



NIDEC CORPORATION

ESG Conference Presentation Material

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Disclaimer Regarding Forward-looking Statements

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Nidec Group's Corporate Philosophies



Nidec is committed to addressing critical global challenges at every stage of its business activities.

Policy The aim of Nidec Corporation is to contribute to the development of society and the welfare of the general public around the world. Nidec aims to do so by supplying the highest quality products. Our company is sincerely and enthusiastically dedicated to the trinity of technology, skillfulness, and modern science. Thereby, Nidec strives to promote the prosperity of our society, our company, and all our employees.

Mission We contribute to the Earth by producing the highest quality motors in the world. All Nidec employees work to the very best of their ability to send motors into the world. It is with these motors and other products we make that we solve various issues such as the conservation of the global environment, and contribute to making better lives for people all over the world.

Vision

- Nidec is a global company that grows sustainably for the next 100 years and beyond.
- Nidec is the world's leading solution-providing business group that solves numerous problems for the people in the world.

Value

- "Nidec Way" "The Challenging Road"
- Three Corporate Policies: "Passion, Enthusiasm, and Tenacity," "Work smart," and "Do your work now; do it without hesitation; do it until completed."
- "Creativity," "Respect," "Collaboration," "Integrity," "Decision Making," "Team Building," and "Grow Talent."

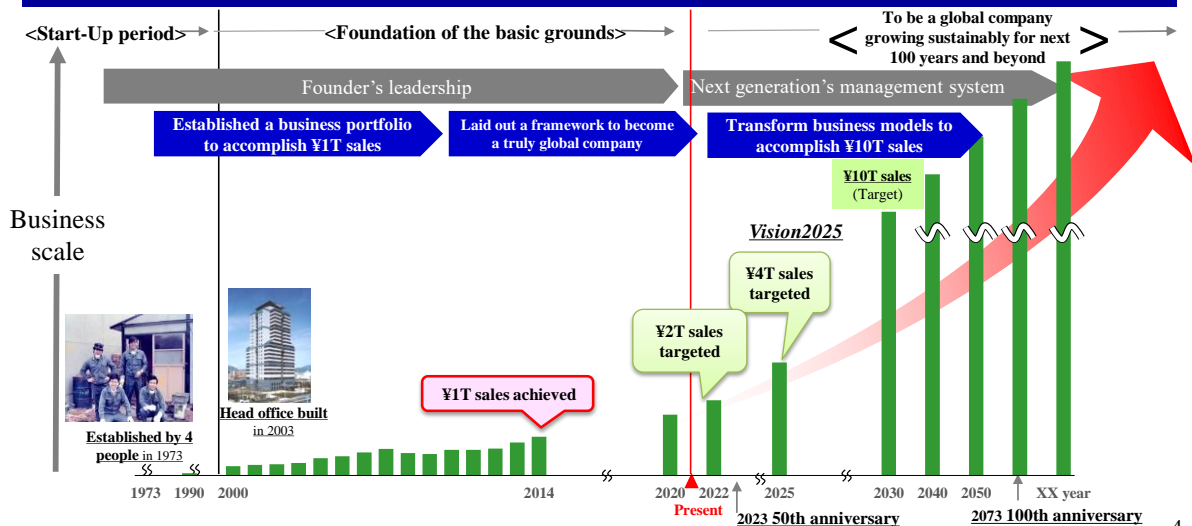
Discipline & Code

- 3Q6S
- Seven Articles of Nidec Employees, 3Ps (Be proactive, productive, and professional), and eliminating six bad habits
- Three Management Principles
- Three Basic Management Philosophies
- Three Management Methods
- Three Management Attitudes
- Three Conditions for Success
- CSR Charter (social responsibility, respect for diversity, etc.)

Vision2025: Further Innovative Changes, Management to Realize the Visions



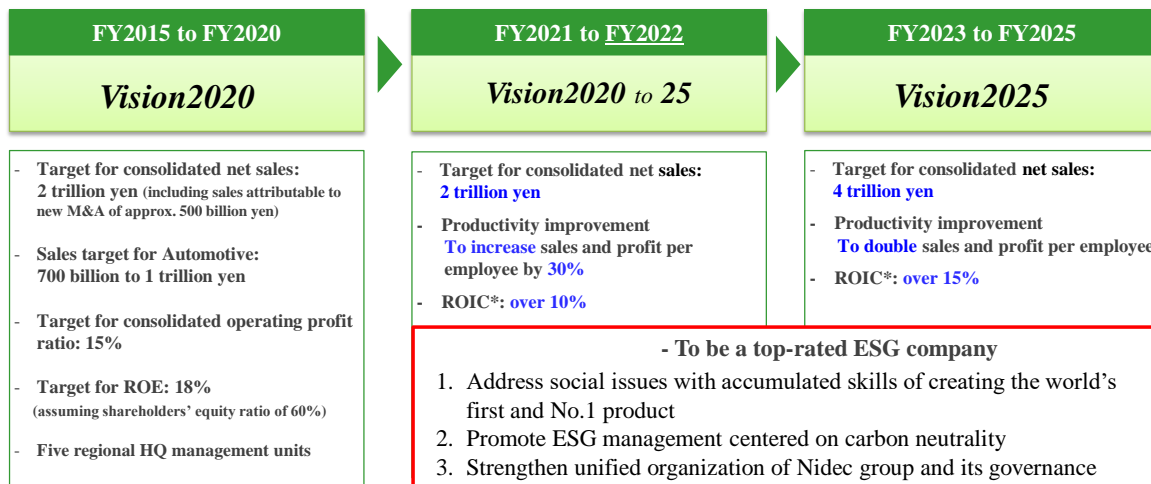
The next generation management system gets launched on the basic grounds formed by the founder's leadership



This slide includes forward-looking statements. See Disclaimer on Page 2.

Review on *Vision2020* and Road to *Vision2025*

Try again to accomplish ¥2 trillion sales in FY22



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*ROIC: Return on Invested Capital

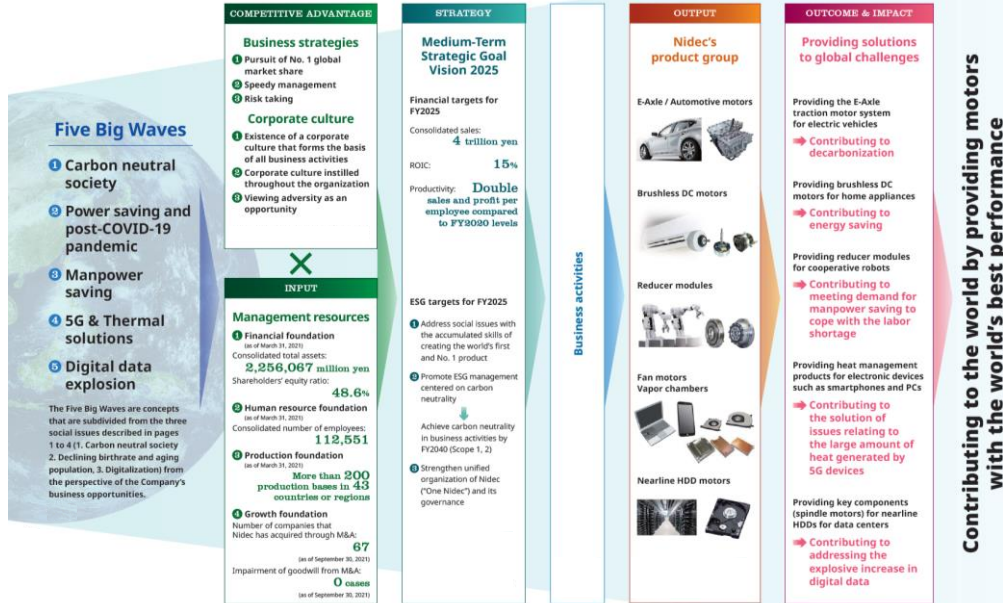
5 Big Waves

Nidec's business solutions that solve the common problems of humankind



* GAFA: Google, Apple, Facebook and Amazon

Value Creation Process



ESG Materiality



Identify ESG materiality, and set KPIs on the themes to address

<Aims> Identify ESG materiality and classify it into 5 categories (Environment, Quality and Technology, Human Resource, Supply Chain, and Corporate Governance) and into 15 themes. Enhance the possibility of sustainable development of business by incorporating ESG materiality into mid-to-long term goals.

Category	Materiality	Theme to be addressed	Phase*
Environment	Contribute to environmental Sustainability	1. Realize a carbon-free society	
		2. Manage waste and hazardous waste	
		3. Handle water risks	
		4. Pursue product safety and quality	
Products	Provide products and services adapted to social change	5. Respond to changes in the technological environment and the industrial structure	
		6. Protect and utilize intellectual properties	
Human Resources	Retain and develop diverse talent	7. Maintain and foster globally competitive human resources	
		8. Promote diversity	
		9. Promote occupational safety and health, and health-oriented business management	
		10. Respect human rights and follow proper labor practices	
Supply Chain	Build an internationally competitive supply chain to solve social issues	11. Sustainable procurement considering environmental and social aspects	
Corporate Governance	Create a solid governance system	12. Build a fair, transparent and highly effective governance system	
		13. Follow thorough compliance with laws and regulations	
		14. Build a risk management system	
		15. Promote information security measures	

* Phase 1 (April 2021–March 2026) Phase 2 (November 2021–March 2026) Phase 3 (April 2023–March 2026)

Organization of the ESG Materiality Steering Committee



Nidec has in place an ESG Steering Committee led by its President (CEO) to actively promote ESG management



ESG Materiality KPI (Phase1 and Phase2)

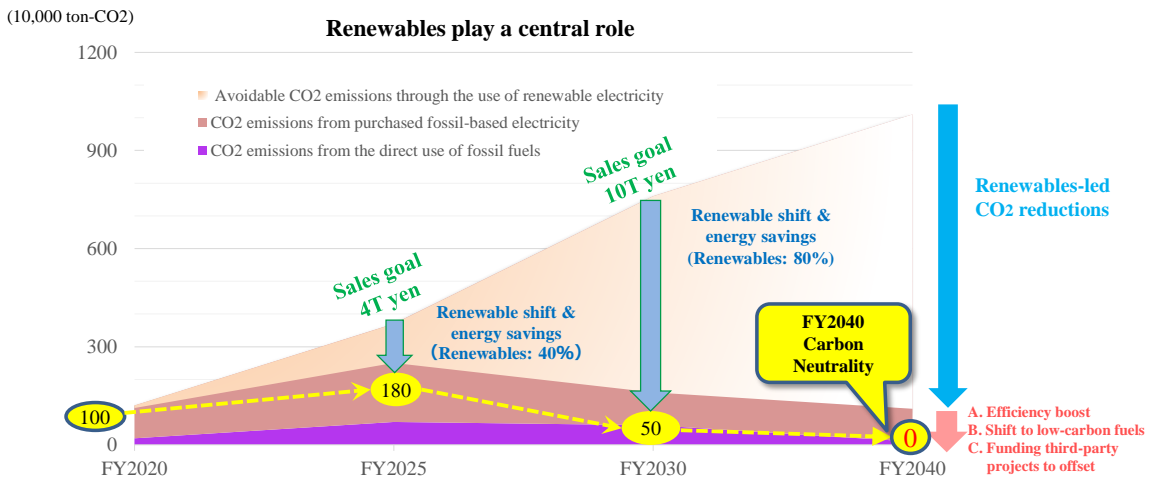
Theme to be addressed		KPI (FY2025)
	Realize a carbon-free society	<ul style="list-style-type: none"> Reduce CO₂ emissions by introducing the EV traction motor system E-Axle: Cumulative total from FY2020 to FY2025: 11,700,000 t-CO₂ Reduce CO₂ emissions by introducing electric power steering (EPS) motors: Cumulative total from FY2020 to FY2025: 26,261,000 t-CO₂
	Reduce CO ₂ emissions attributable to business activities	<ul style="list-style-type: none"> Increase the introduction ratio of renewable energy to 40% in FY2025 on a consolidated basis Annually disclose a climate change scenario in line with the Task Force on Climate Related Financial Disclosures (TCFD) recommendations
	Pursue product safety and quality	<ul style="list-style-type: none"> Create a database for chemical substances contained in products to make it easier for the development department to determine the choice of materials, and shift to an environment-oriented development system Implement quality management reforms in the automotive-related business, and establish an overall quality control organization and system by FY2025 Conduct assessment of all newly developed products and all products during the manufacturing process to reduce product safety risks
	Respond to changes in the technological environment and the industrial structure	<ul style="list-style-type: none"> Continuously launch new products that lead the Five Big Waves to resolve social issues Continue to pursue the high efficiency and miniaturization of motors that contribute to energy and resource saving
	Protect and utilize intellectual properties	<ul style="list-style-type: none"> Transform our IP portfolio to one that responds to social and business changes, including decarbonization and power and manpower saving, and use the new IP portfolio

ESG Materiality KPI (Phase1 and Phase2)

Theme to be addressed		KPI (FY2025)	
	Promote occupational safety and health, and health-oriented business management	<ul style="list-style-type: none"> Check safety activities at production sites where the lost-time-injury frequency exceeds the average BU rate: Six sites or more (per year) Carry out a remote safety check: Six sites or more (per quarter) Receive certification as a White 500 Company (in the large enterprise category) under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program 	
	Respect human rights and follow proper labor practices	<ul style="list-style-type: none"> Clarify human rights policies for workers including those in the supply chain, and spread them among employees 	
	Build a fair, transparent and highly effective governance system	Board of Directors	<ul style="list-style-type: none"> Continue to have the effectiveness of the Board of Directors evaluated by a third party Always maintain the ratio of outside directors in the Board of Directors at 50% or more, and the ratio of female directors at 20% or more
		Nominating Committee / Remuneration Committee	<ul style="list-style-type: none"> Increase transparency and fairness in the retirement and dismissal process of directors Improve the effectiveness of the Remuneration Committee and ensure the objectivity and transparency of remuneration decisions for directors
	Follow thorough compliance with laws and regulations	<ul style="list-style-type: none"> Expand the legal affairs and compliance system to all Group companies starting from Nidec Corporation and the regional management companies (China, the U.S. and Europe) Identify serious non-compliance risks and take priority measures Provide compliance education to all employees once a year 	
	Build a risk management system	<ul style="list-style-type: none"> All risks disclosed on the securities reports are evaluated by the department in charge, and the risks to be addressed in priority are identified Reduce the impact of the risks to be addressed in priority on our business Manage the progress of reducing such impact and the residual risks 	
	Promote information security measures	<ul style="list-style-type: none"> Reduce the number of serious information security incidents to zero 	

Pathways to Carbon Neutrality (2040)

- ✓ Going carbon-neutral by FY2040 (Scope 1 and 2)
- ✓ Supply chain (Scope 3) action plans to be laid out by FY2025



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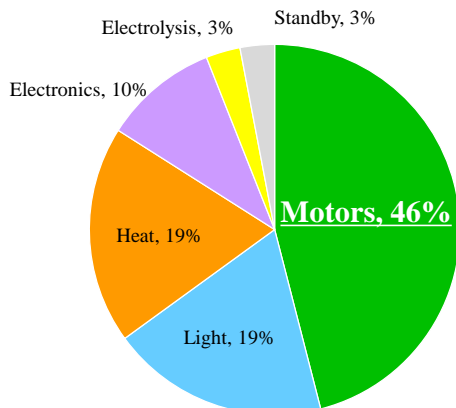
Appendix

Energy-efficient and Environmentally Friendly Products



Nidec, the No.1 comprehensive motor maker contributes to society through its products and services.

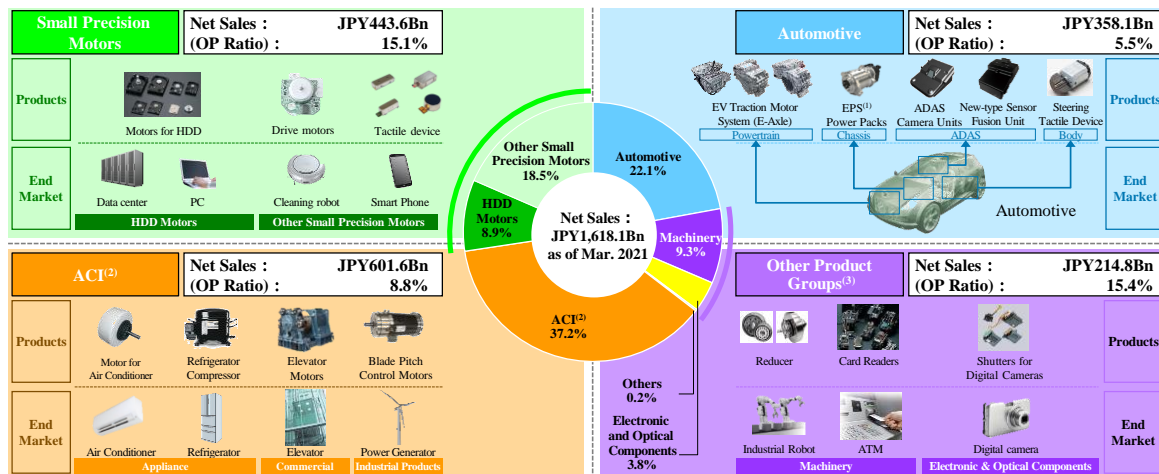
Global Electricity Consumption



Source: (IEA Energy Efficiency Series, Paul Waide and Conrad U. Brunner, et al. . 2011)

- Motors are the core components of anything working with electricity.
- Motors account for approximately half the world's power consumption.
- We will supply efficient motors globally and contribute to the reduction of CO₂ emissions and the economic development of emerging countries.

Product Portfolio: Aligned to the Best End Markets



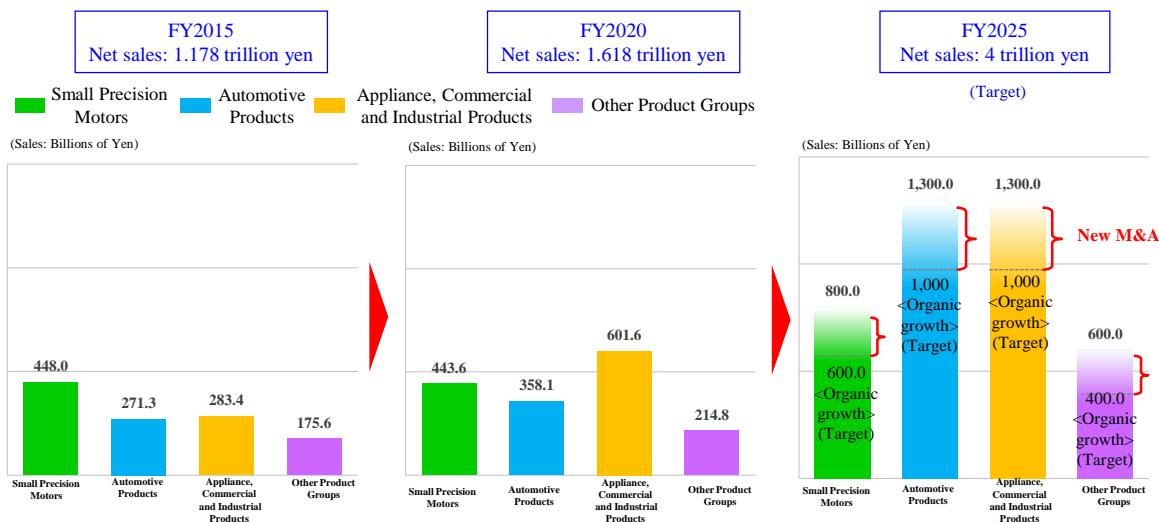
1. EPS: Electric Power Steering
 2. Appliance, Commercial and Industrial Products
 3. Includes Machinery, Electronic and Optical Components, Others

Vision2025 Framework for the New Mid-Term Strategic Goals: Business Portfolio Management



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Achieve high growth with aggressive investment on key growth areas

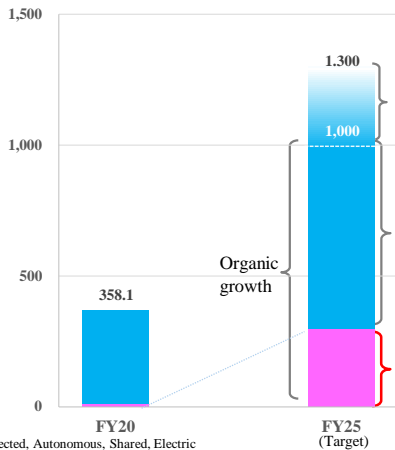


Automotive: Strategy for High Growth

Aiming to become No.1 automotive hardware manufacturer by anticipating the strong electrification demand boosted by CASE* mobility trends

<Vision 2025 in Automotive>

(Sales: Billions of Yen)



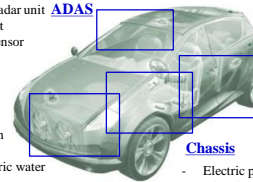
- **Motors and parts for auto (such as motors for electric power steering)**
- **Group companies (such as Nidec Tosok, Nidec Elesys and Nidec Mobility)**
- **EV traction motor related**

<Businesses related to EV traction motors>

- Mass production of E-Axles at the joint venture with Stellantis will start in the second half of FY22, in addition to those being mass-produced in China.
- Receiving new orders from Chinese, European and Japanese OEMs as well as US EV startups and newcomers from other industries as the turning point of FY25 gets closer.

<Motors and parts for auto>

- Millimeter wave radar unit **ADAS**
- ADAS camera unit
- Gen2 integrated sensor fusion, etc.
- **Powertrain**
 - Dual clutch transmission actuator
 - Electric oil pump/ Electric water pump
 - Control valve system for AT/CVT
 - Spool valve, Solenoid valve, etc.
- **Body**
 - Seat adjuster motor
 - Seat air conditioning fan
 - Sunroof motor
 - Head-up display, etc.
- **Chassis**
 - Electric power steering motor
 - Electric power steering powerpack
 - ABS/ESC motor, etc.



* CASE: Connected, Autonomous, Shared, Electric

Automotive: Business Environment for EV Traction Motors

OEMs can be grouped into three types in terms of motor sourcing. Motors will be outsourced more after the turning point in FY2025.

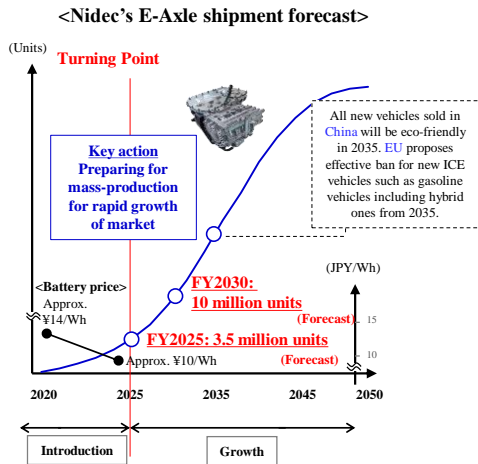
<Types of OEMs handling with vehicle electrification>

Turning Point

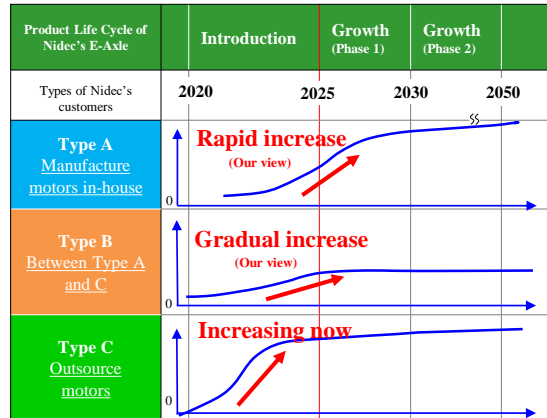
Product Life Cycle of Nidec's E-Axle	Introduction	Growth (Phase 1)	Growth (Phase 2)
Types of Nidec's customers	2020	2025	2030 2050
Type A Manufacture motors in-house (Japanese, American and European traditional OEMs, etc.)	- Historically, customers of Type A have been differentiating themselves in manufacturing engines and transmission for ICE vehicles Stick to producing motors in-house	- Nidec's view: Trend to change to outsourcing will become apparent	Era of horizontal international specialization (EV manufacturers will procure motors and other major components from independent specialized suppliers)
Type B Between Type A and C	- Not heavily dependent on outsourced motors but less committed to manufacturing those in-house. Establish a joint venture with Nidec	- Nidec's view: Joint ventures and alliances with motor specialized suppliers will increase more	
Type C Outsource motors (OEMs in emerging countries and Tier 0.5, etc.)	- Outsource motors actively depending on the performance, cost and reliability Adopt Nidec's motors	- Nidec's view: Outsourcing will be established completely	

This slide includes forward-looking statements. See Disclaimer on Page 2.

Customers of Type C now increasingly outsource motors while Type A will increase more one to two years after/before the turning point

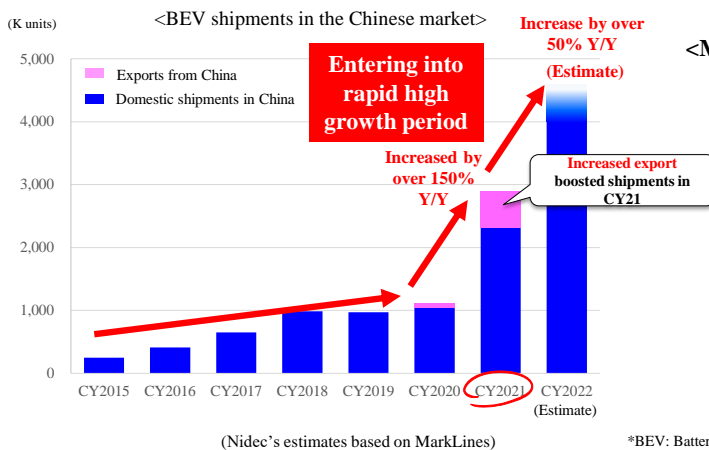


<Forecast of each type's trend regarding motor outsourcing >
Turning Point



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Chinese BEV market achieved dramatic growth of over 150% Y/Y



<Made-in-China high-end BEV landscape>

- US Company T: Expands sales through **exporting** its main models made in Shanghai factory to **Europe**
- Chinese Company N: **Plans to export vehicles to over 25 countries and regions by 2025** (announced in December 2021)

(Nidec's estimates based on MarkLines)

*BEV: Battery Electric Vehicle

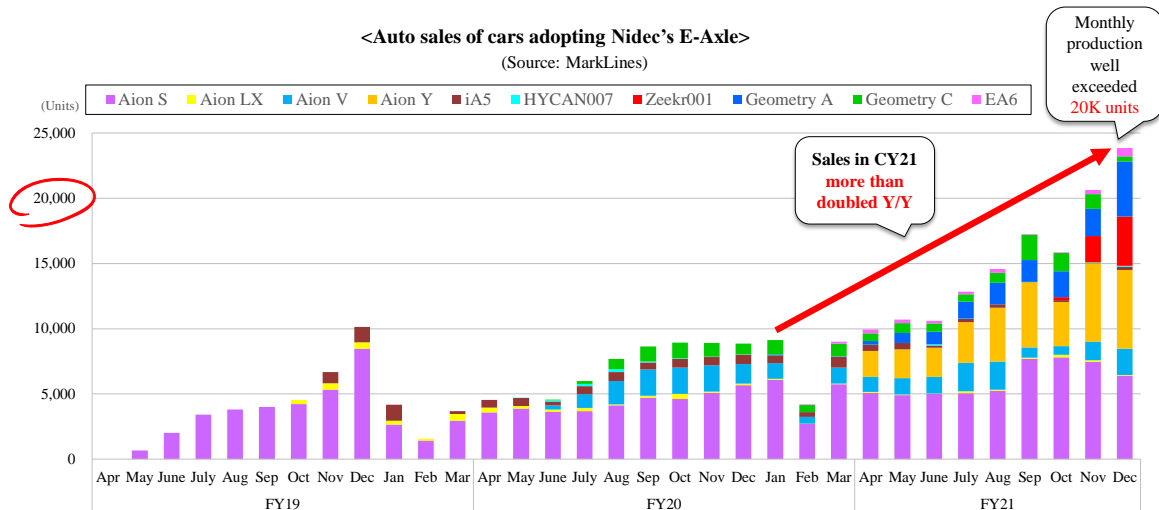
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Automotive: Sales of Vehicles with Nidec's E-Axle

The cumulative number of vehicles using our E-Axle (traction motor system) reached 265K units

<Auto sales of cars adopting Nidec's E-Axle>

(Source: MarkLines)

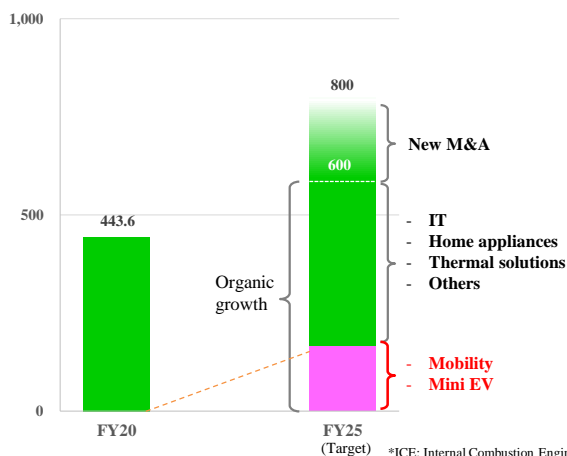


Small Precision Motors: New Market Entry – Mobility and Mini EVs

Paradigm shift from ICE* vehicles to electric ones is also rapidly accelerated in two wheels and compact cars

<Vision 2025 in Small Precision Motors>

(Sales: Billions of Yen)



<Mobility>

- An electric two-wheeled vehicle market, formed mainly in India, China and ASEAN countries, will enter high growth period driven by environmental measures.
- Nidec focuses on two major markets, India and China, in particular. Nidec starts mass production of motors for major customers.

<Mini EV>

- Nidec receives orders from multiple customers mainly in the Chinese market.
- Nidec will start mass production of motors from FY22

*ICE: Internal Combustion Engine

This slide includes forward-looking statements. See Disclaimer on Page 2.

Small Precision Motor: Mobility & Mini EVs

Small Precision Motor starts a shift to mobility in FY22 with launching multiple projects for electric two-wheeled vehicles and mini EVs

<Nidec's first motor adopted by China's largest electric two-wheeled vehicle manufacturer>



Chinese company Yadea's
Huan Dian Shou 01



In-wheel motor for electric bikes

- Developed by the Small Precision Motor & Solutions Business Unit, which makes HDD spindle motors
- Utilizing single-micron-scale magnetic circuit design technology cultivated in making compact and fast-rotating HDDs

Please refer to Nidec's website for more information: <https://www.nidec.com/en/product/news/2021/news1227-01/>

- The annual global market size of electric two-wheeled vehicles is estimated at approx. 60 million units-level.
- The largest market is India, followed by China and Indonesia.
- Electrification of two-wheeled vehicles is progressing, as well.
- Electric two-wheeled vehicles will rapidly become widespread mainly in these countries and regions.

Receiving increasing orders for motors used in electric two-wheeled vehicles and mini EVs (under 30kW), and eyeing mass production within FY22 for around 10 projects.*



Electric two-wheeled vehicle



Mini EV

*Including the project for Yadea (started mass production in September 2021), referred on the left of this page.

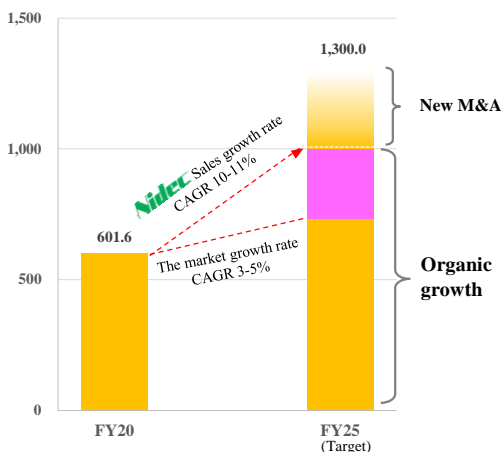
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Appliance, Commercial and Industrial: Strategy for High Growth

- ✓ Executing structural reform in overseas businesses
- ✓ ACI will enter a new phase of growth

<Vision 2025 in Appliance, Commercial and Industrial>

(Sales: Billions of Yen)



- We aim to grow ACI sales at CAGR of 10 to 11% by creating new demands through solution proposal, while estimating CAGR of the market at 3 to 5%.

<Growth drivers>



This slide includes forward-looking statements. See Disclaimer on Page 2. 24

Battery Energy Storage Systems that Support the Use of Renewable Energies



Exploring ways to make a further contribution to the global environment, tackling another challenge to create energy



Power conversion system essential for BESS



BESS (Battery Energy Storage System) system in Germany



Micro-grid system in Chile

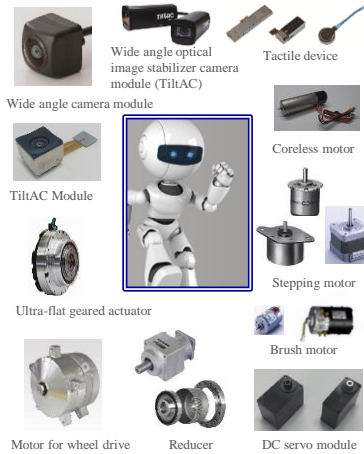


Photovoltaic power generation plant in a suburb of Ciminna, Sicily, Italy

Nidec's Product Lineups Expanding into Robotics



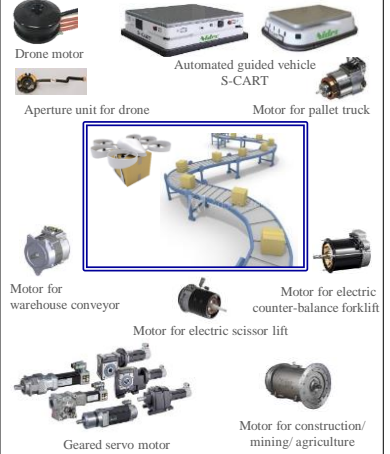
Service/ Communication robots



Commercial/ Industrial robots

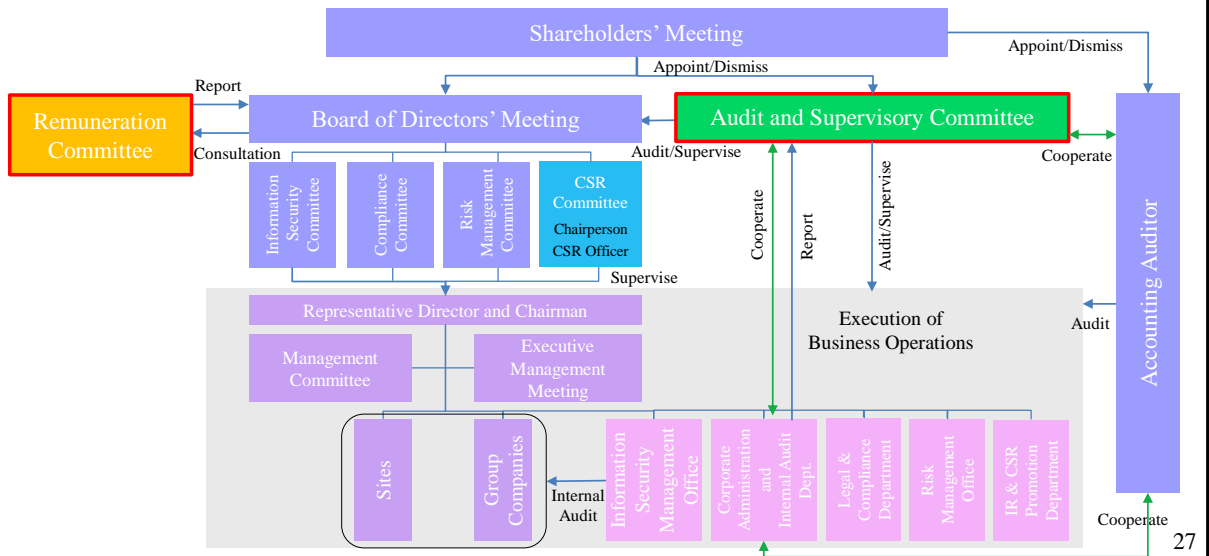


Logistics/ Agricultural fields



Transition to a company with audit and supervisory committee and remuneration committee

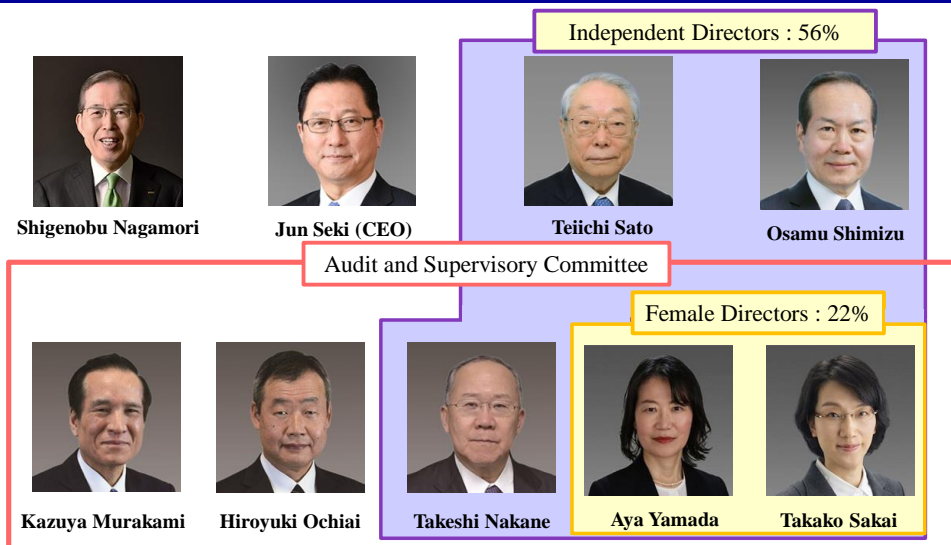
Reinforcing the Board's oversight capability and increasing its transparency



Diversity on Boards



Aiming further improvement of diversity and effectiveness on the Boards



Nidec Green Bond

Raise funds with Green bonds for capital expenditure and R&D expense for the production of traction motors

The ninth, tenth, and eleventh unsecured bonds (Green Bond)

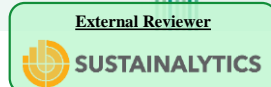
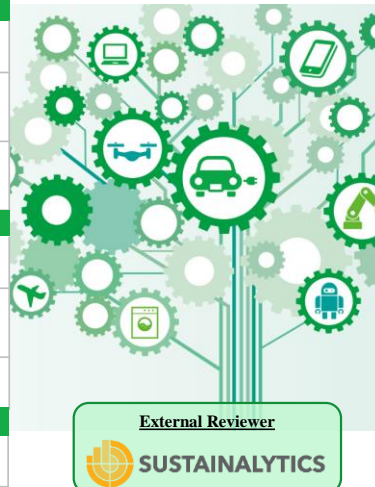
Issuance Period	3 years	5 years	7 years
Total Principal Amount	JPY 50 billion	JPY 30 billion	JPY 20 billion
Interest rate	0.020% per annum	0.090% per annum	0.150% per annum

Euro-denominated senior unsecured bonds due 2026 (Green Bond)

Issuance Period	5 years
Total Principal Amount	€500 million
Interest rate	0.046% per annum

Avoided CO2 emissions

157,148 t-CO2/y*



* Calculated the differences in the amount of estimated CO₂ emissions from electric vehicles operations and combustion engine vehicle operations

Evaluation by Society

Included in the FTSE4Good Index Series and the FTSE Blossom Japan Index



FTSE4Good



FTSE Blossom
Japan

Received three-star "eruboshi" status



Selected for the MSCI Japan Empowering Women (WIN)

Selected as "Nadeshiko" Brand "quasi-Nadeshiko" company

2021 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)

