, and a lower limit of two-thirds of the total voting rights of the Company. However, as described in “[i] Establishment of the Review System for the Nidec Proposal and Examination and Negotiations of Strategic Options” under “(iv) The Decision-Making Process Leading to the Company’s Support of the Tender Offer and the Reasons for Doing so” under “(2) Basis and Reasons for the Opinion Regarding the Tender Offer” above, the Company decided to request again that MBK Partners raise its proposal price to at least 11,750 yen per Company Share as offered in the Candidate A Proposal, and, at the same time, to continue negotiations with MBK Partners to aim for a final agreement on the Transaction, rather than proceeding with Candidate A’s proposal to take the Company private.

The Special Committee also considers that, in light of Candidate A’s actions and responses during the market check process, the Company’s response described above can be regarded as not unreasonable.

As described above, the Tender Offer is a tender offer implemented at the Tender Offer Price as the result of a fair market check conducted with the substantial involvement of the Special Committee, which fully pursued the maximization of the value for all of our minority shareholders, and the Tender Offer Price was higher than the price offered in the Nidec Tender Offer and the price offered in the Candidate A Proposal.

Accordingly, the Tender Offer can be evaluated as the best among the proposals obtained through the active market check.

(b) Relationship Between the Share Valuation and the Tender Offer Price

(A) Business Plan

The Business Plan and the Business Plan, etc. have been prepared using the same method as before. In addition, the Business Plan and the Business Plan, etc. contain no significant discrepancies with the outline of the Company’s business operations as previously reviewed by the outside directors, who are members of the Special Committee, at meetings of the Board of Directors and other bodies.

Accordingly, in approving the Business Plan and the Business Plan, etc., the Special Committee has determined, based on the explanations provided by the Company's management to the Special Committee and the questions and answers with the Special Committee, that there are no circumstances that should cast doubt on the fairness of the process of formulating the Business Plan and the Business Plan, etc., and that no unreasonable points are observed in their content.

(B) Valuation by Nomura Securities

The Special Committee received detailed explanations from Nomura Securities regarding the share valuation results for the Company Shares, the valuation methods, and the process of consideration of the valuation results, and other related matters. With respect to the selection of the market price average method, comparable company method, and DCF Method adopted by Nomura Securities as evaluation methods, as well as the valuation methods and bases for each, no unreasonable points were found. The Special Committee thus evaluated that it could rely on the Stock Valuation Report (Nomura Securities) prepared by Nomura Securities in considering the share value of the Company Shares.

(C) Valuation by JPMorgan Securities and Obtaining Fairness Opinion

The Special Committee received detailed explanations from JPMorgan Securities regarding the share valuation results for the Company Shares calculated under the assumptions and other conditions as set out above, the valuation methods, and the process of consideration of the valuation results, and other related matters. With respect to the selection of the market price average method, comparable company method, and DCF Method adopted by JPMorgan Securities as evaluation methods, as well as the valuation methods and bases for each, no unreasonable points were found. The Special Committee thus evaluated that it could rely on the Stock Valuation Report (JPMorgan Securities) prepared by JPMorgan Securities in considering the share value of the Company Shares.

The Special Committee, in order to ensure the fairness of the Tender Offer Price, has obtained the Fairness Opinion from JPMorgan Securities stating that, under the assumptions and other conditions as set out above, the Tender Offer Price is fair from a financial point of view to the holders of the Company Shares (excluding the Tender Offeror, MBK Partners K.K., and their affiliates). In light of the fact that no particularly

unreasonable points were found in the valuation results for the Company Shares prepared by JPMorgan Securities, among other considerations, there are no particularly unreasonable points in the procedures and content of the issuance of the Fairness Opinion, and the Special Committee evaluated that it could rely on the Fairness Opinion.

(D) Evaluation by the Special Committee

The Tender Offer Price of 11,751 yen per share is recognized as (i) exceeding the upper limit of the range of the per-share value of the Company Shares calculated by Nomura Securities under the market price average method (Reference Date (1)), (ii) exceeding the upper limit of the range of the per-share value of the Company Shares calculated by Nomura Securities under the market price average method (Reference Date (2)), (iii) remaining within the range of the per-share value of the Company Shares calculated by Nomura Securities under the comparable company method, and (iv) exceeding the median of the range of the per-share value of the Company Shares calculated by Nomura Securities under the DCF Method and remaining within that range. In addition, the Tender Offer Price of 11,751 yen per share is recognized as (i) exceeding the upper limit of the range of the per-share value of the Company Shares calculated by JPMorgan Securities under the market price average method (Reference Date (1)), (ii) exceeding the upper limit of the range of the per-share value of the Company Shares calculated by JPMorgan Securities under the market price average method (Reference Date (2)), (iii) remaining within the range of the per-share value of the Company Shares calculated under the comparable company method, and (iv) remaining within the range of the per-share value of the Company Shares calculated by JPMorgan Securities under the DCF Method.

Furthermore, the Company has obtained the Fairness Opinion from JPMorgan Securities stating that the Tender Offer Price is fair from a financial point of view to the holders of the Company Shares (excluding the Tender Offeror, MBK Partners K.K., and their affiliates).

Based on the above, the Tender Offer Price is considered to have reached a level that is sufficiently not disadvantageous to minority shareholders, also from the perspective of comparison with the valuation of the Company Shares calculated by Nomura Securities and JPMorgan Securities, as well as from the perspective of the contents of the Fairness Opinion.

(c) Positioning of the Tender Offer Price

The Tender Offer Price represents, in relation to the closing price of the Company Shares on the Tokyo Stock Exchange as of December 26, 2024 (the “Business Day Immediately Preceding Nidec Proposal”), which was immediately prior to the announcement of the Nidec Proposal that triggered fluctuations in the Company’s share prices, an amount obtained by adding the premium of 51.6% to the closing price of 7,750 yen on the Business Day Immediately Preceding Nidec Proposal, 65.2% to the average closing price of 7,112 yen for the past one month from the Business Day Immediately Preceding Nidec Proposal, 79.4% to the average closing price of 6,552 yen for the past three months from the Business Day Immediately Preceding Nidec Proposal, and 86.1% to the average closing price of 6,313 yen for the past six months from the Business Day Immediately Preceding Nidec Proposal, and the Tender Offer Price is higher the Company’s all-time high of 9,800 yen (highest price recorded during trading hours on June 29, 1990).

In the 188 cases of tender offers by a third party on the basis of taking the target private (excluding the cases where the purchase price stated in the tender offer registration statement is 10 billion yen or less, tender offers to treasury shares, discounted tender offers, tender offers that failed, tender offers for which the purchase period has not expired, pre-announced type tender offers, and tender offers to unlisted non-public companies and investment units (REITs)) that were announced on or after the publication by the Ministry of Economy, Trade and Industry of the “Fair M&A Guidelines – Enhancing Corporate Value and Securing Shareholder’s Interests –” (the “M&A Guidelines”) on June 28, 2019 and successfully completed by May 31, 2025, the median value and average value are as follows: 44.8% and 56.0%, respectively, to the closing price for the business day immediately preceding the date of announcement (or, if the share price was affected by speculative media reports or other factors prior to the announcement, the day immediately preceding such affect); 45.8% and 58.7%, respectively, to the simple average closing price for one month prior to the announcement; 47.9% and 60.4%, respectively, to the simple average closing price for the three months prior to the announcement; and 50.3% and 60.2%, respectively, to the simple average closing price for six months prior to the announcement. The premium of the Tender Offer Price is at a level that is comparable to the median values and average values described above, and therefore the Tender Offer Price contains reasonable premium.

While the premium of the Tender Offer Price compared to the closing price on the

business day immediately preceding the date of the Findings Report is 4.5%, it is reasonable to consider that the rise in the Company's share price following the announcement of the Nidec Proposal was primarily driven by trading based on speculation by market participants, and this does not affect the Special Committee's decision that the Tender Offer Price is deemed to represent a more favorable premium compared to similar transactions in the past. In light of such trend in the Company Shares' prices, the Special Committee has placed emphasis on comparing the Tender Offer Price with the share price prior to the announcement of the Nidec Proposal when analyzing the premium.

(d) Appropriateness of the Scheme

In the Transaction, it is expected that the tender offer will be conducted as the first step, followed by the request for the share transfer or the share consolidation as the second step. No organizational restructuring such as share exchange is expected. Also, in the Tender Offer, no upper limit on the number of shares to be purchased has been set and the lower limit is set at two-thirds of the total voting rights of the Company, taking into consideration the need to eliminate coerciveness.

The method used in the Transaction is generally adopted in this type of privatization transactions, and in either procedures in the second step, it is possible to file a petition to the court to determine the selling price or to determine the price after the request for share purchase.

In addition, as shareholders will receive cash as consideration, the method used in the Transaction is preferable in that the consideration is simple and its value is stable and objective. Also, from the perspective of balancing the need for promptly taking the Company private with ensuring that minority shareholders have opportunities and time to make appropriate decisions based on sufficient information, this method is considered more favorable than organizational restructuring particularly such as share exchange where consideration is provided in the form of shares. It has been clarified that the cash to be delivered to our shareholders as consideration at the time of request for transfer of shares or share consolidation will be calculated to equal the Tender Offer Price multiplied by the number of the Company Shares owned by each shareholder.

Therefore, it is considered reasonable to adopt a method of two-step acquisition involving a tender offer as the method of acquisition and to pay cash as consideration for the acquisition.

(e) Details of the Tender Offer Agreement

As described in “C. Fairness of Procedures relating to the Option”, “(d) Measures for Ensuring Purchasing Opportunities for Other Purchasers”, “(C) Deal Protection Provisions” below, the Company plans to enter into the Tender Offer Agreement with the Tender Offeror. The Tender Offer Agreement sets forth that the Company shall maintain the Supporting Opinion, and may not change or withdraw the Supporting Opinion until the expiration of the Tender Offer Period. However, if the Company receives a counter-proposal that is 3% higher than the Tender Offer Price, the Company may consider the counter-proposal by paying a breakup fee under certain conditions. In light of the substantial opportunities for counter-proposals for more than five months after the announcement of the Nidec Proposal, as well as the active market checks described in “(a) The Tender Offer Is the Best Proposal From Active Market Checks”, “(A) Overview of Active Market Check” above, the Threshold Price (as defined in “C. Fairness of Procedures relating to the Option”, “(d) Measures for Ensuring Purchasing Opportunities for Other Purchasers”, “(C) Deal Protection Provisions” below) and the Breakup Fee (as defined in “C. Fairness of Procedures relating to the Option”, “(d) Measures for Ensuring Purchasing Opportunities for Other Purchasers”, “(C) Deal Protection Provisions” below) are within a practically reasonable range, and the shareholders of the Company will not be substantially compelled to approve the Transaction, nor will the Transaction unreasonably prevent the opportunities for other acquirers to make acquisition proposals that are more favorable to the shareholders.

Therefore, the conditions of the Option are still not considered unreasonable in light of the provisions of the Tender Offer Agreement.

(f) Summary

As described above, the Tender Offer Price and other terms and conditions of the Transaction are the best possible proposals obtained from a fair market check, the Tender Offer Price has completely reached a level that is not disadvantageous to minority shareholders even from the perspective of comparison with the share values of the Company Shares calculated by Nomura Securities and JPMorgan Securities as well as from the details of the Fairness Opinion. In addition, the premium of the Tender Offer Price is at a level that is comparable to the premiums seen in similar cases, the scheme of the Transaction is deemed appropriate, and the terms and conditions of the Tender Offer is not unreasonable in light of the provisions of the

Tender Offer Agreement. Based on these factors, the terms and conditions of the Option are deemed reasonable.

C. Fairness of Procedures relating to the Option

(a) Establishment of the Special Committee

The Special Committee is a committee consisting of the total of four independent external directors of the Company and is consulted by the Company on the matters to be considered as set out in “I. Matters to be Considered”. In considering those matters, the Special Committee performs the roles that must be performed by it under the “Guidelines for Corporate Takeovers – Enhancing Corporate Value and Securing Shareholder's Interests –” published by the Ministry of Economy, Trade and Industry on August 31, 2023 (the “Guidelines for Takeovers”) and the M&A Guidelines.

In addition to the above, the Special Committee mainly takes the following considerations into account.

- (1) The Special Committee consists exclusively of external directors who are deemed to be most qualified to serve as members of the Special Committee under the Guidelines for Takeovers and the M&A Guidelines, and all of the members of the Special Committee are independent of the Tender Offeror and the Company. In addition, no success fees contingent upon the announcement or completion of the Transaction are to be paid to the Special Committee members, and none of the members of the Special Committee have any material conflict of interest in the success or failure of the Transaction.
- (2) When the Company has discussions with MBK Partners regarding the terms and conditions of the Tender Offer, including the Tender Offer Price, it seeks confirmation from the Special Committee either in advance or promptly afterwards. Through this process, the Special Committee was able to receive reports not only on the Transaction with MBK Partners but also on the status of negotiations with other candidates in a timely manner, express its opinions, give instructions, and make requests at any critical phases, thereby securing a position to substantially influence the negotiation process regarding the transaction terms.
- (3) After considering the independence, expertise, and track record of several candidates for legal advisors, financial advisors, and third-party valuation agency, the Special Committee appointed Anderson Mori & Tomotsune as its independent legal advisor on January 24, 2025, and appointed JPMorgan Securities on January 27, 2025 as its independent financial advisor and third-party valuation agency, and

the Special Committee has reviewed and made decisions based on the specialized knowledge provided by them regarding procedural fairness and corporate value assessment. Each advisor is independent of the Company and the Tender Offeror.

- (4) The policy regarding the Special Committee stipulates that the decisions of the board of directors of the Company regarding the Transaction shall be made with the utmost respect for the decisions of the Special Committee.

In light of the establishment and operation of the Special Committee as described above, the Special Committee should be deemed to have functioned effectively as fairness ensuring measures.

(b) Decision-making Process of the Company

MBK Partners and the Tender Offeror do not own any Company Shares, and the Transaction does not constitute an MBO or an acquisition of a subsidiary by a controlling shareholder.

In addition, there are no facts that would suggest that MBK Partners and the Tender Offeror or any other party having a special interest in the Transaction have caused undue influence on the Company during the course of discussions, reviews, and negotiations regarding the Transaction. The board of directors of the Company plans to make a final resolution by unanimous vote of all directors and with no objection of any company auditors.

Based on the above, we do not find any issues in the decision-making process of the Company that would raise doubts about the fairness.

(c) Obtaining Professional Advice from External Advisors

(A) Obtaining Advice from Legal Advisor

The board of directors of the Company has received advice regarding its decision-making process from its legal advisor, Nishimura & Asahi. Regarding the independence of Nishimura & Asahi, it was explained in the Special Committee that the firm is not a related party to either the Tender Offeror or the Company, and does not have any material conflict of interest with the Transaction, including the Tender Offer. Therefore, the Company is deemed to have received independent advice from the legal advisor. Also, the Company has received advice regarding the legal matters under the U.S. law from its legal advisor, Sullivan & Cromwell. Regarding the independence of Sullivan & Cromwell, it was explained in the Special Committee

that the firm is not a related party to either the Tender Offeror or the Company, and does not have any material conflict of interest with the Transaction, including the Tender Offer. Therefore, the Company is deemed to have received independent advice from the legal advisor.

Further, the Special Committee has received advice from its independent legal advisor, Anderson Mori & Tomotsune, during its review on the Transaction. Regarding the independence of Anderson Mori & Tomotsune, it was explained in the Special Committee that the firm is not a related party to either the Tender Offeror or the Company, and does not have any material conflict of interest with the Transaction, including the Tender Offer. Therefore, the Special Committee is deemed to have received independent advice from the legal advisor.

(B) Obtaining the Stock Valuation Report from a Third-party Valuation Agency

In order to ensure fairness of the Tender Offer Price, the board of directors of the Company has obtained the Stock Valuation Report (Nomura Securities) from its financial advisor and third-party valuation agency, Nomura Securities, as a reference for the value of the Company Shares. Regarding the independence of Nomura Securities, it was explained in the Special Committee that the firm is not a related party to either the Tender Offeror or the Company, and does not have any material conflict of interest with the Transaction, including the Tender Offer. Therefore, the Company is deemed to have received independent advice from the independent third-party valuation agency.

In addition, as described in “B. Reasonableness of the terms of the Option”, “(b) Relationship Between the Share Valuation and the Tender Offer Price”, “(B) Valuation by Nomura Securities” above, several valuation methods are employed in the Stock Valuation Report (Nomura Securities) to ensure that the price is not valued arbitrarily. Also, no unreasonable circumstances were identified in the preparation of the Business Plan, which was used as a basis for the valuation, and there are no circumstances that would make the fairness of the valuations doubtful.

Furthermore, the Special Committee has appointed JPMorgan Securities as its independent financial advisor and third-party valuation agency to ensure the fairness of the Tender Offer Price, and the Special Committee also received the Stock Valuation Report (JPMorgan Securities) as a reference for the valuation of the Company Shares from JPMorgan Securities. Regarding the independence of JPMorgan, since the firm is not a related party to the Tender Offeror, the Company, or Nidec, and does not have any material conflict of interest with the Transaction, including the Tender Offer, or

the Nidec Tender Offer, the Special Committee is deemed to have received independent advice from the independent third-party valuation agency.

As described in “B. Reasonableness of the terms of the Option”, “(b) Relationship Between the Share Valuation and the Tender Offer Price”, “(C) Valuation by JPMorgan Securities” above, several valuation methods are also employed in the Stock Valuation Report (JPMorgan Securities) to ensure that the price is not valued arbitrarily. Also, as described above, no unreasonable circumstances were identified in the preparation of the Business Plan, etc., and there are no circumstances that would make the fairness of the valuations doubtful.

(C) Obtaining Fairness Opinion

Further, in order to ensure the fairness of the Tender Offer Price, the Special Committee has obtained from JPMorgan Securities the Fairness Opinion that, under the assumptions and other conditions set forth in the Fairness Opinion, the Tender Offer Price is fair to our shareholders (excluding the Tender Offeror, MBK Partners K.K. and parties related thereto) from a financial perspective, and the Special Committee deems that the Fairness Opinion may be positively evaluated as a fairness ensuring measure.

(d) Measures for Ensuring Purchasing Opportunities for Other Purchasers

(A) Active Market Check

As stated in “(A) Overview of Active Market Check” of “(a) The Tender Offer is the Best Proposal from Active Market Checks” of “B. Reasonableness of the terms of the Option” above, after receiving the Nidec Proposal, to seek out the best possible option from the standpoint of maximizing corporate value and the common interests of our shareholders, the Company conducted an active market check of multiple companies and investment companies through its financial advisor, Nomura Securities. With respect to the market check, the Special Committee has also received reports on not only the Transaction but also proposals, etc. of other candidates. The market check was conducted with the substantial involvement of the Special Committee, and therefore, is found to be fair. As such, an active market check has already been conducted by the Company.

(B) Tender Offer Period

According to the Tender Offeror, the tender offer period of the Tender Offer is scheduled to be the minimum period required under laws and regulations of 20 business days. However, as stated above, the Company has already conducted an active market check. The opportunity to make an acquisition proposal to the Company has been secured for a long period of more than five months since companies and investment companies other than those from which the Company sought the Third-Party Proposals based on the market check had also been aware of the tender offer for shares of the Company and the possibility of taking the Company private thereafter through the Nidec Tender Offer Notice Press Release dated December 27, 2024, published by Nidec. The Tender Offer is a so-called tender offer with prior announcement, and there is expected to be an interval of up to approximately six months between the announcement of the terms for the transaction (including the tender offer price) and the commencement of the Tender Offer. Therefore, the Transaction may be said to have provided other acquirers with an opportunity to make an acquisition proposal, besides an active market check.

(C) Deal Protection Provisions

The Tender Offer Agreement scheduled to be entered into between the Company and the Tender Offeror sets forth that (i) the Company may not or cause anyone to propose, offer or solicit an offer, or provide any information for, consult on, negotiate over or agree on the Competitive Transaction (as defined in “(vii) Introduction of the Response Policies and Other Measures for Ensuring Purchasing Opportunities for Other Purchasers” below; the same applies hereinafter), and (ii) any consultation on or negotiation over the Competitive Transaction that has already been commenced or is continued upon the execution of the Tender Offer Agreement must be promptly ceased. Under the Tender Offer Agreement, the Company may not solicit other acquirers to execute the Competitive Transaction or negotiate over the Competitive Transaction with other acquirers. However, given that the Company has already conducted an active market check and that the opportunity to make an acquisition proposal to the Company has been secured for a long period of more than five months since companies and investment companies other than those from which the Company sought the Third-Party Proposals based on the market check had been aware of the tender offer for shares of the Company and the possibility of taking the Company private thereafter through the Nidec Tender Offer Notice Press Release dated December 27, 2024, published by Nidec, the possibility that other acquirers would have reduced opportunity to make acquisition proposals as a result of the

Company being restricted from soliciting or negotiating, etc. over the Competitive Transaction after the execution of the Tender Offer Agreement is considered to be limited.

Under the Tender Offer Agreement, the Company is bound by the Duty to Maintain the Endorsing Opinion (as defined in “(vii) Introduction of the Response Policies and Other Measures for Ensuring Purchasing Opportunities for Other Purchasers” below; the same applies hereinafter); however, if the Company receives from anyone other than the Tender Offeror the Counter-Proposal (as defined in “(vii) Introduction of the Response Policies and Other Measures for Ensuring Purchasing Opportunities for Other Purchasers” below; the same applies hereinafter) to acquire all Company Shares at an acquisition price exceeding the Tender Offer Price by 3% (the “Threshold Price”), for a period of no less than seven business days from the receipt of the Counter-Proposal, the Company shall consult in good faith with the Tender Offeror on how to deal with the Counter-Proposal, and if the Tender Offeror does not change the Tender Offer Price to the Threshold Price or more within the seven-business-day period, the Company shall not be required to assume the Duty to Maintain the Endorsing Opinion. In addition, if the Tender Offer Agreement is terminated as a result of the Company not being required to assume the Duty to Maintain the Endorsing Opinion, the Company would need to pay a breakup fee of 2.75 billion yen (the “Breakup Fee”) to the Tender Offeror.

With respect to the setting of the Threshold Price and the Breakup Fee, given that (i) in light of the fact that implementing the Transaction with the Tender Offeror contributes to enhancing the corporate value of the Company, setting the Threshold Price is not in itself unreasonable, and the Threshold Price is merely an acquisition price exceeding the Tender Offer Price by 3%, remaining at a low rate (ii) the amount of the Breakup Fee remains at a considerably low rate of approximately 1% of the total amount of the consideration for the Transaction, and such rate of the Breakup Fee is considered to be within the practically reasonable range, (iii) the Company and the Tender Offeror have spent considerable resources to continue to consider the Transaction, and (iv) the opportunity to receive a wide variety of proposals for enhancing the corporate value of the Company has already been secured through the market check, etc. as stated above, the Special Committee deems that the setting of the Threshold Price and the Breakup Fee do not practically force our shareholders to approve the Transaction or unreasonably hinder other acquirers to make acquisition proposals that are preferable to shareholders.

(D) Summary

As stated above, it is assessed that measures for ensuring acquisition opportunities for other acquirers have been taken on the grounds that (i) the Company conducted an active market check after receiving the Nidec Proposal from Nidec, (ii) while the Tender Offer Period is scheduled to be 20 business days, the Company conducted an active market check in relation to the Tender Offer, the possibility of taking the Company private was made public five months in advance and other acquirers were provided with the opportunity to make acquisition proposals before the commencement of the Tender Offer even after the announcement of the Tender Offer, and (iii) under the Tender Offer Agreement to be entered into between the Company and the Tender Offeror, if any Counter-Proposal exceeding the Tender Offer Price by 3% is received, the Company may consider the Counter-Proposal by paying a breakup fee under certain conditions, and the Threshold Price and the Breakup Fee are considered to be within the practically reasonable range, and does not practically force our shareholders to approve the Transaction or unreasonably hinder other acquirers to make acquisition proposals that are preferable to shareholders.

(e) Majority of Minority

The lower limit on the number of shares to be purchased in the Tender Offer is set at two-thirds of the total number of our voting rights. If the lower limit is met, this means that the majority of the outstanding shares has been tendered. Thus, the lower limit on the number of shares to be purchased that is effectively equivalent to the so-called “Majority of Minority” is considered to have been set in a manner that ensures the fairness of the procedures for the Transaction. Therefore, it is assessed that the fairness ensuring measure is functioning effectively by setting the lower limit on the number of shares to be purchased in the Tender Offer at two-thirds of the total number of our voting rights.

(f) Enhancement of the Provision of Information to General Shareholders and Improvement of Process Transparency

The Press Release is found to contain substantial descriptions regarding the Special Committee’s involvement in the negotiation process with the acquirers, details of the Stock Valuation Report (Nomura Securities), the Stock Valuation Report (JPMorgan Securities), and other information, and the details of the process leading up to the execution of the M&A transaction and information regarding the background and

purpose of the decision to carry out the M&A transaction at that time.

Therefore, it is found that the Transaction is expected to ensure that our shareholders will have an opportunity to make an appropriate decision based on sufficient information.

(g) Elimination of Coerciveness

In the process of implementing the Squeeze-Out Procedures, shareholders are entitled to file a petition for the court to determine the price, and the Press Release makes an express disclosure to this effect.

Further, the Press Release states that the Squeeze-Out Procedures will be implemented promptly after the completion of the Tender Offer and that the money granted to the minority shareholders upon implementing the Squeeze-Out Procedures will be calculated so as to be the same price as that obtained by multiplying the Tender Offer Price by the number of Company Shares held by each such shareholder (excluding the Company and the Tender Offeror). In addition, since an upper limit on the number of shares to be purchased has not been set for the Tender Offer and the lower limit has been set at two-thirds of the total number of our voting rights, the Tender Offer is not found to be coercive.

Therefore, the Transaction is found to take measures to eliminate coerciveness.

(h) Summary

As stated in (a) to (g) above, the Transaction is found to adopt fairness ensuring measures necessary and sufficient for the Transaction even from both the perspectives of (i) ensuring a situation substantially equivalent to an arm's length transaction in the process of formulating the transaction terms and (ii) ensuring that general shareholders have an opportunity to make an appropriate decision based on sufficient information. Such fairness ensuring measures are also found to be effectively operated in practice.

Therefore, the interests of our general shareholders are fully considered through fair procedures in the Transaction, and the procedures for the Option are found to be fair.

D. Whether the Option Contributes to Securing the Company's Medium- to Long-Term Corporate Value and Maximizing the Interests of our General Shareholders based on (a) to (c)

The Special Committee deems that the matters requested to be considered (a) to (c) set out in “I. Matters to be Considered” are factors to be taken into account when considering the matter to be considered (d).

We have stated in detail herein that each of the matters to be considered (a) to (c) is found to be fair and reasonable as a result of the deliberations of the Special Committee.

Therefore, with respect to the matter to be considered (d), the Special Committee finds that the decision to adopt the Option (including the Squeeze-Out Procedures) is recognized as not being detrimental to our minority shareholders and that the Option contributes to securing the Company’s medium- to long-term corporate value and maximizing the interests of our general shareholders based on the considerations of the matters to be considered (a) to (c).

(iv) Share Valuation Report Obtained by the Special Committee from an Independent Third-Party Appraiser (JPMorgan)

In considering the matters on which it was consulted, the Special Committee asked its external and independent financial advisor JPMorgan Securities to calculate the value of company shares as a third-party appraiser independent of the Company and the Tender Offeror, and obtained the Share Valuation Report (JPMorgan Securities) dated June 3, 2025. For details, please refer to “[2] Share Valuation Report Obtained by the Special Committee from an Independent Third-Party Appraiser (JPMorgan)” in “(3) Matters related to calculation” above.

(v) Advice for the Special Committee from an Independent Legal Advisor

In considering the matters on which it was consulted, the Special Committee appointed Anderson Mori & Tomotsune as a legal advisor independent of the Company and the Tender Offeror, and has received legal advice from this advisor, including advice on the measures to be taken to ensure the fairness of procedures in the Transaction, the assorted procedures of the Transaction, and the methods and processes of the Company’s decision-making regarding the Transaction.

Anderson Mori & Tomotsune are not related parties of the Company or the Tender Offeror and have no material conflict of interest with regard to the Transaction. Furthermore, the compensation to be paid to Anderson Mori & Tomotsune does not include any fees to be paid contingent upon the

consummation etc. of the Transaction.

- (vi) Approval by All Disinterested Directors of the Company and Opinion of no Objection from all Disinterested Corporate Auditors of the Company

The Company carefully discussed and evaluated the various terms and conditions related to the Transaction, in consideration of the legal advice obtained from Nishimura & Asahi and Sullivan & Cromwell, the advice from a financial perspective obtained from Nomura Securities, and the content of the Share Valuation Report (Nomura Securities) and the Share Valuation Report (JPMorgan Securities), and with utmost deference to the content of the Findings Report obtained from the Special Committee.

As a result, as stated above in “(iv) The Decision-Making Process Leading to the Company’s Endorsement of the Tender Offer and the Reasons for Doing so” in [ii] The Company’s Determinations” in “(2) Basis and Reasons for the Opinion Regarding the Tender Offer,” the Company’s board of directors determined that the Transaction will increase the likelihood of achieving enhance profitability and asset efficiency as set forth in the Business Plan Disclosed by the Company and thus contribute to enhancing the Company’s corporate value, that the terms for the Transaction are appropriate terms which ensure that our minority shareholders receive the profits to which they are entitled, and that the Tender Offer provides our minority shareholders with a reasonable opportunity to sell their Company Shares at a price reflecting an appropriate premium. Accordingly, the Company has resolved, at a meeting of its board of directors held today, to express, as the Company’s opinion at the present time, an opinion endorsing the Tender Offer and to recommend that all shareholders tender their shares in the Tender Offer.

At this meeting of the Company’s board of directors, the resolution was passed with the unanimous consent of all eight disinterested directors of the Company who took part in the deliberations and resolution. In addition, all three disinterested Audit and Supervisory Board members stated the opinion that they do not object to the resolution.

(vii) Introduction of the Response Policies and Other Measures for Ensuring Purchasing Opportunities for Other Purchasers

As stated in “(iv) The Decision-Making Process Leading to the Company’s Endorsement of the Tender Offer and the Reasons for Doing so” in “(2) Basis and Reasons for the Opinion Regarding the Tender Offer” above and the Response Policies Press Release, in order for our shareholders and the Company to make appropriate decisions on the merits of the Nidec Proposal after a comparative consideration of the Nidec Proposal and the Final Third-Party Proposals, the Company introduced the Response Policies by a resolution of the board of directors dated March 19, 2025, in an effort to secure the time reasonably necessary for the materialization of the Final Third-Party Proposals. The Company also conducted a market check of multiple companies and investment funds through its financial advisor Nomura Securities and, beginning in early February 2025, approached eight investment funds that had expressed initial interest in making the Company a wholly-owned subsidiary, inquiring whether any of those funds might submit non-binding letters of intent to counter the Nidec Proposal, thereby securing an opportunity for several candidates on evenly competitive footing to purchase etc. Company Shares. The Tender Offer Price is higher than the Nidec Tender Offer Price and the tender offer prices presented by third parties other than the Tender Offeror. It should be noted that, as stated in “(iv) The Decision-Making Process Leading to the Company’s Endorsement of the Tender Offer and the Reasons for Doing so” in “(2) Basis and Reasons for the Opinion Regarding the Tender Offer” above, the Company resolved on May 9, 2025, to discontinue implementation of the Countermeasures and terminate the Response Policies.

In addition, although the Tender Offeror set the Tender Offer Period to be 20 business days (Note), it anticipates that it will take at most around six months from the time of announcement of plans to commence the Tender Offer until the Tender Offer is actually commenced, and it believes that this length of time will not only ensure that our general shareholders have an opportunity to make an appropriate decision regarding whether to tender their shares in the Tender Offer, but also ensure ample opportunity for potential purchasers other than the Tender Offeror to make their own offers for the Company Shares, thereby ensuring the fairness of the Tender Offer.

(Note) As we plan to make the tender offer period a period that ensures 20

business days in the U.S., which is the minimum number of days required for a tender offer period under U.S. securities law, there is the possibility that the tender offer period will be more than 20 business days.

Moreover, as stated in “4. Matters Regarding Material Agreements with Respect to the Tender Offer” below, under the Tender Offer Agreement, the Company [i] must not conduct, or allow to be conducted, any proposals, offers, or solicitations for offers regarding any transactions or acts that are likely to compete with the Transaction, to complicate or delay the execution of the Transaction, or to otherwise hinder the execution of the Transaction (a “Competing Transaction”), or any provision of information, discussions, negotiations, or agreements associated with any Competing Transaction, and [ii] must immediately halt any discussions or negotiations associated with any Competing Transaction that may already have been commenced or may be ongoing as of the time that the Tender Offer Agreement is executed and, as such, the Company will not be permitted to make any solicitations or negotiations concerning any Competing Transaction involving any other acquirer. However, as stated above, the Company conducted a market check in early February, 2025 in which, through Nomura Securities, it asked several companies and investment funds that had directly expressed interest in the Company, as well as several other companies and investment funds that it had approached and sought proposals from them (eight companies in total), to submit letters of intent, thus broadly securing opportunities to receive proposals for improving the Company’s corporate value, and, through the “Notice Regarding Scheduled Commencement of Tender Offer for Makino Milling Machine Co., Ltd. (Securities Code: 6135)” published by Nidec on December 27, 2024, made other companies in addition to those companies and funds that it had requested proposals from aware of the possibility of that there would be a tender offer for the company and subsequent delisting transaction and secured a long period of over five months in which it had been possible to make acquisition proposals to the Company. Considering the above and given that the Company is restricted from soliciting or negotiating any Competing Transactions after the Tender Offer Agreement is executed, the Company believes that there is only a limited possibility that this will diminish opportunities for other acquirers to make acquisition proposals.

In addition, as stated in “4. Matters Regarding Material Agreements with Respect to the Tender Offer” below, under the Tender Offer Agreement, the

Company shall maintain the Endorsing Opinion and shall not amend or withdraw it until the expiration of the Tender Offer Period (the “Duty to Maintain the Endorsing Opinion”), and if, after the Tender Offer Agreement is executed, a concrete and feasible sincere proposal from a person other than the Tender Offeror to acquire all of the Company Shares at a purchase price exceeding the Tender Offer Price by at least 3% (the “Counter-proposal”) is published or a Competing Proposal is received by the Company within seven business days from the day such announcement was made, the Company shall consult in good faith with the Tender Offeror regarding the response, and if during the period in question the Tender Offeror does not adjust the Tender Offer Price to be equal to or greater than the purchase price proposed in the Counter-proposal, it shall not be subject to the Duty to Maintain the Endorsing Opinion. In the event that the Company is no longer subject to the Duty to Maintain the Endorsing Opinion and the Tender Offer Agreement is cancelled by the Company or the Tender Offeror, the Company will be required to pay a breakup fee in the amount of 2.75 billion yen to the Tender Offeror, but given that: [i] the standard amount of the breakup fee is capped at a relatively low level of approximately 1% of the total sum of the consideration for the Transaction, [ii] the Company and the Tender Offeror have committed considerable resources to their ongoing consideration of the Transaction, and [iii] opportunities to receive proposals for improving the Company’s corporate value have already been broadly secured via the market check described above, the Company believes that the breakup fee at the stated level falls within a practical and reasonable range and would not effectively compel our shareholders to approve the Transaction or hinder opportunities for any other acquirers to make acquisition proposals that would be more desirable from the shareholders’ perspective.

(viii) Setting lower limit on the number of shares to be purchased that satisfies the “majority of the minority” condition

The Tender Offeror has set the lower limit on the number of shares to be purchased in the Tender Offer at 15,592,300 shares (Ownership Ratio: 66.67%) and if the total number of shares tendered in the Tender Offer does not reach this threshold then none of the tendered shares will be purchased. The lower limit on the number of shares to be purchased is greater than the majority (11,694,218) of the total number of shares issued and outstanding as of March 31, 2025 (23,388,434), as calculated by subtracting the number of the Company’s

treasury shares from the total number of issued shares (25,893,841), as was stated in the Share Buyback Report. Accordingly, the Tender Offeror has indicated that if it does not obtain approval from a majority of the Company's shareholders who have no interest in the Tender Offeror (a so-called "majority of the minority"), it will respect the intent of the minority shareholders and not proceed with the Transaction, including the Tender Offer.

4. Matters Relating to Important Agreements with Respect to the Tender Offer

(i) Tender Offer Agreement

The Tender Offeror and the Company have executed the Tender Offer Agreement dated today in order to implement the Tender Offer. The following is an overview of the Tender Offer Agreement.

- (A) The Company shall, by resolutions of our board of directors, (i) on date of the date of announcement of the planned commencement of the Tender Offer, endorse the Tender Offer and express an opinion recommending that our shareholders tender their shares in the Tender Offer (an opinion endorsing the Tender Offer and recommending the tendering of shares) and (ii) on the day prior to the commencement of the Tender Offer, express an opinion endorsing the Tender Offer (opinion endorsing the Tender Offer), and shall maintain the Endorsing Opinion and shall not amend or withdraw the same until the expiration of the Tender Offer Period (the Duty to Maintain the Endorsing Opinion).
- (B) After the execution of the Tender Offer Agreement, the Company, whether directly or indirectly, with any person other than the Tender Offeror (i) must not conduct, or allow to be conducted, any proposals, offers or solicitations for offers regarding any Competing Transaction, or any provisions of information, discussions, negotiations, or agreements associated with any Competing Transaction; and (ii) must immediately halt any discussions or negotiations associated with any Competing Transaction that may already have been commenced or may be ongoing as of the time that the Tender Offer Agreement is executed.
- (C) If the Company receives a proposal for a Competing Transaction either directly or indirectly from any person other than the Tender Offeror, or if it becomes aware that any of its subsidiaries have received such an offer, it shall promptly notify the Tender Offeror to that effect and provide the details of such proposal,

and shall consult in good faith with the Tender Offeror about the response to the Competing Transaction.

- (D) If, after the Tender Offer Agreement is executed, it is announced that a concrete and feasible sincere proposal from any person other than the Tender Offeror to acquire all of the Company Shares at a purchase price exceeding the Tender Offer Price by 3% or more (Counter-proposal) has been conducted toward the Company or it is announced that the Company has received such a Counter-Proposal, within seven business days from the day such announcement was made, the Company shall consult in good faith with the Tender Offeror about the response and if, during the period in question, the Tender Offeror does not adjust the Tender Offer Price to be equal to or greater than the purchase price proposed in the Counter-proposal, it shall no longer be subject to the Duty to Maintain the Endorsing Opinion. Further, in the event where the Company is no longer subject to the Duty to Maintain the Endorsing Opinion, the Tender Offeror or the Company can cancel the Tender Offer Agreement, and if the Tender Offer Agreement is thusly cancelled, the Tender Offeror is entitled to receive 2.75 billion yen from the Company as a breakup fee.
- (E) In addition to the above, the Company owes (i) a duty to conduct, or cause its subsidiaries to conduct, substantially the same business activities as before in the ordinary course of business and with the due care of a good manager; (ii) a duty to make best efforts, to the extent commercially reasonable, to cooperate to obtain and maintain the Clearance; (iii) a duty to allow the Tender Offeror access to the Company, its subsidiaries, and their respective officers and employees to the extent reasonably necessary; (iv) a duty to make best efforts, to the extent commercially reasonable, to cooperate with the Tender Offeror in its financing; (v) a duty to make best efforts, to the extent commercially reasonable, to obtain consent from counterparties to any material agreements that contain provisions requiring the consent of those counterparties in order to implement the Transaction; (vi) a duty to notify the counterparties to any material agreements that contain provisions requiring prior notification to those counterparties in order to implement the Transaction; (vii) a duty to make best efforts, to the extent commercially reasonable, in consulting with and obtaining consent from the Company's internal labor union regarding the Transaction; (viii) a duty to make best efforts, to the extent commercially reasonable, to cooperate in administrative procedures for the tender of shares in the Tender Offer by the Company's employee shareholding association, officer shareholding association, and

customer shareholding association, or by members of the foregoing; and (ix) a duty to notify the Tender Offeror if it becomes aware of any breach of its own representations and warranties, breach of its obligations, or any circumstances that may result in the non-fulfillment of the Conditions Precedent to the Tender Offer.

- (F) Further, the Tender Offer Agreement sets forth: (i) matters relating to the implementation of the Transaction (specifically, that the Tender Offeror will implement the Tender Offer and the subsequent Squeeze-out Procedures conditional on each of the Conditions Precedent to the Tender Offer (for details of the Conditions Precedent to the Tender Offer, please refer to Conditions Precedent to the Tender Offer, above) being either satisfied or waived by the Tender Offeror,); (ii) the representations and warranties by the Tender Offeror and the Company (Note 1); (iii) a duty of indemnification when the Tender Offeror or the Company breaches its representations and warranties or duties under the Tender Offer Agreement; and (iv) that the Company is no longer subject to the Duty to Maintain the Endorsing Opinion (see (d) above). It also sets forth the termination events for the Tender Offer Agreement as: [i] the Tender Offer fails to be commenced by January 16, 2026, for reasons not attributable to the parties; [ii] there is a breach of the other party's representations and warranties in a material respect; [iii] there is material breach of the other party's obligations under the Tender Offer Agreement, and following a written demand for cure, such breach is not cured within 10 business days after such demand; and [iv] insolvency proceedings are commenced or a petition for commencement of such proceedings is filed (excluding a petition for commencement of insolvency proceedings filed by a third party without a reasonable basis).

(Note) Under the Tender Offer Agreement, the Tender Offeror makes representations and warranties regarding (i) its valid establishment, existence, and authority; (ii) the authority and capacity required for the execution and performance of the Tender Offer Agreement, and completion of procedures; (iii) the validity and enforceability of the Tender Offer Agreement; (iv) no contravention of Laws regarding execution and performance of the Tender Offer Agreement; (v) the permits and approvals subject to the Clearance; (vi) non-applicability of, and no relationship with, antisocial forces; (vii) no insolvency proceedings; and (viii) the sufficiency of funds necessary for the settlement of the Tender Offer. Further, under the Tender Offer Agreement, the Company makes representations and warranties regarding (i) its valid establishment, existence,

and authority; (ii) the authority and capacity required for the execution and performance of the Tender Offer Agreement and completion of procedures; (iii) the validity and enforceability of the Tender Offer Agreement; (iv) no contravention of laws regarding execution and performance of the Tender Offer Agreement; (v) non-applicability of, and no relationship with, antisocial forces; (vi) no insolvency proceedings; (vii) matters relating to the Company's shares; (viii) the accuracy of securities reports etc. submitted from April 1, 2022, onwards and financial statements for the fiscal year ended March 2022, through the fiscal year ended March 2024, no material off-the-book liabilities, business having been conducted in the ordinary course of business from April 1, 2024, onwards and no events after the reporting period (events or incidents, or concrete likelihood of the occurrence of events or incidents, that will have a material adverse impact on the businesses, assets, liabilities, business performance, financial condition, or future revenue plans of the Company and its subsidiaries, or on forecasts of the foregoing), and no undisclosed material facts; (ix) no breach of the laws or the judgment of a government agency or other authority in any material respect by the Company Group; (x) no material lawsuits or claims against the target company group; (xi) compliance with environment-related laws at the target company and its subsidiaries; and (xii) the accuracy of the information disclosed during due diligence, and no missing statements regarding material facts and content that would give rise to any misunderstanding.

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

Not applicable.

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

Not applicable.

7. Questions to the Tender Offeror

Not applicable.

8. Request for Extension of the Tender Offer Period

Not applicable.

9. Future outlook

Please refer to “[3] Post-Tender Offer Management Policy” in “(2) Basis and Reasons for the Opinion Regarding the Tender Offer,” “(4) Prospects for Delisting and its Reasons,” and “(5) Post-Tender Offer Reorganization Policy (Matters Relating to so-called Two-Step Acquisition)” in “3. Details, Basis and Reasons for the Opinion Regarding the Tender Offer.”

10. Other

(1) Announcement of “Notice Regarding Dividends of Surplus (No Dividends)”

The Company resolved at the meeting of the Board of Directors held today that, on the condition that the Tender Offer is completed, it will revise its forecast on the distribution of surplus for the fiscal year ending March 2026, and will not make a distribution of dividends with a record date of September 30, 2025 (the end of the second quarter), or a distribution of dividends with a record date of March 31, 2026 (the end of the quarter). For details, please refer to the “Notice Regarding Dividends of Surplus (No Dividends)” published by the Company today.

End

[Solicitation Regulations]

These announcement materials are intended to generally announce the Tender Offer, and were not prepared for the purpose of soliciting offers to sell. If making an offer to sell, please make sure to read the Tender Offer Explanation regarding the Tender Offer before making an offer at your own judgment. These announcement materials do not constitute an offer to sell, a solicitation of an offer to sell, or a solicitation of an offer to purchase any securities, nor does they constitute a part thereof, and these announcement materials (or any part hereof) or the fact of their distribution shall not serve as the basis for any contract related to the Tender Offer, and may not be relied upon when executing any such contract.

[U.S. Regulations]

The Tender Offer is to be conducted in accordance with the procedures and information disclosure standards stipulated by the Financial Instruments and Exchange Act of Japan, and the procedures and standards therefor are not necessarily the same as those applicable in the United States. Specifically, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; the “Securities Exchange Act of 1934”) and rules based on those provisions do not apply to the Tender Offer, and the Tender Offer is not necessarily in compliance with the procedures and standards thereunder. All financial information contained in these announcement materials has been prepared based on accounting standards in Japan, not U.S. accounting standards, and is not necessarily comparable to the financial information prepared based on U.S. accounting standards. Further, it may be difficult to enforce any right or claim arising under U.S. securities laws, because the Tender Offeror and the Company are incorporated outside the United States and all or some of their officers are not U.S. residents. It may also be impossible to take legal action against a non-U.S. corporation or its officers in a non-U.S. court for a violation of U.S. securities laws. Furthermore, it may not be possible for a U.S. court to subject any non-U.S. corporation or its officers to its jurisdiction.

Unless specifically noted, all procedures relating to the Tender Offer will be carried out in the Japanese language. All or part of the documents relating to the Tender Offer may be prepared in English, but the Japanese documents shall prevail in the event of any inconsistency between those English documents and the Japanese documents.

Statements in these announcement materials include “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the Securities Exchange Act of 1934. The actual results may significantly differ from the projections, etc. implied or expressly stated in these forward-looking statements due to known or unknown risks, uncertainties, or other factors. Neither the Tender Offeror, the Company, nor their affiliates guarantee that projections, etc. expressed or implied in these forward-looking statements will ultimately be achieved. The forward-looking statements contained in these announcement materials have been prepared based on the information available to the Tender Offeror as of the date of these announcement materials, and unless required by laws and regulations, neither the Tender Offeror, the Company, nor their affiliates are obligated to change or correct the statements made herein in order to reflect future events or circumstances

There is a possibility that, in the ordinary course of business, the Tender Offeror and its affiliates or affiliates of the financial advisors to the Tender Offeror or the Company may, to the extent permitted by financial instruments and exchange-related laws and other applicable laws and regulations in Japan, and in accordance with the requirements of Rule

14e-5(b) of the Securities Exchange Act of 1934, on their own or their customers' account, purchase or take action for the purchase of common shares of the Company before the commencement of the Tender Offer or during the Tender Offer Period. In such cases, the purchase and sale may be conducted at the market price through market transactions, or the purchase and sale may be conducted at a price decided through negotiations outside of the market. If information regarding such a purchase is disclosed in Japan, it will also be disclosed in English on the website of the party that made the purchase.