



Information

To Become a Leading Global Player in Metal 3D Printing

Nikon to Partner with SLM Through a Public Takeover Offer

September 2, 2022

- *Cash consideration of EUR 20.00 per share resulting in a transaction value of EUR 622 million*
- *Nikon is subscribing to a directed capital increase of SLM for approx. 10 %*
- *Nikon has already secured 61.1% of the total share capital of SLM on a fully diluted basis*
- *Management and Supervisory Board of SLM welcome and support the proposed transaction*

Tokyo, Japan, September 2, 2022 – Nikon Corporation (“Nikon”) hereby announces the signing of an investment agreement with SLM Solutions Group AG (“SLM”), a global leader in metal additive manufacturing (“Metal AM”) solutions headquartered in Lübeck, Germany. In conjunction, Nikon AM. AG (the “Bidder”), a direct subsidiary of Nikon, announced its decision to launch a voluntary public takeover offer for the acquisition of all outstanding shares of SLM on a fully diluted basis. SLM shareholders will be offered a cash consideration of EUR 20.00 per share. The offer price represents a premium of 83.7% to the XETRA volume-weighted average share price of SLM in the last three months prior to (and including) September 1, 2022. In addition, the Bidder announced its decision to launch a separate public offer for the acquisition of certain convertible bonds issued by SLM. The total transaction value is EUR 622 million (JPY 84 billion).

*For convenience, 1 EUR = 135.00 JPY throughout this announcement.

SLM’s key shareholders, Elliott International, L.P., ENA Investment Capital LLP, and SLM’s founder Hans-Joachim Ihde, are fully supportive of the transaction and have entered into irrevocable undertakings with the Bidder regarding their SLM shares and certain SLM convertible bonds. In addition, Bidder entered into a subscription agreement with SLM under which Bidder undertook to subscribe to all newly issued shares in SLM, resulting from a capital increase from authorized capital of approx. 10% of the registered share capital, without subscription rights for existing shareholders, valued at the offer price. The subscription is independent of the closing of the takeover offer and underlines Nikon’s strong commitment towards SLM. Consequently, Nikon has already secured 61.1% of the total share capital of SLM on a fully diluted basis.

The takeover offer will not be subject to a minimum acceptance threshold. Completion is contingent on foreign investment control clearances, no insolvency of SLM, and no capital measures other than for certain exceptions.

Management and Supervisory Board of SLM welcome and support the takeover offer

The Management and Supervisory Board of SLM welcome and fully support the takeover offer and investment by Nikon. The transaction provides an attractive opportunity for SLM’s shareholders and employees alike and will allow SLM to continue to thrive in the fast-developing space of Metal AM to serve its customers even better. Subject to the review of the offer document, the Management and Supervisory Board intend to recommend that SLM shareholders accept the takeover offer and have also committed to accept the takeover offer for any shares held by them.

Toshikazu Umatate, CEO of Nikon, said:

“By acquiring SLM, Nikon is taking an important step towards our Vision 2030. We are focused on digital manufacturing as a growth driver and will create value through the promising market of metal additive manufacturing. Metal additive manufacturing will revolutionize mass-production by enabling our clients to manufacture highly complex parts, reduce cycle time, carbon emissions, energy costs and waste. Nikon and SLM share the vision that our technology-driven innovation will transform the future of manufacturing. This acquisition will be key to growing our digital manufacturing business.”

Sam O'Leary, CEO of SLM, added:

“Nikon has more than a century of history in developing cutting-edge opto-electronic technology and precision equipment. I am excited for SLM to partner with Nikon to further extend our technology leadership position. We believe this transaction and partnership is very beneficial for all our stakeholders – shareholders, employees and customers alike.”

Nabeel Bhanji, senior portfolio manager on behalf of Elliott Advisors (UK) Limited, an affiliate of Elliott Investment Management L.P. added:

“Elliott is pleased to have played a key role in SLM's journey over the past six years, helping the Company stay at the forefront of additive manufacturing innovation and product development. We are confident that Nikon, with its excellence in manufacturing and deep experience in technology, will further the innovation and distribution of SLM's market-leading products.”

Highly complementary businesses

In its Vision 2030 statement, Nikon set out the aim to become a key technology solutions company in a global society where humans and machines co-create seamlessly and emphasized its strategic focus on digital manufacturing. Nikon believes that growth in digital manufacturing can best be achieved by the adoption of Metal AM, an industrial process of layering metals (akin to 3D printing). The acquisition of SLM expands Nikon's portfolio of Metal AM methods, which will enable Nikon to offer new solutions, win new business and expand its customer base. Nikon intends to provide holistic solutions to its diverse end-users at an accelerated pace and support major innovations in mass-production.

Comprehensive agreement for a long-term partnership

The success of innovation-centric technology companies such as SLM and Nikon is based on passionate and highly qualified management and employees who inspire trust in their respective brand. Nikon has therefore specifically emphasized in the investment agreement that it intends SLM's current management team to continue to lead the company and execute its strategy. Nikon also underlined its commitment to secure the future of SLM's employee base, operational structures such as works councils, as well as SLM's headquarters in Lübeck and other material operations.

Transaction structure

Nikon intends to finance the public takeover offer with available cash on hand. Following the closing of the takeover offer, to the extent commercially reasonable and market conditions permitting, Nikon intends to examine whether to initiate a delisting of SLM as a listing of SLM on the regulated market appears not in its best interest.

Nikon has committed in the investment agreement in a legally binding manner to not enter into a domination and/or profit and loss transfer agreement for at least three years.

Next steps

The voluntary public takeover offer will be made pursuant to the terms and conditions set out in the offer document to be approved by the German Federal Financial Supervisory Authority (“BaFin”). Following approval by BaFin, the offer document will be published in accordance with the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz) and the acceptance period for the voluntary public takeover offer will commence. The public offer for the acquisition of certain convertible bonds issued by SLM takes place in parallel. The offer document (once available) and other information pertaining to the voluntary public takeover offer as well as the parallel public offer for the acquisition of certain convertible bonds issued by SLM will be made available on the following website: www.dm-offer.com

Morgan Stanley is acting as exclusive financial advisor and Morrison & Foerster as legal advisor to Nikon.

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About Nikon:

Nikon has been a pioneer in optical technology markets worldwide since its inception in 1917. Today, utilizing advanced technologies, we offer a wide range of products and solutions from digital cameras and binoculars to industrial precision equipment such as FPD and semiconductor lithography systems, microscopes and measuring instruments as well as for the healthcare field. In the future, we will take advantage of Nikon's core technologies to generate new core pillars of profit including the material processing business; Nikon strives to be a leading company in precision and optics fields that realizes sustainable growth of enterprise value in medium- to long-term.

Nikon is a publicly traded company, headquartered in Japan, with offices around the world.

Further information is available at www.nikon.com

About SLM:

SLM Solutions is a global provider of integrated metal additive manufacturing solutions. Leading the industry since its inception, it continues to drive the future of metal AM in every major industry with its customers' long-term success at its core. SLM Solutions is home to the world's fastest metal additive manufacturing machines boasting up to 12 lasers and enabling build rates of up to 1000ccm/h. With a portfolio of systems to suit every customer's needs, along with its team of experts closely collaborating at every stage of the process, SLM Solutions leads the way on return on investment with maximum efficiency, productivity, and profitability. SLM Solutions believes that additive manufacturing is the future of manufacturing and has the desire and capability to take its customers there – right now.

SLM Solutions is a publicly-traded Company headquartered in Germany, with offices in Canada, China, France, India, Italy, Japan, Singapore, South Korea, and the United States.

Further information is available on www.slm-solutions.com

Certain Disclaimers

This announcement is for information purposes only and does not constitute an invitation to make an offer to sell SLM securities. This announcement does not constitute an offer to purchase SLM securities and is not for the purposes of Nikon making any representations or entering into any other binding legal commitments. Investors and holders of SLM securities are strongly advised to read the relevant documents regarding the takeover offer and the bonds offer, when available, because they contain important information. In addition, holders of SLM securities subject to the takeover offer and/or the bonds offer are strongly recommended to seek independent advice in order to reach an informed decision in respect of the content of such offer documents and with regard to the takeover offer and/or the bonds offer.

The publication, sending, distribution or dissemination of this announcement in certain jurisdictions other than Germany and the United States may be governed by laws of jurisdictions other than Germany and the United States in which the publication, sending, distribution or dissemination are subject to legal restrictions. Persons who are not resident in Germany or the United States or who are for other reasons subject to the laws of other jurisdictions should inform themselves of, and observe, the laws of such other jurisdictions.

This announcement is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

If you are a resident of the United States, please read the following:

The takeover offer and the bonds offer are being made for the securities of a non-U.S. company and will be subject to the disclosure and procedural laws, standards and practices of jurisdictions other than the U.S., although the takeover offer and the bonds offer will be made in reliance on, and compliance with, Section 14(e) of the Exchange Act and Regulation 14E thereunder.

In some jurisdictions, publication or distribution of this announcement may be illegal or permitted only to certain persons.

Forward-looking statements

This announcement contains forward-looking statements or statements that may be deemed to be forward-looking statements with respect to Nikon, the Bidder and SLM. Statements other than historical facts contained in this announcement may constitute forward-looking statements. Forward-looking statements include "targets," "plans," "believes," "expects," "aims," "intends," "will," "may", "anticipates", "estimates", "projects" and similar words and phrases, or the negative forms thereof. Forward-looking statements include (i) future capital expenditures, expenses, revenues, earnings, synergies, economic trends, indebtedness, financial condition, dividend policy, losses and projections; (ii) business and management strategies and the potential synergies and business expansion and growth that the takeover offer and the bonds offer may bring to Nikon, the Bidder, or SLM; and (iii) the impact of any governmental regulation on the business of the Company or SLM, including statements regarding the impact of such regulation on the business of the Nikon or SLM.

Forward-looking statements are subject to risks and uncertainties that may materially affect expected results and are based on certain important assumptions. A number of factors could cause actual results to differ materially from those assumed or implied in the forward-looking statements. In light of such uncertainties and risks, you are cautioned not to place undue reliance on forward-looking statements, which are relevant only as of the date they are made. Neither Nikon, the Bidder nor SLM undertakes any obligation to update any forward-looking statements or other statements contained in this announcement, except as required by applicable law.

None of the statements contained or referred to in this announcement are made as a profit forecast.