



Mitsubishi Heavy Industries to Sell MHI Machine Tool to Nidec Corporation Transaction to set up business for further growth opportunities

Tokyo, February 5, 2021 – Mitsubishi Heavy Industries, Ltd. announced that it has agreed to transfer all of its machine tool business to Nidec Corporation.

This transaction includes Mitsubishi Heavy Industries Machine Tool Co., Ltd., (MHI Machine Tool or MAT), which is a 100%-owned subsidiary of MHI, three overseas subsidiaries specializing in the machine tool industry held by MHI as well as the machine tool business operated by nine overseas MHI subsidiaries.

Completion of the transaction is expected in May, 2021, pending all necessary regulatory approvals. Integrating MAT into Nidec's equipment business will enable it to achieve further growth across all parts of MAT's business targeting the automotive sector and a wide variety of industries.

According to Scott Knoy, VP of Sales for the US based Machine Tool Division, "Our dedicated Wixom, MI based team will continue to fully support our customers before and after the shareholder transfer." Knoy remarked that all business functions will continue normally during the transition and be transparent to the customer base.

As one of the world's largest motor manufacturers, Nidec regards its automotive business as one of its priority businesses. In addition to its expertise in traction motor systems for EVs, which integrate motors, inverters, and speed reducers, Nidec is also focusing on the equipment business, such as press machines and speed reducers, with the goal to achieve net sales of 10 trillion yen in fiscal 2030.

MAT's gear processing technology has been developed to meet the advanced technical needs of automobile manufacturers and Tier 1 suppliers, such as multistage and high-function transmissions. This transaction will enable MAT to further develop its business as a global solutions provider.

MHI's machine tool business has an 80 year history and has led technological innovation in the Japanese and global machine tool market. MAT focuses on three key product lines: machine tools, including gear machines, micro-milling machines (high-speed & high-precision vertical machining centers and large machines such as the world's largest gantry milling machine; laser products such as 3D printers and wafer bonding machines; as well as precision tools, including hob cutters and broaches etc.

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