



**FOR IMMEDIATE RELEASE**

**Nidec Corporation**

Tokyo Stock Exchange code: 6594

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## **Nidec and Groupe PSA to Sign Joint Venture Agreement for Automotive Electric Traction Motor**

Nidec Corporation (TSE: 6594; OTC US: NJDCY) (the “Nidec”) and Groupe PSA, through Nidec Leroy-Somer Holding (the “Nidec Leroy-Somer”), intend to set up a joint venture dedicated to the design, development, manufacture and sale of electric traction motors. For this purpose, Nidec Leroy-Somer and Groupe PSA entered into a joint venture agreement on December 4, 2017. Closing of such transaction remains subject to antitrust clearance and employee representative consultation.

Nidec Leroy-Somer and Groupe PSA have acknowledged the strategic importance of traction motor in coming electrification age and agreed mutual cooperation for developing high-performance and competitive electric traction motor range for electrified vehicles such as Mild-hybrid (“MHEV”), Electric Vehicles (“EV”) and Plug-in Hybrid (“PHEV”) to be developed by Groupe PSA and other OEMs.

The aim of the partnership is to design, develop, manufacture and sell a range of electric traction motors. The joint venture will then engage in R&D, manufacturing and sales for high-performance electric traction motor mainly to Groupe PSA, and to other OEMs later, by combining PSA’s knowledge on automotive as OEM and Nidec Leroy-Somer’s expertise of motor and related electrical equipment.

### **1. Purpose and Background of the Transaction**

As some of the leading countries are set to ban sale of new gasoline/diesel cars, electrification is the key to both solving global warming and controlling air quality. Given the above trend, OEMs are accelerating their adoption of electrified vehicle technologies. Along with this trend, electrification of automobiles has been expanding and the market for electric

motor for automotive is foreseen to double its size to JPY 6 trillion (€45 billion) in 2030. Nidec has been also active in this trend and developing products with its superior motor expertise.

Nidec has been actively developing a new growth platform with particular focus on automotive business. In its midterm strategic goal Vision 2020 it has targeted to achieve JPY 700 billion to 1 trillion (€5.4 to 7.6 billion) of sales in the automotive sector in 2020.

Nidec Leroy-Somer, acquired by Nidec in February 2017, is the leading motor company in France and renowned for its high quality products in industrial area as well as various other areas.

Groupe PSA, the second largest market share of automotive industry in Europe, has been actively accelerating its shift to electrified vehicles (MHEV, PHEV, EV). As part of the energy transition process and in line with the technological offensive spelled out in its Push to Pass strategic plan, Groupe PSA is focused on diversifying its technological offering with plug-in hybrid petrol engines and next-generation electric powertrains. Groupe PSA makes the strategic choice to anchor in France the design and production of the main components of the electric traction powertrain.

## **2. Information on the joint venture:**

Company name: To be determined

Headquarters: Carrières sous Poissy, Paris region, France

Representative: To be appointed by Nidec Leroy-Somer

Foundation: March to April 2018 (To be determined)

Main business: Development, production, and sales of automotive electric traction motor

Initial Share Capitals: €15millions (Shareholders: Nidec Leroy-Somer 50%, PSA automobiles\* 50%) \*PSA automobiles is a French company of Groupe PSA

## **3. Information on Nidec Leroy-Somer:**

Company name: Nidec Leroy-Somer Holding

Headquarters: Angouleme, France

Representative: Xavier Trenchant, Chairman of the Board and CEO

Capital: €20millions

Main business: R&D, manufacturing and sale of alternators, electric motors, geared motors, variable speed drives, automation solutions and service offers for industry

## **4. Information on PSA automobiles:**

Company name: PSA automobiles SA

Headquarters: Poissy, France

Representative: Carlos Tavares, Chairman of the Managing Board, Xavier Chéreau, General

Manager

Capital: €300millions

Main business: Design, manufacturing & sales of cars and traction engine

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

The Transaction is expected to have no significant impact on Nidec's consolidated financial performance for the fiscal year ending March 31, 2018. Nidec will make additional disclosure on a timely basis in accordance with the rules of the Tokyo Stock Exchange upon determination of further details.

## **About Groupe PSA**

The Groupe PSA designs unique automotive experiences and delivers mobility solutions to meet all client expectations. The Group has five car brands, Peugeot, Citroën, DS, Opel and Vauxhall, as well as a wide array of mobility and smart services under its Free2Move brand, aiming to become a great carmaker and the preferred mobility provider. It is an early innovator in the field of autonomous and connected cars. It is also involved in financing activities through Banque PSA Finance and in automotive equipment via Faurecia. Find out more at [groupe-psa.com/en](http://groupe-psa.com/en).

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## **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.

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