



## **FOR IMMEDIATE RELEASE**

**Nidec Corporation**

Tokyo Stock Exchange code: 6594

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### **Nidec to Succeed the Business of Tokyo Maruzen Industry Co., Ltd.**

Nidec Corporation (TSE: 6594; OTC US: NJDCY) (the “Company” or “Nidec”) resolved at a meeting of Board of Directors held on August 9, 2017 to make Nidec Sankyo Corporation (“Nidec Sankyo”), a wholly owned subsidiary of the Company, succeed the business of Tokyo Maruzen Industry Co., Ltd. (the “Splitting Company”) by way of an absorption type company split. For this purpose, both companies have entered into an agreement under which Nidec Sankyo will form a new company (the “Succeeding Company”) to succeed the Splitting Company’s business.

#### **1. Purpose and Background of the Company Split**

Nidec has been developing its electric contact business since January 2014, when Nidec Sankyo acquired Mitsubishi Materials C.M.I. Corporation, currently Nidec Sankyo CMI Corporation. Electric contact products used for relays, switches, circuit breakers, etc. are gaining popularity in the fast growing EV and PHV market and also expected to expand their use into the appliance and industrial equipment market. Nidec Sankyo and the Splitting Company have entered into an agreement for transferring the entire business, including the mainstay electric contact business, of the Splitting Company in response to the surge in demand for electric contacts. Nidec believes the efficient use of the managerial and operational resources of Nidec Sankyo and the Splitting Company will help strengthen their capacity in material development, production engineering and manufacturing responsiveness, which will lead to profitability improvement.

## 2. Outline of the Company Split

### (1) Company Split Schedule

Board of Directors' approvals for company split at the Splitting Company and the Succeeding Company	August 28, 2017 (planned)
Shareholders' meetings at the Splitting Company and the Succeeding Company	September 28, 2017 (planned)
Effective date of the company split	October 1, 2017 (planned)

### (2) Company split method

Under this absorption type company split, the new company will be the Succeeding Company and Tokyo Maruzen Industry Co., Ltd. will be the Splitting Company.

### (3) Details of allotments relating to this absorption type company split

The transaction will be funded by cash. There shall be no allotment of shares.

## 3. Outline of the Companies Party to the Company Split (As of March 31, 2017)

	Splitting Company	Succeeding Company
(1) Company name	Tokyo Maruzen Industry Co., Ltd.	Tokyo Maruzen Industry Co., Ltd. (tentative)
(2) Location of head office	591-11, Ishikawa, Sakura-shi, Chiba 285-0813, Japan	5329, Shimosuwa-machi, Suwagun, Nagano 393-8511, Japan
(3) Representative	President: Yoshihira Kirita	President: Akira Noami
(4) Description of business	Development, manufacture and sales of electric contact materials, rivet contacts and contact staking	Development, manufacture and sales of electric contact materials, rivet contacts and contact staking
(5) Establishment	April 19, 1969	August 18, 2017 (planned)
(6) Major shareholders and shareholding ratios	Yoshihira Kirita: 25% Others: 75%	Nidec Sankyo Corporation: 100%

#### **4. Business to be transferred**

- (1) Details of the business to be transferred
  1. Development, manufacture and sales of electric contact materials
  2. Development, manufacture and sales of rivet contacts
  3. Development, manufacture and sales of contact staking
  4. Other related business
- (2) Operating results of the business to be transferred (year ended March 31, 2017)  
Net sales: 3,745 million yen

#### **5. Effect on Financial Performance for the Current Fiscal Year**

Nidec intends to make appropriate disclosures regarding the impact of the transaction described herein on its consolidated financial performance for the current fiscal year and announce any changes to its financial performance in accordance with the applicable rules of the Tokyo Stock Exchange once such details are determined.

#### **Cautionary Statement Concerning Forward-Looking Information**

This press release contains forward-looking statements regarding the intent, belief, strategy, plans or expectations of the Nidec Group or other parties. Such forward-looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors, including, but not limited to, the risks to successfully integrating the acquired business with the Nidec Group, the anticipated benefits of the planned transaction not being realized, changes in general economic conditions, shifts in technology or user preferences for particular technologies, whether and when required regulatory approvals are obtained, other risks relating to the successful consummation of the planned transaction, and changes in business and regulatory environments. The Nidec Group does not undertake any obligation to update the forward-looking statements contained herein or the reasons why actual results could differ from those projected in the forward-looking statements except as may be required by law.

## **NIDEC CORPORATION**

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