



All for dreams

# Notice of the 47th Regular General Meeting of Shareholders



10:00 a.m. on Wednesday, June 17, 2020 (Japan time)

Time & Date

The reception will start at 09:30 a.m.



Venue

MIYAKO HALL, First Floor,  
Nidec Corporation Annex Global Learning Center  
1-1 Minami-ku, Kuzehigashi-tsuchikawa-cho,  
Kyoto, 601-8204 Japan

Deadline for exercising voting rights by mail or the Internet, etc.

5:30 p.m. on Tuesday, June 16, 2020 (Japan time)

\*See page 2 and 3 for more detail.

## Proposals

1. Partial Amendments to the Articles of Incorporation
2. Election of four candidates for members of the Board of Directors who are not Audit and Supervisory Committee Members
3. Election of five candidates for members of the Board of Directors who are Audit and Supervisory Committee Members
4. Election of one candidate for a substitute member of the Board of Directors who is Audit and Supervisory Committee Member
5. Decision on amount of remuneration, etc. for members of the Board of Directors who are not Audit and Supervisory Committee Members
6. Decision on amount of remuneration, etc. for members of the Board of Directors who are Audit and Supervisory Committee Members
7. Decision on amount of performance-linked remuneration, etc. for members of the Board of Directors who are not Audit and Supervisory Committee Members, etc.

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## “COVID-19 Precautionary Measures”

Nidec will take certain precautionary measures to reduce the risk of infection at the 47th Regular General Meeting of Shareholders. Please read “Notes Regarding COVID-19 Safety Measures” on Page 4 and 5 of this convocation notice for detailed information.

The distribution of souvenirs will be discontinued from this year. We would like to ask for your understanding.



## To Our Shareholders



Representative Director and  
Chairman (CEO)

*S. Nagami*

Thank you for your continued support and for confidence that you have placed in us. Please be cordially invited to the 47th Regular General Meeting of Shareholders of Nidec Corporation.

Since its foundation in 1973, under the mission to manufacture “everything that spins and moves,” Nidec has been consistently seeking to create drive technologies that meet the society’s needs, and it has grown as the world’s leading manufacturer of comprehensive motor and motor drive systems with more than 300 group companies operating in various countries in the world.

Although the Group posted consolidated net sales of 1,534.8 billion yen, a record high, for the fiscal year ended March 31, 2020, consolidated operating profit was 110.3 billion yen and consolidated net income was 60.1 billion yen due to the impact of upfront investment in the startup of the development and production of traction motor systems in response to rapidly growing demand, as well as the transfer of the refrigerator compressor business.

We have been returning to top-down management (a double top-down structure that includes new President Seki), and has begun to consolidate its foundation for a consolidated net sales of 10 trillion yen since April of this year. In addition, we will turn a crisis into an opportunity by further strengthening our corporate structure in response to the emergency stemming from the novel coronavirus outbreak as we continue to strive for the “relentless pursuit of high growth with profits” by maintaining the highest market share.

In the midst of the spread of the new coronavirus infection, we hope that you pay close attention to your health and we would also like to thank you for your continued support.

### Mission Statement

Nidec Corporation's mission is to contribute to the development of society and well-being of people by providing excellent products and services through a sincere and enthusiastic dedication to the fusion of science, technology and manufacturing expertise.

### Basic Management Creeds

Provide employment opportunities based on healthy business growth.



Supply universally  
desired, indispensable  
products for the  
common good.

### Corporate Mottos

Passion, Enthusiasm and Tenacity  
Intelligent Hard Working  
Do it now, Do it without fail, Do it  
until it's completed.

Pursue the No. 1 position in  
all that we undertake.

## **NIDEC CORPORATION**

Shigenobu Nagamori  
Representative Director and Chairman  
Nidec Corporation  
338 Kuzetonoshiro-cho, Minami-ku,  
Kyoto, 601-8205, Japan

To: All Shareholders with Voting Rights

### **Notice of the 47th Regular General Meeting of Shareholders**

Notice is hereby given that the 47th Regular General Meeting of Shareholders (the “Meeting”) of Nidec Corporation (“Nidec” or the “Company,” together with its subsidiaries, the “Group”) will be held in accordance with the following details.

In order to prevent the recent spread of the novel coronavirus infection, at this General Meeting of Shareholders, please exercise your voting rights in advance in writing, via the Internet, or by alternative means as much as possible, and refrain from visiting the venue on the day of the Meeting, regardless of your health condition. Please refer to the Reference Document for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Tuesday, June 16, 2020, Japan time, following the instructions described hereinafter.

|             |  |
|-------------|--|
| Time & Date | <b>10:00 a.m. on Wednesday, June 17, 2020 (Japan time)</b><br><b>(The reception will start at 9:30 a.m.)</b>   |
| Venue       | MIYAKO HALL, First Floor,<br>Nidec Corporation Annex Global Learning Center<br>1-1 Minami-ku, Kuzehigashi-tsuchikawa-cho, Kyoto, Japan   |
| Agenda      | <b>Reports</b><br>1. Business report, consolidated financial statements, and audit reports regarding the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board for the fiscal year 2019 ended March 31, 2020<br>2. Non-consolidated financial statements for the fiscal year 2019 ended March 31, 2020   |
|             | <b>Proposals</b><br>1. Partial Amendments to the Articles of Incorporation<br>2. Election of four candidates for members of the Board of Directors who are not Audit and Supervisory Committee Members<br>3. Election of five candidates for members of the Board of Directors who are Audit and Supervisory Committee Members<br>4. Election of one candidate for a substitute member of the Board of Directors who is Audit and Supervisory Committee Member<br>5. Decision on amount of remuneration, etc. for members of the Board of Directors who are not Audit and Supervisory Committee Members<br>6. Decision on amount of remuneration, etc. for members of the Board of Directors who are Audit and Supervisory Committee Members<br>7. Decision on amount of performance-linked remuneration, etc. for members of the Board of Directors who are not Audit and Supervisory Committee Members, etc. |

# Exercising voting rights

## ▼ Voting via mail



Please indicate your approval or disapproval for each item listed on the enclosed Voting Instruction Card and return it to us.

**Deadline**

05:30 p.m. on Tuesday, June 16, 2020 (Japan time)

## ▼ Voting via the Internet and others



Please see the notes for online voting on page 3, access our designated voting site, <https://www.web54.net>, and enter your approval or disapproval for each item. If you are a nominee shareholder of a management trust bank or other financial institutions, please see the information on the platform to exercise your voting right electronically at the bottom section of page 3.

**Deadline**

05:30 p.m. on Tuesday, June 16, 2020 (Japan time)

## ▼ Voting at the Meeting of Shareholders



Please bring this convocation notice and the enclosed Voting Instruction Card, and submit the form to the reception (There is no need to affix a seal on the form).

\*Those who are not entitled to vote, including proxies of shareholders or people accompanying them, may not enter the hall (with the exception of people accompanying physically handicapped shareholders).

**Time & Date**

10:00 a.m. on Wednesday, June 17, 2020(Japan time)

(The reception will start at 09:30 a.m.)

If you wish to vote online, please note the following information in advance.

- If voting is conducted both in writing and online, the online vote will be regarded as effective.
- If voting is conducted the same way in duplicate, the most recent vote will be regarded as effective.
- If neither approval nor disapproval is indicated, it will be regarded as approval.

Notes:

1 Any changes to the Reference Document for the General Meeting of Shareholders, business report, consolidated financial statements and non-consolidated financial statements made up to the day preceding the Meeting will be announced on our website.

2 Of the documents to be provided to our shareholders with this notice, “Notes to Consolidated Financial Statements,” “Notes to Non-consolidated Financial Statements,” “Consolidated Statement of Changes in Equity,” and “Non-Consolidated Statement of Shareholders’ Equity” are deemed to have been provided to our shareholders by posting on the Company’s website in accordance with applicable laws and regulations and Article 15 of the Company’s Articles of Incorporation. These notes are parts of the consolidated and non-consolidated financial statements audited by Members of the Audit & Supervisory Board and the Accounting Auditor for preparing audit reports.

3 “Audit Report by Accounting Auditor and Audit Report by the Audit & Supervisory Board” regarding Consolidated Financial Statements will be separately posted on the Company’s website.



If you wish to vote online, please note the following information in advance

## 1. Voting website

Exercising voting rights online is possible only through the following voting website assigned by the Company. The site can also be accessed by mobile phones.

URL for voting website <https://www.web54.net>



With a barcode-reading mobile phone, access to the website is possible by reading the QR code® on the left. Please see the instructions for your mobile phone for details on bar code reading.

(QR code is a registered trademark of Denso Wave Inc.)

### (1) Exercising voting rights

- (i) If you wish to exercise your voting rights online, please use the voting code and password detailed on the Voting Instruction Card enclosed and follow the screen instructions to enter your approval or disapproval for the proposals.
- (ii) You can exercise your voting rights on the Internet until 05:30 p.m. on Tuesday, June 16, 2020. However, in light of the need to tally all voting results, we respectfully ask that you conduct your voting early enough.
- (iii) If voting is conducted both in writing and online, the online vote will be regarded as effective.
- (iv) If voting is conducted multiple times, or if voting is conducted both by PC and by mobile phone, the most recent vote will be regarded as effective.

### (2) Cost for accessing the voting website

The payment for the telephone and other fees to connect to your Internet provider and to communicate with the communications company to use the Company's website to exercise your voting rights will be the responsibility of the shareholder.

#### For inquiries on exercising voting rights on the Internet

Please address any inquiries concerning exercising voting rights on the Internet to any of the following numbers:

List of shareholders administered by:  
Stock Transfer Agency Department,  
the Sumitomo Mitsui Trust Bank,  
Ltd.

For Inquiries



0120 - 652 - 031 (09:00 a.m. - 09:00 p.m., JST)



0120 - 782 - 031 (09:00 a.m. - 05:00 p.m. on weekdays, JST)

## 2. The platform to exercise voting rights electronically

In addition to the aforementioned online method to exercise voting rights electronically for the Company's General Meeting of Shareholders, nominee shareholders such as management trust banks (including their standing proxies) can, upon prior application, use the platform for exercising voting rights operated by ICJ, Inc., a joint venture established by the Tokyo Stock Exchange, Inc. and other companies.

# Notes Regarding COVID-19 Safety Measures

We would like to express our gratitude for your continued patronage.

The Company's 47th Regular General Meeting of Shareholders is scheduled to be held on Wednesday, June 17, 2020, and we would like to inform you of the measures that will be taken to prevent the spread of the novel coronavirus infection as follows. We would like to ask you for your understanding and cooperation.

## 1. Response of the Company

1) Officers and administrative staff participating in the Meeting will wear face masks.

### 2) In order to avoid the "Three Cs" (closed spaces, crowded places, close-contact settings):

- Please note that the "waiting area (including a water server)" and the "distribution of bottled tea and catalogs" will not be available as in the past.

\*The distribution of souvenirs will be discontinued from this year. This has nothing to do with the measures to prevent infection.

– Seats at the venue will be set up with a space open to the front and back and to the left and right.

Please understand that the venue may be dispersed (such as the use of first and second venues), and admission to the venue may be restricted depending on the situation.

3) Please be aware that the administrative staff may call out to shareholders who appear to be in poor health.

## 2. Request for cooperation from shareholders

1) According to the Ministry of Health, Labour and Welfare, being in close proximity to others in an enclosed indoor space for a certain period of time increases the risk of infection, and there is a high risk of serious illness in particular among the elderly, pregnant women and those with underlying medical conditions. We ask such shareholders to please consider not attending the Meeting and exercising your voting rights by the method indicated in this convocation notice, in writing, or via the Internet, etc.

2) If you are planning to attend the Meeting, please consider not forcing yourselves to attend if you have cold-like symptoms or are not feeling well on the day of the Meeting.

3. For shareholders coming to the venue

- 1)The Meeting will be held at 10:00 a.m., and the reception desk will open at 09:30 a.m. The reception desk is usually crowded from 09:40 a.m. every year. It may take some time for reception procedures due to the response to the novel coronavirus, so we recommend that you come early.
- 2)In order to avoid the “Three Cs” and prevent the spread of the novel coronavirus, the shuttle bus service from the nearest station, JR Mukomachi Station, to the venue will not be available (staff will be stationed here and there on the walking route). You can also take the city bus from the Hachijo Exit of JR Kyoto Station.

\*Please refrain from coming to the event by car, as no parking is available.

- 3)Because asking everyone to have their temperature taken at the reception desk may result in congestion near the reception desk, **we plan to install a thermography system to confirm body temperature through thermal imaging.**  
**Depending on the situation, the administrative staff may ask you to have your temperature taken and we ask for your cooperation with this. Please note that you may be denied entry and asked to leave if you are found to have a fever (or if you are found to be unwell during the Meeting, or if you do not cooperate with the temperature check).**
- 4)Please cooperate by wearing a mask at all times in the venue and the building, and using alcohol to disinfect your hands at the reception and when entering and exiting the venue. (Please note that we may not be able to admit you if you do not cooperate with this request.)
- 5)You may be asked to move to the microphone stand during the Q&A session.
- 6)**The Company’s top priority is to protect the health and lives of its shareholders, and we intend to reduce the scale of the Meeting and shorten the time required to conduct the Meeting. We would like to ask for your understanding and cooperation.**

## Proposal 1 | Partial Amendments to the Articles of Incorporation

### 1. Reasons for the Amendments

In conjunction with the transition from a “company with an Audit and Supervisory Board” to a “company with an Audit and Supervisory Committee,” the Company proposes to establish new provisions relating to the Audit and Supervisory Committee Members and the Audit and Supervisory Committee necessary for the transition to a company with an Audit and Supervisory Committee, establish new provisions relating to the delegation of authority of decisions on important business execution to Directors, and make necessary changes including deletion of the provisions relating to the Audit and Supervisory Board Members and the Audit and Supervisory Board itself. Furthermore, in order to develop an environment where the Company is able to secure skillful and diverse talent and where they are able to fully demonstrate their expected roles, the Company proposes to change the positions that are subject to agreements for limitation of liability, so that it may be concluded with Non-Executive Directors, etc.

### 2. The details of the amendments

The details of the amendments are as follows.

The amendments to the Articles of Incorporation relating to this proposal shall take effect at the end of this General Meeting of Shareholders.

(The underlines indicate the changed portions)

| Current Articles of Incorporation  | Proposed Amendments   |
|--|---|
| <p><b>Chapter 1. General Provisions</b></p> <p>Article 1. to Article 3. (Omitted)</p> <p>(Establishment of bodies)</p> <p>Article 4. The Company shall have a board of directors, <u>audit and supervisory board members, an audit and supervisory board</u>, and accounting auditors.</p> <p>Article 5. (Omitted)</p> | <p><b>Chapter 1. General Provisions</b></p> <p>Article 1. to Article 3. (Unchanged)</p> <p>(Establishment of bodies)</p> <p>Article 4. The Company shall have a board of directors, <u>an audit and supervisory committee</u>, and accounting auditors.</p> <p>Article 5. (Unchanged)</p> |

## Current Articles of Incorporation

### Chapter 2. Shares

Article 6. to Article 10. (Omitted)

### Chapter 3. General Meeting of Shareholders

Article 11. to Article 16. (Omitted)

### Chapter 4. Directors and Board of Directors

(Number of Directors)

Article 17. The Company shall have not more than 20  
Directors.

(Election of Directors)

Article 18.

1) Directors shall be elected at a general meeting of shareholders. For the election of Directors, the presence of the holders of shares representing one-third or more of the voting rights of all the shareholders shall be required and the majority thereof shall be needed.

(New)

2) For the election of Directors, no cumulative voting shall be used

(New)

(New)

## Proposed Amendments

### Chapter 2. Shares

Article 6. to Article 10. (Unchanged)

### Chapter 3. General Meeting of Shareholders

Article 11. to Article 16. (Unchanged)

### Chapter 4. Directors and Board of Directors

(Number of Directors)

Article 17. The Company shall have not more than 15  
members of the Board of Directors who are not Audit and  
Supervisory Committee Members, and not more than five  
members of the Board of Directors who are Audit and  
Supervisory Committee Members.

(Election of Directors)

Article 18.

1) Directors shall be elected at a general meeting of shareholders. For the election of Directors, the presence of the holders of shares representing one-third or more of the voting rights of all the shareholders shall be required and the majority thereof shall be needed.

2) The election of Directors provided in the preceding paragraph shall be conducted while making a distinction between members of the Board of Directors who are Audit and Supervisory Committee Members and members of the Board of Directors who are not Audit and Supervisory Committee Members.

3) For the election of Directors, no cumulative voting shall be used.

4) The Company may elect a substitute member of the Board of Directors who is an Audit and Supervisory Committee Member at a general meeting of shareholders, in preparation for instances in which the number of members of the Board of Directors who are Audit and Supervisory Committee Members falls short of the statutory minimum.

5) The effective term of the resolution for the election of a substitute member of the Board of Directors who is an Audit and Supervisory Committee Member provided in the preceding paragraph shall expire at the commencement of the ordinary general meeting of shareholders for the last business year to terminate within two years from such resolution.

## Current Articles of Incorporation

(Term of office of Directors)

Article 19.

- 1) The term of office of Directors shall expire at the close of the ordinary general meeting of shareholders for the business year to terminate within one year after their appointment.
- 2) The term of office of Directors elected to increase their number or to fill vacancies shall be the same with the unexpired balance of the term of office of the other Directors currently in office.

(New)

(Representative Directors and Directors with specific titles)

Article 20.

- 1) The Board of Directors shall appoint Representative Directors from among the directors.
- 2) By resolution of the Board of Directors, the Company may appoint one board Chairman, one or more board Vice Chairman, one President and one or more Executive Vice Presidents, Senior Managing Directors and Managing Directors.

Article 21. (Omitted)

(Notice of meeting of the Board of Directors)

Article 22.

Notice for convening a meeting of the Board of Directors shall be dispatched to each Director and each Audit and Supervisory Board Member three days prior to the date of the meeting; provided, however, that such period of notice may be shortened in case of urgency.

(Resolution of the Meeting of the Board of Directors)

Article 23.

- 1) For resolution of the Board of Directors, the presence of a majority of Directors who may join the deliberation of such matter shall be required. And the resolution thereof shall be adopted by a majority of Directors present.
- 2) If a director proposes any matter subject to resolution by the Board of Directors, the matter shall be deemed as resolved and approved by the Board of Directors if all of the directors who can participate in the resolution consent by written or electro-magnetic record and any of the Audit and Supervisory Board Members shall not raise an objection.

## Proposed Amendments

(Term of office of Directors)

Article 19.

- 1) The term of office of members of the Board of Directors who are not Audit and Supervisory Committee Members shall expire at the close of the ordinary general meeting of shareholders for the last business year to terminate within one year after their appointment.
- 2) The term of office of members of the Board of Directors who are Audit and Supervisory Committee Members shall expire at the close of the ordinary general meeting of shareholders for the last business year to terminate within two years after their appointment.
- 3) The term of office of members of the Board of Directors who are Audit and Supervisory Committee Members to fill vacancies shall expire at the time the term of office of his or her predecessor would have expired.

(Representative Directors and Directors with specific titles)

Article 20.

- 1) The Board of Directors shall appoint Representative Directors from among the directors who are not Audit and Supervisory Committee Members.
- 2) By resolution of the Board of Directors, the Company may appoint one board Chairman, one or more board Vice Chairman, one President and one or more Executive Vice Presidents, Senior Managing Directors and Managing Directors from among the members of the Board of Directors who are not Audit and Supervisory Committee Members.

Article 21. (Unchanged)

(Notice of meeting of the Board of Directors)

Article 22.

Notice for convening a meeting of the Board of Directors shall be dispatched to each Director three days prior to the date of the meeting; provided, however, that such period of notice may be shortened in case of urgency.

(Resolution of the Meeting of the Board of Directors)

Article 23.

- 1) For resolution of the Board of Directors, the presence of a majority of Directors who may join the deliberation of such matter shall be required. And the resolution thereof shall be adopted by a majority of Directors present.
- 2) If a director proposes any matter subject to resolution by the Board of Directors, the matter shall be deemed as resolved and approved by the Board of Directors if all of the directors who can participate in the resolution consent by written or electro-magnetic record.

| Current Articles of Incorporation   | Proposed Amendments  |
|---|--|
| <p>(New)</p> <p><b>Chapter 5.</b><br/> <b><u>Audit and Supervisory Board Members and Audit and Supervisory Board</u></b><br/> <u>(Number of Audit and Supervisory Board Members)</u><br/> <b>Article 24.</b><br/> <u>The Company shall have not more than five Audit and Supervisory Board Members.</u><br/> <u>(Election of Audit and Supervisory Board Members)</u><br/> <b>Article 25.</b><br/> <u>Audit and Supervisory Board Members shall be elected upon attendance of one third or more of shareholders who may exercise their voting rights at a general meeting of shareholders and the majority thereof shall be needed.</u></p> <p><u>(Term of office of Audit and Supervisory Board Members)</u><br/> <b>Article 26.</b><br/> 1) <u>The term of office of Audit and Supervisory Board Members shall expire at the close of the ordinary general meeting of shareholders for a business year last to occur within four years after their appointment.</u><br/> 2) <u>The term of office of Audit and Supervisory Board Members elected to fill vacancies shall be the same with the unexpired balance of the term of the retired Audit and Supervisory Board Members.</u></p> <p><u>(Full-time Audit and Supervisory Board Members)</u><br/> <b>Article 27.</b><br/> <u>The Audit and Supervisory Board Members shall appoint a full time Audit and Supervisory Board Member or Audit and Supervisory Board Members from among their members.</u></p> | <p><u>(Delegation of Decisions on Important Business Execution)</u><br/> <b>Article 24.</b><br/> <u>Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by resolution of the Board of Directors, delegate the decision on important business execution (excluding matters listed in each item of Paragraph 5 of the same Article) to Directors in whole or in part.</u></p> <p><b>Chapter 5.</b><br/> <b><u>Audit and Supervisory Committee Members and Audit and Supervisory Committee</u></b></p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> |

| Current Articles of Incorporation   | Proposed Amendments   |
|---|---|
| <p><u>(Notice of meeting of the Audit and Supervisory Board)</u><br/> <u>Article 28.</u><br/> <u>Notice for convening a meeting of the Audit and Supervisory Board shall be dispatched to each Audit and Supervisory Board Member three days prior to the date of the meeting; provided, however, that such period of notice may be shortened in case of urgency.</u></p> | <p>(Deleted)</p>  |
| <p><u>(Resolution of the Audit and Supervisory Board)</u><br/> <u>Article 29.</u><br/> <u>Unless otherwise provided in laws, for resolutions of the Audit and Supervisory Board, a majority of Audit and Supervisory Board Members shall be required.</u></p>   | <p>(Deleted)</p>  |
| <p>(New)</p>  | <p><u>(Full-time Audit and Supervisory Committee Members)</u><br/> <u>Article 25.</u><br/> <u>The Audit and Supervisory Committee may, by its resolution, appoint a full time Audit and Supervisory Committee Member or Audit and Supervisory Committee Members from among its members.</u></p>   |
| <p>(New)</p>  | <p><u>(Notice of meeting of the Audit and Supervisory Committee)</u><br/> <u>Article 26.</u><br/> <u>Notice for convening a meeting of the Audit and Supervisory Committee shall be dispatched to each Audit and Supervisory Committee Member three days prior to the date of the meeting; provided, however, that such period of notice may be shortened in case of urgency.</u></p>                             |
| <p>(New)</p>  | <p><u>(Resolution of the Audit and Supervisory Committee)</u><br/> <u>Article 27.</u><br/> <u>For resolutions of the Audit and Supervisory Committee, the presence of a majority of Audit and Supervisory Committee Members who may join the deliberation of such matter shall be required. The resolution thereof shall be adopted by a majority of the Audit and Supervisory Committee Members present.</u></p> |

| Current Articles of Incorporation  | Proposed Amendments   |
|--|---|
| <p><b><u>Chapter 6. Release from Liabilities of Outside Directors and Audit and Supervisory Board Members</u></b></p> <p>(Release in part of Compensation of Damage)<br/>Article <u>30</u>.</p> <p>The Company may execute <u>with an outside Director(s) and Audit and Supervisory Board Member(s)</u> an agreement <u>on liability of compensation of damage to the Company</u>.<br/>Provided, however, that the maximum limit of the compensation shall be 8 million Yen or more, or the amount fixed by the law, whichever is higher.</p> <p style="text-align: center;"><b>Chapter 7. Accounts</b></p> <p>Article <u>31</u>. to Article <u>34</u>. (Omitted)</p> <p style="text-align: center;">(New)</p> | <p><b><u>Chapter 6. Release from Liabilities of Directors</u></b></p> <p>(Release in part of Compensation of Damage)<br/>Article <u>28</u>.</p> <p>The Company may execute <u>with Director(s) (excluding persons who are Executive Directors, etc. as stipulated in Article 2, item 15-(a) of the Companies Act)</u> an agreement <u>to limit liability of compensation of damage due to the negligence of his or her duties, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act</u>.<br/>Provided, however, that the maximum limit of the compensation shall be 8 million Yen or more, or the amount fixed by the law, whichever is higher.</p> <p style="text-align: center;"><b>Chapter 7. Accounts</b></p> <p>Article <u>29</u>. to Article <u>32</u>. (Unchanged)</p> <p style="text-align: center;"><b><u>Supplementary Provisions</u></b><br/><b><u>(Transitional measures concerning the release from liabilities of Audit and Supervisory Board Members)</u></b></p> <p><u>The agreements for limitation of liability of outside Audit and Supervisory Board Members (including former outside Audit and Supervisory Board Members) concluded prior to the close of the 47th Regular General Meeting of Shareholders to be held in June 2020, shall remain applicable.</u></p> |

## Proposal 2 | Election of four candidates for members of the Board of Directors who are not Audit and Supervisory Committee Members

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved, the Company will transition to a company with an Audit and Supervisory Committee, and the terms of all of the current eight members of the Board of Directors will expire at the end of this Regular General Meeting of Shareholders. Accordingly, shareholders are requested to elect four candidates for members of the Board of Directors who are not Audit and Supervisory Committee Members. The resolution of this proposal shall come into effect subject to the amendments to the Articles of Incorporation relating to Proposal 1 taking effect.

The candidates for the positions of members of the Board of Directors who are not Audit and Supervisory Committee Members of the Company are as follows:

| Candidate number | Name               |                      | Current positions in the Company     |
|------------------|--------------------|----------------------|--------------------------------------|
| 01               | Shigenobu Nagamori | Re-nominated         | Representative Director and Chairman |
| 02               | Jun Seki           | Newly nominated      | President                            |
| 03               | Teiichi Sato       | Re-nominated         | Member of the Board of Directors     |
|                  |                    | Outside              |                                      |
|                  |                    | Independent Director |                                      |
| 04               | Osamu Shimizu      | Re-nominated         | Member of the Board of Directors     |
|                  |                    | Outside              |                                      |
|                  |                    | Independent Director |                                      |



Candidate number

01

Re-nominated

## Shigenobu Nagamori

Date of birth: August 28, 1944

Number of the Company's shares in possession 24,736,866 shares

### Reason for selecting as a candidate

We nominate Mr. Nagamori as a candidate for a member of the Board of Directors of the Company. We believe that Mr. Nagamori, who has served as Chief Executive Officer since he founded the Company and led the Nidec Group to become a one trillion-yen enterprise in a short period of time, is qualified to assume the position of the Member of the Board of Directors of the Company for the Group's further growth and development.

### Past experience, positions and responsibilities (Significant concurrent positions)

|              |   |
|--------------|---|
| July 1973    | Founded Nidec Corporation<br>Representative Director, Chairman of the Board and President<br>Chief Executive Officer (CEO) (current position) |
| October 2014 | Representative Director, Chairman of the Board and President  |
| June 2018    | Representative Director and Chairman (current position)   |

### Significant concurrent positions

Member of the Board of Directors and Chairman:  
 Nidec Sankyo Corporation  
 Nidec-Shimpo Corporation  
 Nidec Mobility Corporation  
 Chairman of the Board, Nagamori Gakuen Educational Foundation



Candidate number

02

Newly nominated

## Jun Seki

Date of birth: May 9, 1961

Number of the Company's shares in possession 15 shares

### Reason for selecting as a candidate

Mr. Seki managed another company prior to joining Nidec and is currently the Company's COO, possessing abundant experience, achievement and expertise in a wide range of areas. We nominate Mr. Seki as a candidate for a member of the Board of Directors of the Company because we believe that he is qualified to assume the position of the member of the Board of Directors of the Company for the Group's further growth and development.

### Past experience, positions and responsibilities (Significant concurrent positions)

|               |  |
|---------------|--|
| April 1986    | Nissan Motor Co., Ltd.                                       |
| April 2014    | Senior Vice President  |
| December 2019 | Executive Officer, Vice-COO                                  |
| January 2020  | Special Executive Consultant, Nidec Corporation              |
| April 2020    | President (Chief Operating Officer (COO)) (current position) |

### Significant concurrent positions

Member of the Board of Directors and Chairman, Nidec India Private Limited



Candidate number **03**

Re-nominated

Outside

Independent Director

## Teiichi Sato

Date of birth: October 15, 1941

Number of the Company's shares in possession **490 shares**

### Reason for selecting as a candidate

We nominate Mr. Sato as a candidate for an outside member of the Board of Directors of the Company because we believe that Mr. Sato, who has held prominent posts at the Ministry of Education, Culture, Sports, Science and Technology of Japan, the Japan Society for the Promotion of Science and other organizations, with his high-level expertise, will be able to provide the Company with advice on the Company's overall business matters, and that such advice will further enhance the Company's corporate governance function.

### Past experience, positions and responsibilities (Significant concurrent positions)

|              |   |
|--------------|---|
| April 1964   | The Ministry of Education, Science, Sports and Culture of Japan (currently the Ministry of Education, Culture, Sports, Science and Technology of Japan) |
| July 1990    | Deputy Director-General (Higher Education Bureau)   |
| July 1992    | Deputy Commissioner for Cultural Affairs  |
| July 1993    | Director-General, Science and International Affairs Bureau  |
| July 1994    | Director-General, Minister's Secretariat  |
| July 1997    | Vice Minister of Education, Science, Sports and Culture of Japan  |
| July 2000    | Director-General, the Japan Society for the Promotion of Science  |
| January 2003 | Ambassador Extraordinary and Plenipotentiary, Permanent Delegation of Japan to the UNESCO   |
| April 2007   | Executive Director, Tokyo National Museum   |
| October 2009 | Professor, Graduate School of International University of Health and Welfare  |
| June 2015    | Member of the Board of Directors, NHK Promotions Inc. (current position)  |
| June 2018    | Outside Member of the Board of Directors, Nidec Corporation (current position)  |

### Significant concurrent positions

Member of the Board of Directors, NHK Promotions Inc.



Candidate number

04

Re-nominated

Outside

Independent Director

## Osamu Shimizu

Date of birth: September 21, 1953

Number of the Company's shares in possession 70 shares

### Reason for selecting as a candidate

We nominate Mr. Shimizu as a candidate for an outside member of the Board of Directors of the Company because we believe that Mr. Shimizu, who has held prominent posts at the Ministry of Finance of Japan and other organizations, with his high-level expertise, will be able to provide the Company with advice on the Company's overall business matters, and that such advice will further enhance the Company's corporate governance function.

### Past experience, positions and responsibilities (Significant concurrent positions)

|               |   |
|---------------|---|
| April 1976    | The Ministry of Finance of Japan  |
| June 1984     | Executive Director, African Development Bank  |
| November 1996 | Personal Secretary to the Minister of Finance of Japan  |
| January 1998  | Director for Inter-Division Affairs, Budget Bureau  |
| July 1999     | Director, Income Tax and Corporation Tax Policy Division, Tax Bureau  |
| July 2001     | Director, Planning and Administration Division, Tax Bureau  |
| July 2003     | Director-General, Fukuoka Regional Taxation Bureau, National Tax Agency   |
| July 2004     | Deputy Director-General of the Minister's Secretariat (Local Administrative and Financial Reform), the Ministry of Internal Affairs and Communications of Japan |
| July 2006     | Deputy Director-General(International Bureau, Tax Bureau and Minister's Secretariat), the Ministry of Finance of Japan  |
| January 2007  | Deputy Director-General, Okinawa Development and Promotion Bureau, the Cabinet Office   |
| July 2010     | Director-General (Okinawa Affair), the Cabinet Office   |
| January 2012  | Vice-Minister for Policy Coordination, the Cabinet Office   |
| April 2014    | Professor, Graduate School of Public Management, Waseda University (current position)   |
| June 2018     | Outside Member of the Board of Directors, Nidec Corporation (current position)  |
| October 2018  | Registered as attorney-at-law, the Dai-Ichi Tokyo Bar Association   |

### Significant concurrent positions

Professor, Graduate School of Public Management, Waseda University

#### Notes:

- 1.No special relationship exists between any of these candidates to the Board of Directors and the Company.
- 2.The information on the candidates to the positions as outside members of the Board of Directors of the Company is as follows:
  - (1) Messrs. Teiichi Sato and Osamu Shimizu are the candidates to the positions of outside members of the Board of Directors of the Company who meet the requirements for independent directors for the position in accordance with the regulations of the Tokyo Stock Exchange.
  - (2) Messrs. Teiichi Sato and Osamu Shimizu, who are currently serving as outside members of the Board of Directors of the Company, will have worked at the post for two years as of the end of this Regular General Meeting of Shareholders.
  - (3) Contract for limitation of liability

The Company has executed a contract for limitation of liability with Messrs. Teiichi Sato and Osamu Shimizu, and intends to execute a contract for limitation of liability with the following content with them if the appointment of each candidate is approved.

–The maximum amount of liability that any members of the Board of Directors is held accountable against the Company as a result of his/her negligence to perform his/her duty shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.

–The aforementioned liability limitation shall be applicable only if the duty that resulted in any members of the Board of Directors being held accountable was executed under good will, and if no material negligence is identified in such duty.

### Proposal 3 | Election of five candidates for members of the Board of Directors who are Audit and Supervisory Committee Members

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved, the Company will transition to a company with an Audit and Supervisory Committee. Accordingly, shareholders are requested to elect five candidates for members of the Board of Directors who are Audit and Supervisory Committee Members. The resolution of this proposal shall come into effect subject to the amendments to the Articles of Incorporation relating to Proposal 1 taking effect.

The consent of the Company’s Audit and Supervisory Board has already been granted concerning this proposal.

The candidates for the positions of members of the Board of Directors who are Audit and Supervisory Committee Members of the Company are as follows:

| Candidate number | Name            |                 |                                 | Current positions in the Company                   |
|------------------|-----------------|-----------------|---------------------------------|--|
| 01               | Kazuya Murakami | Newly nominated |                                 | Fulltime Member of the Audit and Supervisory Board |
| 02               | Hiroyuki Ochiai | Newly nominated |                                 | Fulltime Member of the Audit and Supervisory Board |
| 03               | Takeshi Nakane  | Newly nominated | Outside<br>Independent Director | Member of the Audit and Supervisory Board          |
| 04               | Aya Yamada      | Newly nominated | Outside<br>Independent Director | —  |
| 05               | Takako Sakai    | Newly nominated | Outside<br>Independent Director | —  |



Candidate  
number

01

Newly nominated

## Kazuya Murakami

Date of birth: January 18, 1955

Number of the Company's  
shares in possession 1,344 shares

### Reason for selecting as a candidate

We nominate Mr. Murakami as a candidate for a member of the Board of Directors who is Audit and Supervisory Committee Member because we believe that Mr. Murakami, who has held prominent posts at the Ministry of Finance of Japan and other organizations, with his abundant experience and expertise, will be able to enhance the decision-making and the audit and supervisory functions of the Board of Directors.

### Past experience and positions (Significant concurrent positions)

|               |  |
|---------------|--|
| April 1977    | The Ministry of Finance of Japan   |
| July 1983     | Director, Ise Tax Office, Nagoya Regional Taxation Bureau                                      |
| July 1984     | Executive Director's Assistant, International Monetary Fund                                    |
| June 1996     | Director, Central Asia Team, European Bank for Reconstruction and Development (EBRD)           |
| July 2002     | Director-General, the Fukuoka Local Finance Branch Bureau, the Ministry of Finance of Japan    |
| July 2004     | Deputy Director-General, Minister's Secretariat (in charge of Customs and Tariff Bureau)       |
| July 2005     | Board Director, EBRD   |
| July 2008     | Director-General, the Kanto Local Finance Bureau, the Ministry of Finance of Japan             |
| August 2009   | Executive Director, Organization for Small & Medium Enterprises and Regional Innovation, Japan |
| June 2012     | Fulltime Member of the Audit and Supervisory Board, Nidec Corporation                          |
| February 2013 | Registered as attorney-at-law, the Kyoto Bar Association                                       |
| June 2013     | Vice President   |
| June 2017     | Fulltime Member of the Audit and Supervisory Board (current position)                          |

### Significant concurrent positions

Member of the Audit and Supervisory Board: Nidec Techno Motor Corporation  
Nidec-Shimpo Corporation  
Nidec-Read Corporation  
Nidec Machinery Corporation  
Nidec Global Service Corporation



Candidate number

02

Newly nominated

## Hiroyuki Ochiai

Date of birth: July 3, 1959

Number of the Company's shares in possession 479 shares

### Reason for selecting as a candidate

We nominate Mr. Ochiai as a candidate for a member of the Board of Directors who is Audit and Supervisory Committee Member because we believe that Mr. Ochiai, who has held prominent posts at the Ministry of Economy, Trade and Industry of Japan and other organizations, with his abundant experience and expertise, will be able to enhance the decision-making and the audit and supervisory functions of the Board of Directors.

### Past experience and positions (Significant concurrent positions)

|               |  |
|---------------|--|
| April 1983    | The Ministry of International Trade and Industry of Japan (currently the Ministry of Economy, Trade and Industry of Japan (METI))  |
| July 2000     | Director, Foreign Exchange and Trade Finance Division, Trade Bureau  |
| July 2002     | Director-General, International Cooperation Department, New Energy and Industrial Technology Development Organization (currently National Research and Development Agency New Energy and Industrial Technology Development Organization) |
| July 2003     | Director, Personnel Division, Japan Patent Office  |
| October 2005  | Director, Trade Promotion Division, Trade and Economic Cooperation Bureau  |
| August 2006   | Counsellor, Minister's Secretariat, the Ministry of Agriculture, Forestry and Fisheries of Japan   |
| July 2008     | Counsellor, Cabinet Secretariat (to Assistant Chief Cabinet Secretary)   |
| August 2010   | Seconded to Nidec Corporation  |
| August 2012   | Returned to METI. Director-General, Training Institute of Economy, Trade and Industry  |
| December 2012 | Left METI  |
| March 2013    | General Manager, General Affairs Department, Nidec Corporation   |
| June 2018     | Fulltime Member of the Audit and Supervisory Board (current position)  |

### Significant concurrent positions

Member of the Audit and Supervisory Board: Nidec Sankyo Corporation  
 Nidec Copal Electronics Corporation  
 Nidec Mobility Corporation  
 Nidec Servo Corporation  
 Nidec Copal Corporation  
 Nidec Seimitsu Corporation



Candidate number

03

Newly nominated

Outside

Independent Director

## Takeshi Nakane

Date of birth: June 24, 1949

Number of the Company's shares in possession 62 shares

### Reason for selecting as a candidate

We nominate Mr. Nakane as a candidate for an outside member of the Board of Directors who is Audit and Supervisory Committee Member because we believe that Mr. Nakane, who has held prominent posts at the Ministry of Foreign Affairs of Japan and other organizations, with his abundant experience and expertise, will be able to advise the Company from an independent position to enhance the decision-making and the audit and supervisory functions of the Board of Directors.

### Past experience and positions (Significant concurrent positions)

|               |   |
|---------------|---|
| April 1974    | The Ministry of Foreign Affairs of Japan  |
| February 1996 | Director, Overseas Establishments Division, Minister's Secretariat  |
| April 1998    | Minister, the Japanese Embassy in Republic of Korea   |
| May 2000      | Consul-General in Munich, Germany   |
| August 2002   | Assistant Vice-Minister   |
| August 2005   | Director-General, Disarmament, Non-proliferation and Science Department, Foreign Policy Bureau                            |
| July 2008     | Envoy Extraordinary and Minister Plenipotentiary, Permanent Mission of Japan to the International Organizations in Vienna |
| July 2009     | Ambassador Extraordinary and Plenipotentiary, Permanent Mission of Japan to the International Organizations in Vienna     |
| January 2012  | Ambassador Extraordinary and Plenipotentiary of Japan to Federal Republic of Germany                                      |
| January 2016  | Left the Ministry of Foreign Affairs of Japan   |
| February 2016 | Special Assistant to the Ministry of Foreign Affairs of Japan (current position)  |
| March 2018    | Director, Kyoto Gakuen Educational Foundation (currently Nagamori Gakuen Educational Foundation)                          |
| June 2019     | Outside Member of the Audit and Supervisory Board, Nidec Corporation (current position)                                   |

### Significant concurrent positions

Special Assistant to the Ministry of Foreign Affairs of Japan



Candidate number

04

Newly nominated

Outside

Independent Director

## Aya Yamada

Date of birth: February 12, 1967

Number of the Company's shares in possession 0 shares

### Reason for selecting as a candidate

We nominate Ms. Yamada as a candidate for an outside member of the Board of Directors who is Audit and Supervisory Committee Member because we believe that Ms. Yamada, with her high-level expertise as a university professor, will be able to advise the Company from an independent position to enhance the decision-making and the audit and supervisory functions of the Board of Directors.

### Past experience and positions (Significant concurrent positions)

|            |  |
|------------|--|
| April 1990 | Research Associate, Faculty of Law, Tohoku University                  |
| April 1995 | Assistant Professor, Faculty of Law, Okayama University                |
| April 2003 | Assistant Professor, Graduate School of Law, Kyoto University          |
| April 2006 | Professor, Graduate School of Law, Kyoto University (current position) |

### Significant concurrent positions

Professor, Graduate School of Law, Kyoto University



Candidate  
number

05

Newly nominated

Outside

Independent  
Director

## Takako Sakai

Date of birth: August 28, 1972

Number of the Company's  
shares in possession 0 shares

### Past experience and positions (Significant concurrent positions)

|              |  |
|--------------|--|
| April 2002   | Research Associate, Graduate School of Law, Kyoto University   |
| April 2003   | Lecturer, Graduate School of Economics, Osaka Prefecture University                                      |
| March 2007   | Completed Doctoral Program at Graduate School of Kyoto University and received a Doctor of Laws (LL. D.) |
| October 2007 | Associate Professor, Graduate School of Economics, Osaka Prefecture University                           |
| April 2018   | Professor, Graduate School of Economics, Osaka Prefecture University (current position)                  |

### Reason for selecting as a candidate

We nominate Ms. Sakai as a candidate for an outside member of the Board of Directors who is Audit and Supervisory Committee Member because we believe that Ms. Sakai, with her high-level expertise as a university professor, will be able to advise the Company from an independent position to enhance the decision-making and the audit and supervisory functions of the Board of Directors.

### Significant concurrent positions

Professor, Graduate School of Economics, Osaka Prefecture University

#### Notes:

- 1.The Company made a donation to Kyoto University to support its educational and research activities during the fiscal year 2019; however, the amount of the donation was insignificant. No special relationship exists between any candidates for members of the Board of Directors who are Audit and Supervisory Committee Members and the Company.
- 2.The information on the candidates to the positions of outside members of the Board of Directors who are Audit and Supervisory Committee Members of the Company is as follows:
  - (1) Mr. Takeshi Nakane and Ms. Aya Yamada and Takako Sakai are the candidates to the positions of outside members of the Board of Directors who are Audit and Supervisory Committee Members of the Company who meet the requirements for independent directors for the position in accordance with the regulations of the Tokyo Stock Exchange.
  - (2) Mr. Takeshi Nakane, who is currently serving as outside member of Audit and Supervisory Board of the Company, will have worked at the post for one year as of the end of this Regular General Meeting of Shareholders.
  - (3) Contract for limitation of liability

The Company has executed a contract for limitation of liability with Mr. Takeshi Nakane, and intends to execute a contract for limitation of liability with the following content with him if the appointment of this candidate is approved. In addition, the Company intends to execute similar contracts for limitation of liability with Ms. Aya Yamada and Takako Sakai if the appointment of each candidate is approved.

- The maximum amount of liability that any members of the Board of Directors is held accountable against the Company as a result of his/her negligence to perform his/her duty shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.
- The aforementioned liability limitation shall be applicable only if the duty that resulted in any members of the Board of Directors being held accountable was executed under good will, and if no material negligence is identified in such duty.

## Proposal 4 | Election of one candidate for a substitute member of the Board of Directors who is Audit and Supervisory Committee Member

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved, the Company will transition to a company with Audit and Supervisory Committee.

Accordingly, shareholders are requested to elect one candidate for a substitute member of the Board of Directors who is Audit and Supervisory Committee Member, in preparation for instances in which the number of members of the Board of Directors who are Audit and Supervisory Committee Members falls short of the statutory minimum. The resolution of this proposal shall come into effect subject to the amendments to the Articles of Incorporation relating to Proposal 1 taking effect.

The consent of the Company’s Audit and Supervisory Board has already been granted concerning this proposal.

The candidate for the position of substitute member of the Board of Directors who is Audit and Supervisory Committee Member of the Company is as follows:



### Junko Watanabe

Date of birth: October 17, 1965

Number of the Company’s shares in possession 0 shares

Newly nominated  
Outside Independent Director

#### Past experience and positions (Significant concurrent positions)

|              |   |
|--------------|---|
| April 1994   | Research Associate, Faculty of Economics, Hokkaido University   |
| April 1997   | Research Associate, Graduate School of Economics & Faculty of Economics, The University of Tokyo                                    |
| April 1998   | Assistant Professor, Faculty of Humanities & Social Sciences, Shizuoka University   |
| October 2002 | Assistant Professor, Department of Human Communication, Faculty of Electro-Communications, The University of Electro-Communications |
| April 2004   | Assistant Professor, Graduate School of Economics & Faculty of Economics, Kyoto University  |
| March 2005   | Visiting Scholar, The University of Paris 7 - Denis Diderot (France)  |
| July 2011    | Received a Ph.D. in Economics from Kyoto University   |
| October 2011 | Visiting Scholar, Edwin O. Reischauer Institute of Japanese Studies, Harvard University   |
| April 2012   | Professor, Graduate School of Economics & Faculty of Economics, Kyoto University (current position)                                 |
| August 2012  | Visiting Associate Professor, Graduate School of Economics & Faculty of Economics, The University of Tokyo                          |
| June 2016    | Outside Member of the Audit and Supervisory Board, Nidec Corporation (current position)   |
| April 2020   | Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Morozoff Limited (current position)              |

#### Reason for selecting as a candidate

We nominate Ms. Watanabe as a candidate for a substitute outside member of the Board of Directors who is Audit and Supervisory Committee Member because we believe that Ms. Watanabe, with her high-level expertise as a university professor, will be able to advise the Company from an independent position to enhance the decision-making and the audit and supervisory functions of the Board of Directors.

#### Significant concurrent positions

Professor, Graduate School of Economics & Faculty of Economics, Kyoto University  
Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Morozoff Limited

#### Notes:

- The Company made a donation to Kyoto University to support its educational and research activities during the fiscal year 2019; however, the amount of the donation was insignificant. No special relationship exists between the candidate for a substitute outside member of the Board of Directors who is Audit and Supervisory Committee Member and the Company.
- The information on the candidate to the position of substitute outside member of the Board of Directors who is Audit and Supervisory Committee Member of the Company is as follows:
  - Ms. Junko Watanabe is the candidate for the position of substitute outside member of the Board of Directors who is Audit and Supervisory Committee Member. The Company intends to register her as an independent director for the position in accordance with the regulations of the Tokyo Stock Exchange if she assumes the position of Member of the Board of Directors who is Audit and Supervisory Committee Member.
  - Ms. Junko Watanabe, who is currently serving as outside member of the Audit and Supervisory Board of the Company, will have worked at the post for four years as of the end of this Regular General Meeting of Shareholders.
  - Contract for limitation of liability  
The Company intends to execute a contract for limitation of liability with the following content with her if the appointment of this candidate is approved, and she assumes the position of member of the Board of Directors who is Audit and Supervisory Committee Member.
    - The maximum amount of liability that any members of the Board of Directors is held accountable against the Company as a result of his/her negligence to perform his/her duty shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.
    - The aforementioned liability limitation shall be applicable only if the duty that resulted in any members of the Board of Directors being held accountable was executed under good will, and if no material negligence is identified in such duty.

## Proposal 5 | Decision on amount of remuneration, etc. for members of the Board of Directors who are not Audit and Supervisory Committee Members

The amount of remunerations, etc. for members of the Board of Directors of the Company was approved at no more than 1,000 million yen per year at the 34th Regular General Meeting of Shareholders held on June 22, 2007, and remains in effect to this date.

The Company will transition to a company with an Audit and Supervisory Committee subject to the approval of Proposal 1 “Partial Amendments to the Articles of Incorporation.”

Accordingly, the Company, pursuant to the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, proposes to set the amount of remunerations, etc. for members of the Board of Directors who are not Audit and Supervisory Committee Members at no more than 1,000 million yen per year (including the portion for outside members of the Board of Directors at no more than 100 million yen per year) and replace the current amount of remuneration, etc. for members of the Board of Directors. The amount of remuneration, etc. for members of the Board of Directors who are not Audit and Supervisory Committee Members will not include the portion of employee’s salary paid to those serving concurrently as employees.

Currently, the number of members of the Board of Directors is eight (including two outside members of the Board of Directors). If Proposals 1 and 2 are approved as originally proposed, the number of members of the Board of Directors who are not Audit and Supervisory Committee Members will be four (including two outside members of the Board of Directors).

The resolution of this proposal shall come into effect subject to the amendments to the Articles of Incorporation relating to Proposal 1 taking effect.

## Proposal 6 | Decision on amount of remuneration, etc. for members of the Board of Directors who are Audit and Supervisory Committee Members

The Company will transition to a company with an Audit and Supervisory Committee subject to the approval of Proposal 1 “Partial Amendments to the Articles of Incorporation.”

Accordingly, the Company, pursuant to the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, proposes to set the amount of remunerations, etc. for members of the Board of Directors who are Audit and Supervisory Committee Members at no more than 100 million yen per year, in light of economic and other conditions.

If Proposals 1 and 3 are approved as originally proposed, the number of members of the Board of Directors who are Audit and Supervisory Committee Members will be five (including three outside members of the Board of Directors).

The resolution of this proposal shall come into effect subject to the amendments to the Articles of Incorporation relating to Proposal 1 taking effect.

## Proposal 7 | Decision on amount of performance-linked remuneration, etc. for members of the Board of Directors who are not Audit and Supervisory Committee Members, etc.

### 1. Reasons for the proposal

With a view to achieving the Company's medium-term management plan "Vision 2020" and the medium- to long-term expansion of corporate value, the Company received approval at the 45th Regular General Meeting of Shareholders held on June 20, 2018, for the adoption of a performance-linked and share-based incentive plan (the "Plan"), and the Plan remains in effect to this date. In the Plan, the Company's shares are granted to members of the Board of Directors (excluding outside members of the Board of Directors), Executive Officers, and individuals who have the equivalent status of the Company according to their executive position and the degree of achievement of performance targets. The purpose of the Plan is to clarify the linkage between remuneration, etc. and the Company's stock value to heighten their motivation to attain the performance targets specified in the medium-term management plan and to further motivate those covered by the Plan to contribute to sustainably enhancing corporate value (stock value) through their ownership of the Company's shares. Meanwhile, if Proposal 1 "Partial amendments to the Articles of Incorporation" is approved as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the end of this General Meeting of Shareholders.

Accordingly, the Company proposes to once again set the remuneration amount of the Plan for members of the Board of Directors (excluding outside members of the Board of Directors and members of the Board of Directors who are Audit and Supervisory Committee Members, hereinafter the same shall apply in this proposal), Executive Officers, and individuals who have the equivalent status of the Company (collectively, the "Members of the Board of Directors, etc.").

This proposal is a procedural requirement of the transition to a company with an Audit and Supervisory Committee, and the content of the remuneration is, in effect, the same as that which was approved at the 45th Regular General Meeting of Shareholders held on June 20, 2018. Considering these, this proposal is deemed reasonable.

Furthermore, this proposal seeks approval for paying stock-related remuneration to the Members of the Board of Directors, etc. separately from the remuneration amount for members of the Board of Directors who are not Audit and Supervisory Committee Members (no more than 1,000 million yen per year) in Proposal 5.

The resolution of this proposal shall come into effect subject to the amendments relating to Proposal 1 "Partial Amendments to the Articles of Incorporation" taking effect.

At the end of this General Meeting of Shareholders, the number of Members of the Board of Directors, etc. covered by the Plan will be two (the number of Executive Officers who do not serve concurrently as members of the Board of Directors covered by the Plan and individuals who have the equivalent status will be 28), if Proposal 2 "Election of four candidates for members of the Board of Directors who are not Audit and Supervisory Committee Members" is approved as originally proposed.

As described above, the Plan also covers Executive Officers and individuals who have the equivalent status, and the remuneration under the Plan includes the remuneration for such Executive Officers, etc. However, given the possibility that such Executive Officers, etc. will newly assume the position of members of the Board of Directors during the period covered by the Plan, the Company proposes the amount and content of the overall remuneration based on the Plan as remuneration, etc. for the Members of the Board of Directors, etc.

### 2. The amount and content, etc. of remuneration, etc. under the Plan

#### (1) Overview of the Plan

The Plan is a share-based incentive plan wherein shares of the Company stock will be acquired through a trust using the amount of remuneration for the Members of the Board of Directors, etc. contributed by the Company as the fund, and the Company's shares and cash equivalent to the amount of the converted value of such shares (the "Company's shares, etc.") will be granted and paid (the "grant, etc." or "granted, etc.") to the Members of the Board of Directors, etc. (the details are as described below in (2) onwards).

|   |   |
|---|---|
| 1) Persons eligible for the grant, etc. of the Company's shares, etc. covered by the Plan   | <ul style="list-style-type: none"> <li>Members of the Board of Directors (excluding outside members of the Board of Directors and members of the Board of Directors who are Audit and Supervisory Committee Members), Executive Officers and individuals who have the equivalent status of the Company</li> </ul>   |
| 2) The upper limit of cash to be contributed by the Company to acquire the Company's shares to be granted, etc. to the Members of the Board of Directors, etc. (as described in (2) below)  | <ul style="list-style-type: none"> <li>The upper limit will be the amount obtained by multiplying 0.37 billion yen by the number of years of the period covered by the Plan, and the upper limit for the initially covered period of three fiscal years will be 1.11 billion yen.<br/>(The initial covered period shall be from the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021.)</li> </ul>  |
| 3) The maximum total number of the Company's shares, etc. to be granted, etc. to the Members of the Board of Directors, etc. (as described in (3) below) and the method to acquire the Company's shares (as described in (2) below) | <ul style="list-style-type: none"> <li>The upper limit will be calculated by multiplying 44,600 shares by the number of years of the trust period, and the upper limit of the number of the Company's shares, etc. to be granted, etc. to the Company's Members of the Board of Directors, etc. during the initially covered period of three fiscal years will be 133,800 shares. (Due to the stock split, which was implemented effective April 1, 2020, one unit shall be equivalent to two shares of the Company.)</li> <li>The ratio of the upper limit of the number of the Company's shares, etc. of 44,600 shares to be granted, etc. to the Members of the Board of Directors, etc. each fiscal year to the total number of the Company's shares issued and outstanding will be about 0.01%. (As of March 31, 2018, excluding treasury stocks. In conjunction with the stock split implemented on April 1, 2020, calculations were conducted on the assumption that the stock split had been implemented at the beginning of the previous fiscal year.)</li> <li>The Company's shares acquire from the Company (through disposal of treasury stocks) or the stock market, and the trust (as provided in (2) below) that was established in FY2018, acquired the Company's shares from the stock market. Accordingly, there is no share dilution resulting from the Plan.</li> </ul> |
| 4) Details of performance target conditions (as described in (3) below)   | <ul style="list-style-type: none"> <li>The number of the Company's shares to be granted, etc. will fluctuate within the range of 0% to 200%, determined by the degree of achievement of performance targets for a single fiscal year or those specified in the medium-term management plan.</li> <li>The performance target indicators used for the initial covered period will be consolidated sales amount and consolidated operating profit</li> </ul>   |
| 5) Timing for granting, etc. the Company's shares, etc. (as described in (4) below)   | <ul style="list-style-type: none"> <li>At the time of retirement of the Members of the Board of Directors, etc. of the Company in principle</li> </ul>  |

## (2) Upper limit of cash to be contributed by the Company

The Plan covers the three fiscal years covered by the Company's medium-term management plan (the initial covered period is from the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021, which is the remaining period of Vision 2020, the current medium-term management plan of the Company; provided, however, that in case where the trust period is extended as described below, the period covered by the Plan shall be the fiscal years corresponding to subsequent respective medium-term management plans (the "Covered period").

The Company contributes trust cash up to the amount calculated by multiplying 0.37 billion yen by the number of years of the Covered period (1.11 billion yen for the initial Covered Period of three fiscal years) as remuneration for the Members of the Board of Directors, etc. of the Company during the said Covered period, and establishes a trust (the "Trust") for the period equivalent to the Covered period wherein the Members of the Board of Directors, etc. who meet the beneficiary requirements are beneficiaries. The Trust will acquire the Company's shares from the Company (through disposal of treasury stocks) or the stock market using the cash entrusted as the fund, in accordance with the instructions of the trust administrator. The Company shall award units to the Members of the Board of Directors, etc. (as described in (3) below), and the Company's shares, etc. will be granted, etc. by the Trust corresponding to the units awarded during a certain period determined in advance.

Upon expiry of the trust period, the Company may continue the Trust under the Plan or the Trust as a share-based incentive plan similar to the Plan by making amendments to the Trust Agreement and making additional contributions to the Trust. In such a case, the trust period will be extended further with respect to the number of years corresponding to the subsequent medium-term management plan, established at that

time. The Company will make additional contributions to the Trust within the above-mentioned upper limit of trust cash, and will continue awarding units to the Members of the Board of Directors, etc. as remuneration to the Members of the Board of Directors, etc. of the Company during such new trust period. In the event where such additional contributions are to be made when there are any Company’s shares (excluding the Company’s shares, etc. equivalent to units granted to the Members of the Board of Directors, etc. that are yet to be granted, etc.) and cash remaining in the trust property (the “residual shares, etc.”) at the last day of the trust period prior to the extension, then the sum of the amount of such residual shares, etc. and additional trust cash to be contributed by the Company shall be within the upper limit of trust cash to be entrusted to the Trust during such new trust period. Such an extension of the trust period will not be limited to one time only, and the trust period may subsequently be re-extended in the same manner.

If the Members of the Board of Directors, etc. covered by the Plan who may meet the beneficiary requirements remain in office in the event where no amendments to the Trust Agreement and additional contributions to the trust are made at the expiry of the trust period, the Company will not award units to the Members of the Board of Directors, etc. However, the trust period may be extended until the said Members of the Board of Directors, etc. retire and the grant, etc. of the Company’s shares, etc. to the said Members of the Board of Directors, etc. is completed.

(3) Method of calculating the number of the Company’s shares, etc. to be granted, etc. to the Members of the Board of Directors, etc. and the upper limit thereof

The Company’s shares will be granted, etc. according to the number of units awarded to each Member of the Board of Directors, etc. covered by the Plan. The units are calculated by the following formulas. One unit shall be equivalent to one share of the Company. However, due to the stock split, which was implemented effective April 1, 2020, one unit shall be equivalent to two shares of the Company. Accordingly, for the initial covered period, calculations will be conducted assuming one unit is equivalent to two shares of the Company.

If, however, the number of the Company’s shares under the Trust increases or decreases because the Company’s share is subject to a share split, allotment of shares without contribution, or share consolidation, etc., the Company will adjust the number of the Company’s shares, etc. to be granted, etc. for each unit according to the percentage of increase or decrease of the Company’s shares, and the upper limit of the number of the Company’s shares to be delivered as stated below.

(Unit calculation formula for the initial covered period)

(a) Short-term performance-linked portion

The units calculated by dividing the individual remuneration amount, which has been determined in advance with respect to each executive position by the share price at the time when the Trust acquired the Company’s shares, will serve as the base (the “base units”). Based on the base units, single fiscal-year units will be calculated by the following formula, and awarded to the Members of the Board of Directors, etc. covered by the Plan who hold office on the last day of each fiscal year of the covered period. And then multiply the performance-linked coefficient that is determined by the degree of achievement of performance targets specified in the single year management plan.

|  |   |
|--|---|
| Calculation formula for single fiscal year units | Base unit x 60%   |
| Calculation formula for short-term               | Single fiscal year unit x Performance-linked coefficient concerning single year management plan (*1) (*2) |

(b) Medium-term performance-linked portion

Based on the base unit, single fiscal year units will be calculated by the following formula, and awarded to Members of the Board of Directors, etc. covered by the Plan who hold office on the last day of each fiscal year of the covered period. After the end of the covered period, the number of medium-term performance-linked unit is calculated by adding up single fiscal-year units awarded to Members of the Board of Directors, etc. covered by the Plan, and then multiplying the cumulative total by the performance-linked coefficient that is determined by the degree of achievement of performance targets specified in the medium-term management plan.

|  |   |
|--|---|
| Calculation formula for single fiscal year units             | Base unit x 40%   |
| Calculation formula for medium-term performance-linked units | The cumulative total amount of fiscal year unit during the covered period x Performance-linked coefficient concerning medium-term management plan (*1) (*2) |

(\*1)The performance-linked coefficient varies between 0% to 200% depending on the degree of achieving target of consolidated net sales and consolidated operating profit, etc. of single year management plan and medium-term management plan.

(\*2) The granting units to eligibility who will be ineligible for the Plan by leaving office, etc. during the covered period, will make adjustment based on the incumbency, etc.

The upper limit of the number of units to be awarded to the Members of the Board of Directors, etc. during each Covered period is calculated by multiplying 22,300 units by the number of years of the said covered period, and the upper limit of the number of the Company’s shares, etc. to be granted, etc. to the Members of the Board of Directors, etc. from the Trust during the said Covered period will be equivalent to such upper limit of the number of units (the “upper limit of the number of shares to be granted”). Therefore, the upper limit of the number of shares to be granted for the initial covered period (three fiscal years) will be 133,800 shares (one unit shall be equivalent to two shares of the Company). Taking into account the upper limit of cash to be contributed by the Company as stated in (2) above, the Company determines the upper limit of the number of shares to be granted with reference to the most recent stock price, etc. If the Company continues the Trust described in paragraph 3 in (2) above, the upper limit of the number of shares to be granted during the new trust period will be 44,600 shares multiplied by the number of years of the said new trust period.

(4) Timing and method for grant, etc. of the Company’s shares, etc. to the Members of the Board of Directors, etc.

The Members of the Board of Directors, etc. covered by the Plan who meet beneficiary requirements will receive the Company’s shares corresponding to 50% of the cumulative number of their short-term performance-linked units and medium-term performance-linked units (odd-shares will be rounded off) at their retirements calculated based on (3) above, and receive cash equivalent to the Company’s shares corresponding to the number of remaining performance-linked units that are converted into cash under the Trust. However, a Member of the Board of Directors, etc. who does not own a securities brokerage account handling Japanese stocks, he or she shall receive cash equivalent to the Company’s shares corresponding to the cumulative numbers of units that are converted into cash under the Trust.

In the event that an incumbent Member of the Board of Directors, etc. covered by the Plan who meets beneficiary requirements has died, the legal heir(s) of the said Member of the Board of Directors, etc. shall receive cash equivalent to the Company’s shares corresponding to the cumulative number of units until the said Member of the Board of Directors, etc. passed away that are converted into cash under the Trust.

If a Member of the Board of Directors, etc. is transferred to overseas, he or she shall receive cash equivalent to the Company’s shares corresponding to the cumulative numbers of units that are converted into cash under the Trust while in office.

If the trust period is extended as described in the paragraph 4 in (2) above, and at the timing when the extended trust period ends,

the Members of the Board of Directors, etc. covered by the Plan are still in office, the Trust will terminate and the said Members of the Board of Directors, etc. will be granted, etc. the Company's shares, etc. while in office.

(5) Voting rights related to the Company's shares

To ensure the neutrality for the Company's management, voting rights shall not be exercised for the Company's shares held in the Trust during the trust period.

(6) Treatment of dividends of surplus related to the Company's shares

Dividends related to the Company's shares under the Trust will be paid to the Trust, and allocated to trust fees and trust expenses. If, after the allocation to trust fees and expenses, residual assets remain at the expiry of the Trust, such assets will be donated to organizations with no interest in the Company.

If the Company continues to use the Trust, such residual assets will be applied to the acquisition of shares.

(7) Other content of the Plan

Other content of the Plan will be determined at the meeting of the Board of Directors when the Trust is established and each time the Trust Agreement is amended and additional contributions are made to the Trust.

(Reference)

The Company introduced a similar plan for the Members of the Board of Directors, etc. of the Nidec Corporation's group companies, in addition to its Members of the Board of Directors, etc., and also contributes cash to acquire the Company's shares to be granted, etc. to the Members of the Board of Directors, etc. of the Nidec Corporation's group companies. The Company's shares under the Trust are managed according to the amount of trust cash of each group company.

For more details, please refer to "Notice Regarding Adoption of New Performance Share Plan for Members of the Board of Directors, etc." dated April 24, 2018.

(URL: <http://www.nidec.com/en/ir/news/2018/news0424-05/>)

# I Current circumstances of the Nidec Group

## 1. Current circumstances and results of business operations

### (1) Overview of business environment in the fiscal year 2019 ended March 31, 2020

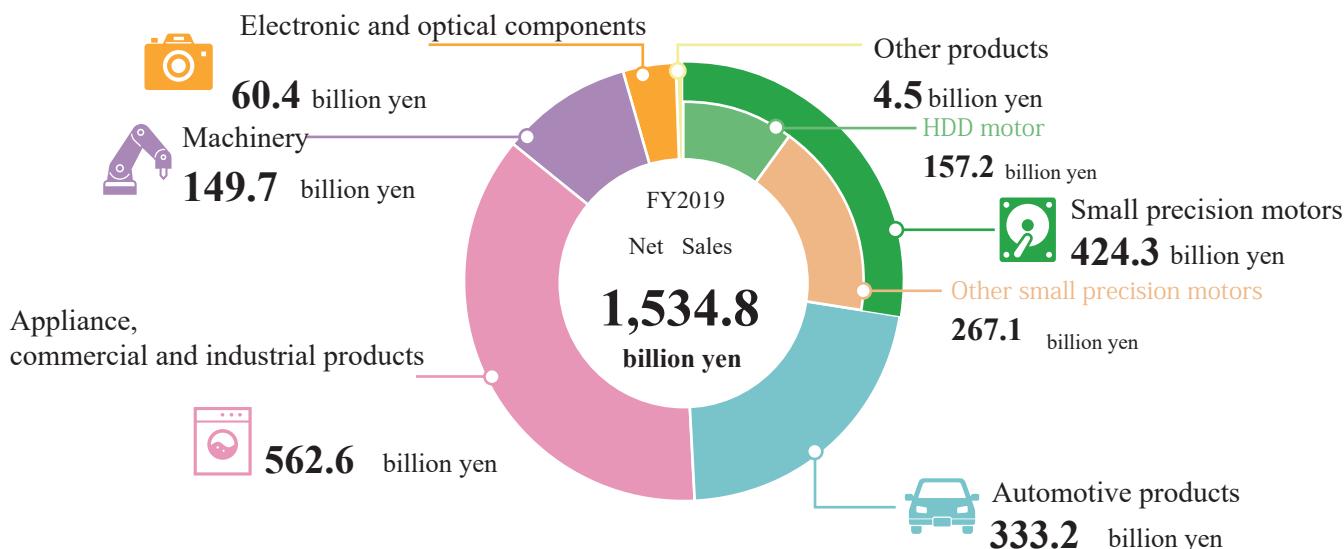
During the year ended March 31, 2020, the global economy was severely disrupted by the spread of infection of the new coronavirus (COVID-19), and there is a growing concern that an economic contraction due to a large-scale blockade and others to prevent the spread of infection will cause a global recession. Japan, the U.S., and Europe are implementing economic policies centered on huge fiscal stimulus, however, many emerging economies rely on external debt to finance their public spending, which could lead to debt crisis due to depreciations of their own currencies. Although the Chinese economy is beginning to show some signs of recovery in the automotive industry and others in March, its GDP from January to March 2020 marked the first negative growth since 1992, when official GDP record started. The prospects of Chinese export industries are extremely uncertain due to the sharp drop in external demand.

In addition, NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of Embraco by European Commission. In accordance with this order, in April 2019, NIDEC conferred effective operational control over Secop on a Hold Separate Manager and a Monitoring Trustee. As a result, NIDEC excluded Secop from consolidation and classified the loss related to this as discontinued operations on condensed quarterly consolidated statements of income. In September 2019, NIDEC completed share transfer of Secop and there was ¥15,707 million of the loss from discontinued operations for the year ended March 31, 2020.

Consolidated net sales from continuing operations increased 4.0% to ¥1,534,800 million for this fiscal year compared to the previous fiscal year, recording the highest annual net sales. Operating profit decreased 14.6% to ¥110,326 million for this fiscal year. Profit before income taxes decreased 17.6% to ¥106,927 million and profit for the year from continuing operations, decreased 26.0% to ¥77,008 million compared to the previous fiscal year.

Profit attributable to owners of the parent, including profit (loss) for the year from discontinued operations, decreased 45.4% to ¥60,084 million due to the loss of ¥15,707 million.

### (2) Operating results by product category for the fiscal year 2019





## Small precision motors

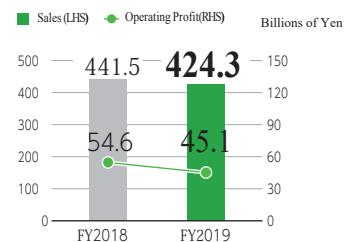
HDD motor, brushless motor, fan motor, vibration motor, brushed motor, motor-applied product, etc.

Net sales

**¥424,288 million**  
-3.9%

Operating profit

**¥45,116 million**  
-17.3%



Net sales of this category decreased 3.9% to ¥424,288 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥11,200 million for this fiscal year compared to the previous fiscal year. Net sales of spindle motors for HDDs for this fiscal year decreased 12.2% to ¥157,240 million compared to the previous fiscal year. The number of units sold of spindle motors for HDDs decreased approximately 18.7% compared to the previous fiscal year. Net sales of other small precision motors for this fiscal year increased 1.7% to ¥267,048 million compared to the previous fiscal year, due to increase in sales of fan motors and small vibration motors.

Operating profit of this category decreased 17.3% to ¥45,116 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of this category by approximately ¥5,900 million.



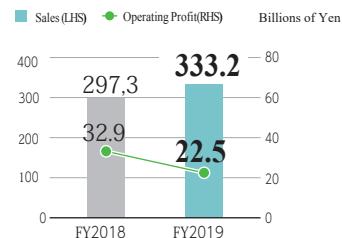


## Automotive

Automotive motor and automobile components

Net sales **¥333,241 million**  
+12.1%

Operating profit **¥22,483 million**  
-31.7%



Net sales of this category increased 12.1% to ¥333,241 million for this fiscal year compared to the previous fiscal year due to the impact of the acquisition of OMRON Automotive Electronics Co., Ltd., and the higher sales of products fully mass-produced at traction motors plants. The fluctuation of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥10,200 million for this fiscal year compared to the previous fiscal year.

Operating profit of this category decreased 31.7% to ¥22,483 million compared to the previous fiscal year, mainly due to having recognized approximately ¥14,000 million of the additional upfront investment cost for the development and launch of products including traction motor systems (E-Axle) of which demand is rapidly expanding, and the negative impact of unfavorable foreign exchange rates of approximately ¥1,600 million.

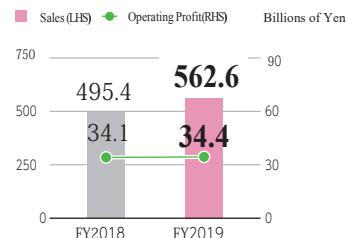


## Appliance, commercial and industrial products

Appliance, commercial and industrial products

Net sales **¥562,604 million**  
+13.6%

Operating profit **¥34,421 million**  
+1.1%



Net sales of this category increased 13.6% to ¥562,604 million for this fiscal year compared to the previous fiscal year, primarily due to the impact of acquisition of Embraco. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥11,700 million for this fiscal year compared to the previous fiscal year.

Operating profit of this category increased 1.1% to ¥34,421 million, mainly due to higher sales and cost reductions, despite the temporary expenses of approximately ¥5,100 million related to the consolidation of plants and M&A expense. The fluctuation of the foreign currency exchange rates had a positive effect on operating profit of this category by approximately ¥41 million for this fiscal year compared to the previous fiscal year.





## Machinery

Industrial robot, card reader, inspection equipment, pressing machine, power transmission equipment, etc.

Net sales

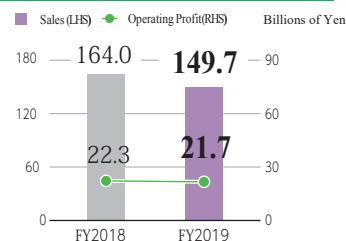
**¥149,740 million**

-8.7%

Operating profit

**¥21,738 million**

-2.6%



Net sales of this category decreased 8.7% to ¥149,740 million for this fiscal year compared to the previous fiscal year due to lower sales in LCD panel handling robots, speed reducers and other factors, despite the impact of newly consolidated subsidiaries.

Operating profit of this category decreased 2.6% to ¥21,738 million for this fiscal year compared to the previous fiscal year due to the lower sales.



## Electronic and optical components

Switch, trimmer potentiometer, lens unit, camera shutter, etc.

Net sales

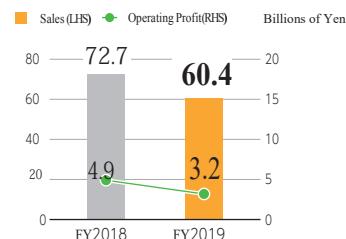
**¥60,396 million**

-16.9%

Operating profit

**¥3,201 million**

-34.3%



Net sales of this category decreased 16.9% to ¥60,396 million for this fiscal year compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of this category by approximately ¥2,000 million for this fiscal year compared to the previous fiscal year.

Operating profit of this category decreased 34.3% to ¥3,201 million for this fiscal year compared to the previous fiscal year.



## Other products

Net sales

**¥4,531 million**

-1.5% 

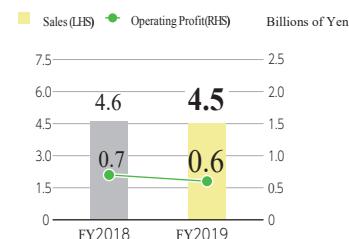
Operating profit

**¥612 million**

-9.9% 



## Service



Net sales of this category decreased 1.5% to ¥4,531 million and operating profit of this category decreased 9.9% to ¥612 million for this fiscal year compared to the previous fiscal year.



## 2. Financing and capital investment

### (1) Financing

During the fiscal year ended March 31, 2020, we issued eighth series unsecured bonds (totaling ¥100,000 million) in July 2019 to use for the repayment of short term borrowings and to fund the redemption of corporate bonds, and ninth, tenth and eleventh unsecured bonds (green bonds) (totaling ¥100,000 million) in November 2019 to fund the manufacture of traction motors for electric vehicles.

With regard to our subsidiaries, we in principle do not procure funds from financial institutions, but use the cash management systems, etc. of management companies within our group to promote the consolidation of fund procurement sources and efficient use of funds.

The total amount of the loans and corporate bonds as of the end of the fiscal year ended March 31, 2020 is ¥571,783 million.

### (2) Capital investment

The total capital investment in property, plant and equipment for the year ended March 31, 2020 was ¥132,926 million. This mainly consists of capital investment to increase production capacity of overseas subsidiaries, such as the construction of a manufacturing plant for small precision motors for Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd. and the construction of a manufacturing plant for automotive products for Nidec Tosok (Zhejiang) Corporation. Additionally, we have made investments to strengthen domestic R&D.

### 3. Assets, profits and losses for the past three fiscal years

#### (1) Assets, profits, and losses of the Nidec Group

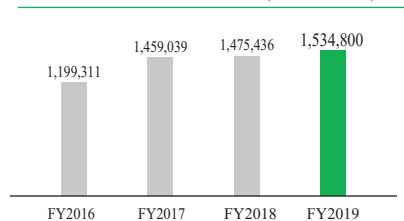
#### [International Financial Reporting Standards (IFRS)]

|   |                   | FY2016    | FY2017    | FY2018    | FY2019    |
|---|-------------------|-----------|-----------|-----------|-----------|
| Net sales   | (Yen in millions) | 1,199,311 | 1,459,039 | 1,475,436 | 1,534,800 |
| Operating profit  | (Yen in millions) | 139,366   | 166,842   | 129,222   | 110,326   |
| Profit attributable to owners of the parent                     | (Yen in millions) | 111,007   | 130,834   | 109,960   | 60,084    |
| Earnings per share attributable to owners of the parent - basic | (Yen)             | 187.14    | 220.96    | 186.49    | 102.13    |
| Total assets  | (Yen in millions) | 1,678,997 | 1,773,199 | 1,884,008 | 2,114,045 |
| Total equity attributable to owners of the parent               | (Yen in millions) | 846,572   | 932,501   | 996,795   | 949,703   |
| Total equity per share attributable to owners of the parent     | (Yen)             | 1,427.14  | 1,575.38  | 1,693.54  | 1,621.33  |

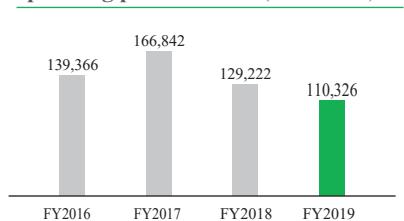
#### Notes:

1. Figures shown in yen in millions are rounded to the nearest million.
2. "Net sales" do not include consumption taxes.
3. "Earnings per share attributable to owners of the parent - basic" have been calculated based on figures of "Profit attributable to owners of the parent."
4. "Earnings per share attributable to owners of the parent - basic" is calculated based on the average total number of the Company's shares issued and outstanding (excluding treasury stocks) during each fiscal year. "Total equity per share attributable to owners of the parent" is calculated based on the total number of shares issued and outstanding (excluding treasury stocks) as of the end of each fiscal year.
5. Since the Company's shares held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust were treated as treasury stock, in the calculation of "Earnings per share attributable to owners of the parent - basic" and "Total equity per share attributable to owners of the parent" for the fiscal year 2018 and the fiscal year 2019, the number of the aforementioned shares is deducted from the average total number of the Company's shares issued during each fiscal year as well as the total number of shares issued as of the end of each fiscal year.
6. Secop's refrigeration compressor business has been classified as discontinued operations from the fiscal year 2019. As a result, the amounts of net sales and operating profit no longer include discontinued operations, presenting only the amounts for continuing operations.
7. NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the fiscal year 2016.
8. Nidec Group has finalized the provisional accounting treatment for business combinations in the fiscal year ended March 31, 2020. The consolidated financial statements for the fiscal year ended March 31, 2019 were prepared based on the figures reflecting the revision of the initially allocated amounts of acquisition price as Nidec Group finalized the provisional accounting treatment for business combinations.

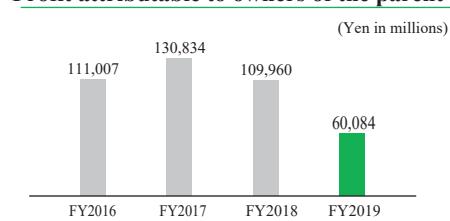
### Net sales (Yen in millions)



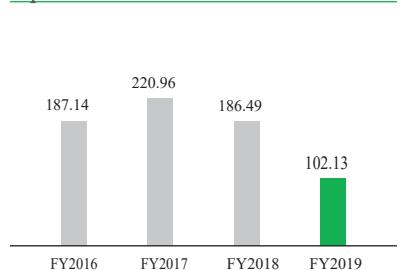
### Operating profit (Yen in millions)



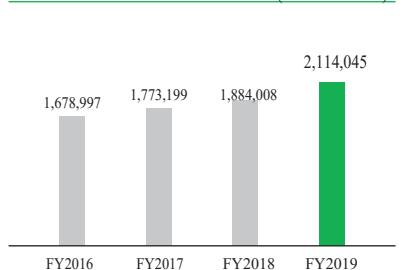
### Profit attributable to owners of the parent (Yen in millions)



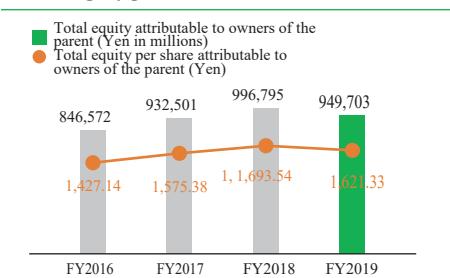
### Earnings per share attributable to owners of the parent - basic (Yen)



### Total assets (Yen in millions)



### Total equity attributable to owners of the parent / Total equity per share attributable to owners of the parent

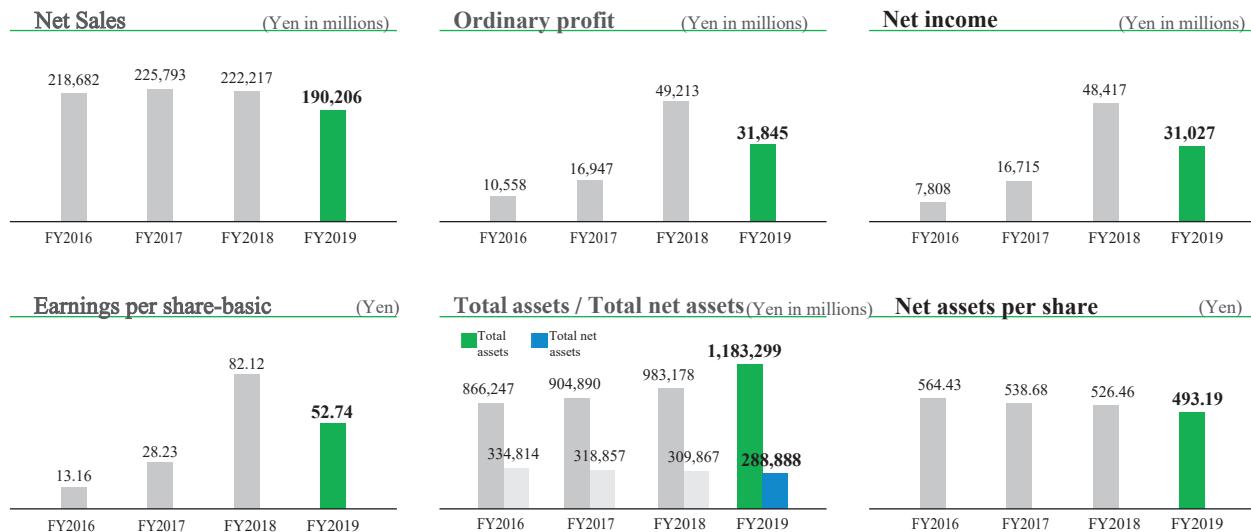


## (2) Assets, profits and losses of the Nidec Corporation

|                          |                   | FY2016  | FY2017  | FY2018  | FY2019    |
|--------------------------|-------------------|---------|---------|---------|-----------|
| Net sales                | (Yen in millions) | 218,682 | 225,793 | 222,217 | 190,206   |
| Ordinary profit          | (Yen in millions) | 10,558  | 16,947  | 49,213  | 31,845    |
| Net income               | (Yen in millions) | 7,808   | 16,715  | 48,417  | 31,027    |
| Earnings per share-basic | (Yen)             | 13.16   | 28.23   | 82.12   | 52.74     |
| Total assets             | (Yen in millions) | 866,247 | 904,890 | 983,178 | 1,183,299 |
| Total net assets         | (Yen in millions) | 334,814 | 318,857 | 309,867 | 288,888   |
| Net assets per share     | (Yen)             | 564.43  | 538.68  | 526.46  | 493.19    |

### Notes:

- Figures shown in yen in millions are rounded to the nearest million.
- “Net sales” do not include consumption taxes.
- “Earnings per share - basic” is calculated based on the total average number of shares issued and outstanding (excluding treasury stocks) during each fiscal year. “Net assets per share” are calculated based on the total number of shares issued and outstanding (excluding treasury stocks) as of the end of the each fiscal year.
- Since the Company’s shares held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust were treated as treasury stock, in the calculation of “Earnings per share - basic” and “Net assets per share” for the fiscal year 2018 and the fiscal year 2019, the number of the aforementioned shares is deducted from the average total number of the Company’s shares issued during fiscal year 2019 as well as the total number of shares issued as of the end of the fiscal year.
- NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the fiscal year 2016.



#### 4. Nidec Group's Challenges

##### (1) Enhancing the Corporate Governance System

For this fiscal year ending March 31, 2021, the Company plans to transition to a company with an Audit and Supervisory Committee, subject to the approval of Proposal 1 "Partial Amendments to the Articles of Incorporation." Going forward, the Company will realize quicker decision-making and further strengthen the supervisory function of the Board of Directors by granting Members of the Board of Directors who are Audit and Supervisory Committee Members voting rights to the Board of Directors, with the aim of further strengthening corporate governance and sustainably enhancing corporate value.

##### (2) Building and Strengthening Global Management Infrastructure

Nidec Group as a global company will further enhance its group's business management, accounting and financial reporting, and business information disclosure systems in accordance with global standards.

To secure a global sustainable growth and accelerate the pace of the post-merger integration (PMI) process of companies purchased overseas, we are building a "five-pronged global matrix-based business management system" intended to strengthen the foundation of our growth strategy. Specific actions include the establishment and functional expansion of regional management companies, which will be tasked to improve management quality (in the areas of governance, compliance, and internal control), secure good management efficiency (providing high-quality, low-cost shared services for individual regions), and actively support PMI.

We previously maintained a "federate-style" management system, under which individual group companies maintained a high degree of independence and autonomy in their business operations; however, to address globalization needs, we are shifting towards a "unified group matrix management" increasingly quickly.

Nidec Group's Corporate Administration & Internal Audit Department, which is responsible for group-wide internal controls, has in place a global auditing system to strengthen auditing of the sphere related to prevention of improprieties as a response to strengthening the global management system. Nidec Group is striving to further strengthen internal controls based on the experience and know-how gained through the past audits of our financial statements and the implementation of measures to comply with the U.S. Sarbanes-Oxley Act of 2002. We also seek to improve our information disclosure system and policy through enhanced cooperation between a committee responsible for information disclosure and other relevant specialized departments.

Such specialized departments and offices, including the Compliance Office, the Risk Management Office, and the Investor Relations & CSR Promotion Department, also collaborate with one another and other departments as appropriate. We seek to find ways to create and maintain jobs and otherwise contribute to society based on our basic management policy as a good corporate citizen.

**5. Main businesses of the Nidec Group (as of March 31, 2020)**

The Nidec Group mainly manufactures and sells spindle motors for hard disk drives (HDD motors), small precision motors for PCs' peripheral devices, OA (office automation) equipment/devices, home appliances, etc., and automotive motors and components. Also, we manufacture and sell mid-large size motors for home appliance, commercial and industrial motors and related products, machinery, electronic and optical components, as well as providing related services.

The group's business categories are as follows:

| Product Group                                 | Products  |
|---|---|
| Small precision motors                        | HDD motors, brushless motors, fan motors, vibration motors, brushed motors and motor applications |
| Automotive products                           | Automotive motors and components  |
| Appliance, commercial and industrial products | Home appliance, commercial and industrial motors and related products                             |
| Machinery                                     | Industrial robots, card readers, test systems, press machines and power transmission drives       |
| Electronic and optical components             | Switches, trimmer potentiometers, lens units and camera shutters                                  |
| Others  | Services  |

**6. Major business sites, plants, and employees of Nidec Group (as of March 31, 2020)**

(1) Major business sites and plants

|   |  |
|---|--|
| Head office                                 | Minami-ku, Kyoto, Japan  |
| Sales offices and product development sites | Kyoto, Tokyo, Shiga, Nagano, and Kawasaki, Japan   |
| Other sites                                 | Nidec Electronics (Thailand) Co., Ltd.<br>Nidec Singapore Pte. Ltd.<br>Nidec (H.K.) Co., Ltd.<br>Nidec Sankyo Corporation (Nagano)<br>Nidec Copal Corporation (Tokyo)<br>Nidec Techno Motor Corporation (Kyoto)<br>Nidec Motor Corporation (U.S.A.)<br>Nidec Motors & Actuators (Germany) GmbH |

(2) Employees of the Nidec Group

(i) The Nidec Group

| Category | Number of Employees | Increase (decrease) from the end of previous fiscal year |
|----------|---------------------|--|
| Total    | 117,206             | 8,300  |

Note: In addition to the above employees, 27,963 people are working as temporary staff.

(ii) Nidec Corporation

| Category | Number of Employees | Increase (decrease) from the end of previous fiscal year | Average age | Average years of employment |
|----------|---------------------|--|-------------|-----------------------------|
| Total    | 2,756               | (38)   | 38.6        | 9.7                         |

Note: In addition to the above employees, 148 people are working as temporary staff.

## 7. Important parent companies and subsidiaries

### (1) Important subsidiaries (as of March 31, 2020)

| Subsidiaries                            | Capital or investment  | Ratio of voting rights | Principal business  |
|---|------------------------|------------------------|---|
| Nidec Electronics (Thailand) Co., Ltd.  | USD 231,657 thousand   | 99.9%                  | Manufacturing and sales of small precision motors   |
| Nidec Singapore Pte. Ltd.               | USD 4,656 thousand     | 100.0%                 | Sales of small precision motors   |
| Nidec (H.K.) Co., Ltd.                  | HKD 2,352 thousand     | 100.0%                 | Sales of small precision motors   |
| Nidec Sankyo Corporation                | JPY 35,270 million     | 100.0%                 | Manufacturing and sales of small precision motors, automotive products, machinery and electronic components |
| Nidec Copal Corporation                 | JPY 11,080 million     | 100.0%                 | Manufacturing and sales of small precision motors, machinery and electronic and optical components          |
| Nidec Techno Motor Corporation          | JPY 2,500 million      | 100.0%                 | Manufacturing and sales of commercial and industrial products   |
| Nidec Motor Corporation                 | USD 1,355,662 thousand | 100.0% (100.0%)        | Manufacturing and sales of appliance, commercial and industrial products                                    |
| Nidec Motors & Actuators (Germany) GmbH | EUR 25 thousand        | 100.0%                 | Manufacturing and sales of automotive products  |

Notes: 1. Figures are rounded off to the minimum unit in the capitals.  
2. The percentages within the parentheses in the "Ratio of voting rights" column indicate the ratios of the voting rights owned by the Company's subsidiaries and other institutions.

### (2) Business combinations

We acquired the compressor business (Embraco) from Whirlpool Corporation on July 1, 2019 (Brazil Time) and converted it into our subsidiary.

We acquired OMRON Automotive Electronics Co., Ltd. on October 31, 2019 and converted it into our subsidiary.

## 8. Major borrowings lenders and amounts borrowed (as of March 31, 2020)

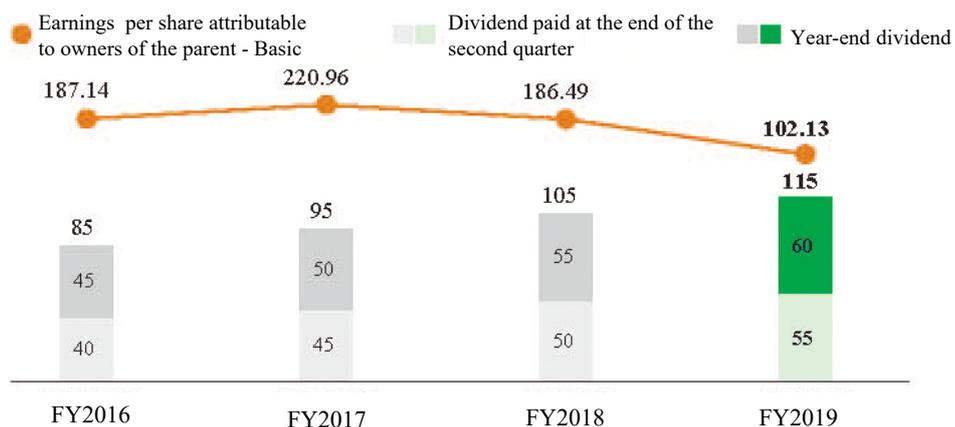
| Lenders                             | Balance of borrowings (yen in millions) |
|-------------------------------------|---|
| MUFG Bank, Ltd.                     | 50,802                                  |
| The Bank of Kyoto, Ltd.             | 38,908                                  |
| Sumitomo Mitsui Banking Corporation | 31,238                                  |

## 9. Dividend Policy

From the standpoint of upholding shareholder-oriented management, we strive to make the efforts mandated by our shareholders; namely, we aim to maintain and improve over the long term our dynamic growth, large revenues, high share price, advanced technology, and generous treatment of our workers. We also strive to present a vision for the future that is reflective of our constant and vigilant attention to the changing times. Fundamental to this stance of ours is our untiring and enduring commitment to growth. In our policy on profit distribution as well, we place importance on maintaining stable dividends, targeting a dividend payout ratio to around 30% of our consolidated profit for the year, and strive to improve dividends while keeping them commensurate with consolidated profit for the year.

At the same time, we work to improve revenues by utilizing internal reserves to further strengthen our operational structure and invest in business expansion.

Trend of earnings per share attributable to owners of the parent - basic (EPS) and dividend per share (Yen/Share)



Note: NIDEC implemented a two-for-one common stock split, effective April 1, 2020. Earnings per share attributable to owners of the parent – basic was calculated on the assumption that the relevant stock split had been implemented at the beginning of the fiscal year 2016.

**10. Other important matters concerning the current business circumstances of the Nidec Group**  
N/A

## II. Matters concerning shares of the Company (as of March 31, 2020)

1. Total number of shares authorized to be issued: 960,000,000

2. Total number of issued shares: 298,142,234

3. Number of shareholders: 66,623

### 4. Ten major shareholders (excluding treasury stocks):

| Shareholders   | Shares owned<br>(in thousands) | Shareholding ratio<br>(%) |
|--|--------------------------------|---------------------------|
| Shigenobu Nagamori                                   | 24,736                         | 8.44                      |
| The Master Trust Bank of Japan, Ltd. (trust account) | 18,754                         | 6.40                      |
| Japan Trustee Services Bank, Ltd. (trust account)    | 13,805                         | 4.71                      |
| The Bank of Kyoto, Ltd.                              | 12,399                         | 4.23                      |
| S.N. KOSAN, LLC.                                     | 10,122                         | 3.45                      |
| MUFG Bank, Ltd.                                      | 7,425                          | 2.53                      |
| JP MORGAN CHASE BANK 385632                          | 7,403                          | 2.52                      |
| SSBTC CLIENT OMNIBUS ACCOUNT                         | 6,998                          | 2.38                      |
| Nippon Life Insurance Company                        | 6,579                          | 2.24                      |
| Meiji Yasuda Life Insurance Company                  | 6,402                          | 2.18                      |

Notes: 1. The numbers of shares owned have been rounded down to the nearest 1,000 shares.  
2. The shareholding ratio was calculated excluding treasury stocks (5,184,017 shares).

### 5. Other important matters concerning shares

NIDEC implemented a two-for-one common stock split, effective April 1, 2020, pursuant to the resolution from a meeting of the Board of Directors held on February 8, 2020. As a result, the total number of shares authorized to be issued increased by 960,000,000 shares to 1,920,000,000 shares.

**III. Matters concerning the Company's share warrant**  
N/A

#### IV. Matters concerning the members of the Board of Directors and the Audit and Supervisory Board of the Company

##### 1. Members of the Board of Directors and the Audit and Supervisory Board (as of March 31, 2020)

| Position  | Name               | Job description and concurrent positions at other corporations  |
|---|--------------------|---|
| Representative Director and Chairman                          | Shigenobu Nagamori | Chief Executive Officer, Nidec Corporation; Member of the Board of Directors and Chairman, Nidec Sankyo Corporation, Nidec-Shimpo Corporation and Nidec Mobility Corporation; and Chairman of the Board, Nagamori Gakuen Educational Foundation   |
| Representative Director and President                         | Hiroyuki Yoshimoto | Chief Operating Officer, Executive General Manager, Appliance, Commercial & Industrial Motor Business Unit, Nidec Corporation; Representative Director and Chairman, Nidec Tosok Corporation, Nidec Elesys Corporation, Nidec Copal Corporation and Nidec Seimitsu Corporation; Member of the Board of Directors and Chairman, Nidec India Private Limited and Nidec Motor Corporation  |
| Representative Director and Vice Chairman                     | Hiroshi Kobe       | Chief Sales Officer, Adviser to President (in the area of Global Business Promotion & Marketing Division, Global Centralized Purchasing Division, Secretarial Office, Corporate Administration & Internal Audit Dept., Compliance Office, Global Trade Administration Office, Risk Management Office, Corporate Planning Dept., Public Relations & Advertising Dept., Legal Dept., General Affairs Dept., Human Resources Dept., Human Resource Planning Dept., International Business Administration Dept., Sales Administration & Service Dept. and 3Q6S), Nidec Corporation; and Representative Director and Chairman, Nidec Servo Corporation |
| Representative Director and Vice Chairman                     | Mikio Katayama     | Chief Technology Officer, Adviser to President (in the area of Nidec Research and Development Center, Japan, Nidec Center for Industrial Science, Global Production Engineering Division and Intellectual Property Dept.), Nidec Corporation; and Representative Director and Chairman, Nidec Techno Motor Corporation  |
| Member of the Board of Directors and Executive Vice President | Akira Sato         | Chief Performance Officer, Adviser to President (in the area of Corporate Strategy Office and Group Companies Management Dept.), in charge of managing Global Performance Management Dept., Investor Relations & CSR Promotion Dept. and Finance Dept., Nidec Corporation; and Member of the Board of Directors and President, Green Sun Insurance, Inc.  |
| Member of the Board of Directors and Executive Vice President | Toshihiko Miyabe   | Executive General Manager, Small Precision Motor & Solutions Business Unit, Nidec Corporation; and Member of the Board of Directors and Chairman, Nidec Philippines Corporation and Nidec (Zhejiang) Corporation  |

| Position   | Name            | Job description and concurrent positions at other corporations  |
|--|-----------------|---|
| Member of the Board of Directors                   | Teiichi Sato    | Member of the Board of Directors, NHK Promotions Inc.   |
| Member of the Board of Directors                   | Osamu Shimizu   | Professor, Graduate School of Public Management, Waseda University  |
| Fulltime Member of the Audit and Supervisory Board | Kazuya Murakami | Member of the Audit and Supervisory Board, Nidec Techno Motor Corporation, Nidec-Shimpo Corporation, Nidec-Read Corporation, Nidec Machinery Corporation and Nidec Global Service Corporation                         |
| Fulltime Member of the Audit and Supervisory Board | Hiroyuki Ochiai | Member of the Audit and Supervisory Board, Nidec Sankyo Corporation, Nidec Copal Electronics Corporation, Nidec Mobility Corporation, Nidec Servo Corporation, Nidec Copal Corporation and Nidec Seimitsu Corporation |
| Member of the Audit and Supervisory Board          | Eisuke Nagatomo | Representative Director and Member of the Board of Directors, EN associates, Co., Ltd.; and Outside Member of the Board of Directors, Miroku Jyoho Service Co., Ltd. and Nikkiso Co., Ltd.                            |
| Member of the Audit and Supervisory Board          | Junko Watanabe  | Professor, Graduate School of Economics and Faculty of Economics, Kyoto University  |
| Member of the Audit and Supervisory Board          | Takeshi Nakane  | Special Assistant to the Ministry of Foreign Affairs of Japan   |

- Notes:
- Messrs. Teiichi Sato and Osamu Shimizu, outside members of the Board of Directors, have been appointed as Independent Directors who the Company believes have the capacity to fully perform their roles including the supervision of the execution of duties of the Company from an independent position, meeting the requirements for independent candidates for the position in accordance with the regulations of the Tokyo Stock Exchange.
  - Mr. Eisuke Nagatomo, Ms. Junko Watanabe and Mr. Takeshi Nakane, outside members of the Audit and Supervisory Board, have been appointed as Independent Auditors who the Company believes have the capacity to fully perform their roles including the supervision of the execution of duties of the Company from an independent position, meeting the requirements for independent candidates for the position in accordance with the regulations of the Tokyo Stock Exchange.
  - Appointments and transfers of members of the Audit and Supervisory Board during the 46th Regular General Meeting of Shareholders held on June 18, 2019 were as follows:
    - Mr. Takeshi Nakane was newly elected and assumed office as a member of the Audit and Supervisory Board.
    - Mr. Ryuichi Tanabe, a member of the Audit and Supervisory Board, retired from the post.
  - Mr. Teiichi Sato, a member of the Board of Directors, has held prominent posts at the Ministry of Education, Culture, Sports, Science and Technology of Japan, the Japan Society for the Promotion of Science, and other organizations, and possesses abundant experience and high-level expertise. No special relationship exists between Nidec Corporation and his concurrently held posts.
  - Mr. Osamu Shimizu, a member of the Board of Directors, has held prominent posts at the Ministry of Finance of Japan and other organizations, and possesses sufficient knowledge and expertise on finance and accounting. No special relationship exists between Nidec Corporation and his concurrently held posts.
  - Mr. Kazuya Murakami, a member of the Audit and Supervisory Board, has held prominent posts at the Ministry of Finance of Japan and other organizations, and possesses sufficient knowledge and expertise on finance and accounting.
  - Mr. Hiroyuki Ochiai, a member of the Audit and Supervisory Board, has held prominent posts at the Ministry of Economy, Trade and Industry of Japan and other organizations, and possesses abundant experience and high-level expertise.
  - Mr. Eisuke Nagatomo, a member of the Audit and Supervisory Board, has held prominent posts at the Tokyo

Stock Exchange and other corporations, and possesses sufficient knowledge and expertise on finance and accounting. No special relationship exists between Nidec Corporation and his concurrently held posts.

9. Ms. Junko Watanabe, a member of the Audit and Supervisory Board, has abundant experience and high-level expertise as a university professor. We made a donation to Kyoto University to support its educational and research activities during the fiscal year 2019; however, the amount of the donation was insignificant.

10. Changes in positions and concurrent positions.

The following changes were made as of April 1, 2020:

| Position   | Name               | Job description and concurrent positions at other corporations   |
|--|--------------------|--|
| Representative Director and Vice Chairman                        | Hiroshi Kobe       | Chief Sales Officer, Adviser to President (in the area of Global Business Promotion & Marketing Division, Global Centralized Purchasing Division, Secretarial Office, Corporate Administration & Internal Audit Dept., Compliance Office, Global Trade Administration Office, Risk Management Office, Corporate Planning Dept., Public Relations & Advertising Dept., Legal Dept., General Affairs Dept., Human Resources Dept., Human Resource Planning Dept., International Business Administration Dept., Sales Administration & Service Dept. and 3Q6S), Nidec Corporation |
| Member of the Board of Directors and Executive Vice President    | Hiroyuki Yoshimoto | Executive General Manager, Appliance, Commercial & Industrial Motor Business Unit, Nidec Corporation; Representative Director and Chairman, Nidec Tosok Corporation, Nidec Copal Corporation and Nidec Seimitsu Corporation; and Member of the Board of Directors and Chairman, Nidec Motor Corporation  |
| Member of the Board of Directors and Executive Vice President    | Mikio Katayama     | Chief Technology Officer, Adviser to President (in the area of Nidec Research and Development Center, Japan, Nidec Center for Industrial Science, Global Production Engineering Division and Intellectual Property Dept.), Nidec Corporation; and Representative Director and Chairman, Nidec Techno Motor Corporation   |
| Member of the Board of Directors and First Senior Vice President | Toshihiko Miyabe   | Executive General Manager, Small Precision Motor & Solutions Business Unit, Nidec Corporation; Chairman, Nidec Servo Corporation; and Member of the Board of Directors and Chairman, Nidec Philippines Corporation and Nidec (Zhejiang) Corporation  |
| Member of the Board of Directors and First Senior Vice President | Akira Sato         | Chief Performance Officer, Adviser to President (in the area of Corporate Strategy Office and Group Companies Management Dept.), in charge of managing Global Performance Management Dept., Investor Relations & CSR Promotion Dept. and Finance Dept., Nidec Corporation; and Member of the Board of Directors and President, Green Sun Insurance, Inc.   |

11. Ms. Junko Watanabe, a member of the Audit and Supervisory Board, was appointed as an Outside Member of the Board of Directors (Audit and Supervisory Committee Member) of Morozoff Limited on April 24, 2020.

**2. Total compensation, etc., for members of the Board of Directors and members of the Audit & Supervisory Board**

| Category                                 | Number of persons | Total amount of compensation, etc. by type |                                 | Description   |
|--|-------------------|--|---------------------------------|---|
|  |                   | Fixed compensation                         | Performance-linked compensation |   |
| Members of the Board of Directors        | 8                 | ¥245 million                               | ¥22 million                     | Including ¥14 million for two Outside Members of the Board of Directors         |
| Members of the Audit & Supervisory Board | 6                 | ¥54 million                                | -                               | Including ¥18 million for four Outside Members of the Audit & Supervisory Board |
| <b>Total</b>                             | <b>14</b>         | <b>¥299 million</b>                        | <b>¥22 million</b>              |   |

- Notes: 1. The above includes information regarding one outside member of the Audit & Supervisory Board who retired during the fiscal year 2019.
2. Introduction of the performance-linked share-based remuneration plan for Members of the Board of Directors, etc. was resolved at the 45th Regular General Meeting of Shareholders held on June 20, 2018. The aforementioned amounts are the amounts recorded as expenses in the fiscal year 2019 in accordance with the Japanese standards. Outside members of the Board of Directors are not covered by this plan.

### 3. Major activities of outside members of the Board of Directors

#### (1) Attendance and statements made by outside members of the Board of Directors at the meetings of the Board of Directors

| Name          | Attendance (number of times)      |  | Statement  |
|---------------|-----------------------------------|--|--|
|               | Meeting of the Board of Directors |  |  |
| Teiichi Sato  | 28                                |  | Business management-related statements based on a professional viewpoint |
| Osamu Shimizu | 26                                |  | Business management-related statements based on a professional viewpoint |

Note: During the fiscal year 2019, the meetings of the Board of Directors were held 28 times.

#### (2) Attendance and statements made by outside members of the Audit & Supervisory Board at the meetings of the Board of Directors and the meetings of the Audit & Supervisory Board

| Name            | Attendance (number of times)      |  | Statement  |
|-----------------|-----------------------------------|--|--|
|                 | Meeting of the Board of Directors | Meeting of the Audit & Supervisory Board |  |
| Eisuke Nagatomo | 23                                | 15                                       | Business management-related statements based on a professional viewpoint |
| Junko Watanabe  | 26                                | 15                                       | Business management-related statements based on a professional viewpoint |
| Takeshi Nakane  | 20                                | 11                                       | Business management-related statements based on a professional viewpoint |

Notes: 1. During the fiscal year 2019, the meetings of the Board of Directors were held 28 times, and the meetings of the Audit & Supervisory Board were held 16 times.

2. During the 46th Regular General Meeting of Shareholders held on June 18, 2019, Mr. Takeshi Nakane was newly elected and assumed office as an outside member of the Audit & Supervisory Board. In the period between this date and the end of the fiscal year 2019, the meetings of the Board of Directors were held 20 times, and the meetings of the Audit & Supervisory Board were held 11 times.

#### (3) Overview of Limited Liability Agreement

Nidec Corporation has a limit liability contract with Messrs. Teiichi Sato and Osamu Shimizu (outside members of the Board of Directors), and with Messrs. Eisuke Nagatomo and Takeshi Nakane and Ms. Junko Watanabe (outside members of the Audit & Supervisory Board). The contract's overview is as follows:

- The maximum amount of liability that any outside members of the Board of Directors or any outside members of the Audit & Supervisory Board is held accountable against the Company as a result of his/her negligence to perform his/her duty shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.
- The aforementioned liability limitation shall be applicable only if the duty that resulted in any outside members of the Board of Directors or any outside members of the Audit & Supervisory Board being held accountable was executed under good will, and if no material negligence is identified in such duty.

## V. Matters concerning the accounting auditor

### 1. Name of the accounting auditor

PricewaterhouseCoopers Kyoto

### 2. Fees paid to the accounting auditor

| Category   | Amount Paid  |
|--|--------------|
| (1) Total amount of fees to be paid by the Company   | ¥257 million |
| (2) Total amount of money and other asset-type profit to be paid by the Company and its subsidiaries | ¥607 million |

- Notes:
1. The amount in (1) above shows the total of all audit fees combined because, in the audit contracts between the Company and its accounting auditor, the audit fees for Companies Act-based audits and Financial Instruments and Exchange Law-based audits are not distinguished, nor could they be distinguished in substance.
  2. The Company consigns and pays consideration to the accounting auditor for services concerning the preparation of comfort letters, which are non-audit services outside the scope of Article 2, Paragraph 1 of Certified Public Accountants Act of Japan.
  3. Of the Company's important subsidiaries, Nidec Motor Corporation and other four companies undergo audits (limited to the audits subject to Companies Act or Financial Instruments and Exchange Act of Japan (including laws and regulations that are equivalent to these laws) by certified public accountants or auditing firms other than the Company's accounting auditor (including those with overseas qualifications equivalent to those of such accountants or firms).
  4. The Audit & Supervisory Board obtained necessary documents, and received and discussed reports, from the members of the Board of Directors, concerned departments of the Company, and the accounting auditor, and, determined and reached consensus that the basis of the calculation of the remuneration, etc. estimated based on the audit plan and audits executed during the previous fiscal year and on the audit time and personnel allocation plan for the fiscal year 2019 audit plan is correct, based on the detailed and clear relationship between the audit work and the remuneration.

### 3. Policy to decide to dismiss or decline the re-appointment of an accounting auditor

The Audit & Supervisory Board will dismiss the accounting auditor if any inevitable event arises pursuant to the provisions of the laws and regulations, subject to unanimous approval of the Audit & Supervisory Board members. If an event arises which severely hinders the accounting auditor from continuing to perform its audit duties, the Audit & Supervisory Board shall decide the content of a proposal on dismissal or non-reappointment of the said accounting auditor, which will be submitted to the General Meeting of Shareholders.

## VI. The system to secure proper business performance and its operation

### 1. Overview of decisions regarding the system to secure proper business performance

In accordance with the Companies Act of Japan and Ordinance for Enforcement of the Companies Act, the Company has in place the following system to ensure proper business operations by the Company and its subsidiaries:

(1) System to ensure the execution of duties by the Company's and its subsidiaries' members of the Board of Directors and employees comply with laws and regulations and the Articles of Incorporation

The Company has in place the following compliance system to obtain social trust by complying with laws and regulations, relevant rules, internal rules and standards, social ethics codes, etc. while enhancing the ethical awareness of the officers and employees, and to establish corporate integrity:

- (i) The Company has established "Compliance Regulations" to put in place the basic notions, the organization and operational methods for compliance throughout the Nidec Group, and establish a compliance system and promote total awareness of this system through properly executing business operations based on laws and regulations, and by continuously checking and improving the process of executing such business operations.
- (ii) The Company has a Compliance Committee under its Board of Directors, establishes basic compliance policies, and monitors Nidec Group's compliance status.
- (iii) The Company establishes specific compliance-related action guidelines, i.e., "the Nidec Group Compliance Code of Conduct," and ensures that all Nidec Group's officers and employees understand and act on them.
- (iv) As part of its compliance promotion activity, the Company holds compliance seminars for individual Nidec companies, along with initiatives such as the preparation and use of the compliance handbook, in an effort to raise their officers' and employees' awareness on compliance.
- (v) To spread compliance throughout Nidec Group, the Company has in place a Nidec Group-wide internal reporting system, "Nidec Global Compliance Hotline," to encourage Nidec Group's employees to make reports and point out problems regarding violations of laws and regulations, and internal rules, and to protect whistleblowers of such problems.
- (vi) To promote the aforementioned activity, the Company's Compliance Office works with Nidec Group's regional compliance officers in the Americas, China, Europe and Southeast Asia to secure compliance in individual Nidec companies, forming a global compliance system.
- (vii) To address compliance violations, the Company tries to prevent their recurrence by performing investigations for resolutions based on reports, notifications, etc., made to its Compliance Office or internal point of contact for such notifications. The Company deliberates compliance violations that must be dealt with penalties in a meeting of an internal disciplinary committee and the Board of Directors to decide on penalties.

(2) System to store and manage information concerning the execution of duties by the members of the Company's Board of Directors

The Company organizes and stores documents concerning the execution of duties by the members of its Board of Directors and Vice Presidents for a certain number of years based on "Document Regulations," and the members of the Company's Audit & Supervisory Board may view those documents at any time.

(3) Regulations and other systems to manage risks of loss concerning the Company and its subsidiaries

- (i) The Company established "Risk Management Regulations" to have in place a Nidec Group-wide risk management system, as well as a Risk Management Committee and Risk Management Office. Risk Management Committee, supervised by the Company's Board of Directors, decides the Company's risk management policies each fiscal year, while the Company's individual department general managers and Nidec companies work under the committee to make and implement the annual plan in order to encourage thorough risk management, response, and reporting. Risk Management Office supports such actions and collects information on those actions' statuses, while Corporate Administration & Internal Audit Department audits Nidec companies on the design of their risk management systems.
- (ii) In addition to "Risk Management Regulations," which are intended to manage daily risks, the company adopts Nidec Group-wide "Crisis Management Regulations" to prepare for a situation in

which a risk is actualized and must be handled in reality.

(4) System to ensure an efficient execution of duties by the members of the Company's and its subsidiaries' Boards of Directors

- (i) As the basis of the "system to ensure an efficient execution of duties by the members of the Company's Board of Directors," the Company adopts a vice president system to empower its Vice Presidents with authorities to execute business operations. The Company's Board of Directors makes decisions on material matters concerning the Company's business policies, management strategies, etc., appoints and dismisses Vice Presidents, and supervises the execution of business operations.
- (ii) Nidec Group establishes a mid-term business plan to realize its long-term vision that was set as a specific numerical and qualitative target, uses it as the basis of its annual business plans. When making the mid-term business plan, the Company identifies, deliberates and makes decisions based on analysis of the feasibility of accomplishing the mid-term goals, the compatibility with the long-term vision, and the issues and risks that must be overcome to successfully achieve the plan. The Company regularly reviews and rolls the plan based on changes in the market and the status of progress against the plan.
- (iii) The Company and Nidec companies have in place "Approval Request (*Ringi*) Regulations," which covers matters that require approval requests and approval request procedures, to define clearly the authorities to make judgments and decision on business operations and to improve business management efficiency and transparency.
- (iv) The Company and Nidec companies hold a risk management meeting daily to promptly report and share material information, and the minutes of the meeting is sent to each department general manager every day for daily business operations, while, as necessary such important issues are discussed widely and shared among participants in the Executive Management Meeting with Senior Vice Presidents and Above (*Jomu-kai*) and the Executive Management Meeting (*Keiei-kaigi*).

(5) Matters concerning reports to the Company regarding the execution of duties by the members of the Board of Directors of the Company's subsidiaries

- (i) The members of the Board of Directors and Vice Presidents of the Company serve as members of the Board of Directors and Vice Presidents of the Nidec Corporation's group companies as well, attend their Executive Management Meetings (*Keiei-kaigi*), hold a Nidec Group-wide CEO Conference quarterly, and take other actions to efficiently share policies and information, and communicate instructions and requests within Nidec Group.
- (ii) The administrative departments responsible for individual Nidec companies' business operations work to improve collaboration with those companies, and request them to submit reports, documents, etc. as necessary to understand their management status accurately.

(6) Matters concerning the Company's employees and their independency from the members of Company's Board of Directors when the members of the Company's Audit & Supervisory Board request the Company to appoint employees to support the work of the members of the Company's Audit & Supervisory Board

- (i) In accordance with the Audit & Supervisory Board's requests, the Corporate Administration & Internal Audit Department audits matters that the members of Audit & Supervisory Board request to be audited, and reports the audit results to the Audit & Supervisory Board.
- (ii) During such an audit, support is provided for performing the audit if ordered or requested by the members of Audit & Supervisory Board. The members of the Board of Directors or Vice Presidents of the Company pose no improper restrictions on such reports.

(7) System for the members of the Board of Directors and employees of the Company to report to the members of the Audit & Supervisory Board and other systems concerning reports to the members of the Audit & Supervisory Board

The members of the Board of Directors, Vice Presidents and employees of the Company promptly report to the Audit & Supervisory Board, in addition to statutory matters, matters that materially affect the entire Nidec Group, the progress of internal audit, the status of whistle blowing based on the internal whistle blowing system, and subjects reported by whistle blowing. The method for reporting is based on the decision made following discussion between the members of the Board of Directors and Vice Presidents, and the Audit & Supervisory Board.

(8) System for a member of the Board of Directors or the Audit & Supervisory Board, an employee who executes any business operation, an employee of any of the Company's subsidiaries, or someone who has received a report from any of these people, to report to the members of the Company's Audit & Supervisory Board, and to protect whistleblowers

- (i) The Company's Corporate Administration & Internal Audit Department holds a meeting to report matters to the Company's members of the Audit & Supervisory Board on a regular basis, and reports the internal audit results at Nidec companies.
- (ii) The Company's Compliance Office reports the status of whistle blowing by Nidec Group's officers and employees to the members of the Company's Audit & Supervisory Board on a regular basis.
- (iii) Nidec Group protects whistleblowers so that they will not be affected negatively after whistle blowing based on the Nidec Group-wide internal whistle blowing system, Nidec Global Compliance Hotline.

(9) Matters concerning the policy for handling advanced payments of the cost incurred due to the execution of duties by the members of the Company's Audit & Supervisory Board, for handling procedures for reimbursement, and for handling the cost or liability incurred due to the execution of any other duties by the members of the Company's Audit & Supervisory Board

In accordance with the Company's Audit & Supervisory Board Regulations and the standards for audit by the members of the Audit & Supervisory Board, the Company's Audit & Supervisory Board is entitled to independently deliberate matters, such as budget for auditing expenses, that the members of the Audit & Supervisory Board deem it necessary to execute their duties, and may request the Company to redeem urgently or temporarily incurred costs at a later date.

(10) Other systems to ensure an effective audit by the members of the Audit & Supervisory Board

- (i) The members of the Audit & Supervisory Board exchange their opinions with the Company's executives.
- (ii) The members of the Audit & Supervisory Board prepare each month's activities in an audit report, and submit it to the Company's Board of Directors.
- (iii) The members of the Audit & Supervisory Board visit individual Nidec companies onsite to conduct audits on operations.

(11) Internal audit system of the Group

- (i) The Company has its head office departments provide the entire Nidec Group with internal control system-related instructions and support, and manage and audit Nidec companies to ensure legal, proper, and efficient business operations.
- (ii) The internal audit departments of the Company and its subsidiaries conduct internal audits on individual Nidec companies to provide them with instruction, support, and advice for better business operations.

## 2. Overview of the operation of the system to secure proper business performance

The Company, based on the above system, has implemented the following specific actions:

### (1) Compliance system

As part of the Company's efforts to ensure regulatory compliance, the Compliance Office held compliance seminars for the purpose of raising awareness among the executives and employees of the Company and its consolidated subsidiaries on the importance of adhering to guidelines regarding compliance issues. Additionally, the Company's Representative Director and Chairman addressed himself to compliance issues and raised awareness at the meetings with the Company's consolidated subsidiaries.

Furthermore, the Company's Compliance Committee worked to secure a compliance system in the Company and other individual Nidec Group companies by monitoring their status of compliance.

### (2) Risk management system

The Company's Risk Management Office collected and assessed, in a consolidated and comprehensive manner, the risk assessment & survey sheets, risk management activity plans and the reports on the previous fiscal year's executed plans and risks materialized, which were submitted from the Company and other Nidec Group companies, and identified and addressed important risks to the Nidec Group in the Office's attempt for comprehensive risk management.

### (3) Systems to secure efficient work execution

The Company submitted for deliberation important work execution-related matters to the Executive Management Meeting with Senior Vice Presidents and Above (*Jomu-kai*) prior to submitting such matters to the Board of Directors, discussed and deliberated the appropriateness of the execution of the work, the possible presence of risks in the work etc., and thus aimed to improve the efficiency of business execution.

### (4) System of auditing by the members of the Audit & Supervisory Board

The members of the Company's Audit & Supervisory Board all attended the meetings of the Board of Directors, and monitored them to confirm that the Company's decisions were made after sufficient discussion. The members of the Company's Audit & Supervisory Board also shared information and exchanged their opinions with Corporate Administration & Internal Audit Department and the accounting auditor of the Company, while obtaining information from the Risk Management Meeting, etc. as necessary, and reported to the Board of Directors, as necessary, important issues and other matters obtained from such information.

Furthermore, the members of the Company's Audit & Supervisory Board invited the Company's accounting auditor to the meetings of the Audit & Supervisory Board a total of six times during this fiscal year, and closely exchanged their information with the accounting auditor.

### (5) Internal audit system

Based on its internal audit plan, the Company's Corporate Administration & Internal Audit Department conducted internal audit to the Company and other Nidec Group companies, and, as necessary, reported and explained to the Company's executives and the Risk Management Meeting, etc. the issues and problems identified in relation to internal audit and other matters to ensure that all departments concerned will progress on those matters. The Corporate Administration & Internal Audit Department also held report meetings with the members of the Company's Audit & Supervisory Board as necessary, and reported the results of internal audits at individual Nidec Group companies.

## Consolidated Financial Statements for the Fiscal Year 2019

(April 1, 2019 – March 31, 2020)

### Consolidated Statement of Financial Position

(As of March 31, 2020)

(Yen in millions)

| Title  | Amount           | Title  | Amount           |
|--|------------------|--|------------------|
| <b>Assets</b>  |                  | <b>Liabilities</b>                                   |                  |
| Current assets                                       | 933,611          | Current liabilities                                  | 696,950          |
| Cash and cash equivalents                            | 206,986          | Short term borrowings                                | 116,954          |
| Trade and other receivables                          | 394,192          | Long term debt due within one year                   | 111,994          |
| Other financial assets                               | 913              | Trade and other payables                             | 345,193          |
| Income tax receivables                               | 12,885           | Other financial liabilities                          | 9,109            |
| Inventories  | 278,185          | Income tax payables                                  | 18,726           |
| Other current assets                                 | 40,450           | Provisions   | 30,346           |
| Non-current assets                                   | 1,180,434        | Other current liabilities                            | 64,628           |
| Property, plant and equipment                        | 633,028          | Non-current liabilities                              | 447,105          |
| Goodwill   | 356,273          | Long term debt                                       | 371,370          |
| Intangible assets                                    | 139,317          | Other financial liabilities                          | 4,085            |
| Investments accounted for using<br>the equity method | 3,294            | Retirement benefit liabilities                       | 30,701           |
| Other investments                                    | 14,479           | Provisions   | 942              |
| Other financial assets                               | 6,888            | Deferred tax liabilities                             | 35,374           |
| Deferred tax assets                                  | 16,878           | Other non-current liabilities                        | 4,633            |
| Other non-current assets                             | 10,277           | Total liabilities                                    | 1,144,055        |
|  |                  | Common stock   | 87,784           |
|  |                  | Additional paid-in capital                           | 114,754          |
|  |                  | Retained earnings                                    | 926,029          |
|  |                  | Other components of equity                           | (115,114)        |
|  |                  | Treasury stock                                       | (63,750)         |
|  |                  | Total equity attributable to owners of the<br>parent | 949,703          |
|  |                  | Non-controlling interests                            | 20,287           |
|  |                  | Total equity   | 969,990          |
| <b>Total assets</b>                                  | <b>2,114,045</b> | <b>Total liabilities and equity</b>                  | <b>2,114,045</b> |

## Consolidated Statement of Income

(For the year ended March 31, 2020)

(Yen in millions)

| Title   | Amount      |
|---|-------------|
| Continuing operations   |             |
| Net sales   | 1,534,800   |
| Cost of sales   | (1,200,873) |
| Gross profit  | 333,927     |
| Selling, general and administrative expenses                        | (144,971)   |
| Research and development expenses                                   | (78,630)    |
| Operating profit  | 110,326     |
| Financial income  | 9,424       |
| Financial expenses  | (9,300)     |
| Derivative gain   | (1,644)     |
| Foreign exchange differences  | (214)       |
| Share of net loss from associate accounting using the equity method | (1,665)     |
| Profit before income taxes  | 106,927     |
| Income tax expenses   | (29,919)    |
| Profit from continuing operations                                   | 77,008      |
| Discontinued operations   |             |
| Loss from discontinued operations                                   | (15,707)    |
| Profit for the year   | 61,301      |
| Profit for the year attributable to:                                |             |
| Owners of the parent  | 60,084      |
| Non-controlling interests   | 1,217       |
| Profit for the year   | 61,301      |

## Financial Statements

### Non-consolidated Balance Sheet

(As of March 31, 2020)

(Yen in millions)

| Title  | Amount    | Title   | Amount         |
|--|-----------|---|----------------|
| [Assets]   |           | [Liabilities and equity]                              |                |
| Current assets   | 182,840   | Current liabilities                                   | 544,716        |
| Cash and cash equivalents  | 9,229     | Accounts payable                                      | 36,872         |
| Notes receivable   | 20        | Electronically recorded obligations-operating         | 1,604          |
| Electronically recorded monetary claim   | 297       | Short term borrowing                                  | 329,248        |
| Trade receivable   | 62,527    | Current portion of bonds                              | 50,000         |
| Finished products  | 5,283     | Long term debt current portion due within one year    | 54,669         |
| Work in progress   | 436       | Other accounts payable                                | 27,536         |
| Raw materials and supplies and other   | 416       | Accrued expenses                                      | 940            |
| Prepaid expenses   | 1,098     | Deposits received                                     | 39,379         |
| Short term loans receivable from subsidiaries and affiliates                           | 70,305    | Unearned revenue                                      | 41             |
|  |           | Provision for bonuses                                 | 1,961          |
| Long term loans receivable from subsidiaries and affiliates redeemable within one year | 9,316     | Other   | 2,466          |
| Other accounts receivable  | 21,575    | Noncurrent liabilities                                | 349,695        |
| Corporate tax receivable, etc.   | 3,752     | Corporate bonds                                       | 320,865        |
| Other  | 1,095     | Long term debt  | 27,897         |
| Allowance for doubtful accounts  | (2,509)   | Other   | 933            |
| Noncurrent assets  | 1,000,459 | <b>Total liabilities</b>                              | <b>894,411</b> |
| Property, plant and equipment  | 46,080    | Shareholder's equity                                  | 287,301        |
| Buildings  | 23,423    | Common stock  | 87,784         |
| Structures   | 526       | Additional paid-in capital                            | 147,930        |
| Machinery and equipment  | 1,327     | Capital reserve                                       | 92,005         |
| Tools, furniture and fixtures  | 2,362     | Other additional paid-in capital                      | 55,925         |
| Land   | 14,230    | Retained earnings                                     | 115,337        |
| Construction in progress   | 4,168     | Legal reserve   | 721            |
| Other  | 44        | Other retained earnings                               | 114,616        |
| Intangible assets  | 4,620     | General reserve                                       | 57,650         |
| Patent right   | 30        | Retained earnings brought forward                     | 56,966         |
| Software   | 2,658     | Treasury stock  | (63,750)       |
| Software in progress   | 789       | Total valuation and translation adjustments           | 1,587          |
| Goodwill   | 1,057     | Valuation difference on available-for-sale securities | 1,918          |
| Other  | 86        | Revaluation reserve for land                          | (331)          |
| Investments and other assets   | 949,759   |   |                |
| Investment securities  | 9,667     |   |                |

(Yen in millions)

| Title  | Amount    | Title                            | Amount    |
|--|-----------|----------------------------------|-----------|
| Stocks of subsidiaries and affiliates                                      | 789,166   |                                  |           |
| Investments in capital of subsidiaries and affiliates                      | 78,287    |                                  |           |
| Long term loans receivable from subsidiaries and affiliates                | 67,341    |                                  |           |
| Claims provable in bankruptcy, claims provable in rehabilitation and other | 445       |                                  |           |
| Long term prepaid expenses   | 494       |                                  |           |
| Prepaid pension expenses   | 438       |                                  |           |
| Other  | 3,624     |                                  |           |
| Deferred tax assets  | 809       |                                  |           |
| Allowance for doubtful accounts  | (512)     |                                  |           |
|  |           | Total net assets                 | 288,888   |
| Total assets   | 1,183,299 | Total liabilities and net assets | 1,183,299 |

## Non-Consolidated Statement of Income

(For the year ended March 31, 2020)

(Yen in millions)

| Title  | Amount |          |
|--|--------|----------|
| Net sales                                    |        | 190,206  |
| Cost of sales                                |        | 144,135  |
| Gross profit                                 |        | 46,071   |
| Selling, general and administrative expenses |        | 56,177   |
| Operating loss                               |        | (10,106) |
| Non-operating income                         |        |          |
| Interest income                              | 5,347  |          |
| Dividend income                              | 43,013 |          |
| Foreign exchange gain                        | 2,733  |          |
| Other  | 1,761  | 52,854   |
| Non-operating expenses                       |        |          |
| Interest expenses                            | 7,630  |          |
| Corporate bond expenses                      | 571    |          |
| Loss on valuation of derivatives             | 1,640  |          |
| Other  | 1,062  | 10,903   |
| Ordinary profit                              |        | 31,845   |
| Extraordinary income                         |        |          |
| Gain on sales of noncurrent assets           | 76     |          |
| Gain on sales of investment securities       | 31     | 107      |
| Extraordinary losses                         |        |          |
| Loss on disposal of noncurrent assets        | 31     |          |
| Impairment losses                            | 19     |          |
| Loss on sales of investment securities       | 41     |          |
| Loss on valuation of investment securities   | 61     | 152      |
| Income before income taxes and other         |        | 31,800   |
| Income taxes - current                       | 885    |          |
| Income taxes - deferred                      | (112)  | 773      |
| Net income                                   |        | 31,027   |

## Audit Reports

Audit Report by Accounting Auditor regarding Non-Consolidated Financial Statements

### Audit Report from Independent Auditors

May 14, 2020

To The Board of Directors  
Nidec Corporation

PricewaterhouseCoopers Kyoto  
Kyoto Office  
Designated Partner  
Engagement Partner    Minamoto Nakamura    C.P.A.    Seal  
Designated Partner  
Engagement Partner    Tsuyoshi Yamamoto    C.P.A.    Seal

#### Opinion on the audit

We, PricewaterhouseCoopers Kyoto, audited Nidec Corporation's non-consolidated financial statements (i.e., non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of shareholders' equity, notes to the non-consolidated financial statements and their annexed detailed statements; hereinafter referred to as "non-consolidated financial statements") for its 47th fiscal year (April 1, 2019 – March 31, 2020) based on Article 436, Paragraph 2, Item 1 of the Companies Act of Japan.

PricewaterhouseCoopers Kyoto acknowledges that the aforementioned non-consolidated financial statements comply with the corporate accounting standards that are generally accepted in Japan, and properly describes, in all important points, the assets, profit, and loss of the period of such non-consolidated financial statements.

#### Basis for the opinion

PricewaterhouseCoopers Kyoto has performed an audit based on an audit standard that is generally considered acceptable in Japan. PricewaterhouseCoopers Kyoto's responsibility under the auditing standards is stated in "Accounting auditor's responsibility for the audit of the non-consolidated financial statements." PricewaterhouseCoopers Kyoto is independent of the Company in accordance with the provisions related to professional ethics in Japan, and is fulfilling other ethical responsibilities as an accounting auditor. It is PricewaterhouseCoopers Kyoto's belief that it has obtained sufficient and proper audit evidence based on which it can express its opinions.

#### Responsibilities of management, the Audit & Supervisory Board members and the Audit & Supervisory Board for the non-consolidated financial statements

It is the management's responsibility to prepare and properly present the non-consolidated financial statements in accordance with generally accepted accounting standards in Japan. This task includes establishing and operating internal controls that the management determines to be necessary to prepare and properly present the non-consolidated financial statements that are free of material misstatements due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for monitoring

the execution of the duties of Directors related to designing and operating the non-consolidated financial reporting process.

#### Accounting auditor's responsibility for the audit of the non-consolidated financial statements

It is the accounting auditor's responsibility to obtain reasonable guarantee about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express its opinions on the non-consolidated financial statements from an independent point of view in an audit report, based on its audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the non-consolidated financial statements.

PricewaterhouseCoopers Kyoto makes professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and performs the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the accounting auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- The purpose of the audit of the non-consolidated financial statements is not to represent any opinion on an internal control's effectiveness; however, in making those risk assessments, the accounting auditor discusses internal controls related to the audit in order to propose a proper audit procedure based on the circumstances.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the non-consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the accounting auditor is required to call attention to the notes to the non-consolidated financial statements in the audit report, or if the notes to the non-consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the non-consolidated financial statements. While the conclusions of the accounting auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the non-consolidated financial statements including related notes, and whether the non-consolidated financial statements fairly present the transactions and accounting events on which they are based.

The accounting auditor reports to the Audit & Supervisory Board members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The accounting auditor reports to the Audit & Supervisory Board members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the accounting auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

## Conflict of interest

No conflict of interest exists between the company and us, PricewaterhouseCoopers Kyoto, that is required by the Certified Public Accountant Law to be described.

## **Audit Report**

The Audit & Supervisory Board deliberated and prepared this audit report on the execution of the duties of the members to the Board of Directors for the 47th fiscal year (April 1, 2019 to March 31, 2020) based on the audit reports prepared by each Audit & Supervisory Board member, and reports as follows:

1. Auditing method of and audits by Audit & Supervisory Board member and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established auditing policies and an audit plan for the fiscal year, received reports from Audit & Supervisory Board members on the status and the result of audits and reports from the members to the Board of Directors, etc., and the Accounting Auditor on the execution of their duties, and requested an explanation as necessary.
- (2) Each Audit & Supervisory Board member, in compliance with the Audit & Supervisory Board's audit standard and audit policies and plan, communicated with members to the Board of Directors and employees, etc. of internal auditing and other departments, gathered information, tried to establish appropriate environments, and conducted audit based on the following methods:
  - (i) Each Audit & Supervisory Board member also attended Meetings of the Board of Directors and other important meetings, received reports from members to the Board of Directors, employees, and others on the execution of their duties, requested an explanation as necessary, viewed important approval requests and other documents, and investigated the statuses of work and assets at the Company's head office and its main offices, while communicating and exchanging information with the members of the Board of Directors and of Audit & Advisory Board, etc. of the Company's subsidiaries, and receiving business reports from those subsidiaries as necessary.
  - (ii) In addition, each Audit & Supervisory Board member regularly received a report from members to the Board of Directors, employees, etc., requested an explanation as necessary, and expressed opinions on, the status of the establishment and the operation of the system (the internal control system) established based on the contents of a resolution from a meeting of the Board of Directors and the resolution itself concerning the creation of a system stipulated in Article 100, Paragraph 1 and 3 of the Enforcement Regulations of the Companies Act as something necessary to ensure the proper execution of a business group comprising a corporation and its subsidiaries.
  - (iii) Each Audit & Supervisory Board member also supervised and inspected if the Accounting Auditors maintain their independence and perform audits properly, received reports from the Accounting Auditors on the execution of their duties, and requested an explanation as necessary. In addition, each Audit & Supervisory Board member received the notice from the Accounting Auditors that "A system that ensures proper execution of duties" (stipulated in each section of Article 131 of the Corporate Calculation Regulations) is in place based on "the quality control standard on audit" (based on the Business Accounting Council's decision on October 28, 2005) and other standards, and requested an explanation as necessary.

Then each Audit & Supervisory Board member deliberated the business reports and their annexed detailed statements, the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of shareholders' equity, and the notes to the non-consolidated financial statements), and their annexed detailed statements for the fiscal year based on the aforementioned methods.

## 2. Audit result

### (1) Business report and other documents

- (i) The Audit & Supervisory Board certifies that the business report and its annexed detailed statements are in accordance with laws, regulations, and the Articles of Incorporation, and that these documents exhibit the Company's business condition properly.
- (ii) The Audit & Supervisory Board identified no material facts on either improper act concerning the execution of the duties of the members to the Board of Directors, or violation of any laws, regulations or the Articles of Incorporation.
- (iii) The Audit & Supervisory Board certifies that the resolutions from the meeting of the Board of Directors concerning an internal control system are appropriate. Also, the Audit & Supervisory Board has no issues to point out on the content of the business report and the execution of the duties of the members to the Board of Directors concerning the said internal control system.

### (2) Non-consolidated financial statements and annexed detailed statements

The Audit & Supervisory Board certifies that the auditing method and the audit result of the Company's Accounting Auditor, PricewaterhouseCoopers Kyoto, are appropriate.

May 14, 2020

The Audit & Supervisory Board, Nidec Corporation

|                 |  |      |
|-----------------|--|------|
| Kazuya Murakami | Fulltime member of the Audit & Supervisory Board | Seal |
| Hiroyuki Ochiai | Fulltime member of the Audit & Supervisory Board | Seal |
| Eisuke Nagatomo | Outside member of the Audit & Supervisory Board  | Seal |
| Junko Watanabe  | Outside member of the Audit & Supervisory Board  | Seal |
| Takeshi Nakane  | Outside member of the Audit & Supervisory Board  | Seal |