

## NIDEC Announces Commencement of Tender Offer for Makino Milling Machine—Limited Impact on NIDEC’s Creditworthiness

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on NIDEC CORPORATION (security code: 6594)'s acquisition of common shares of Makino Milling Machine Co., Ltd. (security code: 6135) through a tender offer.

- (1) NIDEC CORPORATION (the “Company”) announced that its board of directors had resolved on December 26 to acquire the common shares of Makino Milling Machine Co., Ltd., which are listed on the Tokyo Stock Exchange Prime Market, through a tender offer. The Company also announced that it would submit a letter of intent regarding the tender offer to the target company, but it had not made a request for prior discussions on the matter, and this will be a tender offer without consent. The tender offer is scheduled to begin on April 4, 2025, and the purchase price is expected to be 11,000 yen per share. If all the shares are acquired, the amount will be approximately 260 billion yen, making it the largest acquisition for the Company.
- (2) The Company has positioned its machine tool business as a new core business, and has acquired a total of 4 companies from 2021 to 2023. The most recent sales of the machine tool business exceeded 100 billion yen, and the Company has set a target of increasing the amount to 600 billion yen by FY2030, and this tender offer is considered to be in line with this growth strategy. If the tender offer is successful, it is expected to result in a certain financial burden, but JCR judges that the impact on the creditworthiness will be limited given the Company’s financial structure and high cash flow generation capacity. JCR will first keep a close eye on whether the tender offer will be launched, and if it is successful, JCR will follow the status of PMI work and the realization of synergies.

Hiroaki Sekiguchi, Naoki Muramatsu

### <Reference>

Issuer: NIDEC CORPORATION

Long-term Issuer Rating: AA      Outlook: Stable

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