



FOR IMMEDIATE RELEASE

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Released on June 16, 2023, in Kyoto, Japan

**Notice regarding the Receipt of the Investigation Report by the External Investigation Committee**

Nidec Corporation (TSE: 6594) (OTC US: NJDCY) (the “Nidec” or the “Company”) today announced that the Company received the results of the Investigation by the External Investigation Committee regarding Interim Dividend (\*1) and Company's Share Repurchase (\*2), which exceeded the distributable amount calculated in accordance with the Japanese Companies Act and the Regulation on Corporate Accounting (hereinafter collectively “this Matter”), as described in Company’s announcement “Interim dividends and the Company's share repurchase for the previous fiscal year were in excess of the distributable amount” dated June 2, 2023.

(\*1) an interim dividend of 35 yen per share which was resolved to pay at a meeting of its Board of Directors held on October 24, 2022 (the “Interim Dividend”)

(\*2) acquisitions of Company's shares conducted by the trust bank under the trust agreement from September 1, 2022 to March 31, 2023 (the “Company's Share Repurchase”)

**1. External Investigation Committee**

As of June 2, the Company established an external investigation committee consisting of the following three attorneys, and requested the investigation of this Matter for the purpose of investigating the facts regarding the Interim Dividend and the acquisition of Company’s shares, determining the cause of the incident, examining the responsibility of the related persons, and proposing measures to prevent a recurrence of such incident.

Committee Chair: Mr. Daisuke Yuki (Attorney and Certified Fraud Examiner, Nozomi Sogo Attorneys at Law)

Committee Member: Mr. Kazato Kawanishi (Attorney, Nozomi Sogo Attorneys at Law)

Committee Member: Mr. Motoki Yoshida (Attorney, Nozomi Sogo Attorneys at Law)

Each committee member has no special interest with Nidec group.

**2. Outline of the Investigation Report**

The outline of the investigation report received from the External Investigation Committee is as follows.

( 1 ) Fact revealed and Cause analysis

Specific works related to the acquisition of the Company's shares are handled by the employees of Finance Department, and specific works related to dividends are handled by the employees of Accounting Department. The reason why this Matter was conducted in violation of the regulations on the distributable amount is found as follows;

- Insufficient knowledge and awareness, etc. of officers and employees in charge.
- Operational manuals taking into consideration of the distributable amount regulations did not exist, with an exception of certain check list used in Accounting Department. Under such circumstances, there was no training or study sessions, etc. provided to the officers and employees handling operations of this Matter regarding the distributable amount regulations, and the acquisition of such knowledge was relied on the personal efforts of individual officers and employees.
- There was no or insufficient system to confirm the distributable amount in the departments in charge, and insufficient information sharing at the time of change of persons resigned or transferred.
- Insufficient coordination regarding the distributable amount check between Finance Department and Accounting Department.
- Officers and employees were not paying enough attentions to the distributable amount; there are many indications that when considering dividends in Company's internal meetings, retained earnings are used as standard instead of the distributable amount.
- Insufficient careful confirmation by Directors; At the Board of Directors meetings where a maximum amount of the Company's Share Repurchase was authorized, the year-end dividend for the fiscal year ended March 31 2022 was authorized, and the Interim Dividend was authorized, respectively, the executive officer who made the proposal did not specifically explain the distributable amount, and the materials distributed at the Board of Directors meetings did not include a description of the distributable amount as well. At the same time, each Director did not take careful measures, such as confirming with the executive officer in charge, etc., about the legal regulations regarding the acquisition of Company's shares and dividends.

( 2 ) Legal evaluation upon the conduct of the related persons

- Criminal charge for violations of the distributable amount regulations of the Companies Act is applied only to willful conducts; through the investigation, there was no finding that the Company's Directors, etc. had conducted Company's Share Repurchase with a knowledge of violating regulations under the Companies Act. Therefore, the Company's Directors, etc. cannot be found guilty of the above criminal responsibility.
- Although requiring Directors to be aware that some kind of upper limit is applied to the distribution of surplus and the acquisition of the Company's shares cannot necessarily be said to be an excessive request, it also cannot be said that the Directors neglected to perform their duties only because the Directors lacked awareness of such distributable amount regulations.
- It can be said that the Company had established and operated a certain system to ensure that the operations related to the acquisition of the Company's shares and dividends of surplus were conducted legally. Under the above system, it is not necessarily unreasonable that the Company's Directors trusting on the departments in charge and the responsible/supervising executive officer over the departments thought that the total amount of Company's Share Repurchase and the amount of the Interim Dividend were within the legal limits. Therefore, based on the results of the investigation, it is evaluated that the Company's Directors "were not failing to perform their duties" regarding the Interim Dividend and the Company's Share Repurchase.

(3) Proposals for measures to prevent recurrence

- Establishment of an effective business execution system in the departments in charge.
- Implementation of training, etc. to officers and employees in the departments in charge.
- Strengthening coordination between the Finance Department and the Accounting Department.
- Utilization of external experts.

### **3. Company's Response to the Investigation Report**

Nidec will take measures to prevent recurrence based on the proposals of the External Investigation Committee and work to further improve Company's corporate governance.

We deeply apologize for causing concern to everyone involved due to this Matter.  
This Matter will have no impact on the financial performance of the Company.

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