



Integrated Report 2023

Dreaming of the next 50 years

Nidec marked its 50th anniversary on July 23, 2023, and started treading new paths to embrace profound changes potentially involved in achieving another 50 years of sustainable growth. Under the watchword “One NIDEC,” we are taking consistent steps forward to evolve from a founder-led company into a founder-inspired, collectively led one. The underlying idea of “One NIDEC” is to view our diverse management resources (people, goods, money, technology, and information) as a coherent whole and optimally realign them with the company’s shared objectives. With particular reference to people management, “One Nidec” represents an environment that helps unleash individual potentials beyond differences in nationality, race, gender, age, faith, cultural background, or personality. Our march toward “One Nidec” started with a few cornerstone events—unifying the company names, establishing a Nomination Committee, and formulating a succession plan for a seamless transition to a more collective, interactive leadership style. Meanwhile, what remains unchanged is our unwavering aspiration—fueled by passion, enthusiasm, and tenacity—for giving a concrete shape to grand dreams. That has always been and will continue to be the cultural and ideological common thread running through Nidec from generation to generation.

Over the next 50 years, the NIDEC Group aims to become a truly global company that firmly stands on a unique culture and philosophy, which is like a big tree supported by robust roots and trunk, with people from all over the world coming together and blossoming into various flowers. In order to make this dream come true, we will not be afraid of change and will boldly take on the challenge of entering a new world through the creation of excellent products.



Welcome to Nidec Integrated Report 2023

When Nidec was founded in 1973, we dreamed of becoming a global company representing Japan. Today, as we celebrate our 50th anniversary, we are moving forward with our next dream: to become a top-rated global company that continues to be needed by society for the next 50 years and beyond. We believe that it is essential to realize sustainable management in order to coexist with and be needed by the international community in the future. In other words, we need to closely align our business strategies with solutions to universal issues and thereby to achieve consistent, dynamic growth.

We began publishing the integrated report in 2021 with the intention of incorporating the perspectives of our stakeholders into management to review the direction of our business strategies. This year, Integrated Report 2023 focuses on changes in our management structure as we celebrate our 50th anniversary. Among the many changes, we particularly focus on those related to people, such as the transition to a collective management system, the resulting changes in human resources strategies, and the formulation of new personnel policies. In addition, we provide interview articles as a special feature on the five new executive vice presidents, who are of great interest to our stakeholders, so that everyone can learn more about their backgrounds and ways of thinking.

This report has been created with reference to the IFRS Foundation’s International Integrated Reporting Framework and the Ministry of Economy, Trade and Industry’s Guidance for Collaborative Value Creation. We declare that the preparation processes and the contents of this report are legitimate.

We hope this report gives you a good picture of our sustainability journey and look forward to receiving your valuable, candid feedback. We appreciate your continued support as we strive to continuously improve our corporate value.

Shigenobu Nagamori
Founder, Representative Director and Chairman

Corporate Philosophies

Policy

POLICY

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

Mission

MISSION

We contribute to the Earth by producing the highest quality motors in the world.

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

Vision

VISION

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

Value

VALUE

"Nidec Way" "The Challenging Road"

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

Discipline & Code

DISCIPLINE / CODE

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

WE SUPPORT



The Nidec Group joined the UN Global Compact in August 2015 and officially announced its support for the 10 Principles.

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Reporting Period: April 1, 2022–March 31, 2023

This report includes information before and after the reporting period.

Reporting Guidelines

- International Integrated Reporting Framework, IFRS Foundation
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation, Ministry of Economy, Trade and Industry
- GRI (Global Reporting Initiative) Sustainability Reporting Standards
- ISO (International Organization for Standardization) 26000 Guidance Standard on Social Responsibility

Disclaimer Regarding Forward-Looking Statements

The forecasts and forward-looking statements contained in this report are based on the information and forecasts available as of the date of publication of this report. Please be aware that actual performance may vary significantly due to various uncertainties, such as market price conditions and exchange rate fluctuations. Nidec undertakes no obligation to update any information regarding the forward-looking statements contained in this report.



“One Nidec” will keep us in sync with new dynamics arising in the next 50 years.



Eying Consolidated Net Sales of 10 Trillion Yen

Achieving consolidated net sales of 10 trillion yen is my long-cherished dream. Admittedly, that is a lofty dream, but not impossible if Nidec people release their full potentials. Well-matched business acquisitions, not to mention innovative, value-added products, will also help us make it happen.

Nidec has historically leveraged M&As for business growth at a pace unmatched by any other Japanese company, including a few attempts made without the consent of

the counterparty. These so-called takeover bids are still uncommon or can often be controversial in Japan, but I find it very motivating to see the resulting benefits expand far beyond any one company, or industry, into a vast variety of markets. Whenever a business acquisition comes into the picture as a viable option, I will spare no effort to share all my knowledge and experiences with our new management team to help them make the best possible choice.

Marking the 50th Anniversary

Fifty years ago, I started Nidec Corporation with three like-minded colleagues and since then we have worked our way to becoming an internationally active business with over 100,000 employees in 47 countries and regions. Thanks to all our employees for their continued hard work and to our shareholders and stakeholders for supporting us on our journey, we are now proud to see our consolidated annual sales exceed 2.2 trillion yen to finally place Nidec first among all Kyoto-based, internationally competitive firms. However, time waits for no one—or company. I hear a warning bell signaling us to press ahead with transformational changes to prepare ourselves for what the next 50 years will bring. The coming transformation, whatever shape it might take, can be likened to giving a rebirth to the company and will mean a tough and testing time for us. I often use this analogy in front of people here at Nidec lately to express my hope to see Nidec emerge stronger from a period of

unprecedented challenges with greater resilience worthy of a truly world-class enterprise.

At the outset of FY2023, we shed our Japanese brand name Nippon Densan under a unified name Nidec, and then placed it ahead of all the names of our Japan-based subsidiaries. Marketing a vast range of products under a single brand name will help expand our global market reach more effectively.

On the governance front, our Nomination Committee selected five executive vice presidents, one of whom will be appointed the president of Nidec Corporation in April 2024. The current president Hiroshi Kobe will be supporting the new president for four years as new Chairman and CEO. I will be leaving all my current positions to assume the role of observing progress under the new management team. My focus will continue to be on “walking the talk” on corporate values.

Bringing “One NIDEC” into action

After a few years of devoting a fair amount of energy to tackling pressing issues, such as the succession plan and slumping stock prices, now I am seeing positive changes taking place in Nidec as it builds a solid basis for navigating the next 50 years. I am excited to witness Nidec set out on a journey of a profound, unprecedented transformation where everyone’s contribution is recognized for his or her achievements, regardless of attributes such as academic background, seniority, age, gender, or nationality. And it is only when that happens that we would deserve to be called a global enterprise in the true sense of the word. I am strongly convinced that like-minded Nidec colleagues numbering more than 100,000 will unlock a new chapter

of company growth, powered by the shared collaborative mindset of “Do it now; do it without hesitation; do it until completed.”

September 2023

Shigenobu Nagamori
Founder, Representative Director and Chairman



We aim to become a top-rated global company by resolutely exploring a new world.

Aiming to Continue to Be a Socially Indispensable Top-rated Global Company for the Next 50 Years

Our mission is to contribute through our business to the resolution of important issues common to humanity and the advancement and spread of new technologies that will be essential in the future.

Climate change is one of the important issues common to all humankind. It may be still fresh in your memory that UN Secretary-General António Guterres sounded the alarm, describing this ever-increasing problem with the phrase "era of global boiling." We hope to help solve climate change by promoting decarbonization of society through the development of highly efficient and low-cost EV motors and renewable energy-related solution businesses, such as battery energy storage systems (BESS).

Meanwhile, we announced in June 2023 that we have entered the business of Flying Cars (eVTOLs), one of the new technologies that will support future society. It is an urgent issue to establish technology to efficiently and sustainably transport people and goods in urban areas with concentrated populations. As a solution to this problem, eVTOL is attracting attention, and the market is expected to expand in the near

future. Nidec has signed an agreement with Embraer, a global aircraft manufacturer headquartered in Brazil, to establish a joint venture related to electric drive systems for the aviation industry. By combining the technologies of both companies, we will work together to increase the possibilities of a new means of transportation for society in the near future.

Our company intends to contribute to the resolution of various issues related to the environment and society, and we dare to jump into the world of technological innovation under a management system underpinned by thorough governance. As a result of continuing these business activities, we believe that Nidec will be a top-rated global company needed by society even 50 or 100 years from now.

September 2023

Hiroshi Kobe
Representative Director and President
(Chief Operating Officer)

Business Strategies for FY2023

In FY2022, Nidec's consolidated net sales stood at a record high of ¥2,242.8 billion, 17% higher Y/Y. On the other hand, operating profit decreased 41% Y/Y to ¥100.1 billion due to posting of large-scale structural reform expenses. We have renewed our resolve to achieve a V-shaped recovery in FY2023.

In FY2023, we will shift directions to a policy that emphasizes profitability. We will focus management efforts even more on achieving the plans set at the beginning of the fiscal year and ensuring financial soundness, and we will begin building a solid foundation for growth over the next 50 years. In our day-to-day operations, we will continue to make the most of our business execution capabilities, which are backed by our strengths of speedy management and the spirit of "Do it until completed."

In the automotive products segment, which is considered one of the two major growth fields in our business portfolio, we

place sales expansion of the new generation model of the electric vehicle (EV) drive motor E-Axle at the center of our strategy. Meanwhile, in the appliance, commercial and industrial businesses, which are also growth fields, we focus on capturing replacement demand for high-efficiency motors and green innovation-related demand. In the precision small motor business, we will continue to meet IT-related demand while focusing on developing new fields such as electric motorcycle motors and small EV motors with an output of 30 kW or less. In other product groups, we will aim to further expand the scale of our business by proactively utilizing M&A in product fields such as reducers, press machines, and machine tools handled by the Machinery and Automation Business Unit, which has started operations this fiscal year. In the field of machine tools in particular, we believe that enriching our product portfolio with a view to developing new markets will hold the key to our future.

Executive Vice President Interviews

At the extraordinary board of directors meeting held on March 10, 2023, the board resolved to appoint five executive vice presidents as of April 1, 2023. Having been rigorously examined by the Nomination Committee, the five new executive vice presidents were selected as individuals who have demonstrated outstanding transformational leadership in their executive positions at Nidec and president positions at its group company and have contributed to business results. It was also confirmed that they have sufficient potential as a president. We asked the five new executive vice presidents, who are expected to move the Nidec Group forward together with its employees, about their thoughts on the company and its business.

Toshihiko Koseki
Mitsuya Kishida
Yoshihisa Kitao
Tatsuya Nishimoto
Toshiyuki Otsuka

Common Q&A

These are common questions for all five executive vice presidents to dig deeper into each person's personality.

1. Please tell us about your career at Nidec.
2. What kind of company do you want Nidec to be?
Also, how do you think Nidec should change?
3. What do you think Nidec lacks currently but should have in order to realize your ideal vision?
4. What do you think of sustainability management and ESG management at Nidec?

Individual Q&A

These questions are tailored to each person's background and current duties.

Questions are listed on each page.



Biography	
April 1983	Joined Nippon Steel Corporation
April 2001	Senior Chief Researcher of Technology Development Division
October 2004	Professor, School of Engineering, The University of Tokyo
April 2017	Executive Vice President of the University
April 2018	Advisor of Nippon Densan Corporation (currently Nidec Corporation)
April 2019	First Senior Vice President, Head of Nidec Center for Production Technology R&D
May 2022	Chief Technology Officer (CTO) (current post)

Toshihiko Koseki

Executive Vice President,
Chief Technology Officer

Common Q&As

1. After working with Nidec for one year as a part-time advisor, I officially joined the company in 2019. At that time, the Nidec Center for Production Technology R&D (currently the Nidec Keihanna Technology Center) had just been formed, and I had to establish the Center's functions and roles that span the entire Nidec Group. From then until now, I can say that I have spent four years pursuing the question "What is a corporate research institute?" This spring, we reorganized our R&D departments, creating a system in which the R&D departments serve as a hub for developing various technologies and solving problems for all Nidec Group companies.
2. I believe that we need to have unique and advanced technological capabilities and continually evolve them. Up until now, Nidec has achieved growth by supplying motors and parts with a high level of responsiveness to customer requests, but in the future, we will additionally need the ability to create modules, systems, and solutions in a wide range of fields centered on motors.
3. We need the ability to combine, sophisticate, and integrate the technologies cultivated through the development and production of motors. In order to continue to grow and coexist with society over the next 50 years, we must continue to be a company that can respond flexibly to social changes and contribute to society through technology.
4. It is important first to understand both the contribution and burden to the global environment that are created by our activities to manufacture motors and other products, and then consider what we can do. The manufacturing process places a burden on the environment due to the use of materials and electricity, but on the other hand, motors with an energy-saving design can significantly reduce the amount of electricity consumed around the world. In addition, the amount of electricity used to cool IT equipment will continue to grow. Nevertheless, further improvements to our fan motors, heat pipes, and water cooling technology will greatly contribute to power savings in this field.

Individual Q&As

Q. What is the philosophy of the three research and development departments newly established in April 2023 (Nidec Product Technology R&D Center, Nidec Center for Production Technology R&D, and Nidec System Manufacturing Engineering Center)?

A. It is to realize One NIDEC of technology. Up until now, each research institute had developed products and researched production technologies individually. Now, we have clarified the functions and roles of each research institute and established a function to connect them so that everything from product design to production technology can be integrated to enable consistent, efficient development. The research institutes will also play the role of a hub that promotes sharing and collaboration of technologies owned by the Nidec Group.

Q. What technologies are you currently focusing your research on?

A. We are focusing on establishing the basis for and developing the systems and solutions that combine multiple technologies, as well as the software technology that supports them. For example, in the future, EVs are expected to be referred to as "driving smartphones." This means that we need to utilize both hardware and software to create added value. From this perspective, we are focusing on the development of our E-Axle, with a view to creating a connected car* with functions that go one step further than the basic vehicle functions of running, stopping, and turning.

* A car equipped with a function to constantly connect to the Internet



Biography
 April 1983
 January 2001
 April 2011
 June 2016
 April 2018
 April 2021
 January 2022
 July 2022
 September 2022

Joined Sony Corporation
 Vice President Product Planning, Sony
 Ericsson Mobile Communications AB
 Executive General Manager of
 Production, Sony Corporation
 Executive Officer, Business Executive,
 Sony Corporation
 Representative and President, Sony
 Mobile Communications Inc.
 Executive Vice President in Charge of
 Managing Mobile Communications
 Unit, Sony Corporation
 Joined Nippon Densan Corporation
 (currently Nidec Corporation), Senior
 Vice President, Deputy Executive
 General Manager of Automotive
 Motor & Electronic Control
 Business Unit
 First Senior Vice President
 Executive General Manager of
 Automotive Motor & Electronic
 Control Business Unit (current post)

Mitsuya Kishida

Executive Vice President, Executive General Manager of
 Automotive Motor & Electronic Control Business Unit

Common Q&As

1. I joined Nidec in January 2022 and immediately took charge of the automotive business in Europe. I strived to strengthen our foundation and conduct structural reforms in preparation for the development of our automotive business, centered on Stuttgart, Germany, which is famous as the city of cars. It was a year in which we made steady progress in resolving issues necessary for future business development and clearing up the past.
2. I believe that we should go beyond the framework of a motor company and become a platformer. Just as major mobile phone carriers have now lost their positions to IT companies, I am confident that companies that can provide not only hardware but also the entire platform, including software, will win the top spot in the automotive industry.
3. We need to increase synergies between group companies and cultivate software technology. For this purpose, it is necessary to improve the product development and design environment. We have the environment in place to improve the perfection of our hardware. However, when it comes to software, it's a different story; we still lack development and design systems, human resources with knowledge, work style options to secure human resources, and collaboration within the group. By making full use of the technology and know-how that we have accumulated in-house through our business, I am sure that we will be able to resolve these issues.
4. In order to survive the next 50 years, or even 100 years, Nidec must become a company that puts globalization and diversity at the forefront. The Nidec Group's operations span a truly diverse range of countries and regions, and even among its Japanese peers, there are few examples of this level. We should be able to appeal more to the world the true diversity fostered within the Nidec Group, which is a strength created by people from all over the world working together, transcending all attributes such as race, nationality, gender, skills, and expertise.

Individual Q&As

Q. Are there any situations in which your experience from your previous job was put to good use?

A. Before joining Nidec, I was involved in the mobile phone business for a long time. I have experience in domestic sales, overseas marketing, accounting, business strategy and planning, and as a factory president, but I have never been involved in the automotive business. In that sense, I am tackling every task here for the first time. Nevertheless, I naturally utilize all of my previous work experience in the Nidec Group, where the on-site actual-item principle is always required. I can say that I am summarizing all the work I have experienced in my previous job when dealing with customers.

Q. What are the strengths of the Nidec Group that you found while visiting various production, development, and sales sites?

A. The Nidec Group's greatest strength is its integrated production and sales system. For example, when it comes to sales, we explain our company's advantages, starting with how to make parts. We are able to not only talk about product specification, but also go into the manufacturing process together with our customers. I believe this is proof that the Nidec Group has continued for 50 years to refine its manufacturing spirit, which is represented by 3Q6S principles, and that this spirit has been passed on to all employees, regardless of their duties.



Biography
 April 1982
 April 2011
 April 2012
 July 2012
 April 2013
 May 2016
 June 2021
 June 2023

Joined Sumitomo Bank, Ltd. (currently
 Sumitomo Mitsui Banking Corporation)
 Director, Manager of Corporate Sales
 Dept. 1, Namba, Sumitomo Mitsui Banking
 Corporation
 Joined Nippon Densan Corporation
 (currently Nidec Corporation)
 General Manager of Affiliates Management
 Department (currently Group Companies
 Performance Management Department)
 Vice President
 Senior Vice President
 First Senior Vice President
 Executive General Manager of Small
 Platform Motor & Solutions Business Unit
 (current post)
 In Charge of Managing Group Companies
 (current post)

Yoshihisa Kitao

Executive Vice President
 Executive General Manager of Small Platform Motor & Solutions Business Unit
 In Charge of Managing Group Companies

Common Q&As

1. In my previous job at a bank, I was in charge of corporate sales and company-wide performance management. I joined Nidec in 2012 and was assigned to work in the Affiliates Management Department (at that time) due to my experience at the previous job. I have mainly been in charge of domestic group companies. In particular, I have traveled with Chairman Nagamori to companies that have newly joined the group through M&A and have served as a liaison between Nidec and its group companies. In addition, in June this year, I was also appointed as Executive General Manager of the Small Platform Motor & Solutions Business Unit.
2. As I am in charge of the Small Platform Motor & Solutions Business Unit, which is the company's founding business, I aim to build a corporate group that endeavors based on Nidec's identity represented by the slogan "Do it now; do it without hesitation; do it until completed," as well as the strengths and technologies of each group company that has newly joined the group. Rather than completely absorbing these new companies, we are strengthening collaboration among group companies to help them leverage their own characteristics and ensure that the same intentions are shared among the group.
3. We must maintain good communication between group companies. To this end, we need to remove all barriers to facilitate the movement of people, goods, technology, and information. In other words, this is to achieve One NIDEC. For this purpose, I believe that it is important for all employees of the Nidec Group to fully understand the concept of 3Q6S, which is regarded as our company's constitution, act accordingly, and communicate closely.
4. Nidec can contribute to reducing power consumption around the world by increasing the efficiency of motors and pursuing the development of environmentally friendly products. For example, in recent years, the power consumption and heat generation of electronic components have increased dramatically due to faster and larger data transmission. In this regard, Nidec can contribute to reducing the power consumption of ICT* equipment by providing a solution that efficiently cools high-performance semiconductors through cooperation with Nidec CCI, which joined the group in 2018. In addition, we have quickly started working on the development of water cooling modules as a new thermal solution. This enables cooling with less than half the electricity and CO₂ emissions compared to conventional heat exhaust systems.

* ICT: Information and communication technology. It refers to technology that exchanges digitized information through communication and technology that uses communication technology to connect people to people and people to the Internet.

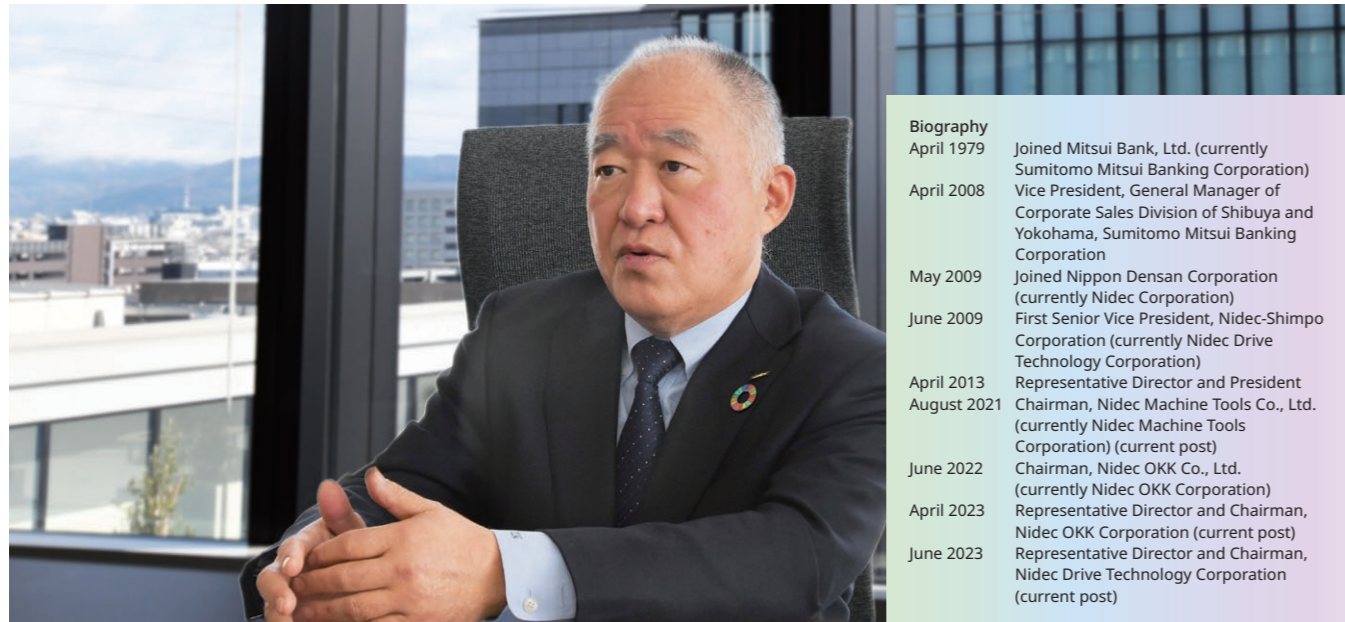
Individual Q&As

Q. You were involved in setting up overseas factories for group companies. Are there any memorable episodes?

A. When we built factories in overseas countries such as Vietnam and China, I was involved in the negotiations with all my heart and soul. As a result of repeated negotiations with local government officials, I believe that we were able to go beyond just building a new factory. We have successfully managed to strengthen the relationship of trust between Nidec and the governments of each country.

Q. What are the technologies and products that will become the pillars of Nidec's business in the field of small motors in the future?

A. As mentioned earlier, I believe that thermal solutions will become a major pillar. From now on, dealing with the huge amount of heat dissipated due to the higher functionality of data centers and the expansion of the market will become an urgent issue. Conventional solutions centered on air cooling are no longer sufficient, and solutions centered on water cooling are expected to expand significantly in the future. In response to the HPC server market, which continues to grow as the use of AI expands, and the demand that increases due to the increasing output of microprocessors, we will expand our business with a sense of speed unique to Nidec, with products that use water cooling technology that we have already been developing. In addition, we will utilize the technology cultivated in the Small Platform Motor & Solutions Business Unit to address the issue of electrification, which is sweeping across fields, not only of automobiles but also of motorcycles.



Biography
 April 1979 Joined Mitsui Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)
 April 2008 Vice President, General Manager of Corporate Sales Division of Shibuya and Yokohama, Sumitomo Mitsui Banking Corporation
 May 2009 Joined Nippon Densan Corporation (currently Nidec Corporation)
 June 2009 First Senior Vice President, Nidec-Shimpo Corporation (currently Nidec Drive Technology Corporation)
 April 2013 Representative Director and President
 August 2021 Chairman, Nidec Machine Tools Co., Ltd. (currently Nidec Machine Tools Corporation) (current post)
 June 2022 Chairman, Nidec OKK Co., Ltd. (currently Nidec OKK Corporation)
 April 2023 Representative Director and Chairman, Nidec OKK Corporation (current post)
 June 2023 Representative Director and Chairman, Nidec Drive Technology Corporation (current post)

Tatsuya Nishimoto

Executive Vice President, Executive General Manager of Machinery and Automation Business Unit

Common Q&As

1. I joined Nidec in 2009. Immediately after that, I was appointed as First Senior Vice President of Nidec-Shimpo Corporation (currently Nidec Drive Technology Corporation), with which I had a connection through my previous job.
2. I want Nidec to be a company that realizes sustainable growth and talks about dreams and turns them into reality.
3. I believe that we need to promote business selection and concentration to realize sustainable growth. I think that we are now at a point where we need to take a bird's-eye view of the group's businesses, analyze them, and reorganize some areas depending on the situation. Furthermore, in order to achieve sustainable growth, it is necessary to diversify our business portfolio to some extent. This may seem to contradict the concept of selection and concentration of business. However, it is risky to concentrate management resources on a limited number of companies or industries. I think that large-scale investments targeting specific companies or industries must be examined carefully. In order to make Nidec a company that talks about dreams and turns them into reality, we must develop employees who faithfully adhere to and carry out Chairman Nagamori's basic philosophy of "Do it now; do it without hesitation; do it until completed" to follow his path.
4. Regarding future sustainability management and social contribution, I think it would be a good idea to emphasize the significant contribution that the Nidec Group has already made through its projects. For example, Nidec Minster Corporation handles aluminum cans with a high recycling rate in its canning press business.

Individual Q&As

Q. Please tell us the points to focus on when conducting M&A.

A. We assess the current situation of our existing core businesses, identify areas that are lacking, and look for business entities that can supplement them. In 2011, Nidec-Shimpo Corporation (currently Nidec Drive Technology Corporation) merged with Nippon Densan Kyori Co., Ltd. and entered the press business. At that time, we made M&A strategy one of our major measures for growth. Having acquired Nippon Densan Kyori Co., Ltd., a small press machine business based on the Japanese market, we decided that we needed a medium and large press machine business with strong markets in Western countries. Accordingly, we acquired the current Nidec Minster Corporation and Nidec Arisa S.L.U. Subsequently, we acquired peripheral equipment manufacturers that could create a high synergy effect through cooperation with the above stated companies.

When considering an acquisition, it is important to meet with the management of the target company many times and assess the potential partner. As we get to know the personalities of the other party, we try to make them trust us, thinking that they can work with us.

Q. Next, please tell us the key points regarding PMI (Post Merger Integration).

A. In many M&A transactions around the world, the acquirer's promotion manager is not involved in the PMI process. However, in the Nidec Group, not only the person in charge of promoting the acquisition project but also the company's top person, Nagamori, will be deeply involved in the PMI process after the acquisition. Another characteristic of the Nidec Group's M&A strategy is that it does not involve major changes in the management team of the acquired company or mass layoffs of its employees. We give management authority to the existing management team of the acquired company. At the same time, we share the basic management philosophy of the Nidec Group with all members of the company, provide investment support as necessary, and raise its profitability while increasing its employee morale.



Biography
 April 1989 Joined Saitama Bank, Ltd. (currently Resona Bank, Limited.)
 November 2004 Joined Nidec-Read Corporation (currently Nidec Advance Technology Corporation)
 April 2015 Representative Director and President, Nidec-Read Korea Corporation (currently Nidec Advance Technology Korea CO., LTD.)
 June 2017 Vice President, Nidec-Read Corporation
 October 2017 Senior Vice President
 April 2018 Representative Director and President
 May 2022 Representative Director and President, Nidec Sankyo Corporation (currently Nidec Instruments Corporation) (current post)

Toshiyuki Otsuka

Executive Vice President

Common Q&As

1. In 2004, I joined Nidec-Read Corporation (currently Nidec Advance Technology Corporation), one of our group companies, and was subsequently transferred to South Korea to help set up a base. I returned to Japan as an executive in 2017 and served as the company's representative director and president for four years starting in April 2018. Although this industry was characterized by sales instability due to the strong influence of the demand cycle in the semiconductor market, we have worked to build a foundation that would allow us to continue to generate high levels of profits. Since May 2022, I have been in my current position.
2. I want Nidec to continue to grow more and have a strong presence over the next 50 years. While inheriting the corporate culture and spirit of our founder that have served as the foundation for our growth, we must continue to make changes in line with the times by pursuing cutting-edge technology and following social demands in order to survive in the new era. I believe that such efforts to break with conventions will pave the way for growth.
3. I believe that it will become even more necessary to look at things from the perspective of the entire group, positioning overall optimization as a prerequisite. For example, it is essential to further promote the sharing of technology and purchase-related information, the mobility of human resources, and the effective mutual use of assets. By accelerating the One NIDEC movement that removes barriers between group companies, we will increase the value of the entire group.
4. We are a company, so our management purpose is to increase our business performance and stock price, which is also a mission as an executive. We believe that this purpose and mission and sustainability and ESG management are not contradictory, but that they mutually influence each other and create synergistic effects. For example, automotive motors (E-Axle) greatly contribute to decarbonization, and decarbonization leads to improving the Nidec Group's corporate value, creating new markets, and ultimately generating profits. The same applies to human rights issues, diversity promotion, and building a competitive supply chain, which the Nidec Group is actively working on. As a globally operating company, Nidec aims to make business decisions from the perspective of sustainability and ESG management and eventually benefit all stakeholders.

Individual Q&As

Q. What were the key points in stabilizing the performance of Nidec-Read Corporation (currently Nidec Advance Technology Corporation)?

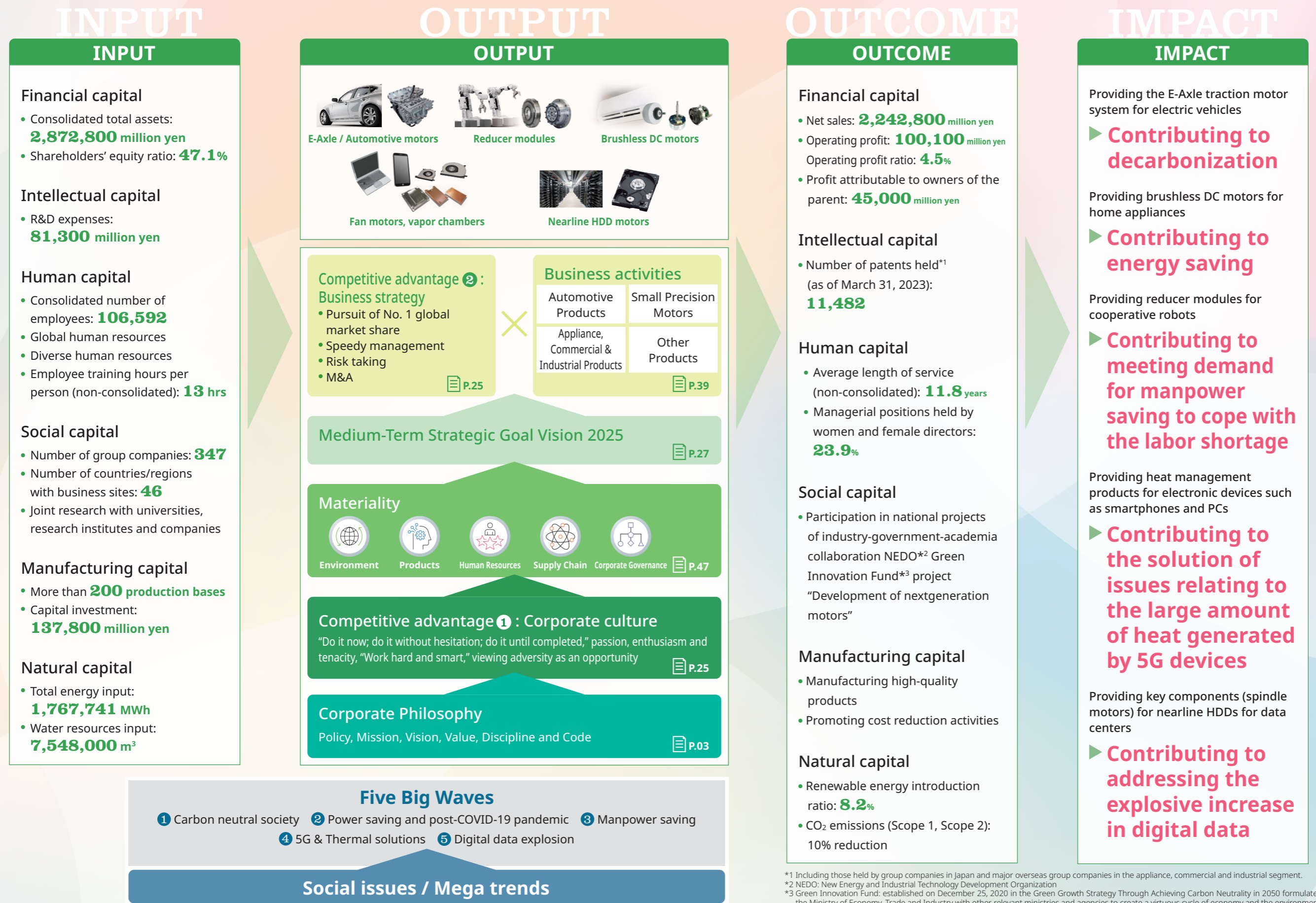
A. As mentioned earlier, the company's main product, inspection equipment for substrates and semiconductors, has been experiencing large fluctuations in demand. In order to compensate for the gap in demand, we focused on the consumables business, such as inspection jigs and probe cards, and gradually built up our product portfolio by leveraging M&A to generate constant demand.

Q. You are currently the representative director and president of Nidec Instruments. What is the focus in strengthening the company's business foundation?

A. The goal is to instill management methods and attitudes based on the Nidec Policy and Nagamori-ism and to put them into practice. We aim to continue to achieve our business plans by aligning our employees with the above stated philosophies. This will strengthen our business foundation and lead to future growth. Achieving the plan requires not only will power but also detailed implementation of policies. Nevertheless, I instruct my team members to always maintain "Backbone and Tenacity," a truly critical notion cherished at Nidec.

Value Creation Process

Nidec will fulfill its mission of “contributing to the world by producing the highest quality motors in the world” by providing solutions to the common issues of humankind through its business activities.



Contributing to the world by providing motors with the world's best performance

*1 Including those held by group companies in Japan and major overseas group companies in the appliance, commercial and industrial segment.
 *2 NEDO: New Energy and Industrial Technology Development Organization
 *3 Green Innovation Fund: established on December 25, 2020 in the Green Growth Strategy Through Achieving Carbon Neutrality in 2050 formulated by the Ministry of Economy, Trade and Industry with other relevant ministries and agencies to create a virtuous cycle of economy and the environment.



1973

As the world's leading comprehensive motor manufacturer, Nidec has achieved continuous growth through business diversification and by continuing to meet the needs of society.

Nippon Densan Corporation (now Nidec) established.

On July 23, 1973, Shigenobu Nagamori, who was then 28 years old and who now serves as Representative Director and Chairman, established Nippon Densan Corporation (now Nidec Corporation) with three friends in Nishikyo-ku, Kyoto. With the aspiration of "becoming No. 1 in the world," the four young men started to manufacture and sell small AC motors. Because it was difficult to find customers in Japan, Nagamori flew to the United States, where he visited potential customers without prior appointments.



Nagamori, now Representative Director and Chairman when the company started



Three founding members

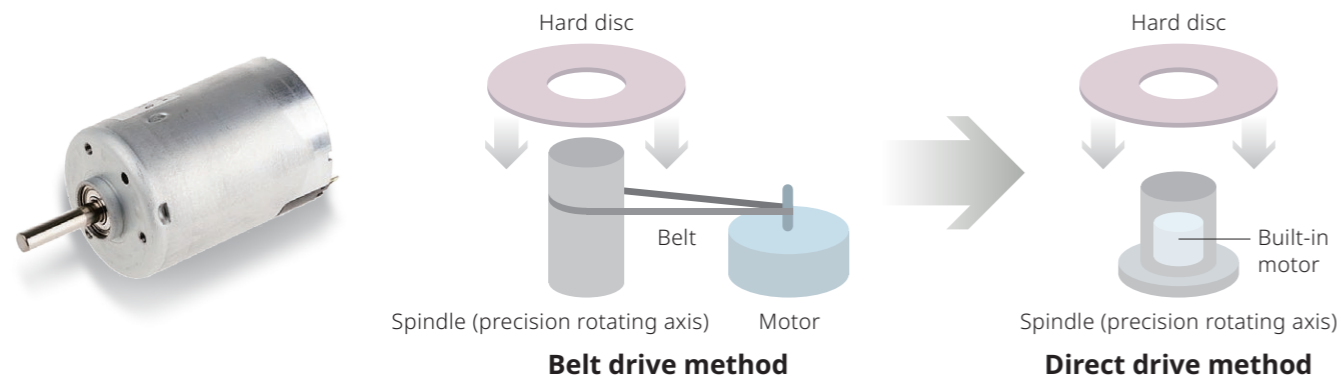


Katsura Factory

An encounter with the brushless DC motor

Fascinated by brushless DC motors, which feature low noise, long life and compact size, Nagamori was immersed in its research in his school days. However, the brushless DC motor market was still small in those days, and brushless DC motors were used only for limited applications such as fish finders.

At the request of an electric equipment manufacturer in the United States, Nidec developed a directdrive*1 motor for hard disc drives (HDDs) using brushless DC technology, and successfully launched mass production in 1979. Direct-drive HDD motors contributed to the miniaturization and high storage capacity of HDDs, and HDDs rapidly became widespread as a computer storage device. Since then, brushless DC motors have been the pillar of Nidec's business. As the world's No.1 manufacturer of brushless DC motors, Nidec has established a dominant position in a broad range of markets from IT and automotive devices to home appliances.



*1 Belt drive method and direct drive method
 In those days, AC motors were used to drive HDDs, and the belt drive method, which uses a belt to spin the spindle (precision rotation axis), was the mainstream. Belt-drive HDDs were used mainly as storage devices for large computers. In order to spread computers to ordinary people, it was essential to miniaturize and increase the storage capacity of HDDs, and what made this possible was the direct drive method, which integrates the spindle and motor in a single unit. Nidec played a critical role in developing and commercializing a direct drive spindle motor for HDDs.

M&A as the growth driver

Nidec has completed 71 M&A deals since its founding up to September 2023. In its 50-year history, the company concentrated investment in M&A in two specific periods. The first was between 1995 and 2003, when the bearings for HDD motors shifted to Fluid Dynamic Bearings (FDBs)*2, we obtained the necessary production technologies for the development and mass production of FDBs through 17 M&A deals. The second was between 2010 and 2020, when the HDD market was shrinking, we completed 39 M&A deals mainly in the fields of automotive products and appliances, commercial and industrial products, with the aim of moving beyond a business structure depending largely on HDD motors. Based on the idea of buying time to develop technologies and people, Nidec has utilized M&A and overcome changes in both technologies and markets.

1980s~90s

Social trends
 Takeoff and expansion of the PC market

• Nidec's initiatives

Nidec becomes the world's top HDD motor manufacturer

In 1983, the first business-use personal computers (PCs) equipped with HDDs as memory were launched in the United States. HDDs became popular because of their high-speed processing capacity, leading to the expansion of demand for HDDs. Nidec, which had produced motors for 8-inch HDDs from 1979 and for 5.25-inch HDDs from 1981, launched the production of 3.5-inch and 2.5-inch HDD motors in 1984 and 1988, respectively, in response to the miniaturization of PCs. In March 1989, Nidec acquired a competitor Shinano Tokki thereby capturing a 90% share of the global HDD motor market. In 1984, Nidec acquired the axial-flow fan business of US company Torin Corporation, and started the production of brushless DC fans for PCs and office equipment. In September 1998, Nidec was listed on the first section of the Tokyo Stock Exchange (now Prime Market).

• History of growth through M&A

Year	Country	Acquired companies/businesses	Specialized businesses/technologies/products
1984	United States	Torin Corporation, Axial fan division	Small axial-flow fans
1989	Japan	Shinano Tokki	HDD motors
1995	Japan	Kyoritsu Machinery	Automatic motor assembly equipment, automatic inspection
1995	Japan	Shimpo Industries	Equipment
1997	Japan	Tosok	Continuously variable transmissions
1997	Japan	Read Electronics	Measuring instruments, semiconductor measuring equipment
1997	Japan	Kyori Kogyo	Industrial inspection devices
1998	Japan	Copal	High-speed precision automatic press machines
1998	Japan	Shibaura Densan	Manufacture of camera shutters

* Major companies are picked up and listed in this table.

Ball bearings were initially used for HDD motors. But around 1995, it became necessary to improve the rotation accuracy of motors in line with the increase in the capacity of HDDs. Although there were studies on using FDBs for HDD motors, no bearing manufacturers had succeeded in mass production. In order to supply the needed HDD motors, Nidec had to develop and produce FDBs from scratch, which was a big challenge as the company had procured bearings from outside suppliers and assembled them into HDD motors. Therefore, Nidec acquired several companies that had the technologies necessary for the

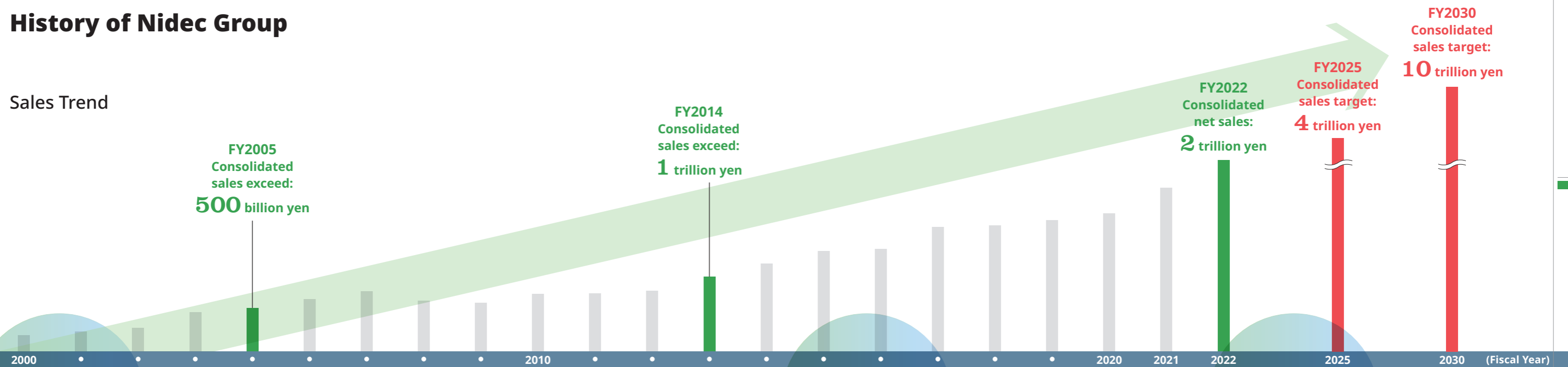
development and production of FDBs. For example, Tosok had advanced measuring technology while Kyori Kogyo and Copal had press technologies to punch motor cores. Sankyo Seiki was leading in FDB technology and had a plant in the Philippines, but mass production was not progressing as planned. By acquiring these technologies, equipment, and engineers through M&A, Nidec succeeded in replacing ball bearings with FDBs and started full-scale mass production of HDD motors with FDBs in 2000, and has maintained a high market share since then.

*2 Fluid Dynamic Bearing (FDB)

In the FDB chamber there is a fluid such as oil between the bearings and the shaft. When the shaft rotates, the fluid's dynamic pressure generated by the rotation lifts the shaft from the bearings and rotates it smoothly. Although ball bearings were used conventionally, low noise and low vibration have been achieved by shifting to FDBs.

History of Nidec Group

Sales Trend



2000s~

• Nidec's initiatives

Strengthening the HDD motor business and promoting business diversification

In 2001, Nidec was listed on the New York Stock Exchange (now delisted). In 2003, the company's Head Office and Central Technical Laboratory building was completed in Minami-ku in Kyoto City.

By starting mass production of HDD motors with FDBs replacing ball bearings in 2000 and maintaining a high market share, Nidec has firmly established its position as the top HDD motor manufacturer.

While engaging in the development of FDBs since around 1994, the company promoted diversification of its business portfolio in case FDB production failed. As part of this initiative, we started developing motors for automobile power steering in 1995 and launched mass production in 2000. We now hold the world's top share in this field.

With the launch of the first smartphone in 2007 and the first tablet in 2010 by Apple, global shipments of PCs and HDDs thereafter declined.

Social trends

Spread of the Internet and emergence of new digital devices

• History of growth through M&A

Year	Country	Acquired companies/businesses	Specialized businesses/technologies/products
2000	Japan	Y-E Drive	Subsidiary of Yasukawa Electric Corporation. DC servo motors for office automation
2000	Thailand	Seagate Corporation, Motor division of Rangsit Plant	HDD motor factory
2003	Japan	Sankyo Seiki Mfg.	HDD motors
2006	France	Valeo S.A., Motor & actuator business division	Automobile motors
2007	Singapore	Brilliant Manufacturing Ltd.	HDD base covers
2007	Japan	Japan Servo	Subsidiary of Hitachi, Ltd. Manufacture of small motors
2010	United States	Motors & Controls business of Emerson Electric Co.	Motors for appliances and industrial machinery, large motors for plant control, etc.
2012	Italy	Ansaldo Sistemi Industriali S.p.A.	Motors for power generators for wind and hydroelectric power generation, and rolling mills, etc.
2012	United States	Avtron Industrial Automation, Inc.	Control equipment for industrial motors
2012	United States	Kinetek Group Inc.	Commercial motors for elevators, escalators, etc.
2014	Japan	Honda Elesys	Automotive electronic control units (ECU)
2015	Germany	Geräte- und Pumpenbau GmbH Dr. Eugen Schmidt	Automotive pumps

* Major companies are picked up and listed in this table.

Whether the development of HDD motors with FDBs would succeed was extremely important for Nidec, whose core business was HDD motors. Therefore, in case we failed in this big challenge, we conducted M&A in fields other than HDD motors to diversify our business portfolio. The acquisition of Shibaura Densan in 1998 and Y-E Drive in 2000 provided us with a foothold for advancing

into the field of appliances, commercial and industrial products. For power steering motors, we faced difficulty in increasing the number of customers because of the high entry barriers. However, the acquisition of the motor division of Valeo S.A. in France in 2006 dramatically expanded our market.

2010s~

• Nidec's initiatives

Permeation of smart devices into people's everyday lives and increased awareness of climate change

Growing into a global comprehensive motor manufacturer through M&As

Nidec established Nidec Research and Development Center, Japan in 2014 and Nidec Center for Industrial Science in 2015 to promote basic research on motors and realize technological innovation in manufacturing. After reaching a record high of approximately 650 million units in 2010, global shipments of HDDs declined around 60% to 260 million units in 2020. Against the background of decreased demand for HDD motors, Nidec aimed to shift its growth focus to the automotive and the appliance, commercial and industrial businesses by actively conducting M&A with companies that have strengths in these fields. As a result of the success in this transformation of the business portfolio, in FY2017, sales of the appliance, commercial and industrial products business exceeded those of the precision small motor business, which had been Nidec's core business since its founding. Nidec has thus grown into a comprehensive motor manufacturer offering a wide variety of motors ranging from micro-size to large, which are used in various fields. Looking ahead to the decarbonization trend, Nidec developed an EV traction motor system called E-Axle and launched its mass production in 2019.

Social trends

Permeation of smart devices into people's everyday lives and increased awareness of climate change

• History of growth through M&A

Year	Country	Acquired companies/businesses	Specialized businesses/technologies/products
2017	France	Motor and Electric Power Generation businesses of Emerson Electric Co.	Industrial motors, drives, power generators
2017	United Kingdom	Drive business of Emerson Electric Co.	Industrial motors, drives, power generators
2019	Brazil	Compressor business of Whirlpool Corporation	Refrigerator compressors
2019	Japan	Omron Automotive Electronics	Automotive control technology
2021	Japan	Mitsubishi Heavy Industries Machine Tool	Gear machine tools
2022	Japan	OKK	Machine tools (general-purpose machines)
2023	Italy	PAMA	Machine tools (horizontal boring machines, portal machines)

* Major companies are picked up and listed in this table.

In response to the shrinkage of the HDD market, Nidec promoted diversification of its business by leveraging the technologies it had developed until then and through M&A in the fields of automotive, appliance, commercial and industrial products, where further growth could be expected. In the automotive business, pursuing synergies between Nidec's automotive motors and the technologies acquired through M&A, Nidec started developing high value-added products for modules and systems. For example, Nidec's electric power steering (EPS) motor and an electronic control unit (ECU) of Nidec Elesys, which became a Nidec Group

2020s~

• Nidec's initiatives

Progress of decarbonization and an aging population with a lower birthrate

Becoming a growth company that can respond dynamically to environmental changes

In July 2023, Nidec celebrated its 50th anniversary. Accordingly, starting in April 2023, Nidec changed its Japanese company name from "Nippon Densan" to "Nidec" and changed its group companies' names to include "Nidec." Nidec will work to create new functions and value by skillfully combining the strengths of the Nidec Group companies, which have various technologies in a wide range of fields.

In particular, Nidec is striving to provide solutions to common issues of humankind in five areas that align with global mega trends: "automotive electrification," "expansion of robot applications," "home appliances driven by brushless DC motors," "labor-saving in agriculture and logistics," and "spread of next-generation technology stemming from 5G communications." Nidec is committed to actively engaging with the Sustainable Development Goals (SDGs) and will contribute to building a sustainable and prosperous society through various initiatives including the "2040 Carbon Neutrality Declaration."

Social trends

Progress of decarbonization and an aging population with a lower birthrate

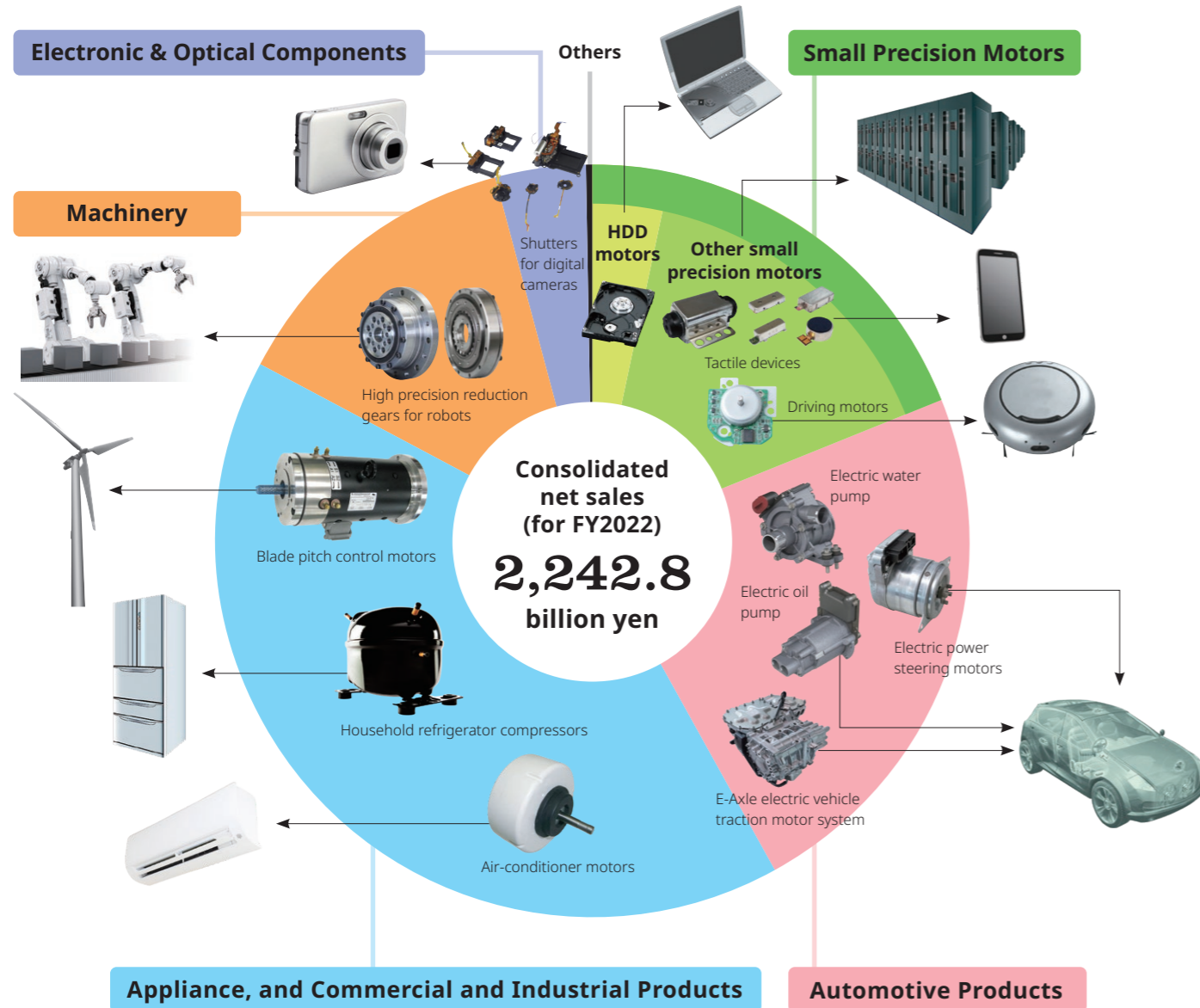
company in 2014, were integrated to develop a compact, light power pack with minimum noise. Moreover, for E-Axle, an EV traction motor system, Nidec Elesys was in charge of the development of the inverter. By shifting from production and sales of motors alone to production and sales of modules and systems, Nidec aimed at a transformation from a Tier 2 parts manufacturer to a Tier 1 manufacturer.

In 2021, Nidec acquired Mitsubishi Heavy Industries Machine Tool Co., Ltd., which specializes in the production of gear cutting machines, and entered the machine tool business.



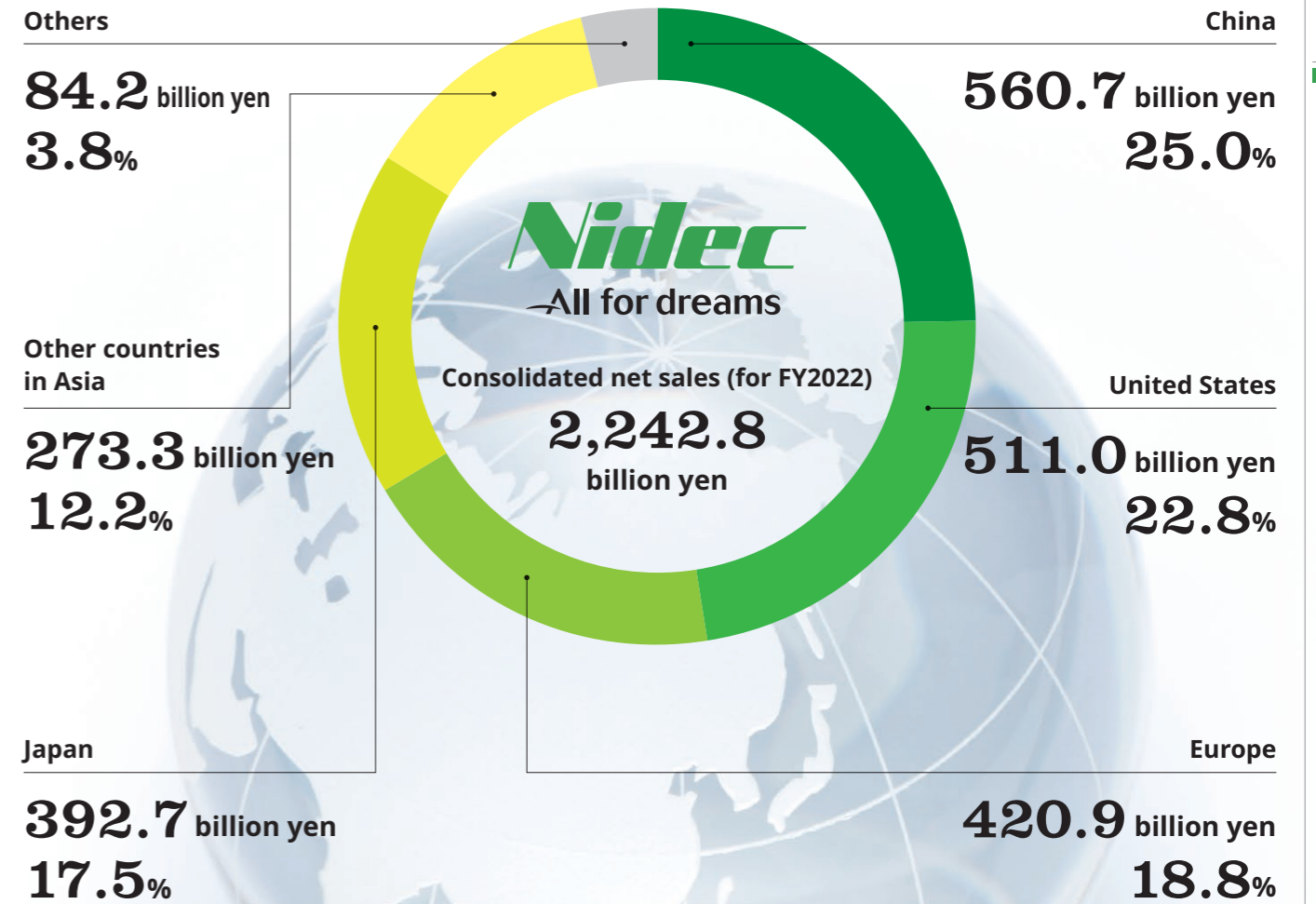
Nidec offers a wide variety of motors ranging from precision small to super-large, as well as applied products and services in IT, office automation, home appliances, automobiles, commercial and industrial systems, environment and energy, and many other fields. We will contribute to the enhancement of people's lives and the development of industries by continuing to deliver highest quality, indispensable, and widely desired products for the common good of all, through active M&As and organic growth.

Consolidated Net Sales by Product Group



Product group	FY2022		
	Net sales (Billions of Yen)	Operating profit (Billions of Yen)	Operating profit ratio (%)
● Small precision motors	425.3	26.7	6.3
● Automotive products	519.7	-42.3	-8.1
● Appliance, and commercial and industrial products	914	70.8	7.7
● Machinery	296.5	45.5	15.4
● Electronic & optical components	83	13.6	16.4
● Others	4.4	0.5	10.9
Total	2,242.8	100.1	4.5

Consolidated Sales by Region*



* Based on the countries where consolidated Group companies selling products to external customers are located

Business Sites

Nidec Group operates globally with business sites in 47 countries/regions.

Number of group Companies

347

Number of employees

106,592

Number of countries/regions with business sites

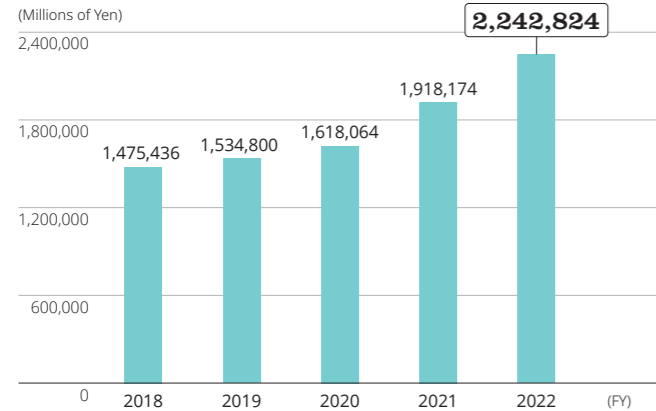
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(as of March 31, 2023)

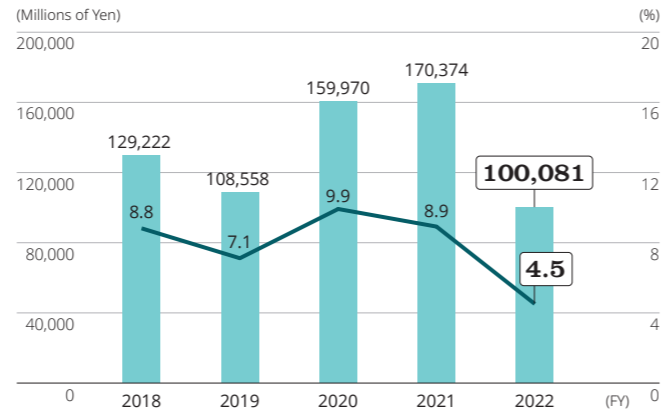
Performance Highlights

Financial Information

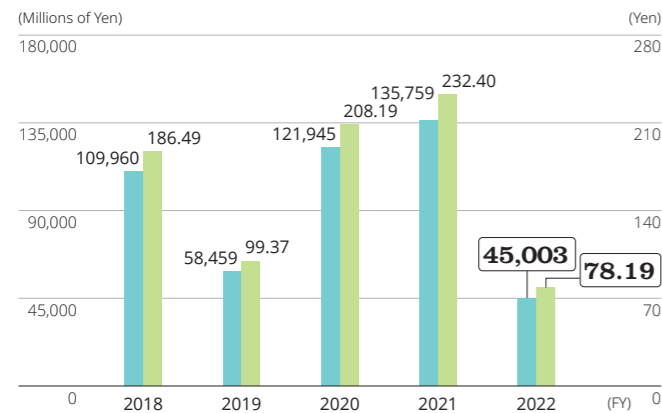
Net sales



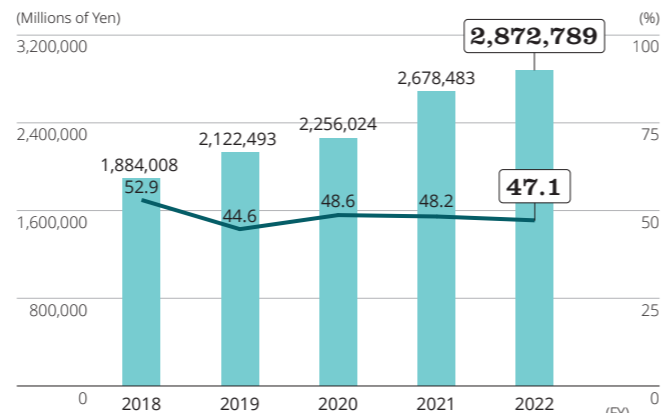
Operating profit / Operating profit ratio



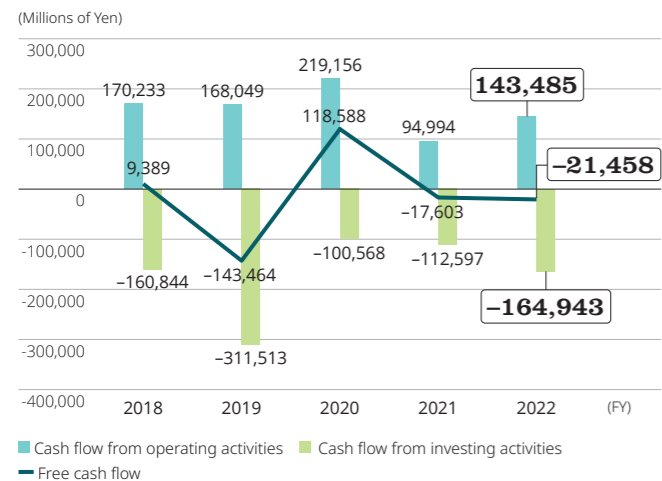
Profit attributable to owners of the parent / Earnings per share (EPS)^{*1}



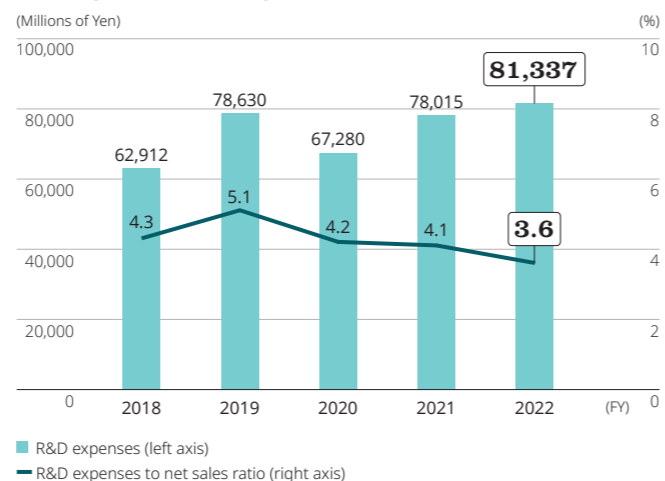
Total assets / Shareholders' equity ratio



Cash flow from operating activities / Cash flow from investing activities / Free cash flow

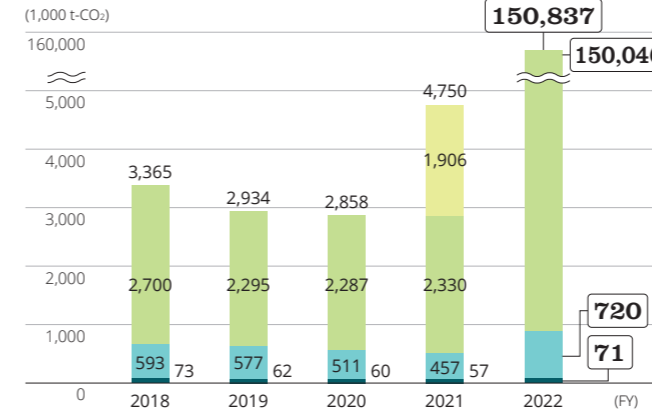


R&D expenses / R&D expenses to net sales ratio

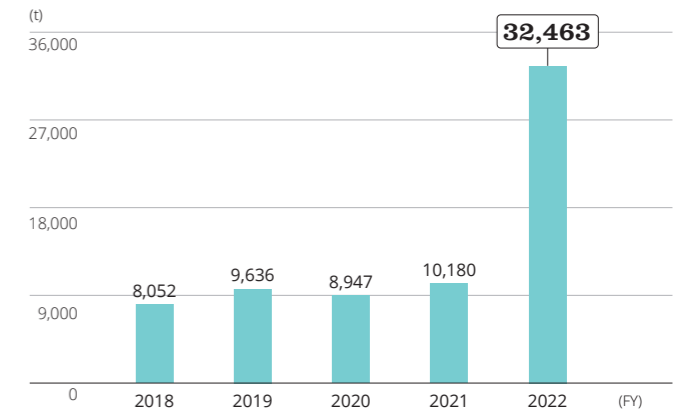


Non-financial Information

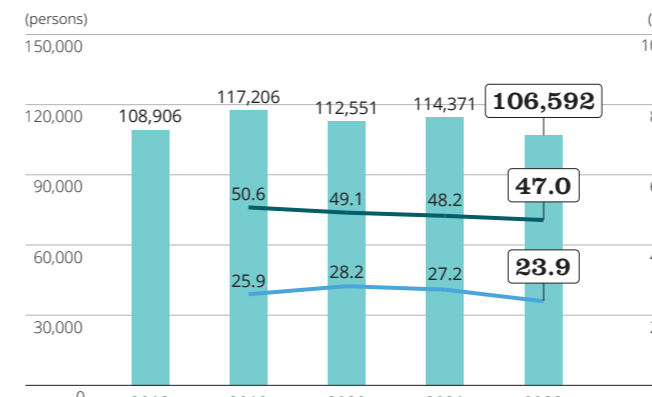
Greenhouse gas (GHG) emissions^{*2}



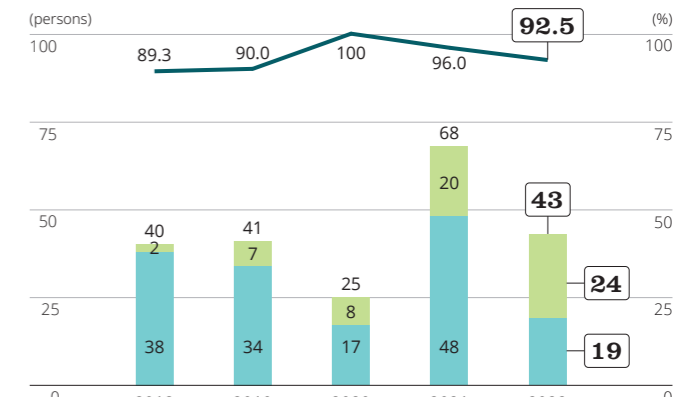
Amount of final waste disposal^{*2, *5}



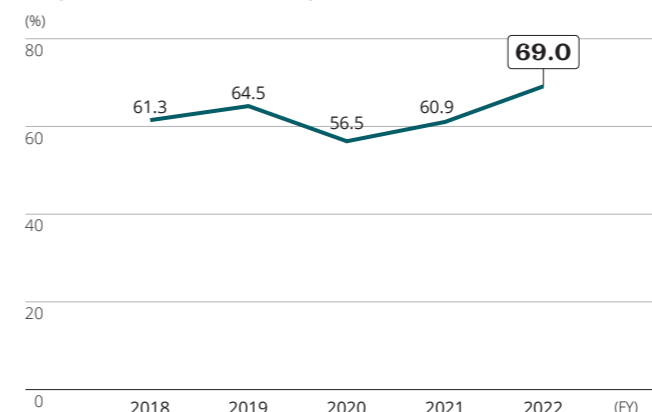
Number of employees (consolidated) / Female employee ratio (consolidated)^{*6} / Ratio of managerial and director positions^{*7} held by women (consolidated)^{*6}



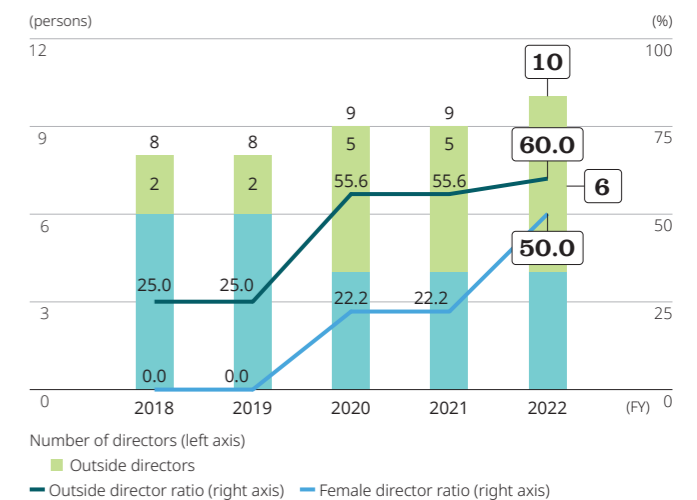
Number of employees who took childcare leave (non-consolidated) / Percentage of employees who returned from childcare leave (non-consolidated)



Acquisition rate of annual paid leave (non-consolidated)



Number of directors



*1 Adjusted based on the 2-for-1 split implemented as of April 1, 2020. "EPS" and "Dividends" are expressed assuming that the stock split occurred at the beginning of FY2017.

*2 Data coverage rate relative to sales: FY2018: 63.0%, FY2019: 59.2%, FY2020: 58.7%, FY2021: 53.5%, FY2022: 62.8%

*3 For calculation of the FY2022 data, IEA country-specific emission factors have started to be used. To calculate the data of FY2021 and before, the Ministry of the Environment's Calculation Method and Emission Factors Chart in the Accounting, Reporting, and Disclosure System was referred to.

*4 The GHG emissions in FY2021 doubled compared to those in FY2020 due to the expansion of businesses subject to data acquisition in Category 1 (marked by ■). The GHG emissions significantly increased in FY2022 compared to FY2021 as calculations for categories 8, 11, 12, and 15 started.

*5 For FY2021 and before, calculation was performed based on solid waste only.

*6 Calculation of consolidated data began from FY2019. In FY2022, 95.0% of employees of consolidated Group companies were surveyed.

*7 Managerial positions of section chief level or higher, and officers. Outside directors are included.

Section chief level: Employees who fit the description (1) or (2) below, or those in equivalent positions.

(1) Position responsible for directing and implementing activities to achieve the daily operational goals of the organization, and for communicating the instructions of managerial staff to the relevant subordinates (2) The head of an organization with two or more subsections, or 10 or more members

Business Strategy

Business strategies that distinguish Nidec from other companies

Q. What is the core business strategy that has supported and will continue to support Nidec's growth journey from its founding to the present, and from the present to the future?

A1. Pursuit of No.1 global market share

The most important pillar of Nidec's business strategy is "pursuit of No. 1 global market share." This strategy consists of three elements: ① Be the first to market, ② Technological development ahead of competitors, and ③ Thorough pursuit of cost competitiveness. Specifically, we make advance investments before the occurrence of demand for a product and capture a majority market share when the demand occurs. After that, we drive down costs to keep our competitors at bay and create a situation where we have an advantage over our competitors. By using this strategy, Nidec has captured the world's top share for many products, including HDD motors. Given the fact that oligopolies involving a few big companies are found in many industries, the strategy of "pursuing No. 1 global market share" is perfectly rational.

A2. Speedy management

Speed is Nidec's greatest weapon. Make a decision and take action as quickly as possible—this is another pillar of Nidec's business strategy. An order received from 3M in the United States for motors for cassette duplicators became the driving force behind Nidec's growth during its founding years. It is no exaggeration to say that Nidec won this order because it had accepted on the spot 3M's extremely difficult request to "reduce the size of the motor by 30%." For automotive products, the lead time is usually three to four years, but we continue to work at the same kind of speed as when we developed that motor for 3M. In the case of the E-Axle traction motor system for electric vehicles, for which we received orders from the Guangzhou Automobile Group in 2017, we commenced mass-production from zero—no plant, no facilities and no people—in only about one year. Nidec clearly practices speedy management.

A3. Risk taking

"Take a risk when needed." This is another pillar of Nidec's business strategy. Even though market expansion is expected in the future, if you hesitate to take risks and your market entry is delayed, then you will fall behind your competitors and will not be able to gain the benefits of market expansion. In the case of HDD motors, we made large-scale investments before fullfledged market expansion. We built production plants and secured the capacity to mass produce HDD motors on a large scale, ahead of our competitors. This led to us gaining an overwhelming position in the market. For the electric vehicle (EV) product business, we are making advance investments without hesitation and working to establish a production system for a traction motor system for EVs, whose demand is expected to grow rapidly in and after 2025.

Abundant management resources that support the company's business strategies

1. Numerous products with the largest market share in the industry (Financial foundation)
2. Over 100,000 employees around the world (Human resource foundation)
3. More than 200 production sites around the world (Production foundation)
4. Strong experience and expertise in M&As (Growth foundation)

NIDEC's DNA

Corporate culture that turns adversity into opportunity for growth

Q. What are the characteristics of Nidec's corporate culture that sees adversity as an opportunity and takes on challenges for continuous growth?

A1. The existence of a corporate culture that forms the basis of all business activities

Nidec has embraced the following three essential attitudes since its founding:

- ① "Do it now; do it without hesitation; do it until completed"
Do what you can do immediately now, instead of thinking you will do it tomorrow or sometime later, and do it until it's completed.
- ② "Passion, enthusiasm and tenacity"
Gushing passion, welling enthusiasm, and tenacity that fights against difficulties—these are the three core principles that form the foundation of everything we do at Nidec.
- ③ "Work hard and smart"
Work hard and smart to produce output that cannot be achieved just by working in an ordinary way. Nidec has achieved continuous growth since its foundation on July 23, 1973. This has been possible only because of the existence of the three essential attitudes, which serve as the foundation for our daily business activities, and the corporate culture which we should go back to when we face difficulties.

A2. Corporate culture instilled throughout the organization

Nidec's corporate culture is not just for the management. In the WPR[®]* Project, which was launched in 2009, thousands of ideas has been submitted from frontline workers on the manufacturing floor for cost reduction and efficiency improvement. These ideas have become a big driving force for the progress of the project. Nidec's growth is supported by the corporate culture instilled throughout the organization and "shop floor capability" that has been accumulated over the years.

* WPR=Double Profit Ratio. Focusing on cost reduction and improving efficiency, the WPR Project aims to secure a surplus even if sales decline by half, and when sales return to the original level, to double profitability from the previous level.

A3. Corporate culture that views adversity as an opportunity

"A problem is always accompanied by its solution." Nidec has achieved continuous growth by turning obstacles into opportunities. When our major manufacturing plant for HDD motors was submerged by the floods that occurred in Thailand in 2011, thanks to local employees' tireless efforts, the plant was able to resume normal operations very quickly, thus helping maintain its competitive advantage. NIDEC MOBILITY CORPORATION (former OMRON Automotive Electronics Co., Ltd.), which joined the Nidec Group in 2019, has also been growing by transforming adversity into opportunity. When sales fell by half in the first quarter of FY2020 due to the suspension of operations of its customers' plants, the company streamlined its business operations in every aspect. As a result, the company managed to maintain operating profit at around the break-even point in the fourth quarter of the same year, and during the subsequent period that saw a recovery in sales, the company witnessed a sharp increase in operating profit.

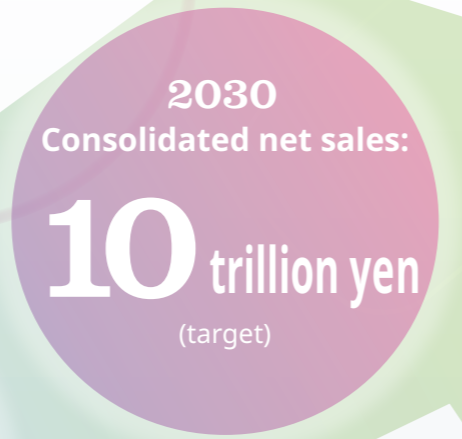
Philosophy that lies at the root of the corporate culture: "Pursuit of the world's No. 1 position for continuous growth"

As exemplified by Nagamori's remarks such as "Anything but first is equivalent to last place," and "A snake that doesn't shed its skin will die," pursuit of the world's No. 1 position for continuous growth has been upheld since Nidec's founding and is built into the DNA of the company. Only high-ranking companies have been able to survive in many industries, and there are some cases where a company's growth is impeded by its dependence on existing businesses. Pursuit of the world's No. 1 position for continuous growth can be said to be perfectly rational as a business strategy.

Overview of the Medium-Term Strategic Goal

The new medium-term strategic goal Vision 2025 is a milestone for achieving consolidated net sales of 10 trillion yen by FY2030. In Vision 2025, we plan to increase consolidated net sales to four trillion yen by FY2025. We anticipate an increase in consolidated net sales through new M&A deals (by approximately one trillion yen) in addition to organic growth centered on growth fields in existing businesses.

Business model transformation to become a company with consolidated net sales of over 10 trillion yen



Becoming a global company that continues to grow for the next **100 years and beyond**

Review of Vision 2020 and Road to Vision 2025

Consolidated net sales in FY2020 were 1,618.1 billion yen, and we failed to reach the consolidated sales target of two trillion yen, which we aimed to achieve in the medium-term strategic goal Vision 2020 covering the period FY2015 to FY2020. In Vision 2025, we aim to achieve consolidated net sales of four trillion yen by FY2025 after attaining consolidated net sales of two trillion yen, which was the target value in Vision 2020, by FY2022. The features of Vision 2025 are listed on the right.

- Incorporation of productivity improvement to the goal:**
We aim to increase sales and operating profit per employee by 30% by FY2022 and double them by FY2025.
- Incorporation of the ROIC target:**
In Vision 2020, ROE (return on equity) was used as a management index. In Vision 2025, an ROIC (return on invested capital) of over 15% has been set as the final target.
- Setting of ESG goals:**
ESG-related items are incorporated as new goals. Initiatives to achieve carbon neutrality and strengthen governance have been expressly adopted as ESG goals.

Medium-Term Strategic Goal **Vision2025**

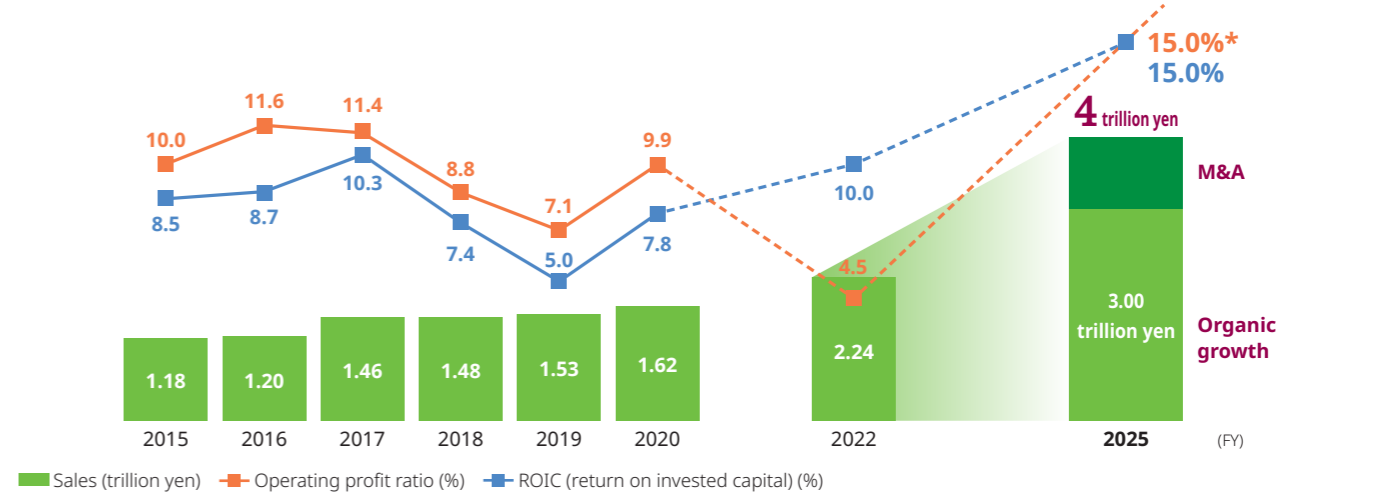
<ul style="list-style-type: none"> • Target for consolidated net sales: 4 trillion yen • Productivity improvement To double sales and profit per employee • ROIC (return on invested capital): over 15% 	<ul style="list-style-type: none"> • To be a top-rated ESG company ① Address social issues with the accumulated skills of creating the world's first and No. 1 product ② Promote ESG management centered on carbon neutrality ③ Strengthen the unified organization of the Nidec Group and its governance
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Framework for the New Medium-Term Strategic Goal 1 Achieving an Increase in Both Sales and Profits

To achieve consolidated net sales of four trillion yen (including one trillion yen expected to be gained through new M&A deals) by FY2025, we are required to attain a high growth rate. We are committed not only to increasing sales but also to achieving profitable growth. Accordingly, we have adopted ROIC (return on invested capital) as a management index in Vision 2025 instead of ROE (return on equity) in Vision 2020, and have set the ROIC target at 15% or more in FY2025. For existing businesses, we will seek growth opportunities through

management in a business and geographic scope (visualizing business opportunities by creating a matrix of products by business and region), while pursuing optimization of capital efficiency by using ROIC as the evaluation axis. The main focus of new M&A deals is to complement our technologies and commercial distribution services required for our strategy to succeed. We place an emphasis on M&A deals that not only lead to an increase in sales but also have a synergistic effect with our management strategy and eventually contribute to improving the management indicators of the entire company.

Tackle both growth strategy (organic growth + M&A) and enhancement of profitability on capital



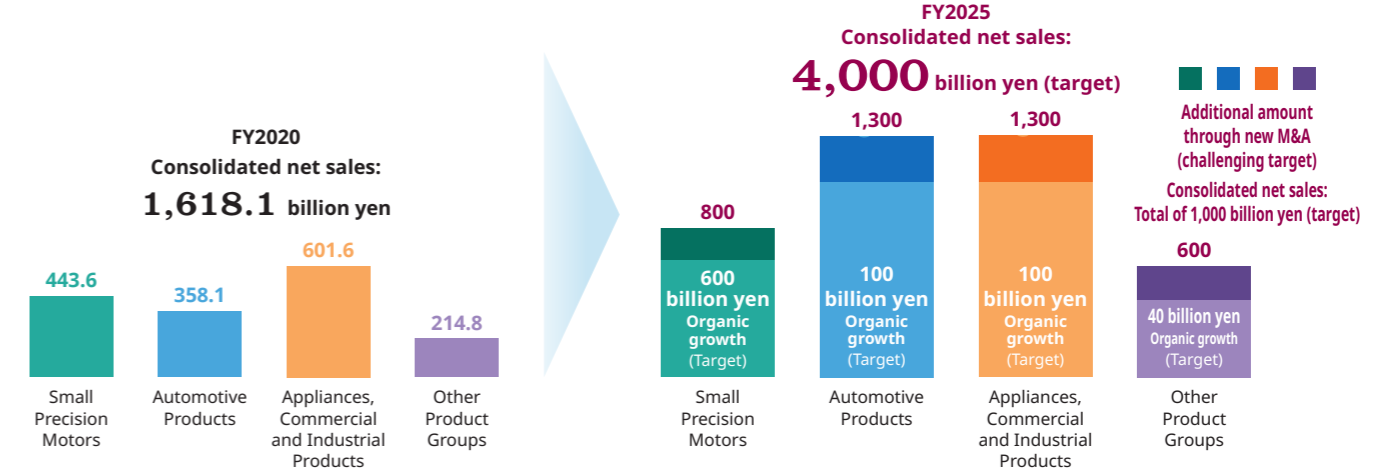
ROIC = NOPAT / Invested Capital (Interest-bearing debt + Total equity attributable to owners of the parent + Non-controlling interests)
NOPAT (Net Operating Profit After Tax) = Operating profit x (1-Tax Rate)
* We target an operating profit ratio of 15% for a sales target of 3 trillion yen by FY2025 attributable to organic growth.

Framework for the New Medium-Term Strategic Goal 2 Business Portfolio Management

Consolidated net sales for FY2020 were 1.6 trillion yen. To achieve the consolidated sales target of four trillion yen by FY2025 (including one trillion yen expected to be gained through new M&A deals), we will actively shift our focus to growth businesses. In the automotive business, we expect in FY2025 sales of approximately 3 million units of our EV traction motor system, E-Axle, whose market is expected to expand significantly in the future. We expect its sales to increase by several hundred billion yen by the same fiscal year. In addition, there are many product groups, such as electric power steering (EPS) motors, whose annual sales growth rate can be expected to exceed 10%

on an order basis. The automotive business is expected to have high sales growth rate as a whole. In the small precision motor segment, we cannot expect significant sales growth for HDD motors, which have been the driving force behind our business performance for many years. We will shift management resources to the mobility field, such as motors for small EVs, for which business opportunities are expected to expand due to automotive electrification, and motors for electric two-wheeled vehicles. Thus, we hope that these products in the mobility field will contribute to sales growth together with heat management systems, which is another growth field.

Achieve high growth with aggressive investment in key growth areas



Framework for the New Medium-Term Strategic Goal 3 Measures for Boosting Top-Line Growth

To achieve consolidated net sales of four trillion yen by FY2025 and consolidated net sales of 10 trillion yen by FY2030, it will be necessary to shift to a business field with a larger market size. By not only shifting our business to growth fields but also providing products with a high level of integration for customers, we will be able to access larger markets and increase product unit prices.

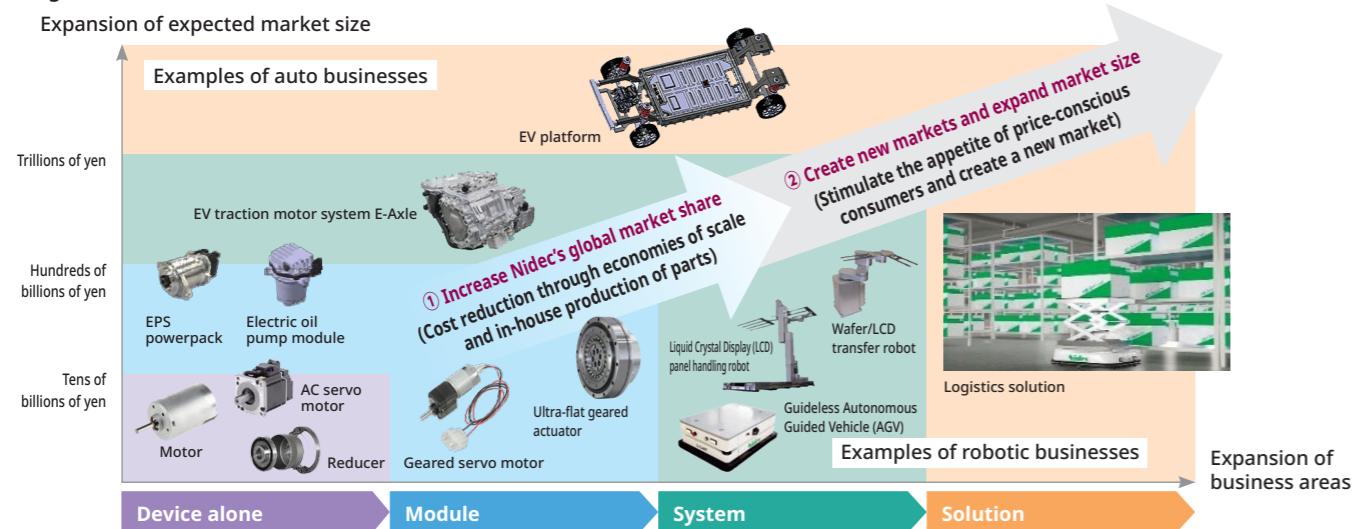
Taking the automotive business as an example, it will be

possible to access higher value-added markets as the product integration level increases from the provision of motors alone (device alone) to the provision of power packs for electric power steering (EPS) systems and electric oil pump modules (module), E-Axles (system), and EV platforms (solution).

By advancing this transition process in each business department, we will secure the growth opportunities necessary to achieve consolidated net sales of 10 trillion yen by FY2030.

Aim to change business models and business areas to accomplish consolidated net sales of 10 trillion yen

Diagram of business model shift in the auto and robotic areas



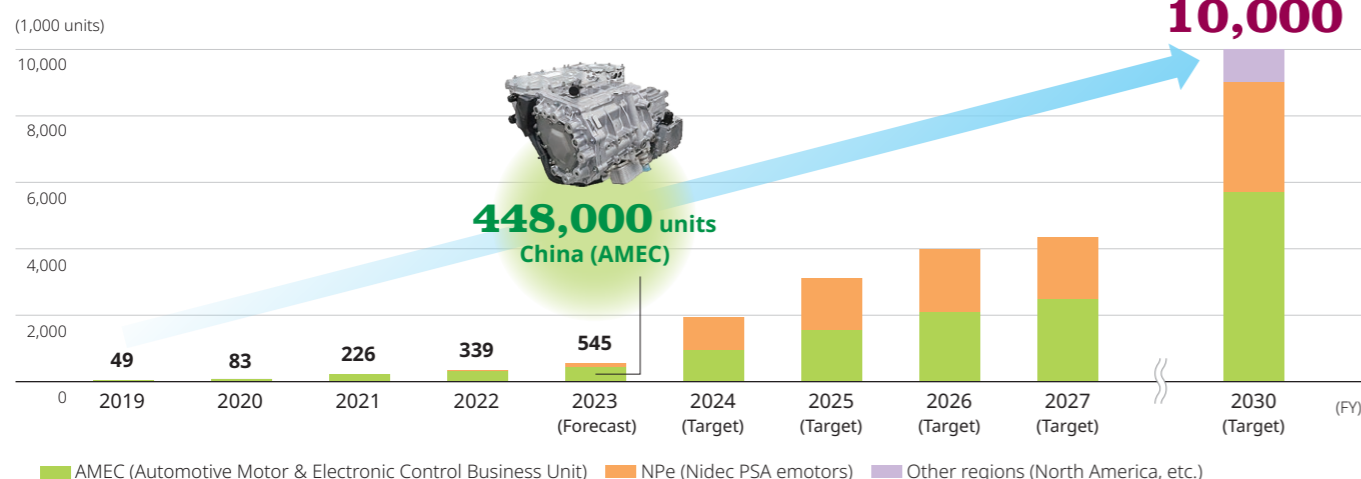
Framework for the New Medium-Term Strategic Goal 4 Basic Policy for EV Traction Motors

We anticipate a significant increase in the demand for EVs in 2025, marking a watershed year in the industry, mainly due to a decline in EV prices caused by a decrease in battery prices. China's EV market has been showing rapid growth in recent years. In 2022, the number of NEVs (BEVs + PHEVs) sold in China reached 6.89 million vehicles (figure published by the China Association of Automobile Manufacturers), making it the world's largest EV market. On the other hand, competition among automakers and suppliers is becoming fiercer, and the battle for

market share is accelerating due to low price competition. Even in this environment, we have already launched the 2nd generation E-Axle model, which has significantly reduced costs. Furthermore, with the launch of the 3rd generation model, which has further reduced costs, we believe that we will be able to survive the competition going forward. In addition to the shipments in China, a joint venture with Stellantis has already begun mass production of E-Axles in Europe, and we expect further volume increases from 2024 onwards.

Lead the EV era as a company that triggers creative disruption and goes beyond the automobile industry tradition

E-Axle sales forecast



Framework for the New Medium-Term Strategic Goal 5 ROIC Management

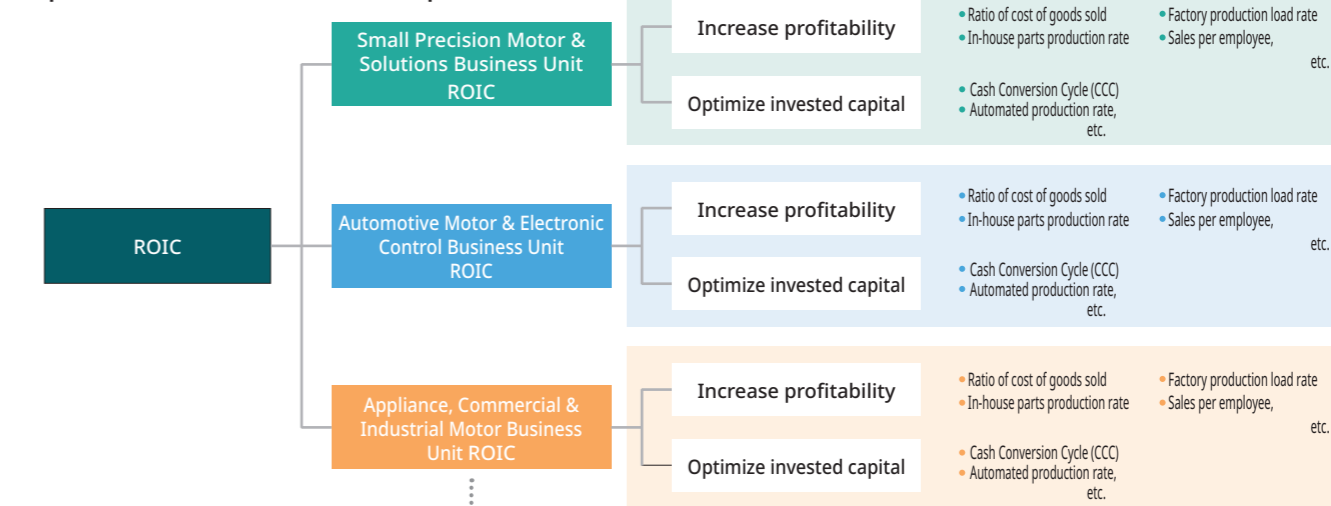
In Vision 2025, ROIC (return on invested capital) has been included as a new management index, and specific activities to improve ROIC will be implemented based on numerical targets in line with the strategy of each business department. For instance, since the small precision motor department and the automotive department have different customer bases and different business lead times, there is a difference in the measures required to improve ROIC and in the timeline until the measures produce

results. It is important to implement improvement activities based on the characteristics of each department.

To improve ROIC, it is necessary to increase profitability and optimize invested capital. Accordingly, we will take concrete measures for each business department. Specifically, we will improve the cost to sales ratio and the factory utilization ratio to increase profitability, and shorten the CCC (cash conversion cycle) and promote production automation to optimize invested capital.

Set the ROIC target in line with each business unit's strategy and conduct improvement activities

Implementation of activities for ROIC improvement



Framework for the New Medium-Term Strategic Goal 6 Pathways to Carbon Neutrality

In Vision 2025, we have newly declared the goal of achieving carbon neutrality. Our declaration consists of two goals:

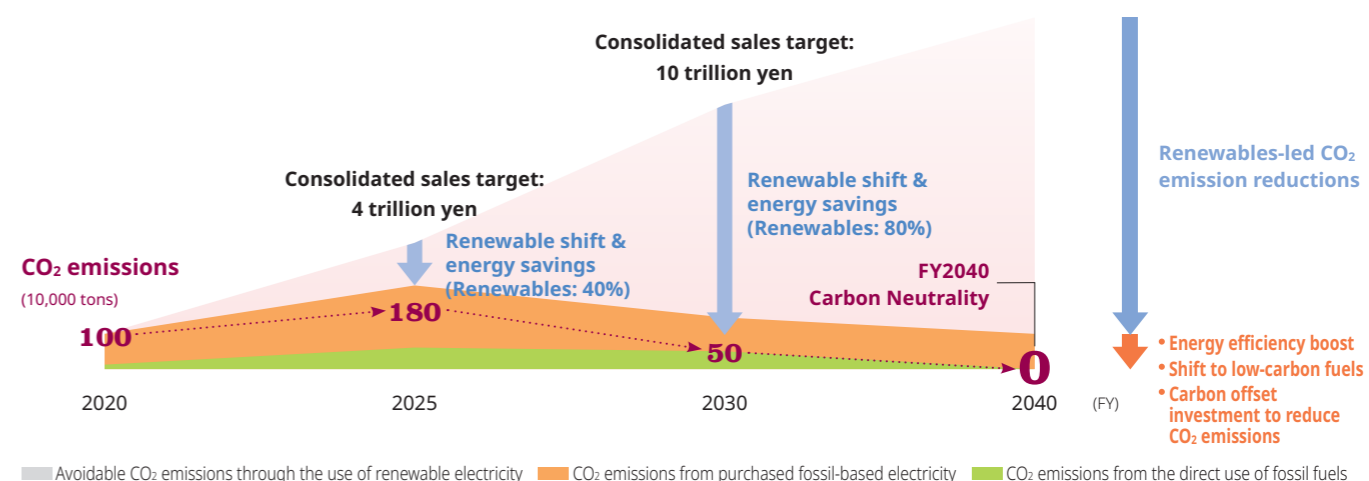
- achieving carbon neutrality for business activities (Scope 1 and 2) by FY2040 and
- laying out a plan to reduce CO₂ emissions in the supply chain (Scope 3) by FY2025.

Energy consumption is expected to rise in proportion to an increase in sales. To address this, we plan to reduce net CO₂ emissions to zero by FY2040 (Scope 1 and 2) by

- promoting energy saving,
- shifting to renewable energy sources in the energy mix, and
- investing in carbon offset projects.

Achieving carbon neutral by FY2040 (Scope 1 and 2) Developing supply chain (Scope 3) action plans by FY2025

Changes in CO₂ emissions due to the introduction of renewable electricity



Financial Strategy

Steadily implementing measures to build a financial foundation for our future growth

Akinobu Samura
Senior Vice President
Chief Financial Officer (CFO)



Management overview

Nidec celebrates its 50th anniversary this year. Since its founding in 1973, despite multiple difficulties it has encountered, Nidec has rapidly expanded its sales scale in growth fields, which reached 1 trillion yen in FY2014 and exceeded 2 trillion yen in FY2022. Along with the growth in sales, profits have also steadily increased.

In 2019, as a result of quickly sensing signs of rapid progress of the shift to EVs in the automotive field and deploying a “standby” strategy by making advance investments, we gained the top share in the E-Axle external manufacturing market in China. On the other hand, the E-Axle business, which was a heavy burden on

profits over the past few years, turned into the black this fiscal year, entering a stage of contributing to our profits.

Against the backdrop of the spread of COVID-19 and the Russian invasion of Ukraine, the soaring raw materials prices, longer lead times, and confusions in logistics had a significant impact on business management on a global basis. As a result, we were forced to secure raw materials through large-lot orders, while inventory adjustments by customers prolonged due to rapid fluctuations in demand, which continued to put pressure on our balance sheet. However, the business environment is gradually returning to normal.

Shift to a dream-filled business portfolio

In FY2022, our sales were 2,242.8 billion yen and operating profit was 100.1 billion yen. Operating profit decreased significantly by 41.3% from the previous fiscal year due to recording of 75.7 billion yen as structural reform expenses.

In this business environment, toward achieving the net sales target of 4 trillion yen announced in Vision 2025 and further 10 trillion yen in FY2030, we are working on electrification-related businesses, including not only the automotive E-Axle business but also motors for small EVs and electric motorcycles; entry into the machine

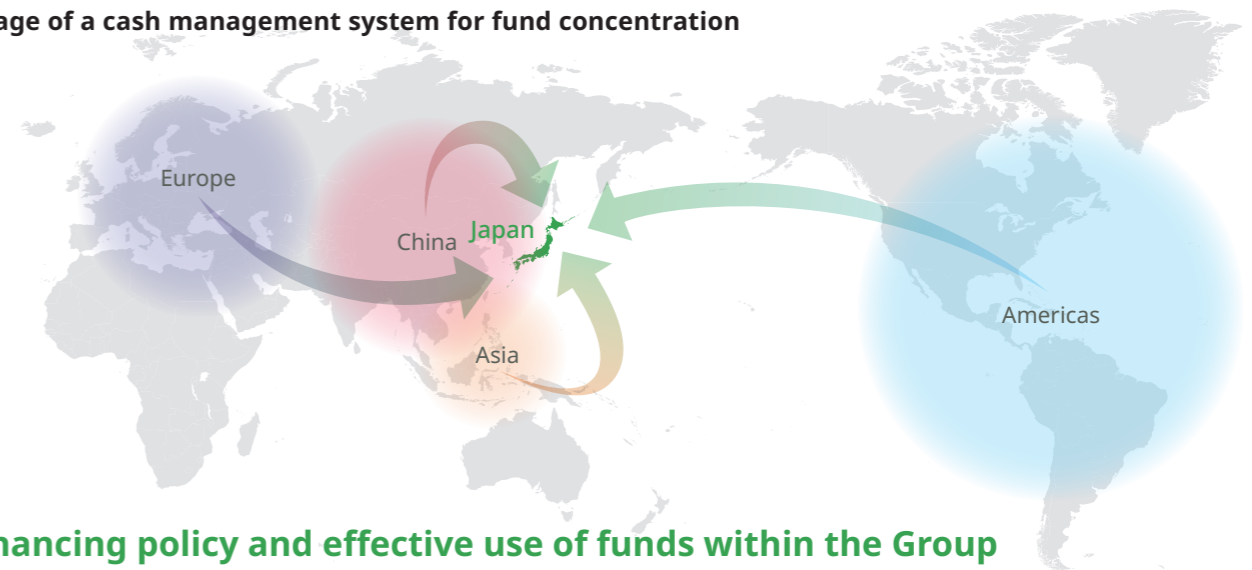
tool business; new initiatives in the field of equipment and devices, such as reducers for cooperative robots; businesses for the aerospace market, such as motors for Flying Cars (eVTOLs) and stratospheric communication platforms; and the introduction of green innovation-related projects, such as battery energy storage systems and charging stations. By not only leveraging organic growth but also employing M&A strategies, we are strongly promoting a shift to a dream-filled business portfolio incorporating growth areas for the future.

Building a solid financial foundation to support growth strategies

Now the top priority in our financial strategy is to build a solid financial foundation that supports the growth strategy for the next leap forward. For this reason, we carried out a large-scale structural reform last fiscal year and advanced a shift in the structure of fixed costs to one that matches the future business portfolio. Based on this, we will realize a V-shaped recovery in earnings and

at the same time strongly promote various measures, such as significantly improving the cash conversion cycle and increasing investment efficiency by balancing investment with depreciation costs, from the perspective of One NIDEC/total optimization. Through these measures, we will ensure robust financing capacity so that we will not miss any growth opportunity.

Image of a cash management system for fund concentration



Financing policy and effective use of funds within the Group

In financing, we raise funds for medium- to long-term growth while incorporating the perspective of asset and liability management (ALM), such as cash flow projections for each fiscal year and matching sales and procurement currencies, as well as taking various factors, including the following, into consideration: both growth and financial discipline, the balance between direct and indirect financing, and the balance between long-term and short-term procurement. Through these measures, we aim to stabilize our financing structure.

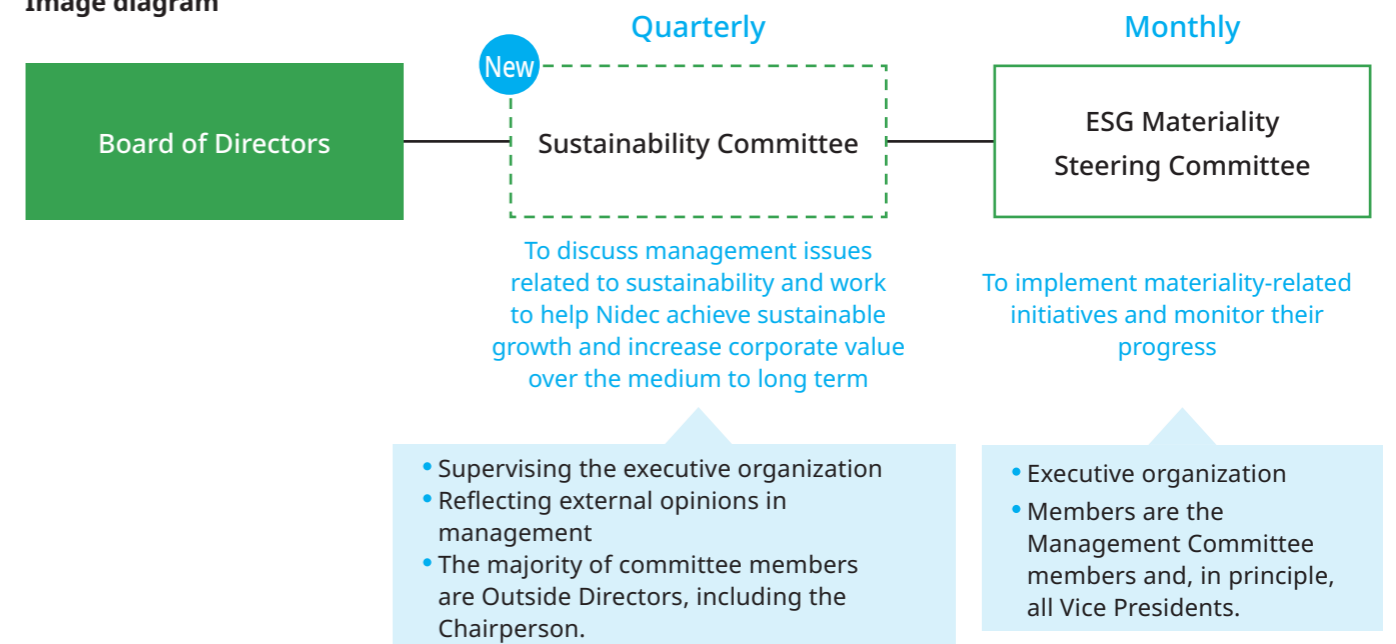
In addition, to ensure effective use of funds within the Group, a cash management system has been introduced for each region, such as Japan, China, and the Americas, to effectively utilize surplus funds. We have also introduced a CMS that connects different countries, expanding the CMS network globally. Furthermore, in consideration of recent geopolitical risks, we aim to hedge risks and also reduce interest-bearing debt by redirecting surplus funds to Japan from other countries.

Evolution of ESG management

“Sustainable business growth takes hold when strategies align closely with solutions to universal issues. That is our firm belief and the common thread running through our growth-oriented thinking.” Under this basic belief, Nidec upholds the promotion of ESG management as one of its medium-term strategic targets. Last year, we established the Sustainability Committee within the Board of Directors.

With the knowledge of Outside Members of the Board of Directors, who make up the majority of the committee members, active discussions are held from a long-term and wide-ranging perspective. Through earnest, continuous discussions, we will enhance the sustainability of our business management.

Image diagram



Human Resources Strategy

Focusing on the Group's unity through initiatives to achieve medium- to long-term growth and enhance human resources

Tomoko Hirata

Vice President
In charge of managing Secretarial Office,
Human Resources Department



Toward enhancing human capital

A distinctive feature of Nidec's business strategy is to actively engage in M&As. Because of this, we have conventionally respected the autonomy of each of the acquired companies and promoted the "federal-style" management system, in which companies mutually compete and grow within the Group. However, now that market boundaries have been removed due to globalization, we are advancing a shift to "group-wide unified management," which connects technologies and human resources developed at different companies to address management issues for the entire Group. One NIDEC is a keyword in aiming to realize management based on total optimization, which is to create synergies within the Group, in other words, "group-wide unified management."

However, in order to ensure that the foundation of the Nidec Group's strengths will not be shaken due to the change in management style, it is also important to pass on Nagamori-ism, which is the values and behavioral patterns of our founder Shigenobu Nagamori, and the Nidec Way, which is the action guidelines and norms for employees, to the next generation. By inheriting the competitive advantage we have cultivated so far

while also building a foundation on which all our Group employees can fight together across all boundaries, I believe that we will be able to become "a global company that grows sustainably for the next 100 years and beyond" and "the world's leading solution-providing business group that solves numerous problems for the people of the world," which are the Vision held in our Corporate Philosophy.

Furthermore, the NIDEC Global Personnel Policies are new important guidelines for realizing the Vision, compiling our basic approaches to company organization and human resources. The aim is to put into words the basic policies and principles for various personnel strategies and measures that we will deploy in the future and thereby ensure consistency in the awareness and intentions shared on a global scale. This includes policies related to systems that allow over 100,000 employees working in the Nidec Group to play active roles in a fair framework and freely move between businesses and companies, which are expected to eventually strengthen the governance of the entire group.

Vision

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

Founder's spirit (The Challenging Road, NIDEC Way)

NIDEC Global Personnel Policies

"For Our Future, For Our Dream" We will continue to be an organization that is always ready to take on challenges for the future of people around the world and for our dreams.

Organizational and human resources development policy (for software area)

Personnel system policy (for hardware area)

Encourage Uniqueness
We respect individuals who proactively demonstrate their value.

Respect Team Spirit
We are open to diverse opinions and create new value through honest communication.

Reward Based on Contributions without Bias
Performance will always be rewarded in a correct, fair, open, and impartial manner using simple criteria, and appropriate career opportunities will be provided.

Human resources development
Skill development, career support, training of executives, etc.

Planning and operation of personnel systems
Appraisal, compensation, ranking and other systems, recruitment, attendance, salary, etc.

Fostering organizational culture
Penetration of philosophies, organizational development, health-oriented business management, etc.

The Nidec Group's approach to human capital management

Human capital management is a way of management that views human resources as capital and maximizes their value to improve corporate value over the medium to long term. At the Nidec Group, the founder's spirit is placed at the core of its human capital management, from which the NIDEC Global Personnel Policies and other personnel guidelines and measures are developed. We believe these guidelines and measures will lead to

contributing to the company's business performance and other achievements from organizational or personnel aspects. To achieve consolidated net sales of 10 trillion yen in FY2030 and become a global company that continues to grow for the next 100 years and beyond, we will steadily advance the development and implementation of guidelines and measures based on the above approach to human capital management.

NIDEC Global Personnel Policies and major personnel measures

The most basic policy of the NIDEC Global Personnel Policies is "For Our Future, For Our Dream—Our organizations and human resources will continue to take on challenges for the future of people around the world and our dreams." Under this are a policy related to organizational and human resources development and a policy related to personnel systems.

Organizational and human resources development policy

Encourage Uniqueness, Respect Team Spirit

This is a policy regarding the software area of personnel affairs ("people" = measures related to individuals and autonomous employee groups). Based on this policy, we promote organizational development measures to foster a culture that accepts diverse perspectives while sharing a vision, and human resources development measures to hone individual uniqueness.

Personnel system policy

Reward Based on Contribution without Bias

This is a policy regarding the hardware area of personnel affairs ("things" = measures related to systems and frameworks). Based on this policy, we develop the core systems (ranking, compensation, appraisal) necessary as the company's personnel infrastructure and their associated systems and frameworks for organizational management, relocation rules, welfare benefits, etc. from a fair, transparent, and impartial perspective.

"For Our Future, For Our Dream"

Our organizations and human resources will continue to "take on challenges" for the future of people around the world and our dreams.

Recruitment/retirement

- Strengthen public relations for recruitment

Personnel allocation

- In-house job posting/rotation in the Group

Successor (executive) development

- Training candidates for President
- Visualization and development of human resources with high potential

Organizational management (corporate governance)

- Building a global personnel system
- Nomination Committee, Remuneration Committee, executive remuneration management

Relocation

- Establishing relocation rules common to both inside and outside Japan

Welfare benefits

- Establishing the Group-wide integrated welfare systems

Encourage Uniqueness

Respect Team Spirit

Organizational development

- Promoting organizational development tailored to workplace conditions

Human resources development

- Enhancing support for career development, providing customized training programs for management

Human rights, compliance, safety and health

- Overtime work management
- Human rights due diligence

Ranking

- Development, disclosure and utilization of job descriptions

Appraisal

- Operating Group-wide common evaluation and promotion criteria

Compensation

- Initiatives to increase annual income by 30% compared to FY2020
- Adopting Group-wide common bonus payment standards

Reward Based on Contributions without Bias

* The personnel measures in the above diagram are mainly applied to the Japan region.

Details of our specific personnel-related activities are disclosed in the annual securities report for the fiscal year ended March 2023. Regarding measures for the Group's unification and the establishment of human capital management, in particular, we will proactively disclose the specific details of activities and their progress.

In addition, how we create a framework to continuously produce management talents is explained in the following content. We have established systems and mechanisms to avoid concentration of the decision-making rights on specific individuals.

Please click the URL below to see our specific personnel-related activities.
https://www.nidec.com/-/media/www-nidec-com/ir/library/reports/FY22Q4_en.pdf

Developing next-generation leaders

Celebrating our 50th anniversary this year, we have formulated a new successor development plan with an eye toward the next 50 years. Under the new plan, a leader selected from within the Nidec Group will be in charge of management in a group management framework, which will ensure that sustainable management can be maintained no matter who becomes the leader. To implement this plan, it is necessary to continuously develop candidates for managers within the Group. We have also established a meeting body for matters related to succession planning while working to create systems to avoid concentration of decision-making rights on specific individuals.

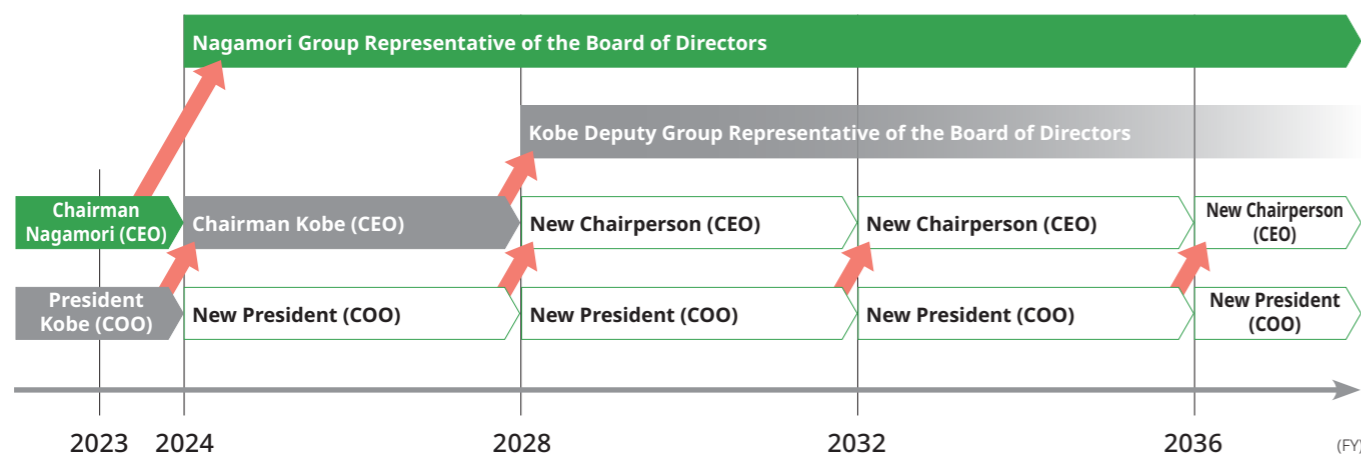
① Management structure after April 2024 (scheduled)

Shigenobu Nagamori, now Representative Director, Chairman and CEO (Chief Executive Officer), is scheduled to leave the positions of Chairman and CEO and will take on the newly established "Group Representative of the Board of Directors," without the right to represent the company. He will oversee the management operation from FY2024 onwards and occasionally take the lead in providing guidance for the smooth operation of the management structure, with the aim of helping to build a system that will not overlook the company's performance worsening or slowdown in growth

as the founder. Hiroshi Kobe, now Representative Director, President and COO (Chief Operating Officer), will assume the position of Representative Director and Chairman from April 2024 to March 2028, serving as CEO (Chief Executive Officer). In April 2024, one of the five persons who are currently Executive Vice Presidents will become President and serve as Representative Director, President and COO (Chief Operating Officer) until March 2028.

* The above information includes matters requiring resolution at the General Shareholders' Meeting and therefore is stated as unconfirmed information.

Management structure after April 2024



② Succession planning

We have established a talent pooling system, in which, for example, Vice Presidents are pooled as candidates for CxOs (Chief x Officers) and Presidents of Group companies, CxOs and other officers and Presidents of Group companies are pooled as candidates for Executive Vice Presidents, and Executive Vice Presidents are pooled as candidates for President, so that candidate talents are always prepared for all ranks and those suitable for President are gradually promoted to higher pools. We set the necessary criteria for each pool and select only those who are capable of fulfilling the responsibilities and duties of the relevant role.

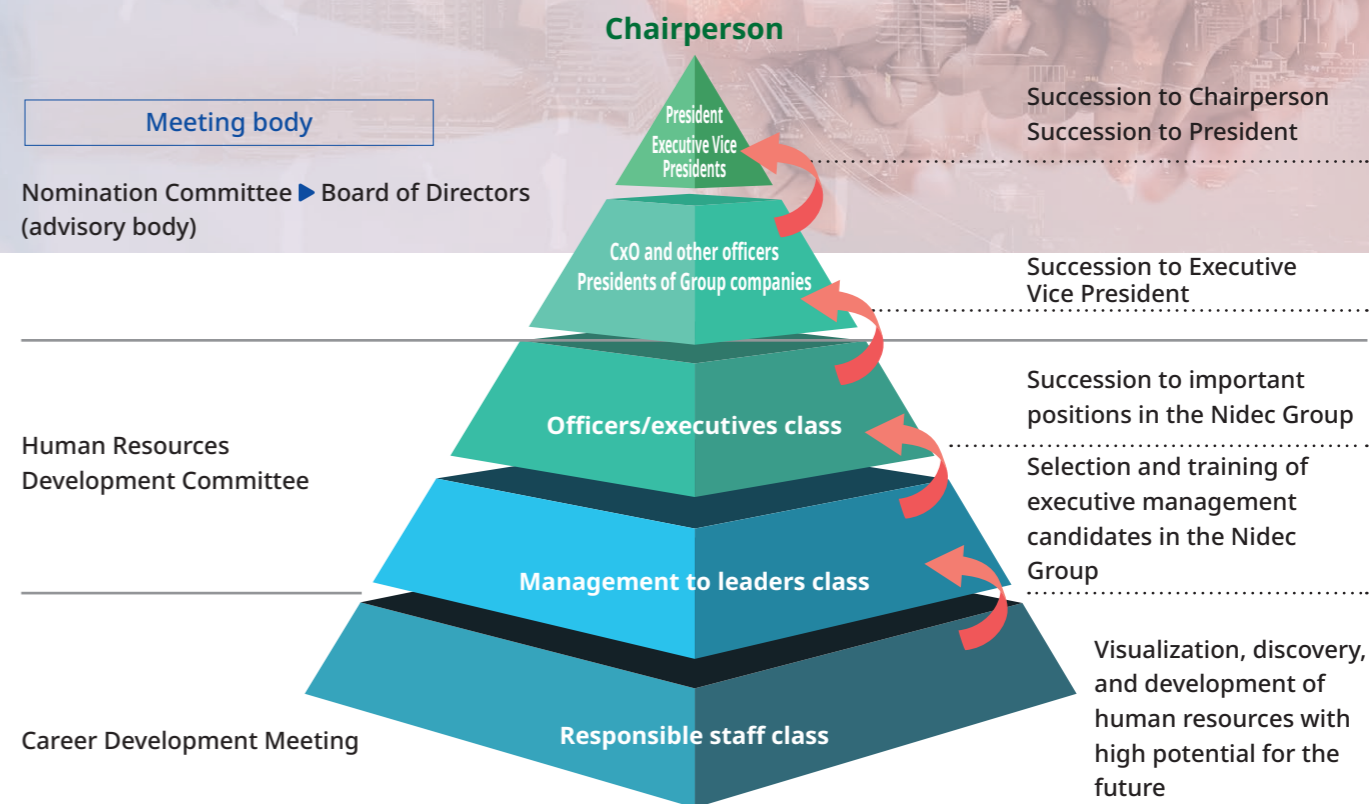
In shifting from the traditional top-down management system to a group management system, a possible risk is that the speed of decision making and other management actions may slow down. However, because only those who fully understand the NIDEC Way, which defines our corporate

culture and the action guidelines and norms that should be shared by all our employees, and also understand the important matters for our business management are selected as candidates for President, it is unlikely that the speed of management, which is a part of our corporate culture, will be reduced. How can the abilities of candidates for President be ensured? Is there anyone who has the abilities equivalent to those of the founder? To address these risks, we will adopt a group management system in which multiple people with various abilities jointly manage the company. We believe this will lead to the maintenance and improvement of stable abilities of the company and the Group as a whole.

Based on the recognition that understanding of our corporate culture is the most important thing for the management of our company, we have adopted the method of selecting successors from within the Group.

Concept of talent pooling

Talent pools (from management rank to responsible staff rank)



Matters related to the selection of candidates and human resources development in each rank are discussed mainly at meetings of the committees below.

Nomination Committee

On November 5, 2022, the Nomination Committee was set up as an advisory body to the Board of Directors. It discusses mainly the selection and appointment of management (Directors, Executive Officers). The purpose is to ensure fairness, transparency, and objectivity in deciding the selection policy, selection criteria, prospective candidates, etc. for our Directors and Executive Officers by obtaining appropriate involvement and advice of independent Outside Directors, and to thereby further enhance our corporate governance structure.

Human Resources Development Committee

The Human Resources Development Committee has been in place since FY2020, consisting of the President, Vice Presidents, CxO or other officers, and the Human Resources Department as members. It discusses mainly succession plans for important positions and medium- to long-term training plans for management candidates. Important positions mentioned here refer to positions such as business unit heads and function leaders.

③ Policy and criteria to select President and Executive Vice President, etc.

The policy and criteria that the Nomination Committee deliberated to select the Members of the Board of Directors, Vice Presidents, etc. are as follows.

President

The candidate must have excellent leadership skills to be able to contribute to making comfortable societies globally via the Nidec Group's products (solution businesses), and control and lead the entire Nidec Group.

Executive Vice President

Among Nidec's executives and Nidec Group companies' Presidents, the candidate must be able to demonstrate outstanding leadership skills for reform, and have made excellent contributions to the Nidec Group. The candidate must demonstrate potential to serve as President.

Executive, etc.

The candidate must be able to exercise Nidec Way, and lead the Nidec Group in a positive direction. The candidate must be able to maximize the Nidec Group's corporate value, and possess firm record of achievements that are convincing to everyone. The candidate must have excellent knowledge and experience, and insight for global diversity to execute the Nidec Group's businesses.

* Nidec Way: Code of conduct and management knowhow to serve as guidance for the entire Nidec Group globally.

Technology Strategy

Expanding the E-Axle lineup and quickly getting ready for mass production

Ryuji Omura

Senior Vice President, Deputy Chief Technology Officer
Head of Nidec Semiconductor Solutions Center and
General Manager of Business Planning and Strategy Department



Collaboration on semiconductor solutions

On June 5, 2023, Nidec and Renesas Electronics Corporation announced collaboration on semiconductor solutions for a next-generation E-Axle for EVs. The following day, the two companies held a joint press conference.



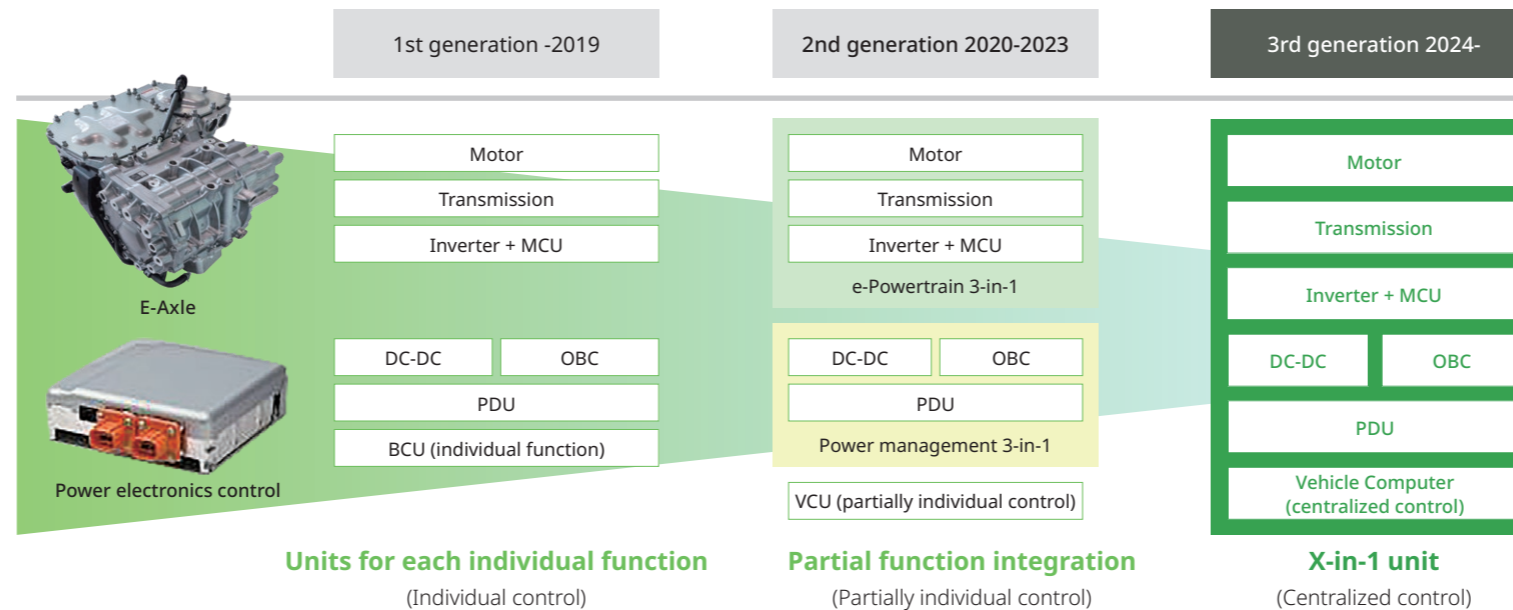
EVs are increasingly adopting the EV drive motor system called E-Axle, a 3-in-1 unit which integrates a motor, inverter, and gearbox, and Nidec has been shipping the 3-in-1 E-Axles since 2019. The latest trend to respond to the growing demand for smaller size, light weight and lower cost is the accelerating move to integrate power electronics controls such as DC-DC converters, on-board chargers (OBCs), and power distribution units (PDUs) into a X-in-1 platform. This move is especially remarkable in China. We are also planning to adopt the X-in-1 for the third generation E-Axle, which is scheduled to be launched on the market after 2024. While we can expect benefits from X-in-1 such as higher efficiency due to total optimization, reduction in weight and volume, reduction of high-voltage cables and cooling cables, and reduction of the number of semiconductors and harnesses between electronic control units (ECUs), there remain issues such as concerns about safety integrity, decline in maintainability, complicated cooling systems, and requirements for higher reliability of parts.

To solve these issues, Nidec has decided to collaborate with Renesas Electronics Corporation to develop a highly reliable and high-performance proof of concept (PoC) for the X-in-1 system. The PoC is designed to support the industry's highest performance and efficiency as well as smaller size, lighter weight and lower cost for

the X-in-1 system. We plan to launch the first PoC by the end of 2023, which will feature a 6-in-1 system with a DC-DC converter, on-board charger (OBC), and power distribution unit (PDU) as well as a motor, inverter, and gearbox. This PoC will include power devices based on SiC (silicon carbide). As a second phase in 2024, we plan to develop a highly integrated X-in-1 PoC that incorporates a battery management system (BMS) along with other components. The second PoC will replace the power devices with GaN (gallium nitride), offering excellent performance in high-frequency operation, to further reduce size and cost.

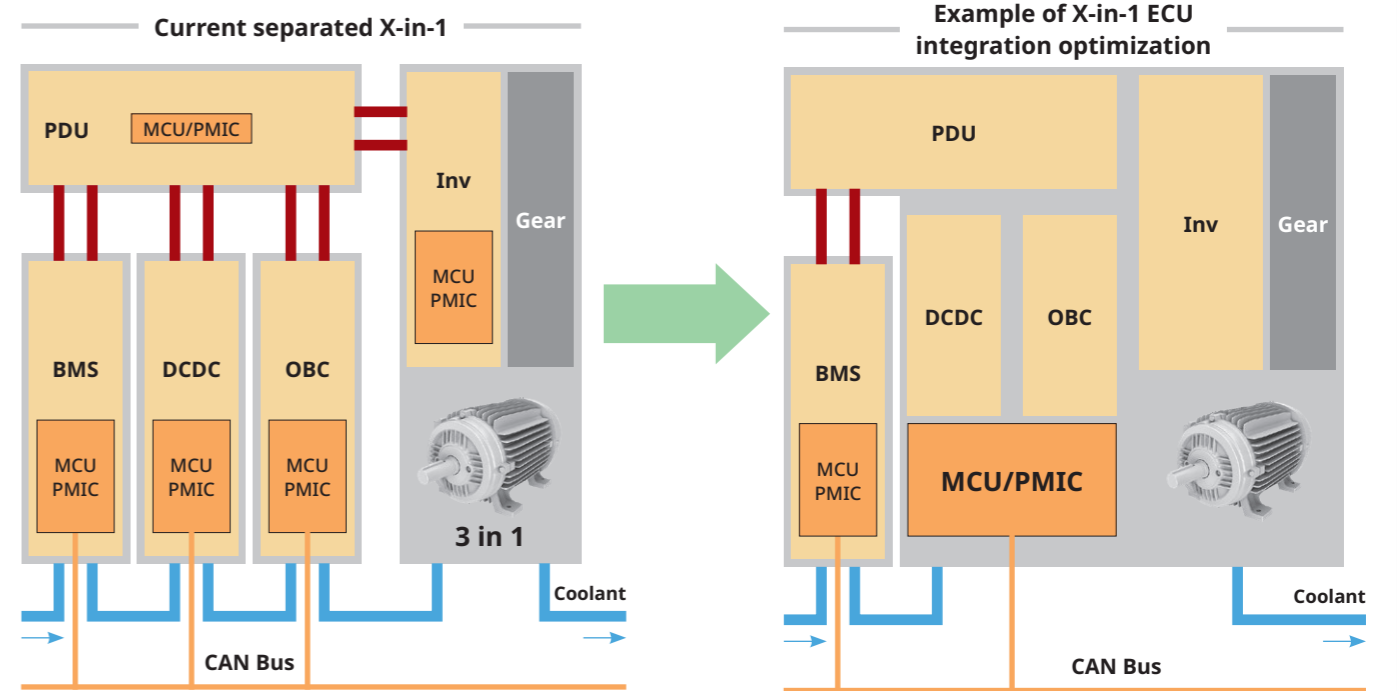
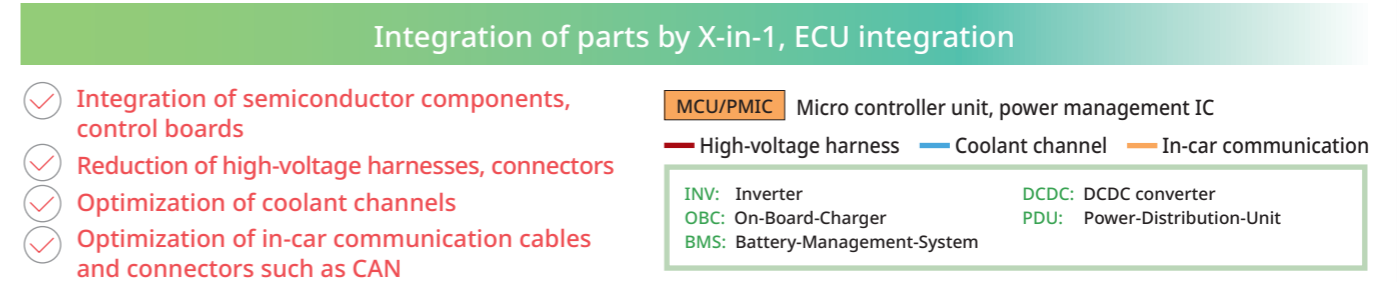
Nidec selected Renesas Electronics Corporation as a strategic partner for EV semiconductor solutions, and through RFQ (Request for Quote) of the company, we will define the necessary specs for the next-generation E-Axle and advance its development. Building on the PoC developed through this collaboration, we plan to rapidly productize E-Axle systems to expand our E-Axle lineup and quickly get ready for mass production.

Trends in next-generation E-Axle (X-in-1 system)



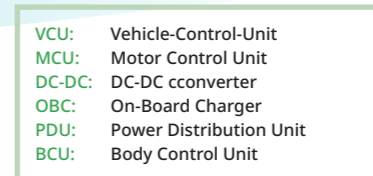
Through integration, it is necessary to develop a platform with a reduced number of common parts to achieve higher development efficiency and ease of vehicle model deployment.

Effects of collaboration ~Efficiency and performance improvement through integration~



Trends in E-Axle/power electronics control devices

Packaging progresses from combinations of individual function units to partially integrated function units, while integration of power control units progresses from individual control of motor, inverter, and electric power to integrated control of multiple functions, and then to centralized control, to form an X-in-1 unit.



Small Precision Motors

Review of FY2022

Sales increased 0.1% from the previous year to 425,333 million yen, including the impact of foreign exchange fluctuations (an increase of approx. 63,400 million yen from the previous year). Net sales of HDD motors decreased by 20.6% year on year to 78,462 million yen, including the impact of foreign exchange fluctuations (an increase of approx. 21,000 million yen from the previous year), mainly due to a decrease in the sales volume. Net sales of other small motors increased 6.4% from the previous year to 346,871 million yen, including the impact of foreign exchange fluctuations (an increase of approx. 42,400 million yen from the previous year). Operating profit decreased 37.1% from the previous year to 26,680 million yen, including the impact of foreign exchange fluctuations (an increase of approx. 4,700 million yen from the previous year), as a result of the recording of approx. 5,600 million yen as structural reform expenses in FY2022.

In FY2022, the business environment surrounding this segment was severe. Global shipments of HDDs decreased from around 260 million units in FY2021 to around 170 million units in FY2022. Regarding HDDs for data centers, a slowdown in investment by major IT companies led to inventory adjustments, which had a significant impact on the profitability of our motors for HDDs. Regarding motors other than HDD motors, shipments of data centers, PCs, smartphones, etc. all decreased, which affected the shipment volume and profitability of our motors.

In FY2023, many predict that recovery in markets of data centers, PCs, smartphones, etc., including completion of inventory adjustments, will take some time, and the declining trend in HDD shipments is expected to continue. Therefore, we expect that the business environment for this segment will continue to be severe.

Medium- to long-term growth strategies

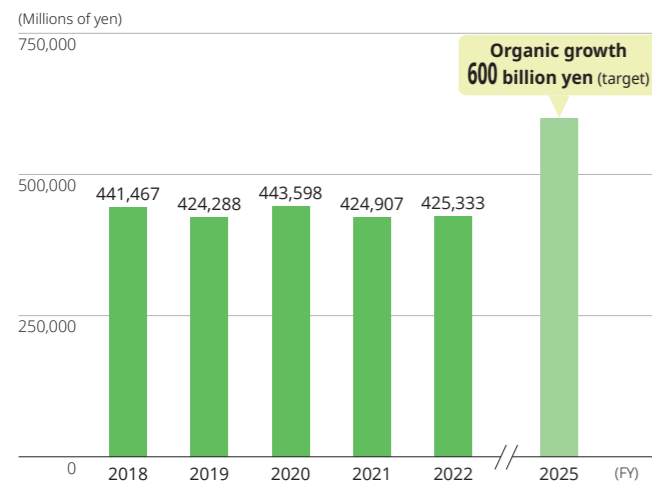
As the sales volume of IT devices such as PCs and smartphones is leveling off, it is difficult to expect further growth of the existing businesses of this segment. Therefore, transformation of our business portfolio is crucial for our continued growth in the future.

As part of the initiative for business portfolio transformation, in addition to thermal management (invested in Chaun-Choung Technology Corporation (CCI) in 2018), we have been focusing on motors for small EVs and electric two-wheeled vehicles. As for small EVs, a low-price EV released in China in 2020 became the top seller in the EV market in China for the second straight year in 2022. We have received orders for and inquiries about motors for small EVs, and mass production for customers began in FY2022. We estimate the potential demand for low-price EVs to be in the hundreds of millions units, and we thus expect further business expansion in this field.

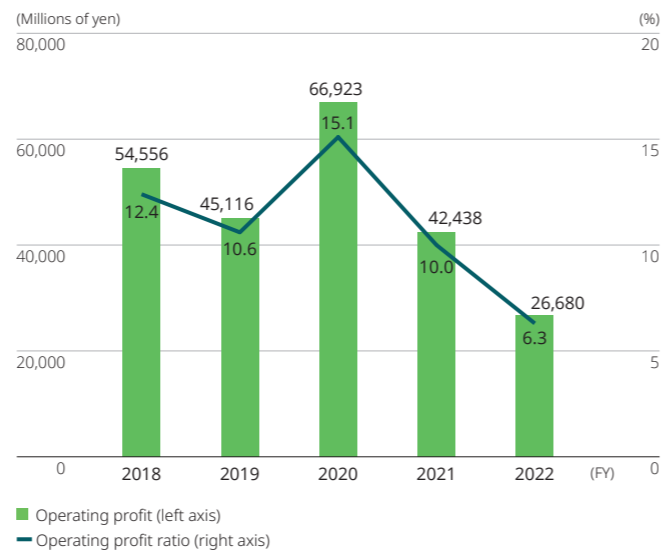
As for two-wheeled vehicles, the wave of electrification is surging as it has for four-wheeled vehicles. We recognize that it is a market in which demand for motors for drive units is expected to increase significantly. The existing market scale of two-wheeled vehicles is about 60 million units globally, of which India with around 25 million units and China with around 15 million units (a part of them are for exports) are the largest markets. Nidec is conducting its sales activities mainly in these two countries and has obtained orders from several top manufacturers. In India, Nidec built a plant in Neemrana, Rajasthan, and has established a system capable of responding to the Make in India policy. We will expand this plant to establish a system to supply motors for electric two-wheeled vehicles in India.

Regarding areas other than the above, we see opportunities for significant business growth in areas such as drones, metaverse, and medical care. We therefore recognize these areas as priority areas for our Three News Activity (new markets, new customers, new products).

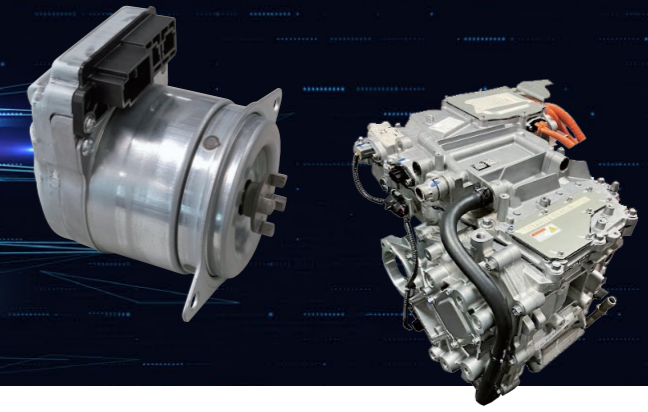
Net sales



Operating profit / Operating profit ratio



Automotive Products



Review of FY2022

Sales increased 24.4% from the previous year to 519,654 million yen, including the impact of foreign exchange fluctuations (an increase of approx. 46,600 million yen from the previous year), due mainly to an increase in sales of E-Axle drive motor systems for EVs, despite the ongoing impact of the Russian invasion of Ukraine and difficulty for customers in procuring semiconductors and other electronic parts. Operating

profit decreased by 52,966 million yen from the previous year to a loss of 42,291 million yen, including the impact of foreign exchange fluctuations (an increase in profit of approx. 2,900 million yen from the previous year), as a result of the recording of approx. 54,100 million yen as structural reform expenses in the fiscal year under review.

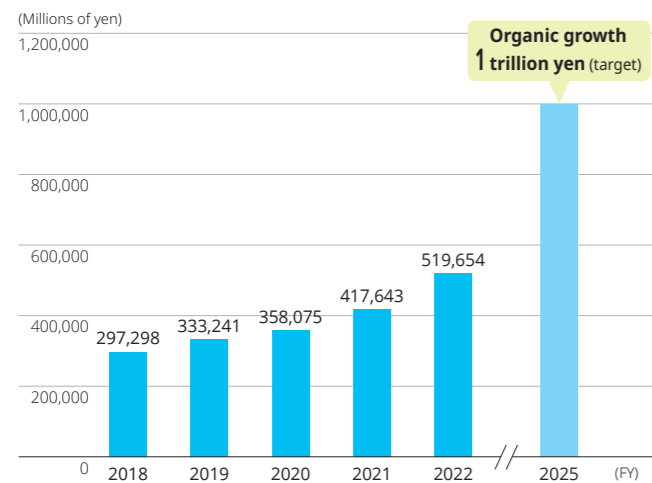
Medium- to long-term growth strategies

Although the target year for achieving the estimated sales volume of 4 million E-Axle units was postponed by a year to FY2026, our EV-related products will still be the core of our future growth. While the number of customers in China has increased from two to five (all of which are top BEV selling manufacturers in China), our joint venture with the Stellantis (formerly PSA) Group in Europe started mass production of E-Axle in September

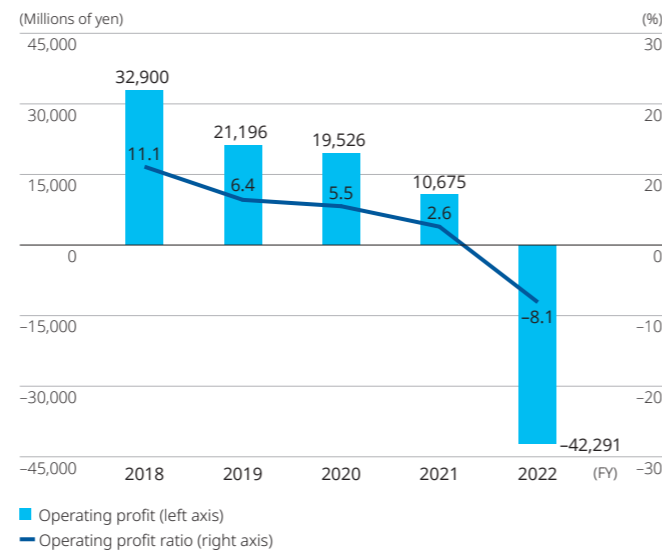
2022. Thus, the estimated E-Axle sales volume of 4 million units for FY2026 is the total of the sales by Nidec for China and the sales by the joint venture with the Stellantis Group for Europe.

As the environment surrounding the EV industry is rapidly changing, we are evolving our business strategies for EV-related products to adapt to such changes.

Net sales



Operating profit / Operating profit ratio



1. E-Axle profitability improvement plan

In the field of EV-related businesses, both automakers and suppliers expect that severe competition will continue for a long time to come. Under this recognition, Nidec positioned turning the E-Axle business, which has been in the red since its launch, into the black as one of the top management priorities in FY2023. Mass production of the second-generation E-Axle, which achieved a significant cost reduction from the first-generation model, started on a full scale in April 2023, increasing its ratio in shipment. In addition to this, as a result of the shipment control of unprofitable models and the efforts to reduce costs, including general administrative expenses and development costs, profitability of the E-Axle business improved significantly. We believe that further increasing the profit margin of this business and developing it as a sustainable business without relying on borrowed capital or cash flows from other business segments for future investment will greatly contribute to securing our competitive advantage.

2. Direction of E-Axle development

Customer needs for E-Axle in the Chinese EV market are rapidly changing these days. Specific changes in needs include the following: (1) Lower power: Major output demand is shifting from 100 kW-150 kW to around 70 kW. (2) Higher voltage: The need to shorten charging time has generated demand for higher voltage inverters around 800V. (3) Demand for X-in-1: Demand for X-in-1 systems integrating a DC-DC converter, on-board charger (OBC), power distribution unit (PDU), PTC heater, etc., in addition to a motor, inverter, and gearbox 3-in-1 unit, is rapidly increasing. In light of these changes, we aim to launch the third-generation E-Axle, which is planned to achieve a significant cost reduction from the second-generation model, in mid-FY2024, earlier than the initial schedule.

3. Enhancing the E-Axle components business

Nidec has set a new EV-related sales target of 500 billion yen in total for E-Axles and components for E-Axles in FY2025. While many major automakers producing EVs are continuing to manufacture drive units in-house, demand for external manufacturing of E-Axle components has been increasing. This trend is particularly strong among major automakers in Europe and the U.S. Considering that the growth rate of the Chinese EV market has peaked while the future EV market growth rate is expected to be higher in Europe and the U.S., it is reasonable to implement measures to (1) respond to customer needs, (2) respond to needs of European and American markets, and (3) improve the profit margin of our EV-related businesses as our strategy to enhance the E-Axle components business. Investment in components for E-Axle, mainly motors, is less costly than investment in E-Axles, and it is expected to take less time to obtain a certain profit margin.

By steadily implementing these measures, we will ensure not only increased sales but also improved profitability of EV-related businesses.

In addition to E-Axle, for existing automotive motors, such as motors for electric power steering (EPS), we expect also a significant increase of CAGR 13% in sales between FY2020 and FY2025. In particular, the sales volume of Nidec's EPS motors is expected to increase due to two factors: 1) a rise in the rate of vehicle models using EPS and 2) a rise in our market share of motors for EPS. Regarding factor 2), the reasons are that automobile manufacturers have been increasingly choosing to outsource non-core activities as a result of the streamlining of their businesses and that our competitors are withdrawing from the market.

Appliance, Commercial & Industrial Products

Review of FY2022

Sales increased 16.2% from the previous year to 913,986 million yen, including the impact of foreign exchange fluctuations (an increase of approx. 140,500 million yen from the previous year), due mainly to an increase in revenue from the power generator business, which received many orders for large-scale projects despite the ongoing impact of the Russian

invasion of Ukraine. Operating profit decreased 9.4% from the previous year to 70,817 million yen, including the impact of foreign exchange fluctuations (an increase of approx. 15,600 million yen from the previous year), as a result of the recording of approx. 12,400 million yen as structural reform expenses in the fiscal year under review.

Medium- to long-term growth strategies

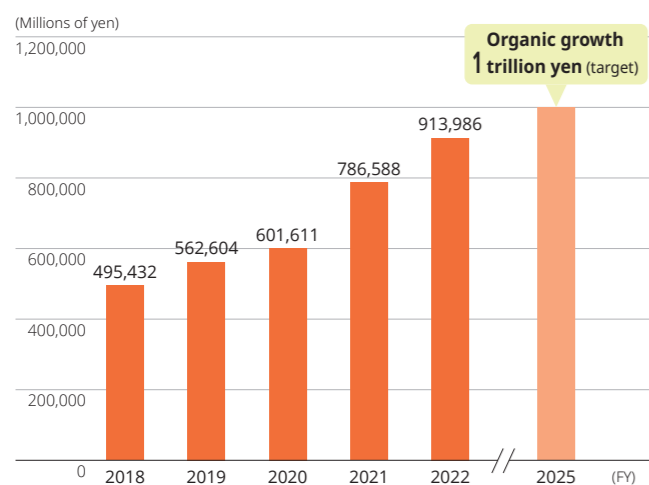
Since the outbreak of COVID-19 in FY2020, businesses producing household refrigerator compressors and motors for air-conditioners, as well as motors and gears for transfer robots used at distribution centers of E-commerce companies, have driven the growth of this segment. Meanwhile, as global demand for home appliances and capital investment by E-commerce companies have peaked out, the driving force for performance in FY2023 has shifted to industrial products, mainly power generators for construction machines. Among the various businesses of this

segment, we expect growth in the following areas in the medium to long term.

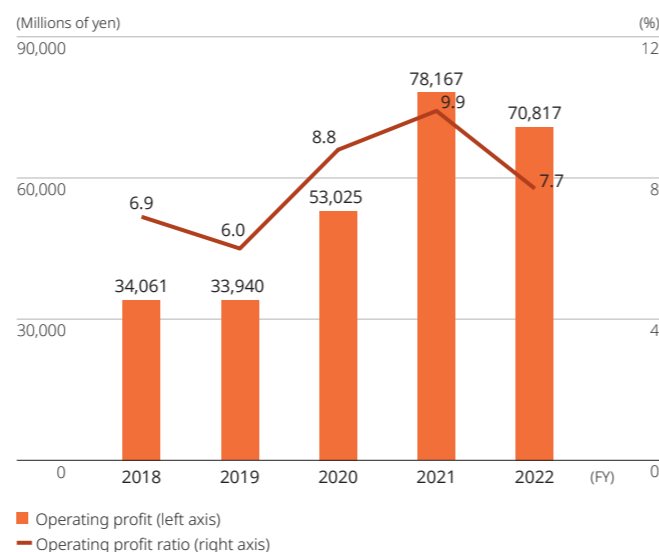
1. Growth of existing businesses

Demand for compressors for refrigerators and motors for air-conditioners is expected to recover after peaking out in advanced countries, while demand in emerging countries is expected to expand over the medium to long term due to an increase in personal income. It is also predicted that housing-related and commercial demand will increase in advanced countries. In addition

Net sales



Operating profit / Operating profit ratio



to the regional market expansion and a shift to commercial demand, recovery in demand from major customers and expansion of the customer base are expected for motors and gears for transfer robots used at distribution centers of E-commerce companies.

2. Growth under medium- to long-term themes

(1) Solution to labor shortage

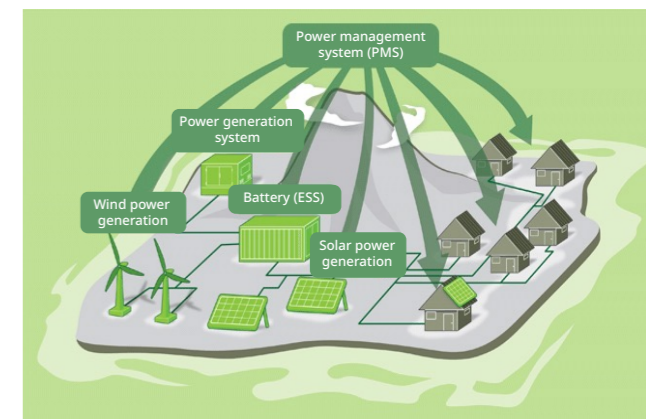
Labor shortage is an urgent issue mainly in advanced countries. Therefore, the FA-related products (servo motors) business is likely to become a growth driver over the medium to long term, and shipments to robot manufacturers are expected to increase along with the advancement of factory automation. The business of power generators for construction machines is expected to expand as demand for mining has been increasing due to changes in the industrial structure.

(2) Solution related to renewable energy

The battery energy storage system (BESS*) of Nidec Industrial Solutions provides the power transmission utilities of each country with the ability to store and stably supply the electric power generated with renewable energy, thereby contributing to the realization of a carbon-neutral society. In this field, Nidec announced on August 30, 2022 that it had concluded a joint venture agreement with FREYR Battery, a Norwegian semi-solid lithium-ion battery

manufacturer. FREYR will enter into a power purchase agreement with a renewable energy producer for the supply of 100% renewable energy and plans to manufacture semi-solid lithium-ion batteries that do not emit CO₂ in the manufacturing process. This partnership will enable us to significantly reduce CO₂ emissions in all processes, from manufacturing of batteries through the use of our BESS solutions by customers. Along with the increase in renewable energy, our BESS-related business is expected to grow significantly.

* Battery Energy Storage System



Solution related to next-generation means of transportation

In the medium to long term, business for electric vertical take-off and landing aircrafts (eVTOL), a next-generation means of transportation and also known as "flying cars," is expected to be a growth field. In addition, the market for urban air mobility systems, including eVTOL, is predicted to expand and reach the scale of 3 trillion yen in 2030 and 20 trillion yen in 2035. The business related to eVTOL, which contributes to diversification and greening of mobility, is therefore an area with a significant growth potential over the medium to long term. In order to enter this business, Nidec announced an agreement to establish a joint venture with Brazil's Embraer in June 2023. The joint

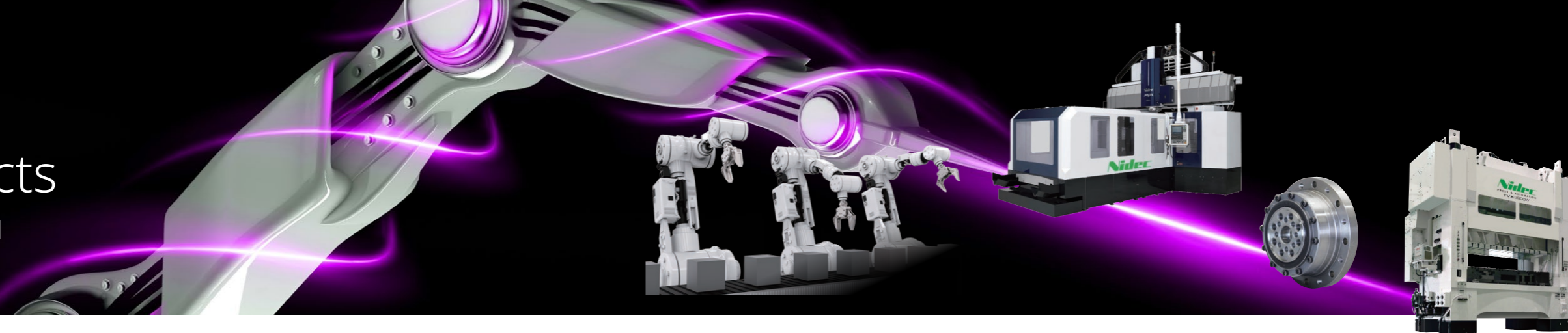
venture will be provided with control technologies of Embraer, the world's third largest aircraft manufacturer, and motor technologies of Nidec, and it will supply electric propulsion systems for eVTOL.



Electric vertical take-off and landing aircraft "eVTOL"

Other Products

(Machinery, Electronic and Optical Components, etc.)



Review of FY2022

Sales from the Machinery segment increased by approximately 37.5% to 296,482 million yen compared to the previous year. This growth was driven by the strong demand for semiconductor inspection equipment for 5G applications, higher sales of canning press machines that reflect the world's step toward ending plastic pollution, and expanded reach into the machine tools market. The exchange fluctuations (an increase of approximately 15,800 million yen from a year earlier) also had a positive effect on the revenue growth. The operating profit increased by 10.4% to 45,538 million yen compared to the previous year, including the positive impact of exchange fluctuations

(an increase of approximately 1,200 million yen from a year earlier) and structural reform expenses of 2,100 million yen.

Sales from the Electronic and Optics Components segment increased by approximately 19.1% compared to the previous year, amounting to 83,011 million yen, including the positive impact of exchange fluctuations (an increase of approximately 4,700 million yen from a year earlier). Operating profit from this segment increased by 23.1% to 13,582 million yen compared to the previous year, including the positive impact of exchange fluctuations (an increase of approximately 100 million yen from a year earlier).

Medium- to long-term growth strategies

In this segment, the newly established Machinery and Automation Business Unit is expected to become the core for future growth. Nidec Drive Technology Corporation (formerly Nidec Shimpo Corporation), one of our Group companies, used to engage in mainly the reducer and press business. With the acquisition of Nidec Machine Tool Corporation and Nidec OKK Corporation in Japan in FY2021 and PAMAS.p.A in Italy in FY2022, it also started a machine tool business, expanding its business scale. In September 2023, Nidec commenced a tender offer for TAKISAWA Machine Tool Co., Ltd. (as result of dialogue with Nidec, in which the target company TAKISAWA Machine Tool Co., Ltd. agreed to the tender offer).

Initially, the acquisition of Nidec Machine Tool Corporation was aimed at obtaining synergistic effects, such as securing in-house manufacturing capacity for the gears necessary to promote the E-Axle EV traction motor system business. However, in working to improve business management after the acquisition, we have shifted to a strategy in which we not only pursue synergy within the Group but also promote the expansion of the machine tool business itself. Nidec Machine Tool Corporation, which was in the red at the time of the acquisition, improved its quarterly operating profit ratio to over 10% in a short period of time as a result of post merger integration (PMI). The company demonstrated that a machine tool manufacturer with excellent products/technologies can be turned into a profitable company by introducing Nidec-style management. We aim to expand profits by enhancing the product lineup, including the possibility of further business expansion through M&A in the future, and stabilize the segment performance and sophisticate our business in China.

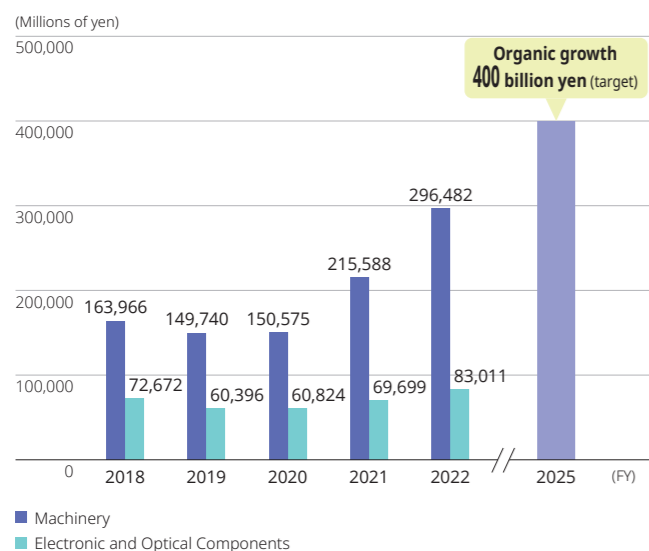
Regarding the reducer business, it is predicted that demand will expand due to labor shortages spreading mainly in advanced countries, which is behind the wave of manpower saving that Nidec has identified as one of the Five Big Waves. Declining birthrates and an aging population are causing the working-age population (15 to 64) to shrink in high GDP economies, including the U.S., China, Europe and Japan, which makes automation at factories an urgent task. It is therefore expected that the use of cooperative robots in production processes will accelerate.

FLEXWAVE™, our high-accuracy reduction gear for precision control, has already shipped mainly for cooperative robots, and a production system has been established in Japan and the Philippines. While we have so far focused mainly on small robots, we are now considering entering the medium-sized robot market, including capital investment, with the aim of expanding the business area.

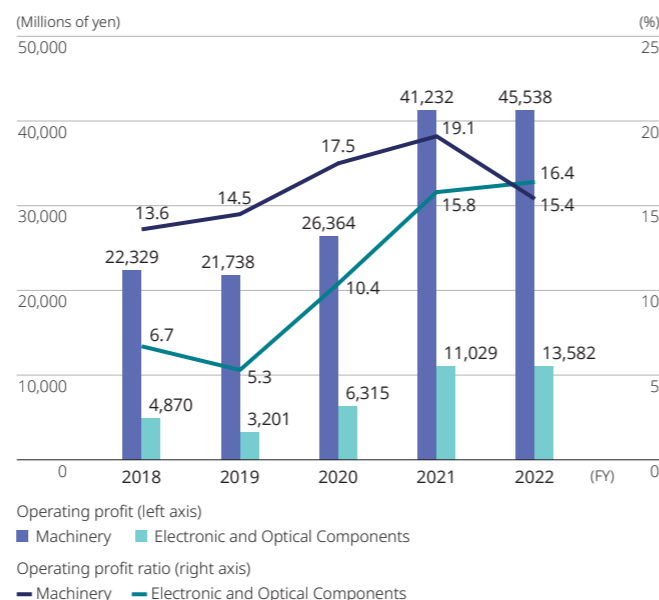
In the press business, we will enhance the products for growth fields, such as canning (plastic-free) and EVs. At the same time, we will further enhance our product lineup, from small, high-speed machines to large machines, thereby expanding and stabilizing the business. In August 2023, Nidec acquired full ownership of Automatic Feed Company and two other press peripheral equipment manufacturers to expand the product lineup.

We aim to achieve net sales of 500 billion yen in FY2025 and 1 trillion yen in FY2030 in the reducer business, press business and machine tool business in total.

Net sales



Operating profit / Operating profit ratio



Toward Achieving Sustainability

Basic stance

Our definition of “sustainable business management” is to ensure that the direction of business strategies that the company pursues conforms with the path the world seeks in order to solve social issues, and to continue the company’s robust, steady growth.

While we recognize the need to review our overall management from a new perspective, the COVID-19 global pandemic has made us more strongly aware of the importance of being prepared for uncertainties. Thus, in order to ensure the sustainability of our businesses, we identified five issues of materiality based on the medium-to long-term visions of our stakeholders both inside and outside the company, and clarified 15 action themes, including “Realize a carbon-free society,” “Respect human rights and follow proper labor practices,” and “maintain and foster globally competitive human resources.” We have also established various systems to ensure the implementation of proactive and continuous

improvement activities for each theme. For example, to check the progress of the improvement activities on a regular basis, the ESG Materiality Steering Committee was organized.

We have also established a risk management system covering both financial and nonfinancial domains so as to promptly address risks that may arise in the future. Moreover, the CSR Charter, which was established in 2008 and has served as the most important guidelines for Nidec’s CSR to date, the CSR Declaration on the Conduct, which clarifies the actions that our employees should choose to take from the perspective of fulfilling their social responsibilities, and all the other documents and regulations concerning CSR constitute the foundation for our materiality initiatives.

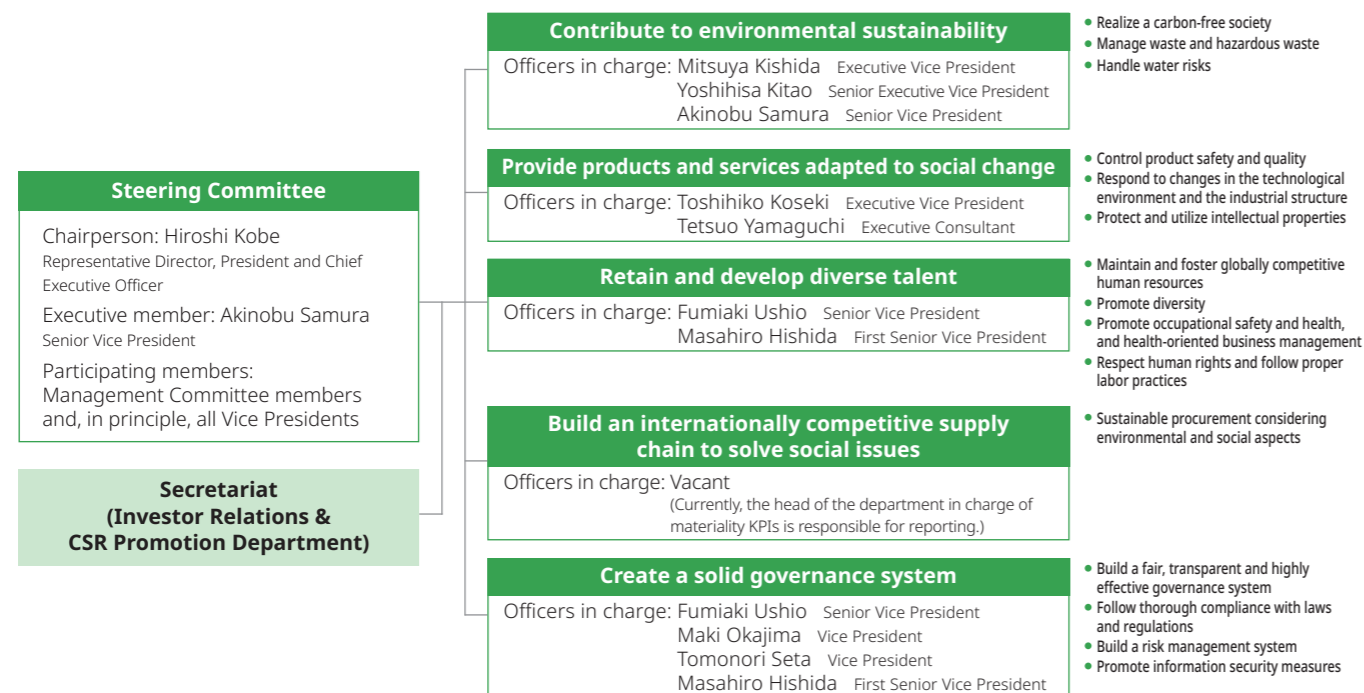
We will continue to launch effective sustainability strategies by leveraging all of our philosophies and experience, with the aim of making our businesses more sustainable.

Organization to promote materiality actions

The five materiality issues Nidec has identified are associated with a total of 15 action themes, which are classified into three phases according to the timing of the start of action.* As a structure to check that each activity is being conducted steadily and effectively, the ESG Materiality Steering Committee is held periodically. Placed directly under COO (Chief Operating Officer), the ESG Materiality Steering

Committee meets every month, affording almost all officers an opportunity to report on the progress and problems of their action themes on a phase-by-phase basis. Reports are given directly by the officers in charge of each action theme. The matters discussed and decided at the Committee meetings are immediately reflected in the action plan.

Organization of the ESG Materiality Steering Committee



*1 As of September 2023 *2 The Vice Presidents of Nidec assume the roles and responsibilities of a managerial position generally known as the Executive Officer.

Establishment of the Sustainability Committee

In FY2022, we established the Sustainability Committee within the Board of Directors as a meeting body to manage and supervise the ESG Materiality Steering Committee. The operation of the Sustainability Committee allows us to secure a longer-term and broader perspective, identify current issues by working backwards from our ideal future self, or, “a global company that continues to grow for the next 100 years and beyond,” and promote initiatives. By doing so, we will enhance the sustainability of our management.

Significance of the Sustainability Committee

This committee is a new structure for Nidec to allow the Board of Directors to take ultimate responsibility for the sustainability of management. The five committee members are mainly composed of outside directors so that outside opinions can be reflected in management decisions. The members of the Sustainability Committee monitor the activities of the executive organization (ESG Materiality Steering Committee), thereby advancing Nidec’s sustainability management.

Operation of the Sustainability Committee

This committee meets quarterly. For each meeting, the main agenda is set for each category of ESG materiality issues. Similar to the ESG Materiality Steering Committee meetings, officers in charge report on the progress of activities related to materiality and important topics for maintaining sustainability of management in line with the main agenda. The committee chairperson reports to the Board of Directors on the committee meetings held and the status of execution of duties.

Sustainability Committee members



Outside Director
Takako Sakai
Chairperson



Outside Director
Junko Watanabe
Member



Outside Director
Hiroe Toyoshima
Member



Internal Director
Hiroshi Kobe
Member



Internal Director
Hiroyuki Ochiai
Member





Four main agenda items of the Sustainability Committee










- 1 Environment
- 2 Governance
- 3 Human resources and supply chain
- 4 Products

Materiality Initiatives

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

To ensure effective and steady implementation of our materiality initiatives, we have set 15 action themes in the five materiality categories. And, for each theme, we have set KPIs, which we intend to achieve by FY2025 and are classified into three phases according to the timing of implementation. We incorporate the KPIs into the new medium-term strategic goal Vision 2025, and work on them to enhance the sustainability of our business. We may change the materiality issues, action themes and KPIs taking into consideration their validity according to the business environment in the future.

Materiality	Theme to be addressed	Sub-theme	KPI (FY2025)	Progress in FY2022		
 Environment	Realize a carbon-free society	Contribute to decarbonization through products  P. 53	Contribute to decarbonization through products	<ul style="list-style-type: none"> Reduce CO₂ emissions by introducing the EV traction motor system E-Axle: Cumulative total from FY2020 to FY2025: 11,700,000 t-CO₂ Reduce CO₂ emissions by introducing electric power steering (EPS) motors: Cumulative total from FY2020 to FY2025: 26,261,000 t-CO₂ 	Cumulative total sales of E-Axle exceeded 700,000 units as of April 2023. Accordingly, reduced 253,000 tons of CO ₂ during FY2022. Regarding E-Axle itself, started mass production of second-generation model, which is smaller, resource-saving, and quieter than the previous model.	
			Reduce GHGs emissions attributable to business activities	<ul style="list-style-type: none"> By FY2025, increase the introduction ratio of renewable energy to 40% on a consolidated basis Annually disclose a climate change scenario in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations 	As a result of efforts at each business site, the ratio of renewable energy introduction in FY2023 reached 8.2%. Regarding TCFD, defined the automotive business as the business that is most likely to be substantially affected by climate change, and conducted scenario analysis regarding the climate change impact.	
		Manage waste and hazardous waste  P. 61	—	<ul style="list-style-type: none"> Reduce the volume of waste generated in intensity per unit sales by at least 3% from the level of FY2022 	Started ascertaining the amount of waste and valuable resources generated by classifying resources, based on the main procured materials for products. Regarding chemical substance management, kept track of and disclosed information on the amounts of released and transferred chemical substances that are designated by the PRTR system and used by Nidec Group's sites in Japan.	
		Handle water risks  P. 61	—	<ul style="list-style-type: none"> Fully complete water risk assessments at all production sites 	Assessed water risks in all global regions where manufacturing sites are located.	

	Materiality	Theme to be addressed	Sub-theme	KPI (FY2025)	Progress in FY2022
 Products	Provide products and services adapted to social change	Pursue product safety and quality  P. 62		<ul style="list-style-type: none"> • Create a database for chemical substances contained in products to make it easier for the development department to determine the choice of materials, and shift to an environment-oriented development system • Implement quality management reforms in the automotive-related business, and establish an overall quality control organization and system by FY2025 • Conduct assessment of all newly developed products and all products during the manufacturing process to reduce product safety risks 	By utilizing the material selection database that was completed in FY2021, the Small Precision Motor & Solutions Business Group recommended the use of materials with less environmental impact within the Business Group. In the Automotive Motor & Electronic Control Business Unit, as a result of continuing management reform related to quality, the Global Quality Management Division was established as a horizontal function to oversee quality assurance for the entire Nidec Group.
		Respond to changes in the technological environment and the industrial structure  P. 63		<ul style="list-style-type: none"> • Continuously launch new products that lead the Five Big Waves to resolve social issues • Continue to pursue the high efficiency and miniaturization of motors that contribute to energy and resource saving 	Conducted quantification of the environmental impact of major products based on LCA (life cycle assessment). Also created a technology roadmap that incorporates environmental response indicators for major products, and worked to promote environmental value in product development and to foster and spread awareness.
		Protect and utilize intellectual properties  P. 63		<ul style="list-style-type: none"> • Transform our IP portfolio to one that responds to social and business changes, including decarbonization and power and manpower saving, and use the new IP portfolio 	Built and transformed our IP portfolio for mainly products related to the Five Big Waves. Raised the proportion of products related to the Five Big Waves in the IP portfolio to 56%.
 Human Resources	Retain and develop diverse talent	Maintain and foster globally competitive human resources  P. 65		<ul style="list-style-type: none"> • Develop and train global leaders: <ul style="list-style-type: none"> — Identify overseas local personnel to be candidates for executives in FY2022 — Start training of executives, including overseas personnel, from FY2023 	Proceeded with the cultivation of (1) personnel for senior management and key positions and (2) next-generation leaders (management and people in charge). Also promoted the early identification, development and strengthening of human resources on a global scale.
		Promote diversity  P. 66		<ul style="list-style-type: none"> • Achieve the targets below related to women's empowerment (non-consolidated) in FY2022: <ul style="list-style-type: none"> — Ratio of female directors*: 10% or higher — All managerial positions held by women: 8% or higher — Ratio of female candidates for managerial positions*: 15% or higher * Executive officer or higher position, including outside directors * Referring to female employees in positions immediately prior to managerial positions • Recruit non-Japanese directors 	Conducted the Organizational Performance Survey to visualize the current situation of each workplace. Introduced Workplace Workshops at each workplace where employees can talk with each other, based on the results of a Survey. Also introduced career interviews, Career Plan Sheet, in-house job posting, and other initiatives.
		Promote occupational safety and health, and health-oriented business management  P. 67	—	<ul style="list-style-type: none"> • Ensure a safe and comfortable work environment • Reduce the number of serious accidents (those resulting in death or permanent disability) to zero • Improve the Lost-time injury frequency rate • Receive certification as a White 500 Company (in the large enterprise category) under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program 	Held seminars by industrial physicians. For employees with high health risks, provided individual health guidance based on the results of health checkups and encouraged them to undergo a thorough medical examination.
		Respect human rights and follow proper labor practices  P. 68	—	<ul style="list-style-type: none"> • Clarify human rights policies for workers including those in the supply chain, and spread them among employees • Manage working hours of employees, including those in managerial positions, from the perspective of occupational safety • Reduce average overtime hours by improving productivity 	Conducted e-learning on the theme of "Respect for Human Rights in Business Activities." At the same time, established and disseminated the "Nidec Group's Basic Policy on Human Rights" to all Group companies. Regarding management of working hours, conducted micro management of working hours of employees, and reported to and cooperated with relevant parties.

	Materiality	Theme to be addressed	Sub-theme	KPI (FY2025)	Progress in FY2022
 Supply Chain	Build an internationally competitive supply chain to solve social issues	Sustainable procurement considering environmental and social aspects  P. 69		<ul style="list-style-type: none"> • Conduct human rights due diligence on major suppliers: Implementation rate for high-risk suppliers by 2025: 100% 	Made the "Nidec Group Basic Policy on Human Rights" known to major suppliers. Also participated in a subcommittee of the United Nations Global Compact Japan to keep abreast of industry trends regarding human rights due diligence.
		 Corporate Governance	Create a solid governance system	Build a fair, transparent and highly effective governance system  P. 73	Board of Directors
Nominating Committee / Remuneration Committee	<ul style="list-style-type: none"> • Increase transparency and fairness in the retirement and dismissal process of directors • Improve the effectiveness of the Remuneration Committee and ensure the objectivity and transparency of remuneration decisions for directors 			Established the Nomination Committee as an advisory body to the Board of Directors' Meeting to deliberate on the policy on the appointment of Directors and Executive Officers, the criteria for appointment, and the decision on candidate proposals. Regarding remuneration of officers, after deliberation, the Remuneration Committee reported to the Board of Directors a review of remuneration levels.	
Management and enforcement of internal control	<ul style="list-style-type: none"> • Based on the assumption of 5 trillion yen for sales volume, enhance audit resources in both quality and quantity 			Strengthened the self-audit system (for all business sites of NIDEC Corporation) and conducted monitoring at all consolidated sites using DX.	
	Follow thorough compliance with laws and regulations  P. 81			<ul style="list-style-type: none"> • Expand the legal affairs and compliance system to all Group companies starting from Nidec Corporation and the regional management companies (China, the U.S. and Europe) • Identify serious non-compliance risks and take priority measures • Provide compliance education to all employees once a year 	Continued the hazard map project. Identified high-risk Group companies by referring to factors such as their remoteness from major sites and corruption risk information of the countries where they are located. Implemented prevention measures in consultation with management of such companies to reduce risks.
	Build a risk management system  P. 83			<ul style="list-style-type: none"> • All risks disclosed on the securities reports are evaluated by the department in charge, and the risks to be addressed in priority are identified • Reduce the impact of the risks to be addressed in priority on our business. Manage the progress of reducing such impact and the residual risks 	Identified areas for improvement by continuing to conduct risk assessment, priority risk identification and risk reduction activities for the Business Unit level (L2). Promoted the initiative to interconnect the risk management activities of different hierarchical levels.
	Promote information security measures  P. 84			<ul style="list-style-type: none"> • Reduce the number of serious information security incidents to zero 	Thoroughly implemented basic measures, such as establishing and strictly operating an information security management system, disclosure of important information property, and education for officers and staff members. For cyber attacks, promoted the introduction of defense mechanisms to prevent unauthorized access from outside the company and to detect and immediately block malicious programs such as computer viruses.

Initiatives related to the TCFD Recommendations

In April 2022, the Nidec Group announced its support for the TCFD recommendations. Through scenario analysis, we will grasp the possible financial impact of climate-related risks and opportunities and incorporate them into our management strategies. By doing so, we will further enhance our efforts to realize a carbon-free society.

Governance

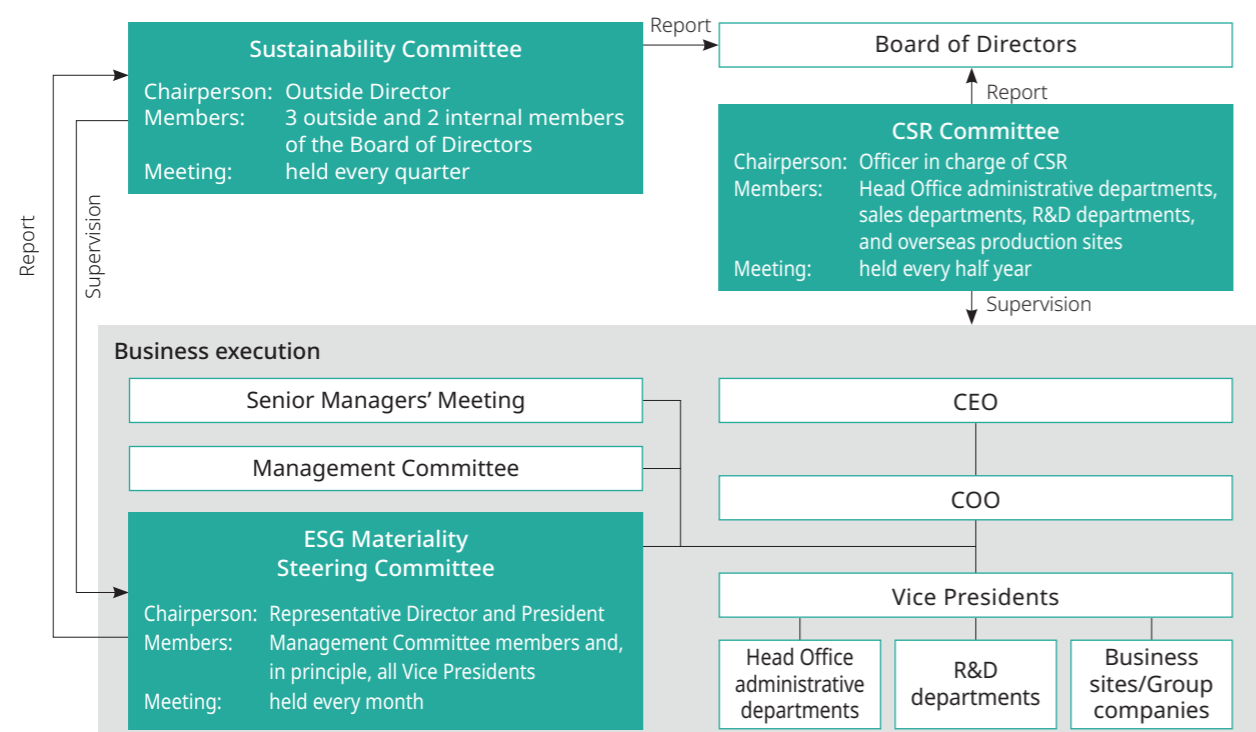
The ESG Materiality Steering Committee, which is the business executive organization related to sustainability, and the Sustainability Committee, an organization to supervise the business execution activities of the Steering Committee and report to

the Board of Directors, are responsible for the governance function of climate change activities. The Sustainability Committee, consisting of three outside members and two internal members of the Board of Directors, meets once every quarter.

Sustainability Committee meetings agenda

Date of meeting	Agenda
1st: September 2022	<ul style="list-style-type: none"> Election of the head of Secretariat Overview of sustainability management and our activities ESG materiality issues and the ESG Materiality Steering Committee Operation of the Sustainability Committee
2nd: December 2022	<ul style="list-style-type: none"> Report on the progress of the ESG materiality action theme "Retain and develop diverse talent" Human rights due diligence Response to the TCFD recommendations
3rd: March 2023	<ul style="list-style-type: none"> Nidec's technological actions that contribute to decarbonization Report of the ESG Materiality Steering Committee Report on ESG briefing Setting of policies for social contribution activities and the priority areas
4th: June 2023	<ul style="list-style-type: none"> Nomination of candidates for committee members Report on results of the TCFD scenario analysis Regarding the FY2023 ESG briefing Policy for production of the Integrated Report 2023 Setting of policies for social contribution activities and the priority areas

Sustainability promotion system

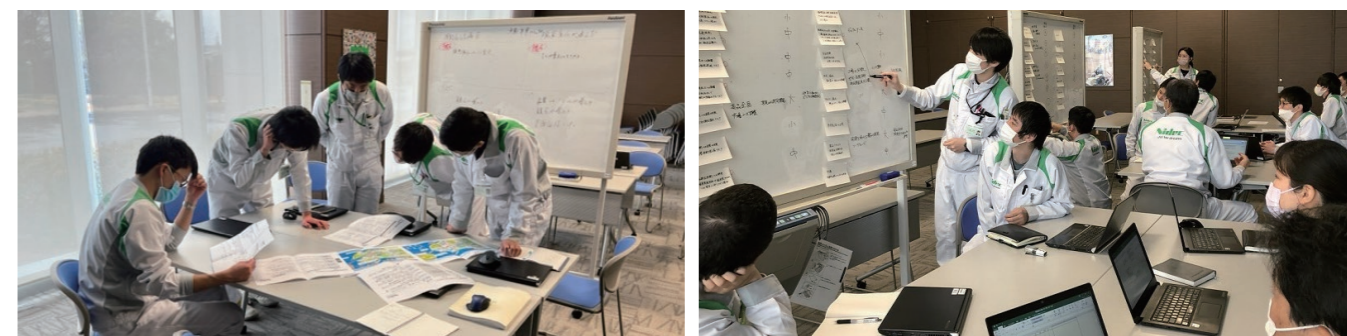


Strategy

The automotive products business, which is a core of our strategy, is an area that benefits from abundant growth opportunities associated with the advancement of global climate actions while at the same time is required to get carefully prepared for risks. Nidec defined the automotive business as the business that is most likely to be substantially affected by climate change, and it conducted scenario analysis regarding the climate change impact. Employees involved in different processes, from planning and development to quality management, purchasing, sales and finance,

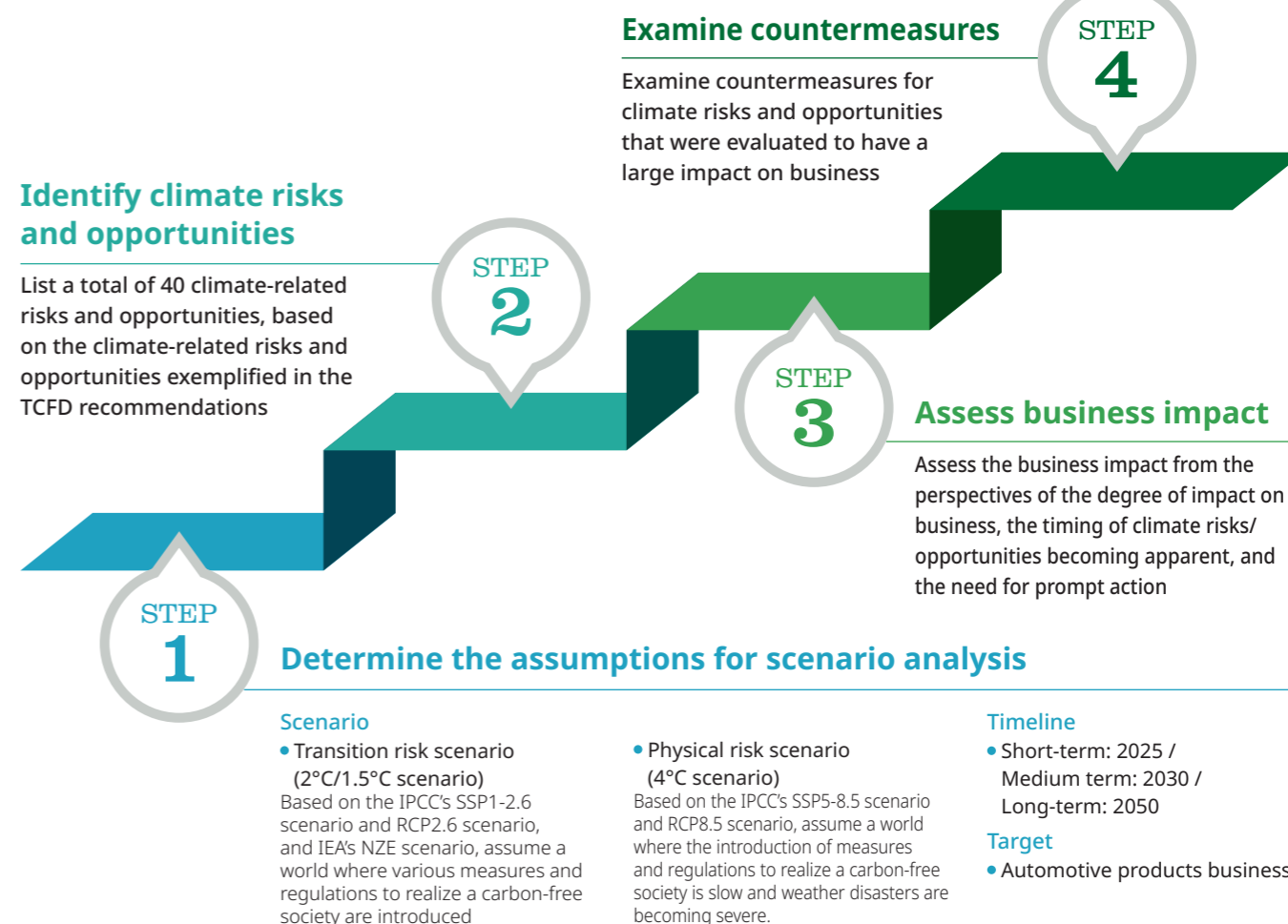
participated in a workshop and conducted a scenario analysis following the procedure below.

The results of the scenario analysis and countermeasures were reported to the General Manager, Deputy General Manager, and officer in charge of the Automotive Motor & Electronic Control Business Unit and to the Sustainability Committee. Moving forward, we will conduct scenario analysis for other business segments and proceed with the quantitative analysis of the identified climate risks and opportunities.



The workshop

Steps of scenario analysis





Climate-related risks and opportunities with significant business impacts, and their countermeasures

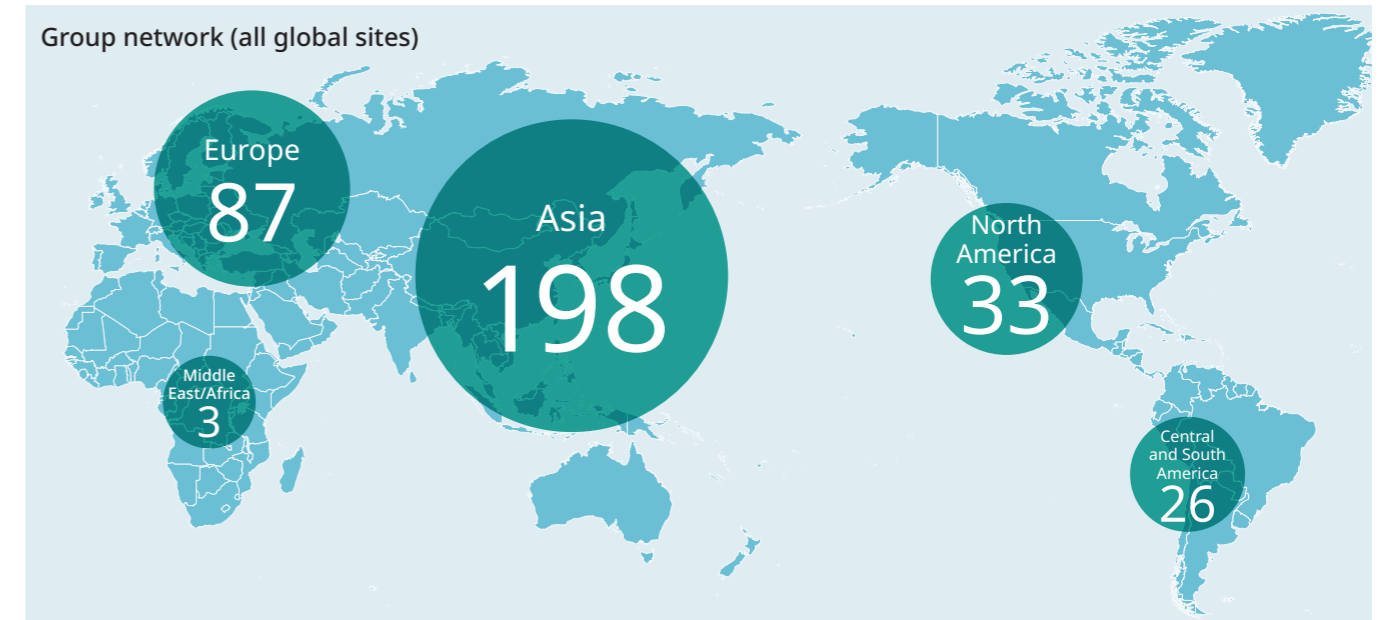
Impacts of climate-related risks and opportunities		Countermeasures		
Transition risks	Policies and legal regulations	Introduction of carbon taxes	<ul style="list-style-type: none"> Increase in production costs and decline in price competitiveness due to carbon taxes Increase in costs for introducing renewable energy * If measures are taken against carbon taxes Increase in procurement costs due to carbon taxes imposed on raw materials 	<ul style="list-style-type: none"> Reduction of Scope 1 emissions through actions such as switching to LED lighting, introduction of energy-saving equipment, replacement with low-carbon fuels, and optimization of manufacturing processes Reduction of Scope 2 emissions by introduction of renewable energy Introduction of renewable energy at low cost through long-term contracts such as corporate PPA Use of low-carbon materials (including recycled raw materials) Reduction of size and weight, and resource saving by employing the "light, thin, short, and small" technology Introduction of multi-sourcing for procurement Reduction of supply chain greenhouse gas (Scope 3) emissions
		Tightening of regulations for fuel efficiency and ZEVs	<ul style="list-style-type: none"> Impairment of manufacturing facilities for internal combustion engine-related products Intensifying competition and price destruction due to an increase in newcomers 	<ul style="list-style-type: none"> Adoption of highly versatile design that allows conversion to other models Conversion of manufacturing equipment to other products Development of products with high technological and price competitiveness Gaining economies of scale due to the market share expansion
		Technologies	Failure in investment in new technologies	<ul style="list-style-type: none"> Loss of business opportunities if the environmental performance required by customers cannot be satisfied
	Market	Rise in raw material costs, difficulty in obtaining raw materials	<ul style="list-style-type: none"> Difficulty in obtaining rare minerals, steel materials, and other non-ferrous metals, such as high-end aluminum and copper, rising procurement costs 	<ul style="list-style-type: none"> Use of recycled raw materials Reduction of size and weight, and resource saving by employing the "light, thin, short, and small" technology Development of products that do not use heavy rare earths or magnets Building a supply chain with high supply capacity
Physical risks	Acute	Impact of floods, submergence, torrential rain or typhoons	<ul style="list-style-type: none"> Suspension of factory operation Outage of infrastructure networks such as electricity and water supply Incurrence of costs for production and transportation of other factories Disruption of supply chain Increase in insurance fees 	<ul style="list-style-type: none"> Geographical distribution of production plants Introduction of multi-sourcing for procurement Implementation of BCP (business continuity plan)
	Chronic	Impact of droughts, water shortage, and changes in the precipitation pattern	<ul style="list-style-type: none"> Difficulty in stably securing water, shortage of factory water due to water intake restrictions Increase in costs due to rising water prices Factory shutdowns due to tight electricity supply, constraints on raw material production and procurement capacity, increase in material purchasing costs Deterioration of water quality due to changes in precipitation and temperature patterns 	<ul style="list-style-type: none"> Geographical distribution of production plants Optimization of manufacturing processes to reduce water usage Improving water reuse and recycling rates
Opportunities	Products/services	Expansion of the market for products that contribute to decarbonization	<ul style="list-style-type: none"> Increase in demand for automotive products (E-Axle, EPS motors, brake motors, electric oil pump motors, etc.) due to the expansion of the electric vehicle market 	<ul style="list-style-type: none"> Reduction of size and weight, and resource saving by employing the "light, thin, short, and small" technology
	Market	Expansion of EV market		

Nidec's actions

Geographical distribution of production plants

Nidec has a group network covering over 300 companies in more than 40 countries around the world and aims to reduce geopolitical risks and climate-related physical risks

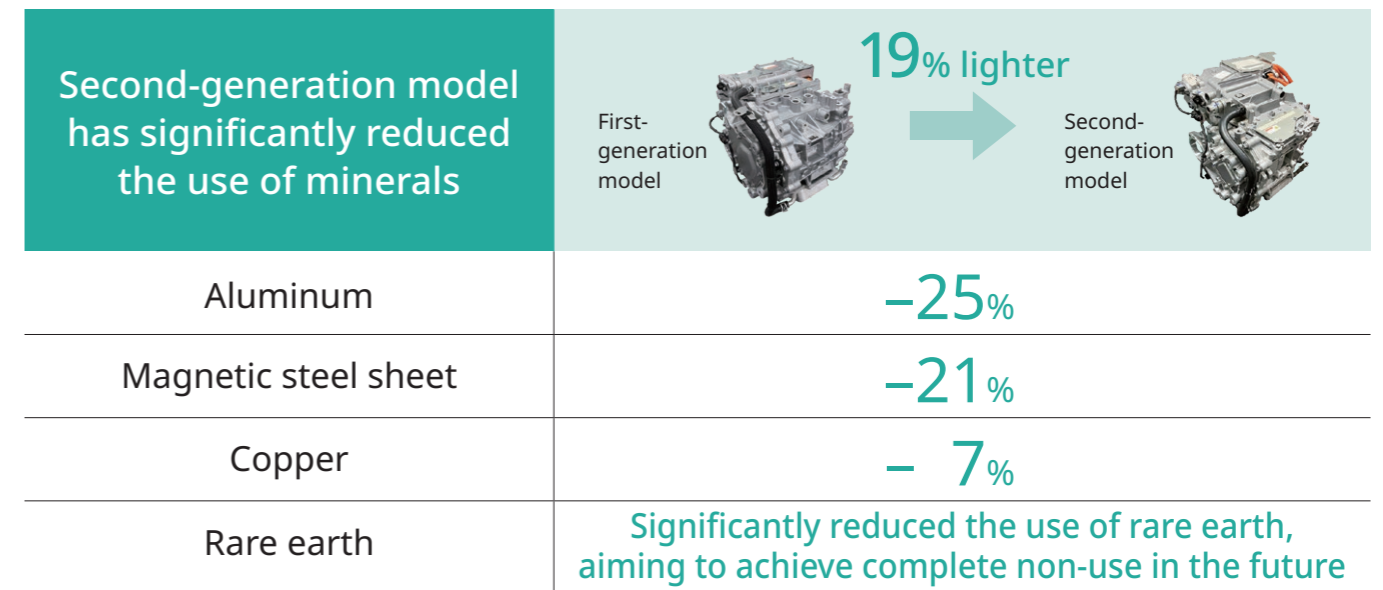
by geographically distributing its operation sites. For the automotive products business, in anticipation of the expansion of the EV market, we are accelerating the building of a mass production system for our EV traction motor systems (E-Axle) in China, Europe, and other parts of the world.



Reduction of size and weight, and resource saving by employing the "light, thin, short, and small" technology

Nidec manufactures socially and environmentally conscious products by making motors smaller and lighter and resource-saving. The first-generation model (Gen.1) of our EV traction motor system (E-Axle) achieved an overwhelming miniaturization of the motor by employing "light, thin, short, and small" technology and the oil cooling structure we had cultivated in the small precision motor business. The second generation (Gen.2) E-Axle, which began mass production

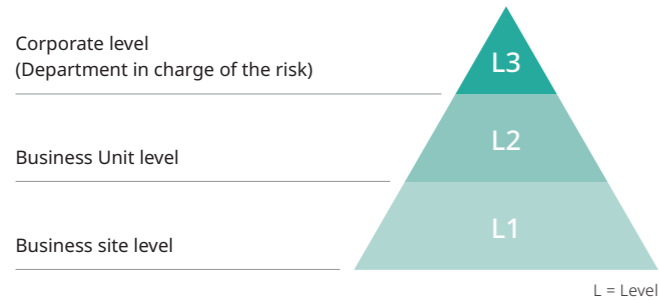
in September 2022, achieved a 19% reduction in weight compared to Gen.1 thanks to the use of smaller magnetic circuits and inverters, based on the high-space-factor wire-winding technology, and also a substantial reduction in the amount of minerals used. In addition, the newly developed two-way oil-circulation system has improved the cooling capability, making it possible to use magnets that require significantly less amounts of dysprosium (Dy), terbium (Tb), and other kinds of heavy rare earth. Moving forward, we are planning to develop motors that do not use heavy rare earth or magnets.





Risk management

We established a framework in which risk surveys are conducted for each of the levels illustrated below and the survey results are shared and mutually used.



For serious contingent risks that may lead to business interruption, the Business Unit level (L2) organizations will periodically check the status of the formulation of BCPs (Business Continuity Plans) of the major business

site* level (L1) organizations under their control, thereby ensuring that improvement activities are continuously conducted for risk reduction.

In addition, we are working to quickly detect factors that may inhibit business continuity and properly address them mainly through risk managers assigned to all sites around the world. We have conducted BCP simulation training, assuming such risks as an earthquake, flooding, and drought, at our sites both inside and outside Japan.

In FY2022, we conducted scenario analysis in the automotive business segment and identified climate-related risks (transition risks and physical risks) that have a large business impact. Going forward, we will consider incorporating the identified climate risks into company-wide risk management items.

* Major business sites: Business sites that are selected to cover 80% of the sales of the Business Unit or Group company to which they belong

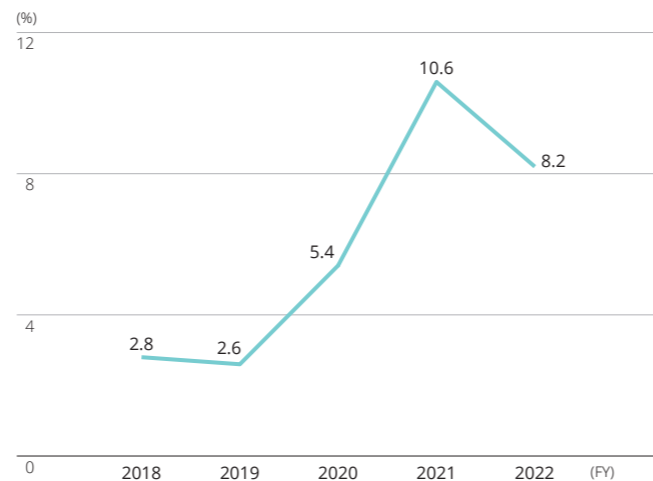
Indicators and targets

Identifying “contribute to environmental sustainability” as one of our materiality issues, we have set the KPIs shown below.

- Reduce CO₂ emissions by introducing the EV traction motor system E-Axle: Cumulative total from FY2020 to FY2025: 11,700,000 t-CO₂ **P. 59**
- Reduce CO₂ emissions by introducing electric power steering (EPS) motors: Cumulative total from FY2020 to FY2025: 26,261,000 t-CO₂ **P. 59**
- Increase the introduction ratio of renewable energy to 40% by FY2025 on a consolidated basis. **P. 60**
- Fully complete water risk assessments at all production sites. **P. 61**

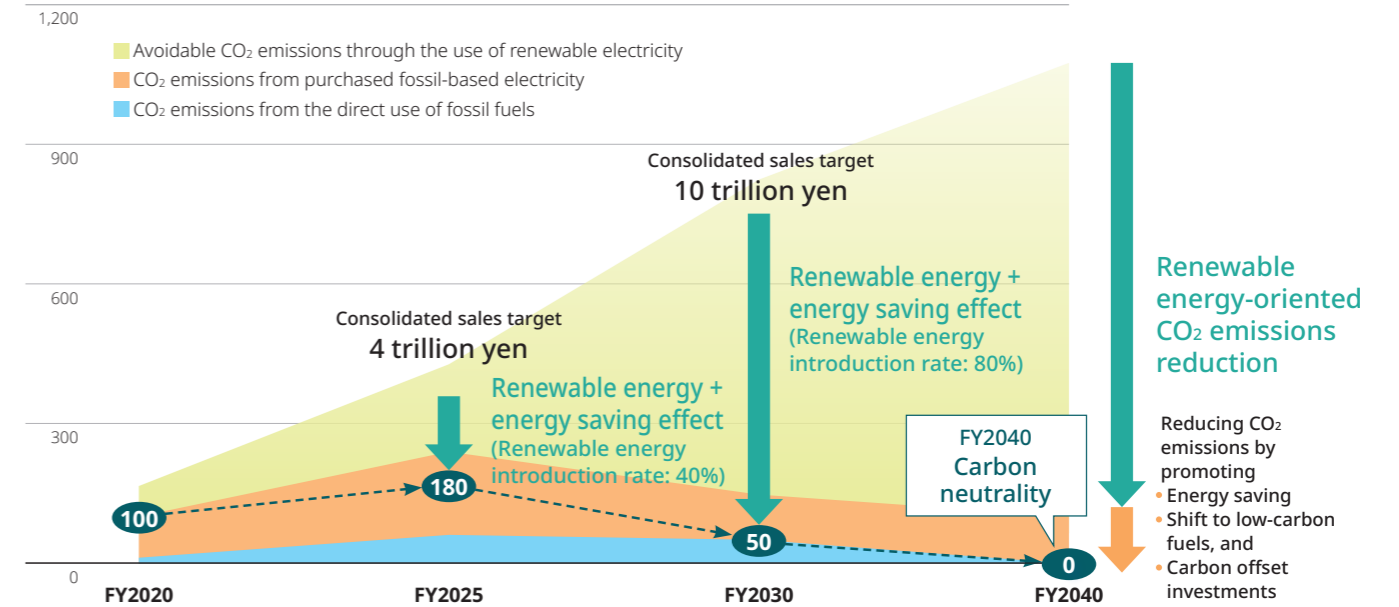
In addition, as a major pillar of our medium-term strategic goal Vision 2025 and ESG materiality measures, we have set the target of achieving carbon neutrality by FY2040. To achieve this target, we first aim to substantially reduce the CO₂ that Nidec emits directly through its business activities at present (Scope 1) and CO₂ that is emitted in the production stage of heat or energy purchased or used in business activities (Scope 2) by making our businesses more energy efficient and proactively introducing renewable electricity. After building a solid foundation for renewable energy-oriented CO₂ emissions reduction, we will promote a shift to energy-saving, low-carbon fuels and employ carbon offset investments and other measures, thereby achieving carbon neutrality in our business activities by FY2040. For CO₂ emitted in the supply chain (Scope 3), we will decide a reduction plan by FY2025.

Introduction ratio of renewable energy*1



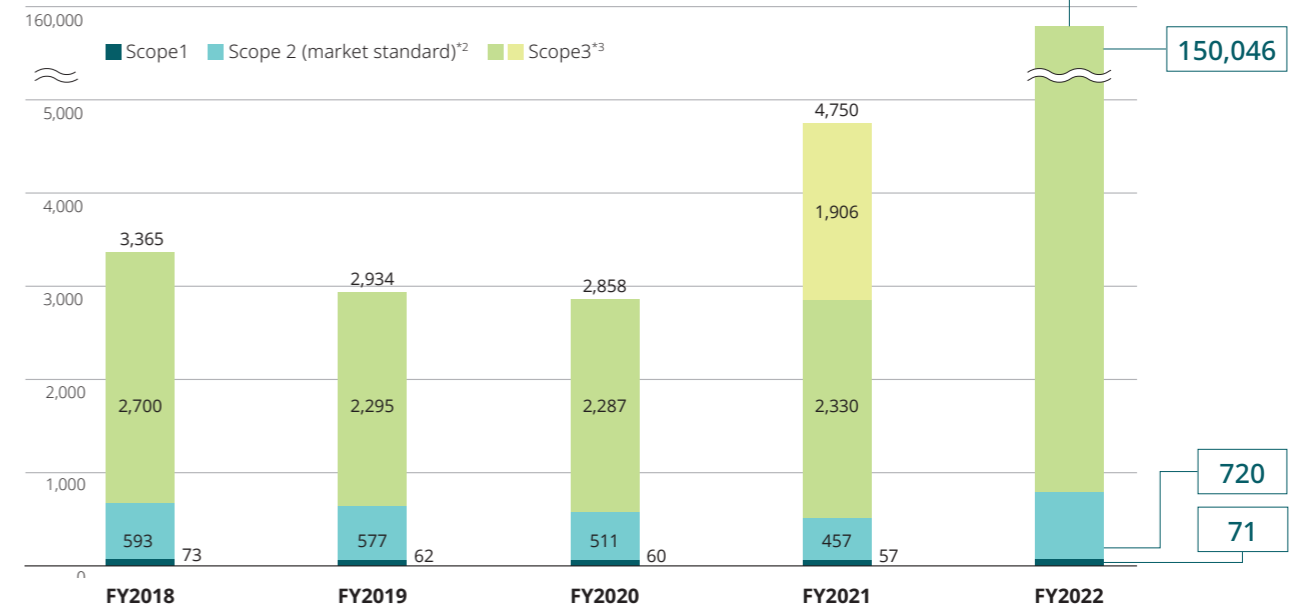
Changes in CO₂ emissions along with introduction of renewable energy-derived electricity

(CO₂ emissions: Ten thousand tons)



Greenhouse gas (GHG) emissions*1

(1,000 t-CO₂e)



*1 Data coverage rate relative to sales: FY2018: 63.0%, FY2019: 59.2%, FY2020: 58.7%, FY2021: 53.5%, FY2022: 62.8%

*2 For calculation of the FY2022 data, IEA country-specific emission factors have started to be used. To calculate the data of FY2021 and before, the Ministry of the Environment's Calculation Method and Emission Factors Chart in the Accounting, Reporting, and Disclosure System was referred to.

*3 The GHG emissions in FY2021 doubled compared to those in FY2020 due to the expansion of businesses subject to data acquisition in Category 1 (marked by ■). The GHG emissions significantly increased in FY2022 compared to FY2021 as calculations for categories 8, 11, 12, and 15 started.



Contributing to decarbonization through products

Basic stance

As global trends toward decarbonization are accelerating in response to intensifying climate change, Nidec, as a global business operator, is committed to the development and supply of products that will contribute to decarbonization. Specifically, focusing on products related to automobiles, which are said to account for over 10% of CO₂ emissions around the world, we calculate and monitor the amount of CO₂ emissions that can be reduced if conventionally used products are replaced with our products.

While our contribution to decarbonization through our products has been recognized to some extent by our investors and other stakeholders, we are aware that visualization of the degree of contribution to a carbon-free society through our products and appropriate information communication are insufficient. Not only the reduction of CO₂ emissions due to the introduction of the E-Axle EV traction motor system and electric power steering (EPS) motors, we will further work to make visible our contribution to decarbonization through many other products, such as motors for small EVs and electric two-wheeled vehicles.

Materiality

- Reduce CO₂ emissions by introducing the EV traction motor system E-Axle:
Cumulative total from FY2020 to FY2025: 11,700,000 t-CO₂
- Reduce CO₂ emissions by introducing electric power steering (EPS) motors:
Cumulative total from FY2020 to FY2025: 26,261,000 t-CO₂

Specific product example ①

Provision of "E-Axle" EV traction motor system

E-Axle is a traction motor system that is the heart of an electric vehicle (EV). It comprises a motor, an inverter, and a reducer and generates rotating torque when installed in a car and connected to its drive shaft. This product alone is enough to run a vehicle. In an extremely harsh competitive environment, speed is the indispensable lifeline for auto manufacturers in EV development. E-Axle, the product that combines an inverter and a reducer, can help auto makers to develop their models more quickly than before.

Specific product example ②

Provision of high-efficiency, energy-saving motors

The key to reducing CO₂ emissions from automobiles is to reduce the load on the engine and improve fuel efficiency. From this perspective, many car manufacturers around the world are increasingly adopting electric power steering (EPS). The Nidec Group supplies EPS motors expected to improve fuel economy by about 5% compared to hydraulic motors.

The Group also offers electric oil pump motors to enable the idling stop function and many other products that will lead to the reduction of emissions of CO₂ and other air pollutants.

For other products, please see below
<https://www.nidec.com/en/sustainability/environment/ecofriendly/>

Initiatives in FY2022

The total number of units of our EV traction motor system "E-Axle" sold exceeded 700,000 (as of April 2023). A major initiative in FY2022 was the commencement of mass production of the second-generation model of E-Axle, which we had been producing since 2019, in September 2022. Compared to the preceding model, the second-generation model has achieved (1) 19% weight reduction (20% better torque and power density) thanks to the use of smaller magnetic circuits and inverters, (2) significant reduction in the use of heavy rare earth thanks to the adoption of new cooling technology, and (3) reduction in noise. By providing products that are smaller and higher in performance and have less environmental impact, we contribute to the electrification of automobiles and consequently the reduction of CO₂ emissions.

Through the replacement with E-Axle (switching from gasoline vehicles to EVs), a reduction of 253,000 tons* of CO₂ emissions was achieved in FY2022 alone.

* Calculated based on the number of E-Axle units sold in FY2022.

Toward the future

We are proceeding with the development of the third-generation model of E-Axle following the second-generation model, with a view to starting sales in 2024. In addition to achieving further size reduction and higher performance, the new E-Axle will be developed from the preceding "3-in-1" E-Axle model, which comprises a motor, an inverter, and a reducer, into an "X-in-1" unit with other major components added. We will contribute to the accelerating movement toward decarbonization through replacement with the next-generation models with less environmental impact and the expansion of their sales.

Reducing CO₂ emitted in business activities

Basic stance

While contributing to decarbonization through products, NIDEC is also committed to reducing CO₂ emissions in business activities. As the Nidec Group's energy use is expected to continue to increase due to the expansion of its business scale, including through M&A, we must establish a system whereby CO₂ emissions can be reduced despite an increase in the total amount of energy used. Under these circumstances, our goal for the moment is to achieve a dynamic shift to renewable energy.

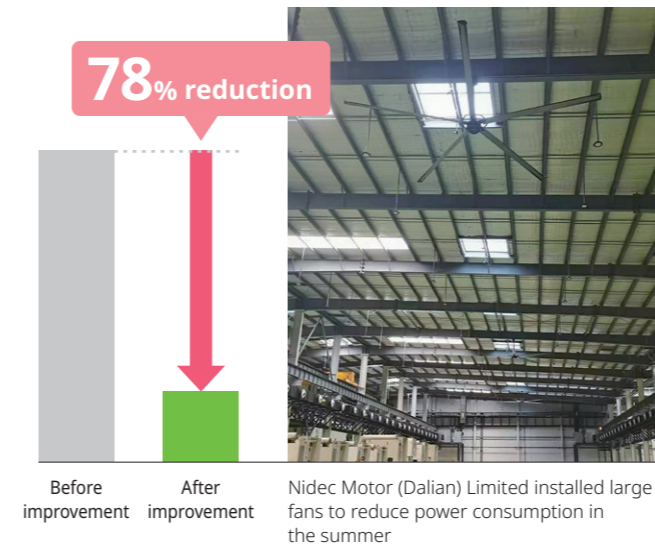
Materiality

- Increase the introduction ratio of renewable energy to 40% by FY2025 on a consolidated basis
- Annually disclose a climate change scenario in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations

Initiatives in FY2022

Starting with a simplified energy efficiency check, we are advancing the initiative to improve the efficiency of air-conditioning systems. Nidec Motor (Dalian) Limited installed large fans, taking advantage of the high ceiling of the press factory to reduce power consumption in the summer.

Power consumption



Regarding the introduction of renewable electricity, we have focused on efforts at each business site. As a result of such efforts, the ratio of renewable energy introduction in FY2022 was 8.2%. Regarding TCFD, we defined the automotive business as the business that is most likely to be substantially affected by climate change and conducted scenario analysis regarding the climate change impact.



Nidec Precision (Thailand) Co., Ltd. promoting the introduction of renewable electricity

Toward the future

We will continue to make these two efforts as a complementary pair: to improve the energy efficiency of our business and to introduce renewable electricity. First, by utilizing a tool to check the company's energy efficiency and sharing best practices, we will improve the energy efficiency of facilities and equipment at each business site. Next, we will improve the total consolidated introduction ratio of renewable electricity by combining the introduction of renewable electricity at each business site and comprehensive renewable electricity procurement at the regional level. As for the TCFD, we will proceed with the quantitative analysis of climate-related risks and opportunities identified for the automotive products business, and we will also conduct scenario analysis for other business segments.



Manage waste and hazardous waste

Basic stance

As increasing waste has been a global social problem in recent years, Nidec is working to establish a business system to help realize the effective use of raw materials. In addition to eliminating waste as much as possible in the manufacturing process, we are also working to minimize the use of containers and packaging materials. Besides these, we are making continuous efforts to promote recycling by thoroughly sorting waste.

The Nidec Group pays sufficient attention to the use and storage of chemical substances at its business sites to prevent leakage thereof, while striving to reduce the use and emissions of chemical substances as far as possible as part of the initiative to improve and innovate production processes. The Group also utilizes its information systems and analysis techniques to satisfy international regulations concerning hazardous chemical substances contained in products.

Materiality

- Reduce the volume of waste and valuable resources generated in intensity per unit sales by at least 3% from the level of FY2022.

Initiatives in FY2022

The amount of waste and valuable resources generated in FY2022 was 135,580 tons. As one way to reduce this amount by 3% per unit of sales by FY2025, we started to identify the amount of waste generated by resource classification based on the main procurement materials for products. With this method, it is possible to estimate the material yield by comparing with procurement data.

Regarding chemical substance management, in accordance with the PRTR system* based on Japanese laws, the Nidec Group keeps track of and discloses information on the amounts of released and transferred chemical substances that are designated by the system and used by the Nidec Group's sites in Japan.

* Pollutant Release and Transfer Register

Toward the future

We will save resources by reviewing development and design on the product side as an initiative to reduce the amount of waste generated in the future. Furthermore, it is important to improve the material yield in the production process, so we will work to solve the problem by analyzing the generation of waste by resource and visualizing the loss.

Handle water risks

Basic stance

Water is the most important resource and is indispensable for people's lives and industries. It is said that excluding seawater, icebergs and glaciers, only around 1% of water resources on the Earth are actually utilizable. Nidec recognizes that the risk of water resource depletion has a significant impact on business continuity, such as shortening or suspending plant operations. So we implement water reuse and recycling initiatives to conserve water resources. We are also working on water risk management, such as identifying the risks associated with water withdrawals and discharge to continue our business activities and assessing the impact of water withdrawals and discharge on surrounding areas and water source areas.

Materiality

- Fully complete water risk assessments at all production sites.

Initiatives in FY2022

We evaluated the magnitude of water risk in all global regions where our manufacturing sites are located in order to understand and reduce the impact of water on business activities. In the evaluation, we used the Aqueduct from the World Resources Institute (WRI) and the Water Risk Filter from the World Wide Fund for Nature (WWF), which can evaluate not only physical risks such as water shortages but also water-related regulations and local reputational risks.

Toward the future

We will collect local information, such as local weather, external general conditions regarding water, and government administration, from manufacturing sites in areas where water risk may be high in the future. We will analyze the impact on business activities in detail by referencing this local information and detailed business site information, such as water consumption. We will consider risk mitigation measures while steadily proceeding with the water risk assessment process.

Pursue product safety and quality

Basic stance

As a manufacturer featuring an extensive product line-up and large supply volume, Nidec has a duty besides simply providing products; we must ensure safety in every aspect, from the selection of parts in light of environmental friendliness to the safety of products, as well as disposal and recycling. We believe that we can help create sustainable social infrastructure by providing our customers with products that can be used in a safe and dependable manner. To realize this idea, it is necessary to maintain a high level of product performance in terms of environmental friendliness, requiring a database that serves as a guide to selecting materials at the time of component design.

Moreover, now that the automotive products business has developed into a major segment accounting for over 20% of the Nidec Group's consolidated net sales, in order to satisfy the quality needs of all customers in the automotive industry, it is important to establish a globally unified quality assurance system.

Materiality

- Create a database for chemical substances contained in products to make it easier for the development department to determine the choice of materials, and shift to an environment-oriented development system.
- Implement quality management reforms in the automotive-related business, and establish an overall quality control organization and system by FY2025.
- Conduct assessment of all newly developed products and all products during the manufacturing process to reduce product safety risks.

Initiatives in FY2022

By utilizing the material selection database that was completed in FY2021, the Small Platform Motor & Solutions Business Unit recommended the use of materials with less environmental impact within the Business Unit, and it began using low-lead materials for some customers. The Business Unit will further promote this activity and contribute to reducing the use

of environmentally hazardous substances. The Business Unit is expanding the scope of its efforts and has initiated the development of new materials to reduce the use of organofluorine compounds, which have recently been viewed as problematic.

The Automotive Motor & Electronic Control Business Unit has been implementing management reforms related to quality since FY2021, with the aim of establishing an overall quality management organization and system by FY2025. As a result, the Global Quality Management Division was established on January 1, 2023 as a horizontal function to oversee quality assurance not only for the automotive-related business but also for the entire Nidec Group. Currently, the Division is working in collaboration with the quality assurance department in each business unit.

Toward the future

The Small Platform Motor & Solutions Business Unit will continue to utilize the material selection database mentioned above to develop products that meet customer needs, such as reducing environmentally hazardous substances.

The Automotive Motor & Electronic Control Business Unit will continue to conduct assessment of all newly developed products and all products in the manufacturing process to reduce product safety risks.

The newly established Global Quality Management Division will hold regular meetings attended by the Quality Assurance Departments of Nidec Group companies to ascertain the quality status of each company and to share good practices throughout the Group. We have already started to establish basic quality assurance practices and standard documents to guide them in the product development flow of the entire Nidec Group, from understanding customer requirements to product and manufacturing process design, and after-sales service after mass production. We aim to establish a system in which the Global Quality Management Division will take overall control of quality assurance for the entire Nidec Group, regardless of business division or company boundaries.



Respond to changes in the technological environment and the industrial structure

Basic stance

Toward the realization of a sustainable society, Nidec is committed to promoting product development and R&D to solve global social issues through its products and business activities. We regard business fields related to issues that need to be given priority for solutions as promising growth markets, namely, the “Five Big Waves,” and we are making a concerted effort to strengthen technology development to continuously launch new products in these fields.

For more information on the “Five Big Waves,” please click the URL below.
<https://www.nidec.com/en/ir/management/strategy/>

Materiality

- Continuously launch new products that lead the Five Big Waves to resolve social issues.
- Continue to pursue the high efficiency and miniaturization of motors that contribute to energy and resource saving.

Initiatives in FY2022

To promote activities to reduce CO₂ emissions through continuous product development and business activities, we worked to quantify the environmental impact of our major products, i.e., the amount of CO₂ emitted by the products, based on Life Cycle Assessment (LCA). We have also created a technology roadmap that incorporates environmental response indicators for our major products, and we are working to promote environmental value in product development and to foster and spread awareness.

Toward the future

In order to provide products and system solutions that contribute to reducing environmental impact, we will strive to develop design and production technologies that take into account the reduction of environmental impact of products. In pursuit of environmental value, we will promote research and development that enable energy saving, resource saving, and recycling (use of recycled materials) by encouraging group-wide application of the Group companies’ technologies conducive to environmental conservation and effective use of resources.

Research and development to support the sustainable growth of the company

As the world’s leading comprehensive motor manufacturer, the Nidec Group has established R&D facilities that collaborate globally with the aim of contributing to a wide range of industrial fields. We have also undertaken laboratory reforms to enhance our unique technologies. As part of such efforts, we further strengthened the foundation of product and production technologies and pursued products with high added value and environmental performance. The missions of the R&D facilities are to develop innovative products that accelerate the growth of the Nidec Group, to advance and upgrade production technology to strengthen the foundation of manufacturing, and to create and disseminate technologies conducive to solving social issues.

With its eyes focused on the needs of future society and the seeds of Nidec, the Nidec Product Technology R&D Center puts its energies into research and development to create new products and technologies that will realize a sustainable society, as well as into research in the motor application field that will lead the growth of the Nidec Group. The Nidec Center for Production Technology R&D promotes research and development to achieve more efficient manufacturing by pursuing material and process innovation and developing cutting-edge production technology that utilizes digital transformation and AI. The Nidec System Manufacturing Engineering Center develops production methods that accompany technological innovation and supports the implementation of such methods in order to realize manufacturing excellence with a system that integrates the entire process, from the starting stage of product development to mass production.

The Platform Development Center is accelerating the development of E-Axle, a drive motor system for next-generation electric vehicles, to further strengthen our competitiveness. The Nidec Semiconductor Solutions Center, which was established in May 2022, is conducting development with a view to establishing a sustainable semiconductor supply chain and providing high-value-added solutions through synergy between semiconductors and motors.

We are confident that we will continue to contribute to the development of society by providing solutions through our products and technological development. The Nidec Group has more than 330 business companies in and outside Japan, featuring the accumulation of diverse technologies. We will continue to aim to create new innovations by sharing and utilizing the knowledge that each Group company has cultivated to date and by conducting further research and development.

Protect and utilize intellectual properties

Basic stance

Aiming to contribute to the growth of its business through the creation of intellectual added value, Nidec endeavors to improve the value of its intellectual properties by establishing and reinforcing a professional IP organization and an internationally competitive IP portfolio. Specifically, our activities include portfolio management and rights utilization suited to each stage of the product lifecycle. In addition, to carry out business activities while respecting intellectual property rights of other companies, we conduct in-depth research on other companies’ intellectual property rights in advance. Meanwhile, toward the realization of a sustainable society, we are working on developing products to solve social issues, such as SDGs, focusing mainly on the Five Big Waves. We will develop an IP portfolio that can protect these products and ensure competitive advantages and will transform our IP portfolio to one tailored to our business.

Materiality

- Transform our IP portfolio to one that responds to social and business changes, including decarbonization and power and manpower saving, and use the new IP portfolio.

Initiatives in FY2022

We promoted IP portfolio building and transformation with a focus on products related to the Five Big Waves, increasing the ratio of those products to 56% of our IP portfolio. In particular, we promoted patent application

and acquisition mainly for products in the early stages of growth, such as the “E-Axle” drive motor system for electric vehicles in the “wave of decarbonization” and water-cooling modules in the “wave of 5G & thermal solutions,” to transform our IP portfolio to one that meets market needs. In addition, the number of our patent applications that have been externally evaluated as SDG-related* has been increasing every year. We believe that this is a result of our proactive efforts to address social themes such as the SDGs.

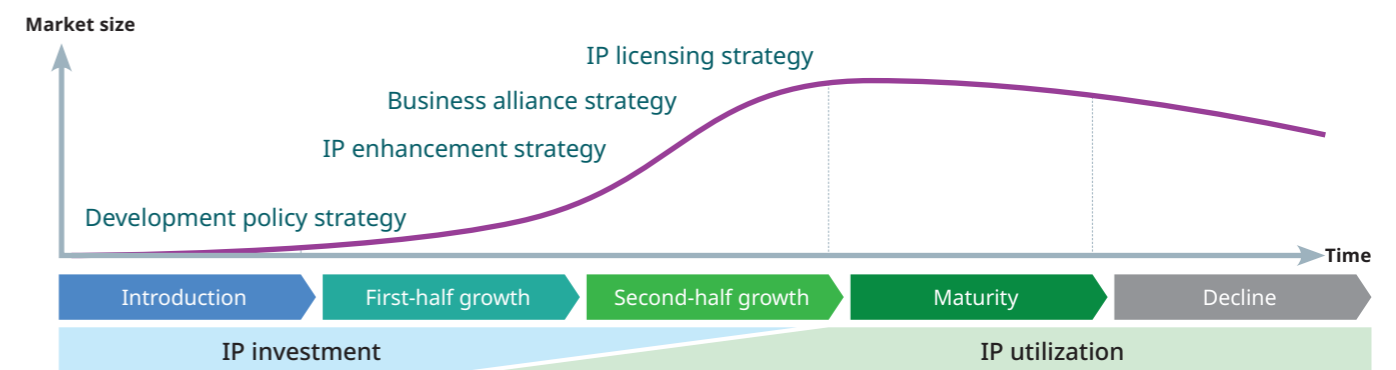
In recognition of these activities, in 2022 Nidec was selected as one of the Clarivate Top 100 Global Innovators 2023. This award analyzes intellectual property, based on four evaluation criteria, namely, success rate, globality, impact, and rarity, and selects the top 100 innovative companies and institutions in the world, and Nidec received a high evaluation.

* Number of cases based on LexisNexis’ analysis tool “PatentSight®”

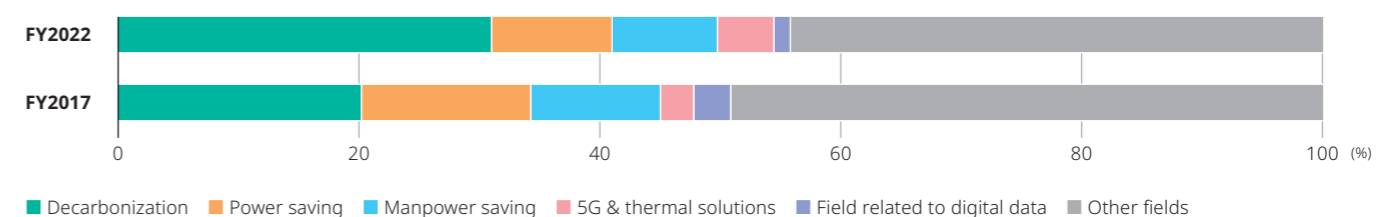
Toward the future

We will strengthen our information gathering and analytical capabilities by further utilizing analytical tools, etc., and promote business activities strategically while analyzing the intellectual property information obtained, toward realizing a sustainable society. Furthermore, in addition to making Group-wide concerted efforts to build an IP portfolio to ensure a competitive advantage, we will actively publicize these activities to make known to external parties our technological and patent strengths that can contribute to society.

Intellectual property activities in line with the product lifecycle



Percentage of products related to the Five Big Waves in the IP portfolio





Maintain and foster globally competitive human resources

Basic stance

To achieve consolidated net sales of 10 trillion yen by FY2030 and realize the Vision to become a global company that grows sustainably for the next 100 years and beyond and the world's leading solution-providing business group that solves numerous problems for the people of the world, the Nidec Group believes that it is crucial to maintain and foster globally competitive talent, in other words, human resources capable of actively working globally. Defining those equipped with 3P attitudes (Proactive, Productive, Professional), problem solving skills, and cross-cultural communication skills as global human resources, we develop individuals who can exercise these abilities at a high level.

Materiality

Develop and train global leaders:

- Identify overseas local personnel to be candidates for executives in FY2022.
- Start training of executives, including overseas personnel, from FY2023.

Initiatives in FY2022

Based on our basic stance on human resource development, we are proceeding with the cultivation of (1) personnel for senior management and key positions and (2) next-generation leaders (managers and people in charge). At the same time, we are promoting the early identification, development and strengthening of human resources on a global scale.

With regard to the development of personnel for management and key positions, the Human Resources Development Committee was established in FY2020 to visualize key positions in the Nidec Group and discuss the appropriateness of the succession plans (successor development plans) among executives. At the same time, we identify potential candidates for the next generation of management personnel and promote strategic early development initiatives. In FY2022, we accelerated the development of candidates for managerial positions. In addition to assigning highly difficult tasks such as corporate restructuring and promotion, we have held a monthly "training school," taught by

the founder, aimed at instilling Nidec's philosophy and management mindset. Furthermore, in November 2022, we established the Nomination Committee as a top-level committee to establish a system for the appointment of management (directors and executive officers).

To cultivate next-generation leaders, we conduct training for managers to identify their strengths and weaknesses as leaders. Individual feedback reports are created and utilized for on-the-job training. In addition, educational videos on daily dialogue (one-on-one meetings) between superiors and subordinates are distributed throughout the Group companies in Japan to foster the development of subordinates in the organization and strengthen management skills. Furthermore, in order to develop and strengthen professional human resources, we have introduced the "Function-based Human Resources Management System," which supports diverse experiences from the perspective of company functions, starting with the administrative divisions, and we are accelerating the development of human resources through the workplace and work that they should experience in the process of becoming professional human resources.

Toward the future

We will expand the scope of candidates for next-generation management personnel to include foreign nationals and promote early and systematic implementation of development measures. We have established the Global Business School (opened in 2016) and the Next-Generation Global Business School (opened in 2017) to provide opportunities for management candidates from Nidec Group companies around the world to acquire high-level management knowledge required of leaders of global companies. The Schools were suspended in recent years due to the COVID-19 pandemic but will be resumed successively. We will strengthen development of management personnel by providing opportunities to acquire knowledge and put it into practice. In the development of next-generation leaders and professional human resources, in order to promote autonomous growth, we will expand the lineup of human resource development measures (e.g. a customized training program in which employees can take courses of their choice) and strengthen our career development support.

Promote diversity

Basic stance

The Nidec Group recognizes diversity as a source of competitiveness. As we conduct business globally, we respect and embrace the differences among individuals and utilize those differences to the maximum extent to effectively respond to a rapidly changing business environment and customer needs. People from diverse backgrounds work at the Nidec Group, which has development, production, sales, and research bases all around the world. In addition to hiring talented and motivated individuals regardless of their personal attributes and values, we are working to develop and promote human resources and create a work environment in order to allow the organization and individual employees to demonstrate their potential to the fullest. In addition, we are working to refine our Nidec Principles, which we have cherished since our founding, in line with the times and instill them in all of our employees. At the same time, we are promoting initiatives to foster a sense of unity (alignment of vectors) among employees within the diversity that we should aim for as an organization.

Materiality

- Achieve the targets below related to women's empowerment (non-consolidated) in FY2022:
 - Ratio of female directors*1: 10% or higher
 - All managerial positions held by women: 8% or higher
 - Ratio of female candidates for managerial positions*2: 15% or higher
- Recruit non-Japanese directors.

*1 Including executive officers and above and outside directors
 *2 Referring to female employees in positions immediately prior to managerial positions

Initiatives in FY2022

To achieve the empowerment of women set as a materiality KPI, it is important to create a work environment that allows the organization and individual employees to demonstrate their potential to the fullest. To this end, we have been promoting organizational development with the aim of stimulating relationships among employees and improving the performance of each workplace and eventually of the entire organization. We have introduced an "Organizational Performance Survey" designed to visualize the situation of each workplace and "Workplace Workshops"

at each workplace where employees can talk frankly with each other, based on the results of the Survey. We are promoting the creation of an organizational culture and structure that can promote decision-making based on a vision while respecting diverse opinions.

In addition, as values regarding careers become more diverse, we have been strengthening our support for employees' autonomous career development through various initiatives, such as career interviews, Career Plan Sheet, and in-house job posting. In order to conduct fixed-point monitoring of the effectiveness of our efforts, we have incorporated items related to career awareness into the Organizational Performance Survey (introduced in FY2021). Through these initiatives, we aim to achieve sustainable corporate growth centered on the organization and people that support the Nidec Group.

Average score of the Organizational Performance Survey

(item regarding career awareness)

	FY2021	FY2022
Career awareness (out of 5 points)	3.19	3.31

Toward the future

Since around 2005, we have been promoting diversity regarding attributes, such as hiring of women and foreign nationals. In addition to this, we will strengthen activities focusing on diversity of individual employees' values and career aspirations. As of the end of FY2022, the ratios of female directors, female managers, and female candidates for managerial positions were 15.0%, 7.0%, and 12.9%, respectively. The ratio of female directors reached the target due to active participation of female outside directors, whereas the ratios of female managers and female manager candidates have increased year by year, but still fell short of the targets. In order to achieve the targets of these indicators, in addition to continuing to support in-house development and appointment, we will further expand the scope of diversity and vigorously promote diversity and inclusion initiatives to maximize organizational performance by leveraging not only attributes of individual employees but also their values and aspirations.



Promote occupational safety and health, and health-oriented business management

Basic stance

The declining working population is a social challenge for the world, including Japan. Companies are required to take good care of their limited labor resources by supporting the health management of individuals, thereby helping to maximize the value of their human resources. To this end, it is essential to create a work environment that increases employee motivation and productivity.

Under cooperation between the company and employees, the Nidec Group is promoting health-oriented business management, focusing on the creation of a safe and comfortable work environment that enables employees to fully demonstrate their abilities, and improvement of employee safety and health. The Health Promotion Committee, which has been established as a cross-departmental organization, plays a central role in enhancing systems for health management and promotion. In addition, health seminars by industrial physicians and health awareness surveys targeting all employees are conducted to improve the health literacy of employees. We have achieved a total smoking ban on the premises of our domestic business sites. We are thus promoting health-oriented business management.

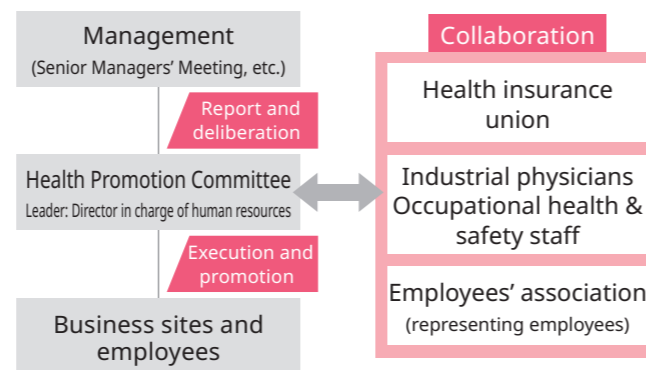
Materiality

- Ensure a safe and comfortable work environment.
- Reduce the number of serious accidents (those resulting in death or permanent disability) to zero.
- Improve the lost-time injury frequency rate.
- Receive certification as a White 500 Company (in the large enterprise category) under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program.

Health

Aiming to create a work environment that promotes our employees' mental and physical health and help them shine at Nidec to the greatest extent possible, we have a Health Promotion Committee in place. Each business base has health promotion personnel to launch measures tailored to its workplace while working in collaboration with industrial physicians, i.e., health experts, and a health insurance union for the entire company to promote health-oriented business management.

Health management promotion system



Initiatives in FY2022

We held health seminars by industrial physicians to improve employee health literacy and the overall health of our employees. Each year, the theme of the seminar is decided based on the results of the Nidec Health Survey, an annual internal health survey. The seminar in FY2022 focused on the topics that were highly requested by employees and that were directly related to their health issues (e.g. stiff shoulders, back pain, sleep, smoking cessation, mental health). In addition, for employees with high health risks, we provide effective individual health guidance based on the results of health checkups and encourage them to undergo a thorough medical examination.

Toward the future

Currently, each Group company in Japan is implementing its own health management and promotion initiatives, but eventually we will build a foundation for promoting health-oriented management throughout the Nidec Group. We will implement medium- to long-term initiatives to strengthen our industrial health system, visualize the health status of the entire Group, and operate a cycle of improvement. We will continue our efforts to promote the physical and mental health of our employees and to create a work environment in which they can maximize their activities.

Safety

Ensuring the safety of employees is assigned the highest priority at all the Nidec Group's business sites, including those newly established and those that were added through M&A. The Nidec sites in Japan have a safety and health committee in place to discuss measures to secure the safety of all the sites. We will

continue to maintain a safe work environment and aim for zero serious accidents.

Initiatives in FY2022

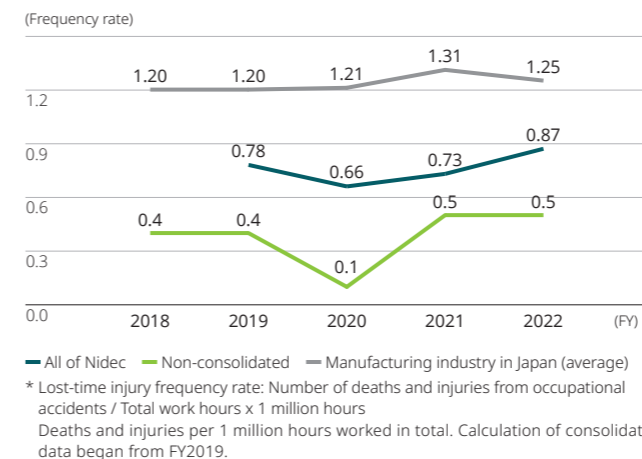
We achieved the planned targets for the materiality KPIs related to safety activity checks and remote safety checks.

	Target	Results
Safety activity check	3 sites or more (per year)	3 sites (per year)
Remote safety check	36 sites or more (per year)	36 sites (per year)

Toward the future

We will continue to work to prevent similar accidents on a global level by remotely checking the safety of manufacturing processes and facilities using webcams.

Lost-time injury frequency rate



Respect human rights and follow proper labor practices

Basic stance

Recognizing the importance of considering human rights in global business environments, Nidec responds to diversifying human rights-related issues in line with relevant international guidelines. The Nidec Group CSR Charter provides for respect for human rights, while the Nidec Group Declaration on CSR Conduct, which complements the CSR Charter, prohibits forced labor, child labor, and discrimination and inhumane treatment and guarantees proper wages, work hours, non-work days, leave, freedom of association, and the right to collective bargaining. In 2021, we established the "Nidec Group's Basic Policy on Human Rights," which organizes our stance and initiatives regarding respect for human rights.

Please click the URL below to see the Nidec Group's Basic Policy on Human Rights.
<https://www.nidec.com/en/sustainability/social/humanrights/>

Most of the labor and ethical problems arising at workplaces these days are said to be attributable to inadequate management of human rights. Being fully aware that we are responsible for not only human rights issues inside our business sites but also labor and ethical issues arising in our supply chains, we will endeavor to create safe and secure workplaces where diverse human resources can play an active role.

Materiality

- Clarify human rights policies for workers, including those in the supply chain, and spread them among employees.
- Continue to manage the working hours of employees, including managers.
- Reduce the average overtime hours by improving productivity.

Initiatives in FY2022

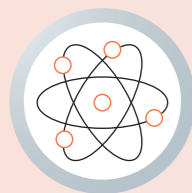
Each year, we implement various activities to promote human rights awareness, in conjunction with International Human Rights Day and Human Rights Week. In FY2022, we conducted e-learning on the theme of "Respect for Human Rights in Business Activities" and once again disseminated the "Nidec Group's Basic Policy on Human Rights" to all Group companies. With regard to the management of working hours, in addition to proceeding with consideration to optimize the number of managerial personnel, we micromanaged the working hours of employees and properly reported to and coordinated with the relevant parties.

In addition, we advised employees and their supervisors who reached a certain number of working hours in the middle of the month to make work adjustments through adequate communication.

Toward the future

We will strengthen our human rights due diligence in order to understand and minimize human rights risks at each Nidec Group site and in our supply chain. Specifically, we will conduct investigations at all of our global locations on human rights issues centered on our basic human rights policy and will strive to take appropriate corrective and preventive measures.

We will continue thorough efforts to ensure proper working hours and prevent occupational accidents, thereby fulfilling our social responsibility as a company that employs over 100,000 people across the Group.



Sustainable procurement considering environmental and social aspects

Basic stance

Working in collaboration with its suppliers, the Nidec Group promotes CSR activities throughout the entire supply chain. As part of such efforts, the Nidec Group Supply Chain CSR Promotion Guidebook and the Nidec Group's Basic Policy on Human Rights, which provide more specific standards established in line with the pillars of the CSR Charter, are rolled out to all suppliers. To ensure that suppliers also fulfill their social responsibilities, we require our suppliers to comply with the "Nidec Group Supply Chain CSR Promotion Guidebook" in our basic purchasing agreement.

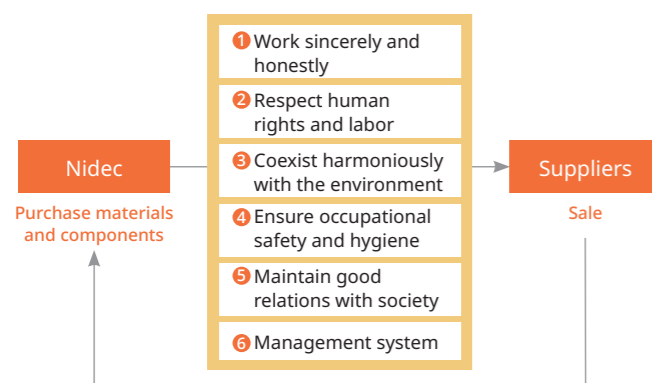
We will continue to engage in procurement activities that take into consideration both social aspects, such as prohibition of child and forced labor and reduction of long working hours, and environmental aspects, such as energy consumption, biodiversity, and waste/resource use at suppliers. We ask our suppliers for their continued cooperation.

Please click the URL below for the "Nidec Group Supply Chain CSR Promotion Guidebook."
<https://www.nidec.com/-/media/www-nidec-com/corporate/procurement/green/pdf/Supply%20Chain%20CSR%20Guidebook%20EN.pdf>

Materiality

- Conduct human rights due diligence on key suppliers: 100% implementation rate for high risk suppliers as of 2025.

CSR procurement flow



Initiatives in FY2022

In cooperation with the Human Resources Department, we made the "Nidec Group's Basic Policy on Human Rights" known to major suppliers.

We also participated in a subcommittee of the United Nations Global Compact Japan to keep abreast of industry trends regarding human rights due diligence. We actively reflect industry trends in our internal activities. For example, we have improved the content of the Nidec supplier CSR self-assessment to be conducted in FY2023, based on the information obtained through the subcommittee meetings.

Toward the future

While continuing to disseminate the "Nidec Group's Basic Policy on Human Rights" and keep abreast of industry trends regarding human rights due diligence, we will review the content of the Nidec supplier CSR self-assessment. From FY2023, we will address insufficient identification of human rights risks, which is an issue about the current Nidec supplier CSR self-assessment.

We will also identify potential human rights risks mainly in the upstream supply chain, based on the results of the Nidec supplier CSR self-assessments and interviews. For the identified human rights risks, we will determine the priority level of our efforts, based on the probability of their occurrence and the severity of their impact when they occur.

Nidec supplier CSR self-assessment

Starting from 2018, we have conducted the Nidec supplier CSR self-assessment to understand the status of CSR procurement and have our supply chain partners report on the status of their implementation of the Nidec Group Supply Chain CSR Promotion Guidebook and the Nidec Group's Basic Policy on Human Rights. The survey is designed to assess the status of each supplier's CSR activities, based on a total of 111 items in Chapters 1 through 6 of the Nidec Group Supply Chain CSR Promotion Guidebook. Regardless of whether the evaluation is high or low, feedback, etc. is provided to all suppliers to encourage further improvement.

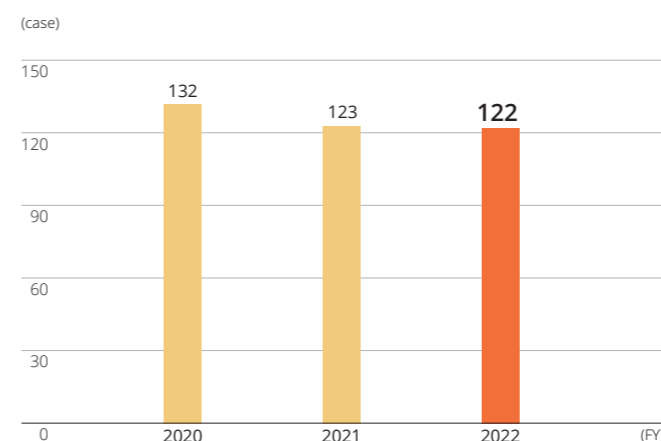
	FY2020	FY2021	FY2022
Number of suppliers that conducted a Nidec supplier CSR self-assessment	698	667	732

CSR audit of suppliers

Since FY2010, the Nidec Group has been auditing its major suppliers* on-site. In FY2022, we conducted on-site audits on 122 suppliers, mainly in Asia.

* Refers to suppliers and other business partners who frequently go onto and off of the premises of our Group companies, including dealers in indirect materials (cardboard, adhesives, grease, packing tape, pallets, etc.), equipment manufacturers, dormitory operators (food manufacturers, security guards, etc.), and temporary staffing agencies

Numbers of supplier CSR audits conducted



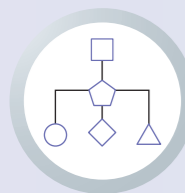
Nidec Electronics (Thailand) holds a session to explain the Responsible Business Alliance (RBA)* to ensure that all of its suppliers understand Nidec's CSR. Nidec Electronics (Thailand) also holds presentation meetings on CSR procurement for its major suppliers and audits them on-site, based on the results of advance survey sheets. Since FY2013, our CSR audit standard has been based on the RBA, and we select targets for CSR audits mainly from new suppliers. In FY2022, we implemented activities with the target of requesting 27 of our suppliers to comply with CSR audit standards.

* RBA (Responsible Business Alliance) is an organization established for the purpose of solving social, environmental and ethical issues in the supply chains of the electronics industry.

Holding CSR seminars at major sites

As Nidec promotes CSR activities throughout its supply chain, it is important that our procurement personnel first understand Nidec's CSR policies. Since FY2018, Nidec Corporation and Nidec Group companies in Japan have conducted CSR seminars for purchasing personnel based on the Nidec Group Supply Chain CSR Promotion Guidebook. With the aim of conducting human rights due diligence on major suppliers by 2025, in FY2022 we reviewed the training content and discussed future implementation plans.

	FY2020	FY2021	FY2022
Number of participants in the CSR seminar for purchasing personnel	169	250	—



Interview with an Outside Member of the Board of Directors

INTERVIEW

Ms. Takako Sakai has served as an outside director of Nidec since 2020. She also serves as the head of the Nomination Committee and Sustainability Committee, meeting bodies that symbolize the future of the Company. The following is an interview with her, in which she talks about how the Company is changing.

“I believe there is great significance in that the Sustainability Committee serves as a forum to gather and consolidate internal knowledge.”

Takako Sakai
Nomination Committee Chairperson
Remuneration Committee Member
Sustainability Committee
Chairperson



—First, let me ask you about Board of Directors’ meetings. Board of Directors’ meetings are important meetings that even employees have very little knowledge. What kinds of matters are handled and discussed at Board of Directors’ meetings? Do outside members of the Board also actively express their opinions?

Sakai: A variety of matters are brought up at the Board of Directors’ meetings, but I have the impression that they deal particularly with investment proposals, such as loans to subsidiaries and acquisitions of companies. All members of the Board of Directors, including us outside members, actively discuss the appropriateness and cost-effectiveness of such proposals. Very active discussions are held, and I feel the great energy of a company seeking to become a 10-trillion yen company by 2030. Recently, in connection with “One Nidec,” there has been a noticeable increase in matters related to the chain of command of the entire Group. The number of matters that require consideration by the Sustainability Committee and Nomination Committee is also gradually increasing, indicating that the governance of the Nidec Group is being further strengthened.

One of the characteristics of Nidec’s Board of Directors is its prompt and quick response to any matter. Once the discussion is complete, the matter is dealt with in the following month, and the results and progress reports come up at that month’s Board of Directors’ meeting. I was surprised at this speed.

I was also surprised at first that Chairman Nagamori listened to the opinions of the Board members very seriously. He always listens carefully to the opinions of the Board members to the very end, regardless of whether they are internal or outside members. From this attitude of Chairman Nagamori, I learn how to be impartial as a

chairperson, that is, how to treat members’ opinions fairly.

—A very lively, yet mutually respectful discussion is taking place, isn’t it? How do you yourself express your opinions in discussions?

Sakai: I have tried to present points of discussion, for example, what is the purpose and significance of the project, whether it has been deemed necessary and appropriate based on the market outlook, and whether a rigorous investigation has been made to ensure that it does not violate laws and regulations. Over the past three years, I have learned the “points to which particular attention should be paid in business activities of Nidec Corporation,” so I try to indicate the meaningful points of discussion by leveraging my experience and knowledge. For example, when discussing risks associated with acquisition of a company, I would point out the necessity to check with the accounting staff of the acquiree company to determine whether there are any risk factors of concern and to implement robust preventive measures, or something like that.

Meanwhile, when a problem occurs, I would suggest a point of view that should be kept in mind when reviewing and reinforcing measures to prevent recurrence. Each member of the Board makes perceptive comments related to his or her area of expertise, and adequate time is spent for discussion.

—I have heard that outside members of the Board in particular are making perceptive points.

Sakai: Each of the outside members of the Board of Directors has a wealth of knowledge and individuality, and each has a different perspective backed by his or her career, so they relentlessly dig deeper into the points that internal members may not easily notice or that they have not

considered sufficiently. Internal members accept such points without a sour face, and they immediately take necessary measures. The speed of their action is truly amazing.

—Next, let me ask you about the Nomination Committee. This is a new committee that was just established at the end of last year, but is it also operated in a free and open atmosphere? Has an atmosphere been created in which outside members of the Board can express their frank opinions to Chairman Nagamori and President Kobe?

Sakai: Chairman Nagamori is one of Japan’s leading business leaders. In that sense, I feel a sense of tension when I meet him at committee meetings. However, all Committee members have a strong sense of “saying what needs to be said,” so discussions never get bogged down or are monopolized by some particular person. Once, Chairman Nagamori and President Kobe brought a draft for the selection process for executive vice presidents, but after much discussion at the Nomination Committee, drastic changes were made to some elements. The Committee members all expressed their honest opinions on the proposition of “what kind of corporate leader is appropriate for a company in the new era of Reiwa,” and the conclusions drawn from discussions are certainly reflected in the Company’s movements.

—You are laying the foundation for human resource development so that the Nidec Group can continue to grow without problems even as the generation changes.

Sakai: Yes. I believe that if the selection process for successors has been firmly established, the Nidec Group should be able to continue its business for many years to come with the participation of young people. I am honored to be involved in important discussions about the future of the Nidec Group. I am sure the other two outside members of the Board share this sentiment.

—The recent executive vice president selection was the first step in the process of selecting successors, which will be the cornerstone of the Nidec Group. Did you conduct any interviews with the executive vice president candidates?

Sakai: Yes. We conducted online interviews with each candidate. Based on the selection criteria, we first checked “whether the candidate understands Nidec’s corporate culture and practices it.” Next, we paid attention to “whether or not the candidate is able to add-on his/her thinking to new trends and clearly envision the future of the Company” and “whether or not the candidate has the qualities to

lead others and encourage their growth.” In addition to these important points, we also examined each candidate’s sincerity and integrity, mental strength to not be easily swayed, and business foresight, using the results of the 360-degree evaluation as a reference. In order to select individuals who excel overall in a balanced way, rather than those with one particular talent, we also had the opportunity to interview Chairman Nagamori and President Kobe in great detail about the personalities of the candidates.

—It is an extremely difficult task to identify people who can lead the Nidec Group in the future together with its global employees.

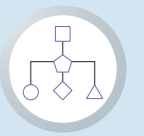
Sakai: I feel a heavy responsibility far beyond my imagination. That’s why I want to see it through to the end. In the selection of the president, we will continue discussions until we are all convinced so that we will never have any regrets.

—I would also like to ask you about the Sustainability Committee, the other committee that you serve as chairperson. What role do you think the Sustainability Committee, which has been in existence for about a year, should play in the future?

Sakai: Until now, Nidec Corporation has focused its energy mainly on its own growth. In other words, the Company has been thinking about its own survival for the past 50 years, but for the next 50 or 100 years, it must also consider the sustainability of the international community and the global environment at the same time. Under such circumstances, I believe there is great significance in that the Sustainability Committee serves as a forum to gather and consolidate internal knowledge. Although we are still in a trial-and-error phase, we intend to make it a meaningful meeting body from the perspective of improving corporate value over the medium to long term, while referring to the opinions of the committee members and the operating secretariat.

—Finally, please tell us about your expectations for Nidec in the future.

Sakai: The Nidec Group is trying to accomplish a major change in the form of generational change in this era of instability and uncertainty. It is not an easy task, but I would like you to take this opportunity to solidify your approach to human resource development, which will serve as a cornerstone for the times to come. I hope that you will carefully build a system that will enable all individuals to demonstrate their abilities and grow, regardless of their rank, job responsibility, age, gender, nationality, or any other attribute.



Build a fair, transparent and highly effective governance system

Basic stance

The purpose of the corporate governance of the Nidec Group is to become a conscientious and principled company that earns society's trust and to increase our corporate value sustainably, based on the motto "High growth, high profit, and high share price." To this end, we maintain and enhance our internal control, thereby running our business more healthily and efficiently. Furthermore, we disclose information appropriately to increase the transparency of the Company's business operations.

We are also committed to ensuring the independence and diversity of the Board of Directors by taking into account, among others, the balance of the knowledge, experience and qualifications of the Board of Directors as a whole and the number of its members, based on its diversity in gender, career history, age, etc. and on Nidec's business scale. Based on the understanding that corporate governance is one of the highest-priority issues for our sustainable growth and medium- to long-term improvement in corporate value, we will make efforts to enhance the relevant systems.

Materiality

Board of Directors

- Continue to have the effectiveness of the Board of Directors evaluated by a third party.
- Always maintain the ratio of outside directors on the Board of Directors at 50% or more and the ratio of female directors at 20% or more.

Nomination Committee / Remuneration Committee

- Increase transparency and fairness in the appointment and dismissal process of directors.
- Improve the effectiveness of the Remuneration Committee, and ensure the objectivity and transparency of remuneration decisions for directors.

Initiatives in FY2022

To ensure the effectiveness of the Board of Directors, Nidec annually sends out questionnaires to all members of the Board of Directors, including outside members, to evaluate its effectiveness and analyze current issues. In FY2021, we introduced a third-party (external law firm) evaluation system for objective

evaluation and analysis. In FY2022, the supervisory function of the Board of Directors was highly evaluated as in the previous year, and we confirmed that our Board of Directors is functioning properly. Based on the results of the questionnaires, we will continue to formulate measures for constant improvement.

In November 2022, we established the Nomination Committee as an advisory body to the Board of Directors. The Nomination Committee deliberates on the policy on the appointment of directors and executive officers, the criteria for appointment, and the decision on candidate proposals. In FY2022, five vice presidents were appointed.

Regarding remuneration of officers for FY2023, after deliberation, the Remuneration Committee reported to the Board of Directors a review of remuneration levels.

Toward the future

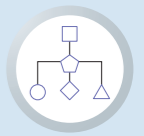
To ensure the effectiveness of the Board of Directors, it is important to provide sufficient information and secure opportunities for discussion on each agenda item, as well as to provide appropriate information on the industry and market in advance. These will promote non-executive directors' understanding of our business. Therefore, we plan to continue to hold preliminary briefings and informal meetings* attended by the Representative Director and President, Executive General Managers of Business Units, executive officers, and others while enhancing discussions at these meetings.

The Nomination Committee deliberates on the nomination and appointment process, which is then resolved and stipulated at the Board of Directors' meeting to enable dissemination of information internally and externally as well as to candidates, thereby enhancing fairness, transparency, and objectivity. In FY2023, the Nomination Committee plans to nominate vice presidents for FY2024. The Committee will also nominate a president for the first time since it was established. We will also continue efforts to improve the effectiveness of the Remuneration Committee by taking necessary measures while taking into account the social situation and requests from our stakeholders.

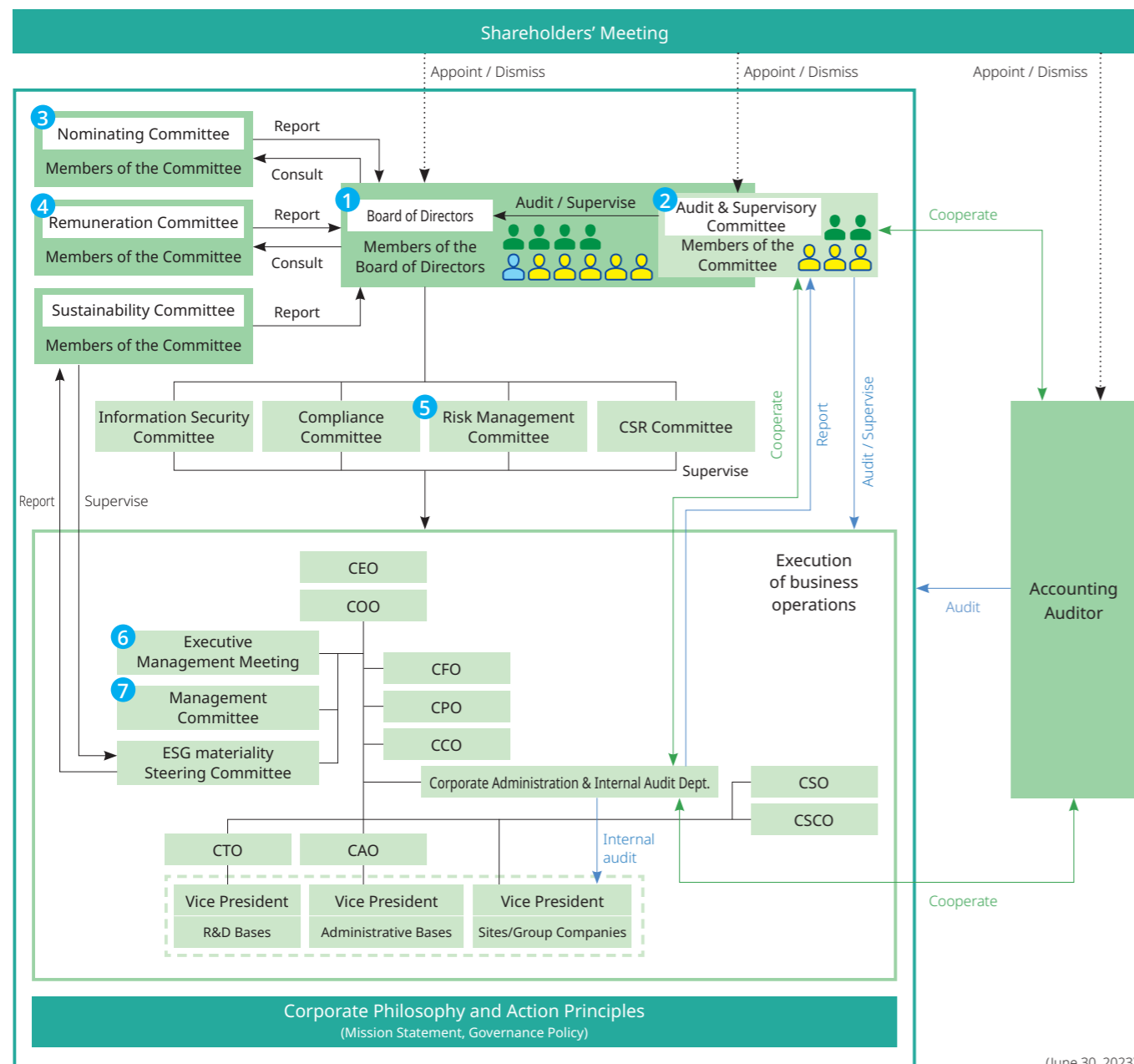
* Meetings to be held to explain management strategies and businesses, conduct site tours, and share opinions from investors and other stakeholders

History of Nidec's corporate governance

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Board of Directors system design	Company with an Audit & Supervisory Board													Company with an Audit & Supervisory Committee			
	Enhance the supervisory function of the Board of Directors and improve the soundness and transparency of business management																
Separation of supervision and execution	Executive officer system introduced																
	Respond to global business expansion and rapid changes in the business environment																
Outside members of the Board of Directors			Outside members of the Board of Directors appointed		Female outside members of the Board of Directors introduced		Outside members of the Board of Directors increased										
			Improve the effectiveness of management oversight and transparency in decision making		Improve diversity		Further improve effectiveness of the Board of Directors										
		Ratio of Outside Directors														Ratio of Outside Directors	
		 (2 outside directors out of 10 directors)														 (6 outside directors out of 10 directors)	
Advisory Committee for the Board of Directors	Nomination Committee																
	Remuneration Committee																
	Sustainability Committee																
Outside Directors' Meeting (informal meeting)	Initiated in 2016																
Board of Directors effectiveness evaluation	Initiated in 2021																



Corporate governance structure



(June 30, 2023)

1 Board of Directors

Status of operation

The Board of Directors makes material management decisions and oversees the Group's business operations as a whole. The Board of Directors includes highly independent Outside Members, to enhance the supervisory function of the company's business operation and improve management transparency and objectivity.

Themes of deliberations at the Board of Directors meetings

Themes of deliberations/reports at the Board of Directors meetings (FY2022)

Category	Percentage	Category	Percentage
Human resources	31.5%	Business strategies, sustainability, governance	4.2%
Financial results	27.4%	M&A	3.6%
Individual matters	24.4%	Shareholders' meeting, shareholders	1.8%
Compliance, risk management, internal control	7.1%		

Questionnaire survey on the effectiveness of the Board of Directors (efforts and evaluation)

Efforts made in FY2022 to ensure effectiveness

- Continued to provide explanation for outside members of the Board of Directors prior to Board meetings so that they can be provided with sufficient information on each item of the agenda and opportunities for discussion.
- Promoted understanding of our business by non-executive directors at informal meetings (explanation of business and online plant tours) and shared information obtained from investors and other stakeholders on a continuous basis.

- Provided information on investment projects by such means as explaining their relationships with the medium- to long-term strategic goals at the Board of Directors' meetings.
- Disclosed a skills matrix at the time of director appointment, and explained the career background, skills, etc. of the persons appointed as executive directors or other responsible executive positions upon appointment.

FY2022 evaluation results

- In addition to the size, composition (ratio of internal and outside directors, diversity, etc.), meeting frequency and length, and the quality of information and explanation provided to Board members, the Board of Directors was highly evaluated in terms of the following points: "The Board functioned sufficiently on the whole," "Board materials cover all necessary information," and "The Board provides sufficient oversight to ensure that the development of potential management successors is carried out in a planned manner with sufficient time and resources given."
- A third party (an outside law firm) also gave high marks to the effectiveness of the Board of Directors in general, including its composition and operation, and confirmed that a system has been

established to facilitate fruitful discussions at Board of Directors' meetings and that free, lively and fruitful discussions were actually taking place. In addition, the overall supervisory function of the Board of Directors was highly rated, and it was also confirmed that substantial discussions were conducted on issues such as sustainability, which has been increasingly recognized as an important management issue in recent years. This third-party evaluation system has been implemented since FY2021.

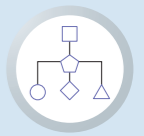
- As for issues, several respondents pointed out that Board of Directors' meeting materials should be provided earlier, while others pointed out the need for deeper discussions on medium- to long-term management strategies and issues. Further improvements are considered necessary.

Initiatives for FY2023

- Based on the view that appropriate prior provision of industry and market information to non-executive directors will lead to enhanced deliberations, the following initiatives will be implemented to promote their understanding of Nidec's business.
 - Review the themes of the preliminary briefing sessions and informal meetings that are currently being held, and hold them regularly four times a year.
 - Continue to provide business overviews by the Representative Director and President and the Executive General Managers of Business Units at the Audit and Supervisory Committee meetings.
- Consider progress reports on matters to be brought to the Board of Directors at preliminary briefings for non-executive directors.
- Level out the number of items to be discussed each month by, for example, bringing regular agenda items forward for discussion.

Skills matrix

Name	Professional skills and experience required of members of the Board of Directors * Maximum of three							
	Business strategy	Technology and R&D	Internationality, global experience	Human resources development	Environment and society	Legal affairs, compliance	Finance and accounting	Governance, risk management
Shigenobu Nagamori	○	○						○
Hiroshi Kobe	○	○						○
Kazuya Murakami			○			○	○	
Hiroyuki Ochiai			○		○			○
Shinichi Sato	○						○	○
Yayoi Komatsu		○		○	○			
Takako Sakai				○		○	○	
Aya Yamada			○	○		○		
Junko Watanabe			○	○	○			
Hiroe Toyoshima			○			○		○



2 Audit and Supervisory Committee

The Audit and Supervisory Committee audits the execution of duties by the Board of Directors' members, and receives audit reports from the Accounting Auditor.

Composition of members and the chairperson

	Total committee members	Full-time members	Internal Members of the Board of Directors	Outside Members of the Board of Directors	Chairperson
Composition	5	2	2	3	Internal Member of the Board of Directors

Cooperation between the Audit and Supervisory Committee and accounting auditors

In addition to quarterly meetings, the Audit and Supervisory Committee and the accounting auditors meet about two or three times a year whenever necessary. In these meetings, they exchange information and opinions on audit results, audit systems, audit plans, audit implementation status and the like.

Cooperation between the Audit and Supervisory Committee and the internal audit department

The Corporate Administration & Internal Audit Department, Nidec's internal audit department, regularly hold meetings with the Audit and Supervisory Committee to report on the results of the Nidec Group's internal audits. In addition, the Audit and Supervisory Committee exchanges opinions and shares information with the Corporate Administration & Internal Audit Department as necessary, and requests the Corporate Administration & Internal Audit Department to conduct on-site audits.

3 Nomination Committee

The Nomination Committee is headed by Takako Sakai, an outside member of the Board of Directors, and consists of two internal members and three outside members of the Board of Directors. The Committee deliberates on the policy and criteria for the appointment of directors and executive officers, etc., as well as the succession plan and the approach to the succession plan, and the proposed candidates for executive vice presidents and president.

4 Remuneration Committee

The Remuneration Committee consists of two internal members and three outside members of the Board of Directors, headed by Hiroshi Kobe, Representative Director and President (Chief Operating Officer) as the chairperson. The Committee members discuss basic policies and systems for remunerations of directors in response to consultation from the Board of Directors, and reports the results back to the Board of Directors.

Policies on remuneration for Members of the Board of Directors

1. Basic policy

The remuneration for Nidec's directors is determined based on the following policy, to enhance the company's global competitiveness and secure the sustainable growth of its businesses.

- Increase motivation toward improving corporate value;
- Contribute to securing talented managerial human resources; and
- Ensure that the level of the remuneration is appropriate for the scale and area of Nidec's businesses.

2. Composition of the remuneration

- Outside Members of the Board of Directors (excluding those who are members of the Audit and Supervisory Committee)

Fixed remuneration

- Members of the Board of Directors (excluding those who are Outside Members of the Board of Directors and members of the Audit and Supervisory Committee)

Fixed remuneration : Variable remuneration (bonuses) : Performance-linked share-based remuneration = 3:1.5:1

Remuneration type	Description	Payment method
Fixed remuneration	• Determined based on job rank	Monthly in cash
Variable remuneration (bonuses)	• Degree of achievement of the target consolidated net sales and consolidated operating profit of the previous fiscal year • Taking into consideration the performance of the directors • Variable within a range from zero to twice the median of variable remuneration	Monthly in cash
Performance-linked share-based remuneration	• Standard amount for each job rank x Degree of achievement of the target consolidated net sales and consolidated operating profit • Points are provided within a range from 0 to 200% • After three fiscal years, the company's shares equivalent to the accumulated points and the amount of money equivalent to the shares converted into cash are provided and paid	After three fiscal years (shares and money)

3. Procedure to decide the remuneration amounts

The amounts of fixed and variable remunerations for individual directors (excluding members of the Board of Directors who are members of the Audit and Supervisory Committee) are determined by the Board of Directors based on reports submitted by the Remuneration Committee,

which is a voluntary advisory body, in accordance with the criteria specified by this policy. Similarly, the details of the performance-linked share-based remuneration are determined by the Board of Directors based on reports submitted by the Remuneration Committee.

4. Forfeiture, etc. of remuneration (clawback/malus)

The amounts of fixed and variable remunerations may be reduced if the recipient has caused serious damage to the company by obtaining the consent of the recipient.

Based on the performance-linked share-based compensation plan, if any individual to be issued shares

should, on or after the day when his/her right to receive compensation is finalized, commit an illegal action such as a material violation of his/her duties or internal rules/regulations, the company may request that the individual pay restitution.

Total amount of remuneration by category of directors and by type of remuneration, and the number of eligible directors

Category	Total amount of remuneration (million yen)	Total amount by type of remuneration (million yen)				Number of eligible persons
		Fixed remuneration	Variable remuneration	Performance-linked remuneration	Retirement benefits	
Members of the Board of Directors (excluding those who are members of the Audit and Supervisory Committee and outside members of the Board of Directors)	179	158	6	15	—	5
Audit and Supervisory Committee members (excluding outside members of the Board of Directors)	34	34	—	—	—	2
Outside directors	41	41	—	—	—	9

*1 The above performance-linked remuneration includes the amount paid to five members of the Board of Directors who resigned during the 48th period.

*2 The introduction of the performance-linked share-based remuneration system was resolved at the 45th Annual General Meeting of Shareholders held on June 20, 2018. The amounts of expenses recorded for the fiscal year under review according to the Japanese standard are provided above. Outside members of the Board of Directors are not covered by the system.

Total amount of consolidated remuneration, etc. of each director

Name	Total amount of remuneration (million yen)	Director category	Company category	Total amount by type of remuneration (million yen)		
				Fixed remuneration	Variable remuneration	Performance-linked share-based remuneration
Shigenobu Nagamori	106	Representative Director	Company subject to submission	78	6	22

* Only directors whose total amount of remuneration is 100 million yen or more are presented.

5 Various committees

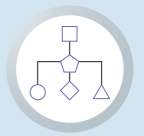
Name	Description
Information Security Committee	The Information Security Committee is placed under the Board of Directors to formulate basic policies concerning information security, as well as to monitor the status of implementation of various information security measures and provide instructions.
Compliance Committee	The Compliance Committee is placed under the Board of Directors to discuss and decide basic compliance policies and measures, as well as to monitor the status of implementation of various compliance measures and provide instructions for improvement. The Compliance Committee meets once every three months.
Risk Management Committee	The Risk Management Committee is placed under the Board of Directors and is headed by the person appointed by the Board of Directors as the chairperson, to decide risk management policies and measures, and submit reports and proposals to the Board of Directors. It also monitors the company-wide risk management status and constantly reviews the adequacy of allocation of resources necessary for risk management. Based on the annual policies established by the Risk Management Committee, department general managers and Group companies formulate and carry out their respective annual risk management plans.
CSR Committee	The CSR Committee is placed under the Board of Directors and is headed by Akinobu Samura, Senior Vice President (chief financial officer) in charge of CSR, who has been appointed by the Board of Directors as the chairperson. The chairperson and the committee members appointed at each site discuss and make decisions on CSR activity policies and annual plans and other important matters. Matters decided at the CSR Committee meetings are reported, or discussed if necessary, at the Board of Directors' meeting, and are put into action by the Investor Relations & CSR Promotion Department, which serves as the dedicated secretariat, in cooperation with business sites inside and outside of Japan.

6 Executive Management Meeting

The Executive Management Meeting convenes once a month to assess the present state of business and determine the next course of action, based on the monthly performance data and outcome of discussions at respective meetings where important group-wide concerns are shared among administrative departments, subsidiaries and business units.

7 Management Committee

The Management Committee, the consultative body to the Representative Director and Chairman, is held and chaired by the President and Chief Executive Officer twice a month in principle to discuss overall operational directions, plans and other important considerations in the execution of business.



Reasons for appointment and major activities of Outside Members of the Board of Directors

Name	Reasons for appointment	Status of attendance (number of meetings attended)				Activities
		Board of Directors	Audit & Supervisory Committee	Nominating Committee	Remuneration Committee	
Shinichi Sato	Mr. Sato has held prominent posts at the Ministry of Finance of Japan and other organizations. He will provide Nidec with advice on its overall business operations based on his high level of expertise, which will further enhance the company's corporate governance function. Since he meets all the requirements for independent directors from the past to the present in accordance with the regulations of the Tokyo Stock Exchange, Nidec judged that there were no potential conflicts of interest between him and ordinary shareholders, and therefore designated him as an independent director.	17/21	—	—	0/0	Mr. Sato actively provides opinions at the Board of Directors' meetings and supervises the management team from an independent and objective standpoint by leveraging his superior insight in finance and accounting as well as abundant experience and high-level insight in a wide range of fields, including economics, fiscal affairs and monetary policy.
Yayoi Komatsu	Ms. Komatsu has held prominent posts at the Ministry of Education, Culture, Sports, Science and Technology of Japan and other organizations. She will provide Nidec with advice on its overall business operations based on her high level of expertise, which will further enhance the company's corporate governance function. Since she meets all the requirements for independent directors from the past to the present in accordance with the regulations of the Tokyo Stock Exchange, Nidec judged that there were no potential conflicts of interest between her and ordinary shareholders, and therefore designated her as an independent director.	20/21	—	3/3	—	Ms. Komatsu actively provides opinions at the Board of Directors' meetings by drawing on her abundant experience and superior insight in a wide range of fields, including technical research and development as well as human resource development. She serves as a member of the Nomination Committee, which was set up as an advisory body to the Board of Directors of the Company, and plays an important role in determining selection policy and criteria and proposals of candidates for directors and executive officers, etc. She thus supervises the management team from an independent and objective standpoint.
Takako Sakai	Ms. Sakai is currently a professor at the Graduate School of Law, Osaka Metropolitan University. She will provide Nidec with advice on its overall business operations based on her high level of expertise as a university professor, which will further enhance the company's corporate governance function. Since she meets all the requirements for independent directors from the past to the present in accordance with the regulations of the Tokyo Stock Exchange, Nidec judged that there were no potential conflicts of interest between her and ordinary shareholders, and therefore designated her as an independent director.	24/26	4/4	3/3	1/1	Ms. Sakai actively provides opinions at the Board of Directors' meetings, based on her sophisticated academic and professional knowledge in the tax and accounting fields as a university professor. As chair of the Nomination Committee, which was set up as an advisory body to the Board of Directors of the Company and as a member of the Remuneration Committee, she plays an important role in determining selection policy and criteria and proposals of candidates for directors and executive officers, etc., and ensuring transparency of the process to decide remuneration for directors and determining the adequacy of their remuneration. She thus supervises the management team from an independent and objective standpoint.
Aya Yamada	Ms. Yamada is currently a professor at the Graduate School of Law, Kyoto University. Her advice, based on her high-level expertise as a university professor from an independent position, will help the Board of Directors strengthen its decision-making and audit and supervisory functions. To promote education and research, Nidec donates money to the endowed course "Advancing Electrical Equipment to Realize a Friendly Global Environment" at Kyoto University Graduate School of Engineering. The amount of the donation was 45 million yen in fiscal 2018 (compared to the total amount of donation to the University during the same fiscal year, 5,163 million yen), 39 million yen in fiscal 2019 (compared to 5,352 million yen), 39 million yen in fiscal 2020 (compared to 5,766 million yen), 39 million yen in fiscal 2021 (compared to 5,416 million yen), and 49 million yen in fiscal 2022. The donation in FY2022 includes a donation for the 125th anniversary of the University. We consider that in any year the amount of our donations is insignificant compared to the total amount donated to the University. In addition, there is an agreement for joint research between Nidec and the University's Graduate School of Engineering, and Nidec paid 18 million yen in research expenses to the University in the previous fiscal year (FY2022). Given that Ms. Watanabe's department is not the one to which Nidec made its donations or paid expenses and that Ms. Watanabe is not in a position to represent the University, Nidec believes there is no conflict of interest between Nidec and Ms. Watanabe, and therefore there is no problem regarding her independence.	24/26	14/14	3/3	0/0	Ms. Yamada actively provides opinions at the meetings of the Board of Directors and the Audit and Supervisory Committee, based on her high-level academic expertise in the field of law as a university professor from an independent and objective standpoint, fulfilling the supervisory function of management. As a member of the Audit and Supervisory Committee, she has also contributed to audits by the Audit and Supervisory Committee on the execution of duties by members of the Board of Directors. She serves as a member of the Nomination Committee, which was set up as an advisory body to the Board of Directors of the Company, and plays an important role in determining selection policy and criteria and proposals of candidates for directors and executive officers, etc. She thus supervises the management team from an independent and objective standpoint.
Junko Watanabe	Ms. Junko Watanabe currently works as a professor of the Graduate School of Economics, Kyoto University. Her advice, based on high-level expertise as a university professor from an independent position, will help the Board of Directors strengthen its decision-making and audit and supervisory functions. To promote education and research, Nidec donates money to an endowed course "Advancing Electrical Equipment to Realize a Friendly Global Environment," at Kyoto University Graduate School of Engineering. The amount of the donation, 49 million yen in fiscal 2017 (compared to the total amount of donation to the university during the same fiscal year of 4,848 million yen), 45 million yen in fiscal 2018 (compared to 5,163 million yen), 39 million yen in fiscal 2019 (compared to 5,352 million yen), 39 million yen in fiscal 2020 (compared to 5,766 million yen), and 39 million yen in fiscal 2021, is insignificant compared to the total amount of donation to the university. In addition, given that Ms. Watanabe's department is not the one to whom Nidec made its donations, and that Ms. Watanabe is not in a position to represent the university, Nidec believes there is no conflict of interest between Nidec and Ms. Watanabe, and therefore there is no problem regarding her independence.	11/13	5/5	—	—	Ms. Watanabe actively provides opinions at the meetings of the Board of Directors and the Audit and Supervisory Committee, based on her high-level academic expertise in the field of economics as a university professor from an independent and objective standpoint, fulfilling the supervisory function of management. As a member of the Audit and Supervisory Committee, she has also contributed to audits by the Audit and Supervisory Committee on the execution of duties by members of the Board of Directors.
Hiroe Toyoshima	Ms. Toyoshima currently practices as an attorney. Her advice, based on her high-level expertise as an attorney, on Nidec's overall business operations will further enhance the Company's corporate governance function. Since she meets all the requirements for independent directors from the past to the present in accordance with the regulations of the Tokyo Stock Exchange, Nidec judged that there were no potential conflicts of interest between her and ordinary shareholders and therefore designated her as an independent director.	—	—	—	—	—

*1 During the fiscal year under review, the Board of Directors held 26 meetings, the Audit and Supervisory Committee held 14 meetings, the Audit & Supervisory Board before transition to the Audit and Supervisory Committee held 3 meetings, and the Remuneration Committee met once.
 *2 The difference in the number of times held is due to differences in the timing of assuming office.
 *3 Ms. Takako Sakai was elected as a member of the Board of Directors at the 49th Annual General Meeting of Shareholders held on June 17, 2022. She had previously attended meetings of the Board of Directors, the Audit and Supervisory Committee, and the Remuneration Committee as a member of the Board of Directors (Audit and Supervisory Committee member); therefore, the number of meetings attended by Ms. Sakai includes those meetings attended as a member of the Board of Directors (Audit and Supervisory Committee member).

Support systems for Outside Members of the Board of Directors

The General Affairs Department, which acts as the secretariat for the Board of Directors, supports the Outside Members of the Board of Directors. The General Affairs Department provides the outside directors with the company's information in a timely manner, and corresponds to their inquiries through day-to-day communication. With regard to the meetings of the Board of Directors, the General Affairs Department provides all members of the Board of Directors with materials related to the proposals for the meetings and accounting information, at the latest one day before the day of the meeting. In addition, assistance is provided by the Corporate Administration & Internal Audit Department, Nidec's internal audit department, to Outside Members of the Board of Directors who are Audit and Supervisory Committee Members. When a meeting of the Audit and Supervisory Committee is held, meeting notices are sent out to all the Audit and Supervisory Committee Members

by three days prior to the day of the meeting, while documents related to the proposals to be deliberated in the meeting of the Audit and Supervisory Committee are sent to the members, at the latest one day before the meeting. After a meeting of the Audit and Supervisory Committee, meeting minutes are sent to all Audit and Supervisory Committee Members. Furthermore, for Outside Members of the Board of Directors who are Audit and Supervisory Committee Members, various information is reported and provided as necessary by full-time Audit and Supervisory Committee Members and Nidec's executive officers.

Outside members of the Board of Directors who are not members of the Audit and Supervisory Committee have informal meetings with the Audit and Supervisory Committee members, where various information is provided by Nidec's executive officers. They also conduct on-site inspections of the business sites in Japan, in person or online.

Internal control

Basic stance

The Nidec Group commits itself to enhancing its management soundness and transparency by establishing a compliance system generally required of a listed company in Japan, and clarifying its risk management responsibilities. Specifically, through the auditing activities of the Corporate Administration & Internal Audit Department, the Group aims to maintain and improve the effectiveness of its internal control over financial reporting required by Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act. In addition, the Legal & Compliance Department, the Risk Management Committee, the Information Security Committee and the CSR Committee are organized under the Board of Directors, under which the Legal & Compliance Office, the Risk Management Office, the Information System Department, and the IR & CSR Promotion Department are placed as the secretariat respectively, working to create a corporate culture and enhance management systems for internal control.

Materiality

- Expand audit resources qualitatively and quantitatively based on the assumption of a sales scale of 4 trillion yen.

Initiatives in FY2022

In order to establish a highly effective global internal audit system based on the assumption of sales of 4 trillion yen in FY2025, it is essential to further sophisticate and improve the efficiency of internal audit operations. In FY2022, we worked to prevent errors in financial reporting, visualize risk areas, and deepen audit procedures by strengthening the self-audit system at the field level (all Nidec Group sites) and conducting monitoring at all consolidated sites using DX.

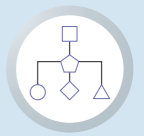
Toward the future

We will continue to enhance the sophistication and efficiency of auditing operations through the use of DX while expanding the target areas. We will also strive to upgrade our human resources by, for example, training auditors with specialized qualifications, language skills, and a deep understanding of the business environment. Currently, an audit system is in place in five locations, Japan (Kyoto), Europe (Amsterdam), Americas (St. Louis), China (Shanghai), and Asia (Singapore), to cover the entire Nidec Group. We will also work to strengthen the audit system in the European region, where the number of companies is increasing significantly.

Corporate governance of Group companies

The Nidec Group companies operate under Nidec's mission statement and policies, and therefore they are incorporated in Nidec's internal control system. The Group companies, to which Nidec sends some directors and employees, have

sufficient discussions before making decisions on business execution that correspond to the circumstances of each company, based on specialists' opinions as necessary, thereby endeavoring to assure their independence.



Cross-shareholding

Policy for cross-shareholding

Nidec holds shares in the companies that Nidec has relationships with in terms of trading and cooperation in its business and other areas, when it judges that such shareholding contributes to the company's corporate value expansion through stabilization of its business from a medium-to-long-term perspective by maintaining and strengthening its relationship with those companies. Nidec assesses its cross-held shares individually at the Board of Directors meeting every year, on not only qualitative aspects such as the purpose of the shareholding, but also on quantitative aspects such as the benefits that can accrue through the shareholding from the perspective of economic rationality. According to the results of the assessment, Nidec intends to reduce the number of shares it holds if the cross-held shares are not expected to bring significant benefits.

Criteria for exercising voting rights for cross-shareholding

With regard to the exercise of voting rights in relation to cross-shareholdings, Nidec makes comprehensive decisions to vote for or against individual proposals to serve the investees' sustainable growth from the perspective of whether appropriate governance and compliance structures are in place at investee companies.

(Basic views on exercising voting rights)

With regard to the individual proposals submitted to the shareholders' meetings of the companies Nidec invests in, Nidec decides to vote for or against after confirming the following points: whether the proposals suit the purposes of the shareholding which are to maintain and strengthen the trade and cooperation relationships through medium-to-long-term investment; and particularly, whether there are any circumstances that might lead to undermining of the shareholders' value due to the restructuring of organizations, including asset transfer and mergers. Nidec opposes all proposals that are considered to violate the law or constitute antisocial behavior, in all circumstances.

Follow thorough compliance with laws and regulations

Basic stance

The Nidec Group sees non-compliance as a material risk that may lead to a loss of social trust and economic damage. Therefore, the Nidec Group comprehensively follows applicable laws, regulations, internal rules and standards, social ethical standards, etc. to raise executives' and regular employees' ethical awareness, develop conscience as a company, and win society's trust as we continue our compliance activities.

At present, we are working to establish and enhance a global compliance system that will enable us to address individual issues and cases arising in different regions more promptly and appropriately. We will also strengthen compliance education for employees to further raise their compliance awareness, thereby reducing compliance-related risks.

Materiality

- Expand the legal affairs and compliance system to all Group companies starting from Nidec Corporation and regional management companies (China, the U.S. and Europe).
- Identify serious non-compliance risks and take priority measures.
- Provide compliance education to all employees once a year.

Efforts made in FY2022

The Nidec Group currently has over 300 group companies in 40 countries around the world. We recognize that building a governance system for these globally distributed group companies is a crucial task in ensuring compliance. In particular, based on our past experience, we see difficulty in identifying the risks of small companies located far from major bases. Therefore, we launched a hazard map project in FY2021 with the aim of preventing compliance risks from arising at these remote small sites. In this project, we constantly identify high-risk group companies based on their distance from major sites and the information on the risk of corruption in countries where they are operating and implemented specific prevention measures in consultation with the management of such companies and other risk reduction activities.

Toward the future

We will continue the hazard map project for a certain period of time to identify high-risk companies in order from those with the highest risk to reduce the governance risk at remote small sites. We will implement risk reduction activities, including for companies that have newly joined the Nidec Group through acquisitions.

Organization

Nidec's Legal & Compliance Department, working in partnership with Regional Compliance Officers of the individual regions where the Nidec Group's business bases operate (the Americas, China, Europe, and Southeast Asia) and Compliance Managers and Promoters of individual business departments and group companies, builds and operates a global compliance system. Compliance Managers implement and operate compliance-related measures to raise the compliance awareness of the organizations under their supervision, and bear responsibility for preventing compliance violations. Compliance Promoters promote the specific compliance measures of such organizations, while serving as a liaison with the Legal & Compliance Department and Regional Compliance Officers, who provide support for individual regions' Compliance Managers and accept whistleblowing cases.

Internal reporting system

As part of the comprehensive, group-wide compliance system, we have established an internal reporting section (the Nidec Global Compliance Hotline) available for all board members, executives and employees (including regular and part-time employees, those dispatched from outside agencies, limited-term employees, and those who have retired from the Nidec Group within a year), and a third-party contact point outside the company. Fiscal 2021 saw a total of 124 cases of whistleblowing and consultations made on suspected misconduct and harassment, among others, an increase of 8 cases from the previous fiscal year. The status of internal reports is reported to the Board of Directors and the Audit and Supervisory Committee on a regular basis.

	FY2019	FY2020	FY2021	FY2022
Number of cases	142	116	125	119

Compliance seminars

As part of the compliance promotion activities, we hold compliance seminars for our group's executives and employees to maintain and improve their level of compliance awareness. For example, seminars and discussions are held on such topics as cartels, bribery and human rights issues, with the Regional Compliance Officers serving as lecturers using the Nidec Compliance Handbook as teaching material. The compliance seminar for board members and executives is also held once a year, with the invitation of an outside lecturer.

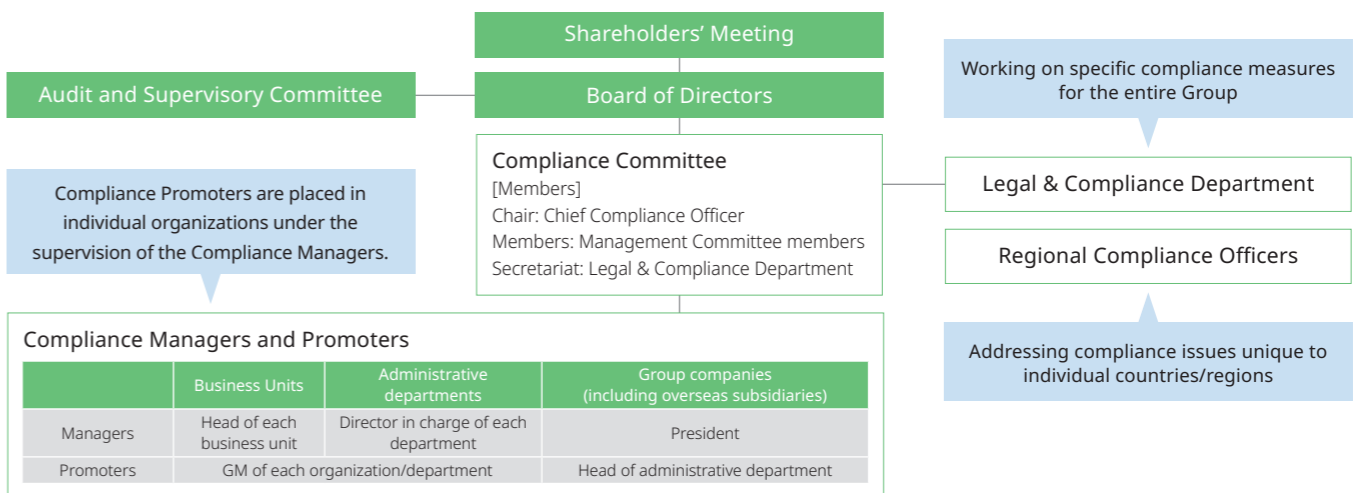
Regarding violation of the regulation of distributable amount

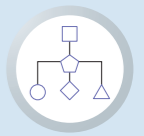
At the Board of Directors' meeting held on October 24, 2022, Nidec resolved to pay a dividend of 35 yen per share and implemented it. However, in the process of examining the distributable amount for the fiscal year ended March 31, 2023, it was discovered that the interim dividend in question exceeded the distributable amount calculated in accordance with the Japanese Companies Act and the Regulation on Corporate Accounting.

In addition, a subsequent investigation revealed that the Company's share repurchase conducted by the trust bank under the trust agreement from September 1, 2022 through March 31, 2023 also exceeded the distributable amount. In response to this situation, the Company conducted an investigation on this matter by the External Investigation Committee, consisting of external attorneys. On June 16, 2023, the Company received the investigation results from the Committee. For details, please refer to the investigation report posted on our website. Nidec will take measures to prevent recurrence based on the proposals of the External Investigation Committee and work to further improve the Company's corporate governance.

For the investigation results, click the URL below.
<https://www.nidec.com/en/ir/news/2023/news0616-01/>

The Nidec Group's global compliance system





Build a risk management system

Basic stance

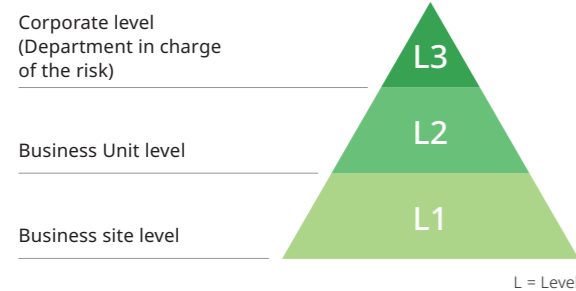
It is necessary and important to identify and manage risks for the purpose of preventing the expansion of losses due to lack of readiness for possible risks, loss of business opportunities, decline of ratings, and other negative impacts. Nidec has identified risks facing the Nidec Group, clarified the relevant departments, and determined the risks that should be reduced in order of priority. The Company manages the progress of reducing the impact of such risks on our business while working to enhance its initiatives to identify signs of risks.

Materiality

- All risks disclosed on the securities reports are evaluated by the department in charge, and the risks to be addressed in priority are identified.
- Reduce the impact of the risks to be addressed in priority on our business. Manage the progress of reducing such impact and any residual risks.

Initiatives in FY2022

In FY2021, we reviewed our risk management system and established a system to conduct risk assessment on each level of the hierarchy shown below and mutually use assessment results for the measures for other levels. In FY2022, we worked to identify areas for improvement by continuing to conduct risk assessment, priority risk identification and risk reduction activities for the Business Unit level (L2), which were initiated in FY2021. We interconnect the risk management activities of different hierarchical levels by checking the risks identified in L2 in the corporate level (L3) as well and reflecting company-wide issues that should be addressed under the leadership of L3, if any are found, in L3-level risk management activities as necessary.



Toward the future

In FY2023, we will establish a new system at all levels, including L1 (major business site* level). In particular, for serious contingent risks that could lead to business interruptions, the Business Unit level (L2) periodically checks the status of the development of the BCP (Business Continuity Plan) at the major business site* level (L1) under its umbrella and works to ensure that improvement activities are

continuously conducted for risk reduction.

* Major business sites: Business sites that are selected to cover 80% of the sales of the Business Unit or Group company to which they belong

Risk management system

The Nidec Group uses a medium-term business plan, which is designed to realize the Group's long-term vision, which is defined as a set of specific numerical and qualitative targets, as a basis of the Group's business plan for each fiscal year. Our medium-term plan is formulated based on discussions on its feasibility as a medium-term goal, consistency with our long-term vision, and issues and risks for us to overcome to achieve the vision. Each medium-term plan is revised (rolled) during its execution phase, based on changes in the market and the status of execution.

We have also formulated the Risk Management Regulations to establish a risk management system for the entire Nidec Group and have in place a Risk Management Committee under the Board of Directors. Additionally, we promptly report and share important information in the risk management meeting held every morning so that the information can be utilized in our daily operations. Such information is also extensively discussed and shared in the Senior Managers' Meeting as necessary.

BCP (Business Continuity Plan)

Starting from March 2014, the Nidec Group has conducted BCP simulation training assuming such risks as an earthquake, flooding, drought, outbreak of an infectious disease, and fire at its sites both inside and outside Japan. The training, with a total of more than 3,430 employees participating as of the end of March 2023, helped them improve their skills to respond to such events. To respond to the COVID-19 pandemic, we set up a COVID-19 Crisis Management Headquarters from January 2020 to May 2023. In FY2022, we were hit by the Shanghai lockdown and the spread of infection following the dissolution of China's zero-COVID policy, but we were able to minimize the impact on our business by working together as a Group in securing logistics.

Risk Management Committee

The Risk Management Committee is placed under the Board of Directors and chaired by the executive officer in charge of risk management. The Committee decides risk management policies and measures and submits reports and proposals to the Board of Directors. It also monitors the company-wide risk management status and constantly reviews the adequacy of allocation of resources necessary for risk management. Based on the annual policies established by the Risk Management Committee, department general managers in charge of risk management and Group companies formulate and carry out their respective annual risk management plans.

Promote information security measures

Basic stance

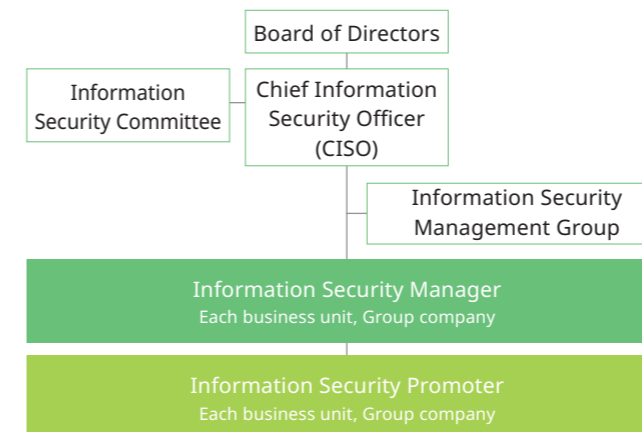
The Nidec Group possesses information that is necessary for conducting its business activities, including not only the information produced or gathered within the Group but also information provided by its business partners. We understand that it is very important to protect and use these information assets properly and appropriately. Information that should be protected includes management information, technical information, financial information and personal information, which are extremely important. Deterioration or leakage of any such information may lead to loss of trust in us from our customers or the market, as well as a decline in our competitiveness. It may also result in a legal penalty.

We will work to prevent serious security incidents by identifying and assessing rapidly changing and increasing information security risks and taking effective measures according to the risks.

Materiality

- Reduce the number of serious information security incidents to zero.

Information security structure



Initiatives in FY2022

In order to strengthen information security measures for the entire Nidec Group, we established and rigorously operated an information security management system and thoroughly implemented basic measures across all Group companies, including clarifying important information assets and providing information security training for directors and employees. In response to increasingly sophisticated cyber-attacks, we promoted the introduction of defense

mechanisms to prevent unauthorized access from outside the Company and to detect and immediately block malicious programs such as computer viruses, thereby enhancing information security for the entire Nidec Group in terms of both structure and technology. As a result, no serious incidents due to cyber-attacks or other causes occurred in FY2022.

Toward the future

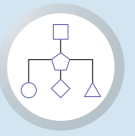
• Strengthening measures against internal information leaks

We have actively developed and implemented measures against "external threats" such as cyber-attacks and intrusion of malicious programs into the Company's computer network, which are becoming more and more threatening every year. In the future, we will also enhance measures against "internal threats" such as information leaks.

There are two types of information leaks: "negligence," which is the result of carelessness or disregard for rules, and "fraud," which is the misuse of rights and privileges. To prevent information leaks due to negligence, we will systematically ensure compliance with internal rules while raising employees' awareness of risk management to ensure thorough implementation of basic procedures that can prevent negligence. Meanwhile, in order to prevent fraud by insiders, we will make known to employees fraudulent acts that deviate from the rules. We will also introduce a system to monitor fraudulent acts to strengthen information management.

• Improving information security management capabilities centered on the automotive business

In the automotive business, we will continue to implement measures based on cyber security guidelines for the automotive industry and strengthen our capabilities to respond to cyber incidents. We will also establish a voluntary improvement process of self-inspection, evaluation, and improvement for security risks that change year by year, not only in the automotive business but also in other businesses. At the same time, we will improve the information security management capabilities of the entire Group by effectively using information security assessment services provided by external organizations to strengthen monitoring of vulnerable areas and promptly make improvements.



Management (as of September 1, 2023)

Board of Directors



Shigenobu Nagamori
 Representative Director and Chairman
 Chief Executive Officer (CEO)
 Nominating Committee Member
 Remuneration Committee Member
 (Born on August 28, 1944)
 Number of the Company's shares possessed: 49,473,000

Career summary

July 1973 Founded Nidec Corporation, Representative Director, Chairman of the Board and President
 Chief Executive Officer (CEO)
 October 2014 Representative Director, Chairman of the Board and President
 Chief Executive Officer (CEO)
 June 2018 Representative Director and Chairman
 Chief Executive Officer (CEO)
 June 2021 Representative Director and Chairman
 (current position)
 April 2022 Chief Executive Officer (CEO)
 (current position)

Significant concurrent positions

Chairman of the Board, Nagamori Gakuen Educational Foundation



Hiroshi Kobe
 Representative Director and President
 Chief Operating Officer (COO)
 Nominating Committee Member
 Remuneration Committee Chairperson
 Sustainability Committee Member
 (Born on March 28, 1949)
 Number of the Company's shares possessed: 948,000

Career summary

July 1973 Participated in the foundation of Nidec Corporation
 March 1982 General Manager, Sales Department
 November 1984 Member of the Board of Directors
 November 1991 Member of the Board of Directors and Senior Vice President
 April 1996 Member of the Board of Directors and First Senior Vice President
 April 2000 Member of the Board of Directors and Executive Vice President
 April 2005 Chief Operating Officer (COO)
 June 2006 Representative Director and Executive Vice President
 June 2015 Representative Director and Vice Chairman
 Chief Sales Officer (CSO)
 June 2020 Vice Chairman
 May 2022 Chief Performance Officer (CPO)
 June 2022 Representative Director and Vice Chairman
 September 2022 Representative Director and President
 (current position)
 Chief Operating Officer (COO)
 (current position)

Significant concurrent positions

Director of NIDEC ADVANCED MOTOR CORPORATION
 Director of NIDEC GLOBAL SERVICE CORPORATION



Takako Sakai
 Outside Member of the Board of Directors
 Nominating Committee Member
 Remuneration Committee Member
 Sustainability Committee Member
 (Born on August 28, 1972)
 Number of the Company's shares possessed: 0

Career summary

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 (L.L.D.)
 October 2007 Associate Professor, Graduate School of Economics, Osaka Prefecture University
 April 2018 Professor, Graduate School of Economics, Osaka Prefecture University
 June 2020 Outside Member of the Board of Directors who is an Audit and Supervisory Committee Member
 April 2022 Professor, Graduate School of Law, Osaka Metropolitan University (current position)
 June 2022 Outside Member of the Board of Directors, Nidec Corporation (current position)

Significant concurrent positions

Professor, Graduate School of Law, Osaka Metropolitan University



Aya Yamada
 Outside Member of the Board of Directors
 Audit and Supervisory Committee Member
 Nominating Committee Member
 (Born on February 12, 1967)
 Number of the Company's shares possessed: —

Career summary

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)
 June 2020 Outside Member of the Board of Directors who is an Audit and Supervisory Committee Member, Nidec Corporation (current position)

Significant concurrent positions

Professor, Graduate School of Law, Kyoto University



Kazuya Murakami
 Member of the Board of Directors
 Audit and Supervisory Committee Member
 (Born on January 18, 1955)
 Number of the Company's shares possessed: 3,000

Career summary

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 & 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 & Supervisory Board
 June 2020 Member of the Board of Directors who is an Audit and Supervisory Committee Member (current position)

Significant concurrent positions

Auditor of NIDEC ADVANCE TECHNOLOGY CORPORATION
 Auditor of NIDEC DRIVE TECHNOLOGY CORPORATION
 Auditor of NIDEC TECHNO MOTOR
 Auditor of NIDEC MACHINE TOOL CORPORATION
 Auditor of NIDEC CKI CORPORATION
 Auditor of NIDEC GLOBAL SERVICE CORPORATION
 Auditor of NIDEC MACHINERY CORPORATION



Hiroyuki Ochiai
 Member of the Board of Directors
 Audit and Supervisory Committee Member
 Sustainability Committee Member
 (Born on July 3, 1959)
 Number of the Company's shares possessed: 1,000

Career summary

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 Counselor, Minister's Secretariat, the Ministry of Agriculture, Forestry and Fisheries of Japan
 July 2008 Counselor, Cabinet Secretariat (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 & Supervisory Board
 June 2020 Member of the Board of Directors who is an Audit and Supervisory Committee Member (current position)

Significant concurrent positions

Auditor of NIDEC INSTRUMENTS CORPORATION
 Auditor of NIDEC MOBILITY CORPORATION
 Auditor of NIDEC COMPONENTS CORPORATION
 Auditor of NIDEC POWERTRAIN SYSTEMS CORPORATION
 Auditor of NIDEC PRECISION CORPORATION
 Auditor of NIDEC ELESYS CORPORATION
 Auditor of NIDEC ADVANCED MOTOR CORPORATION



Junko Watanabe
 Outside Member of the Board of Directors
 Audit and Supervisory Committee Member
 Sustainability Committee Member
 (Born on October 17, 1965)
 Number of the Company's shares possessed: —

Career summary

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 Member of the Audit & Supervisory Board (External), Nidec Corporation April 2020
 Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Morozoff Limited (current position)
 October 2022 Outside Member of the Board of Directors who is an Audit and Supervisory Committee Member, Nidec Corporation (current position)

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



Hiroe Toyoshima
 Outside Member of the Board of Directors
 Audit and Supervisory Committee Member
 Sustainability Committee Member
 (Born on September 28, 1967)
 Number of the Company's shares possessed: —

Career summary

April 1998 Registered as attorney-at-law, the Osaka Bar Association Joined Nakamoto & Partners
 November 2005 Registered as attorney-at-law in the State of New York, USA
 April 2009 Partner, Nakamoto & Partners (current position)
 October 2015 Outside Member of the Board of Directors, Sanesu Co., Ltd.
 June 2020 Outside Member of the Board of Directors, Nitta Corporation (current position)
 Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Nitto Fuji Flour Milling Co., LTD. (current position)
 Jun 2023 Outside Members of the Board of Directors who are Audit and Supervisory Committee Members, Nidec Corporation (current position)

Significant concurrent positions

Partner, Nakamoto & Partners
 Outside Member of the Board of Directors, Nitta Corporation
 Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Nitto Fuji Flour Milling Co., LTD.



Shinichi Sato
 Outside Member of the Board of Directors
 Remuneration Committee Member
 (Born on November 4, 1956)
 Number of the Company's shares possessed: —

Career summary

April 1980 The Ministry of Finance of Japan (MOF)
 July 1985 Director, Karatsu Tax Office, Fukuoka Regional Taxation Bureau
 July 1997 Deputy Director-General, the Embassy of Japan in the UK, the Ministry of Foreign Affairs
 July 2000 Director, the Administrative Management Bureau, the Management and Coordination Agency (currently the Ministry of Internal Affairs and Communications)
 July 2002 Budget Examiner for Education, Culture, Sports, Science and Technology, the Budget Bureau, the Ministry of Finance
 July 2003 Director, the Research Division, the Tax Bureau, the Ministry of Finance
 July 2004 Director, Indirect Tax Policy Division, the Tax Bureau, the Ministry of Finance
 July 2005 Director, Income Tax and Property Tax Policy Division, the Tax Bureau, the Ministry of Finance
 July 2006 Director, Secretariat Division, the Minister's Secretariat, the Ministry of Finance
 July 2009 Deputy Director-General, the Tax Bureau, the Ministry of Finance
 January 2010 Councilor, Cabinet Secretariat (Assistant Chief Cabinet Secretary)
 August 2011 Deputy Vice Minister for Policy Planning and Co-ordination, the Minister's Secretariat, the Ministry of Finance
 June 2013 Director-General, the Minister's Secretariat, the Ministry of Finance
 July 2014 Director-General, the Tax Bureau, the Ministry of Finance
 June 2016 Vice-Minister of Finance
 July 2017 Left MOF
 November 2017 Executive Consultant, Suntory Holdings Limited (current position)
 June 2022 Outside Member of the Board of Directors, Nidec Corporation (current position)

Significant concurrent positions

Executive Consultant, Suntory Holdings Limited



Yayoi Komatsu
 Outside Member of the Board of Directors
 Nominating Committee Member
 (Born on March 23, 1959)
 Number of the Company's shares possessed: 0

Career summary

April 1981 The Ministry of Education, Science, Sports and Culture of Japan (currently the Ministry of Education, Culture, Sports, Science and Technology of Japan (MEXT))
 April 2001 Director, Early Childhood Education Division, Elementary and Secondary Education Bureau, the Ministry of Education, Culture, Sports, Science and Technology
 April 2003 Director, Medical Education Division, Higher Education Bureau, the Ministry of Education, Culture, Sports, Science and Technology
 July 2004 Counselor to the Cabinet Office's Director-General for Science and Technology Policy (currently the Secretariat of Science, Technology and Innovation Policy)
 July 2005 Director, Traditional Culture Division, the Cultural Properties Department, the Agency for Cultural Affairs
 April 2007 Director, the Director-General's Secretariat, the Agency for Cultural Affairs
 July 2009 Deputy Director-General, the Science and Technology Policy Bureau, the Ministry of Education, Culture, Sports, Science and Technology
 July 2010 Director-General, the Cultural Affairs Department, the Agency for Cultural Affairs
 January 2012 Trustee and President, the Independent Administrative Institution National Museum of Art
 August 2015 Director-General, Research Promotion Bureau, the Ministry of Education, Culture, Sports, Science and Technology
 December 2016 Left MEXT
 May 2022 Executive Director, The National Museum of Modern Art, Tokyo (current position)
 June 2022 Outside Member of the Board of Directors, Nidec Corporation (current position)

Significant concurrent positions

Executive Director, The National Museum of Modern Art, Tokyo

Vice Presidents

Toshihiko Koseki Executive Vice President	Mitsuya Kishida Executive Vice President	Yoshihisa Kitao Executive Vice President	Tatsuya Nishimoto Executive Vice President	Toshiyuki Otsuka Executive Vice President	
Michael Briggs Senior Vice President	Valter Taranzano Senior Vice President	Noboru Kaneko Senior Vice President	Kazuya Hayafune Senior Vice President	Hiroshi Onishi Senior Vice President	Toru Takahashi Senior Vice President
Ryuji Omura Senior Vice President	Akinobu Samura Senior Vice President	Kazutsugu Igarashi Senior Vice President	Takamitsu Araki Senior Vice President	Fumiaki Ushio Senior Vice President	
Tomoko Hirata Vice President	Maki Okajima Vice President	Eiji Miyamoto Vice President	Junichi Nagai Vice President	Takashi Kishimae Vice President	Hiroyuki Fujita Vice President
Shin Kishimoto Vice President	Tomonori Seta Vice President	Kazuo Nakagawa Vice President	Shuichiro Sori Vice President		

* The number of shares owned are rounded off to the nearest thousand.

Financial/Non-financial Data

Financial Data

	U.S. GAAP		IFRS							(FY)
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(Millions of yen)									
Net sales	875,109	1,028,385	1,178,290	1,199,311	1,459,039	1,475,436	1,534,800	1,618,064	1,918,174	2,242,824
Operating profit	84,864	110,939	117,662	139,366	165,903	129,222	108,558	159,970	170,374	100,081
Profit before income taxes	84,460	107,092	117,164	141,313	163,260	129,830	105,160	152,937	170,032	120,593
Profit attributable to owners of the parent	56,272	76,015	89,945	111,007	130,834	109,960	58,459	121,945	135,759	45,003
CAPEX	40,036	58,042	81,898	68,718	90,841	120,555	132,926	88,911	98,580	137,814
Depreciation	44,413	51,445	64,950	59,737	68,697	71,016	87,808	96,802	104,932	119,469
R&D	37,808	45,179	51,978	52,807	55,438	62,912	78,630	67,280	78,015	81,337
Total assets	1,166,938	1,357,340	1,376,636	1,678,997	1,773,199	1,884,008	2,122,493	2,256,024	2,678,483	2,872,789
Shareholders' equity	517,971	744,972	763,023	846,572	932,501	996,795	947,290	1,096,020	1,292,241	1,354,505
Operating cash flow	87,219	91,875	147,659	129,853	175,568	170,233	168,049	219,156	94,994	143,485
Investment cash flow	-63,178	-81,230	-95,377	-211,476	-113,915	-160,844	-311,513	-100,568	-112,597	-164,943
Free cash flow	24,041	10,645	52,282	-81,623	61,653	9,389	-143,464	118,588	-17,603	-21,458
Financial cash flow	13,471	-19,508	7,775	95,848	-116,858	-32,683	128,546	-136,191	-64,393	-19,238
Per-share information*1	(Yen)									
Profit (EPS)	103.41	135.81	151.52	187.14	220.96	186.49	99.37	208.19	232.40	78.19
Dividends	25.00	35.00	40.00	42.50	47.50	52.50	57.50	60.00	65.00	70.00
Major financial indicators	(%)									
Operating profit ratio	9.7	10.8	10.0	11.6	11.4	8.8	7.1	9.9	8.9	4.5
Shareholders' equity ratio	44.4	54.9	55.4	50.4	52.6	52.9	44.6	48.6	48.2	47.1

*1 Adjusted based on the 2-for-1 split implemented as of April 1, 2014 and April 1, 2020. EPS and Dividends are expressed assuming that the stock split occurred at the beginning of FY2013.

*2 Starting from the first quarter of FY2016, the International Financial Reporting Standards (IFRS) have been applied to the consolidated financial statements.

Therefore, the figures presented are based on the International Financial Reporting Standards (IFRS) for FY2015 and later, and on the U.S. accounting standards for FY2014 and before.



Non-financial Data

E/ Environment¹

	2018	2019	2020	2021	2022 (FY)
Total GHG emissions (kt-CO ₂)	3,365	2,934	2,858	4,750	150,837
Scope1 (kt-CO ₂)	73	62	60	57	71
Scope2 (Location-based, kt-CO ₂)	—	—	—	—	805
Scope2 (Market-based ² , kt-CO ₂)	593	577	511	457	720
Scope3 (kt-CO ₂)	2,700	2,295	2,287	4,236	150,046
Total energy consumption ³ (MWh)	1,433,522	1,403,437	1,448,027	1,396,802	1,767,741
Non-renewable energy Fuel consumption (MWh)	213,522	161,437	268,027	265,802	328,480
Non-renewable energy Steam, Heat and Cooling consumption (MWh)	—	—	—	—	10,261
Total electricity consumption (MWh)	1,220,000	1,242,000	1,180,000	1,131,000	1,429,000
Renewable energy electricity consumption (MWh)	34,488	32,021	64,000	120,000	118,000
Renewable energy introduction ratio (%)	2.8	2.6	5.4	10.6	8.2
Total discharge of waste (including solids and liquids) ⁴ (t)	—	—	—	124,997	135,580
Total discharge of waste (solid only) ⁴ (t)	97,618	100,546	101,380	111,993	—
Recycled amount ⁵ (t)	89,024	90,910	91,842	101,812	83,814
Final disposal amount ⁵ (t)	8,052	9,636	8,947	10,180	32,463
Recycled ratio ⁵ (%)	91.2	90.4	90.6	90.9	61.8
Final disposal ratio ⁵ (t)	8,384	9,691	11,011	11,473	4,375
Total Water Withdrawal ⁶ (Thousand m ³)	8,225	8,064	7,218	7,055	7,548
Tap water · industrial water (Thousand m ³)	7,023	6,946	6,106	6,088	6,047
Groundwater	1,186	1,103	1,102	958	1,240
Rivers, ponds, lakes, rainwater (Thousand m ³)	16	15	10	9	261
The sales ratio of environmentally contributing products (%) ⁷	13.4	14.4	11.5	12.5	14.6

S/ Society

	2018	2019	2020	2021	2022 (FY)
CSR audits conducted by business partner(s) (times) ⁸	86	93	132	123	122
Employees (persons) (consolidated)	108,906	117,206	112,551	114,371	106,592
Ratio of female employees (%) (consolidated) ⁹	—	50.6	49.1	48.2	47.0
Ratio of female managers and officers ¹⁰ (%) (consolidated) ⁹	—	25.9	28.2	27.2	23.9
Rate of industrial accidents involving lost working time (consolidated) ¹¹	—	0.78	0.66	0.73	0.85
Employees (persons) (non-consolidated)	2,794	2,756	2,568	2,511	2,176
Ratio of female employees (%) (non-consolidated)	19.7	20.4	20.6	19.9	19.4
Number of female managers (non-consolidated)	32	34	33	37	41
Ratio of female managers (%) (non-consolidated)	5.0	5.5	5.7	6.2	7.0
Number of female officers (non-consolidated)	1	1	3	4	6
Ratio of female officers (%) (non-consolidated)	2.4	2.4	7.9	10.0	15.0
Rate of persons with disabilities employed (%) (non-consolidated)	1.98	2.19	2.24	2.40	2.28
Employee training (hours) (non-consolidated)	119,676	110,077	112,162	71,154	28,072
Employee training hours per person (hours)	42.8	39.9	43.7	31.0	12.9
Average monthly overtime hours (hours) (non-consolidated)	16.2	16.3	11.2	17.3	19.6
Percentage of annual paid leave taken (%) (non-consolidated)	61.3	64.5	56.5	60.9	69.0
Rate of industrial accidents involving lost working time ¹¹ (non-consolidated)	0.4	0.4	0.1	0.5	0.5
Number of employees who have taken maternity leave (non-consolidated)	41	30	24	22	22
Number of employees who have taken childcare leave (non-consolidated)	40	41	25	68	43
Male employees (persons)	2	7	8	20	24
Percentage of male employees who have taken childcare leave (%) (non-consolidated)	1.9	8.0	9.0	19.8	31.2
Return rate after taking childcare leave (%) (non-consolidated)	89.3	90.0	100	96.0	92.5
Number of employees using the short-time work system (non-consolidated)	112	102	115	86	96

G/ Governance

	2018	2019	2020	2021	2022 (FY)
Directors (persons)	8	8	9	9	10
Directors who are also Executive Officers (persons)	5	5	1	2	1
Outside Directors (persons)	2	2	5	5	6
Ratio of Outside Directors (%)	25.0	25.0	55.6	55.6	60.0
Female Directors (persons)	0	0	2	2	5
Ratio of female Directors (%)	0.0	0.0	22.2	22.2	50.0
Age of the youngest Director	51	52	48	49	50
Age of the oldest Director	77	78	79	80	78
Average age of Directors	65	66	65	66	64

*1 Data coverage ratio is a numerical value compared to sales. Data coverage rate for FY2018: 63.0%, FY2019: 59.2%, FY2020: 58.7%, Data coverage rate for FY2021: 53.5%
 *2 From FY2022 report, the IEA emission factor by country is used. Before FY2021, use "Ministry of the Environment: List of Calculation Methods and Emission Factors in the Calculation, Reporting and Publication System".
 *3 Unit changed (G) → MWh. Values for FY2020 and FY2021 are recalculated values.
 *4 From FY2022 report, the distinction between solid and liquid has been abolished.
 *5 Before FY2021, only solid waste is calculated.
 *6 Data for FY2020 and FY2021 have been revised.
 *7 The products meet the requirements of the FTSE Green Revenues Classification System.
 *8 Eight companies overseas
 *9 In FY2022, the survey was conducted to cover 95.0% of all Nidec Group employees.
 *10 All levels of management, including junior, middle and senior level management and outside board directors. Junior management: Employees falling under either of the following supervisory roles, or those with a similar level of responsibility: (A) typically responsible for directing and executing the day-to-day operational objectives of organizations, conveying the directions of higher level officials and managers to subordinate personnel. (B) supervise around 10 full-time employees and/or perform supervisory functions where judgment is exercised in at least two small operational teams/groups.
 *11 Calculation of consolidated data began from FY2019. Number of deaths and injuries per 1 million hours worked in total.

Group Companies

Company name	Business activities
NIDEC INSTRUMENTS CORPORATION https://www.nidec.com/en/nidec-instruments/	R&D, manufacturing and sales of Stepping motors, Motor drive units, Industrial robots, Card readers, Precision plastic molds, Electric contacts and Music box products
NIDEC ADVANCE TECHNOLOGY CORPORATION https://www.nidec.com/en/nidec-advancetechnology/corporate/	R&D, manufacturing and sales of semiconductor package/PCB inspection systems, optical inspection systems, FPD inspection systems, automatic measurement/control systems and associated fixtures.
NIDEC DRIVE TECHNOLOGY CORPORATION https://www.nidec.com/en/nidec-drivetechnology/	R&D, manufacturing and sales of power transmission drives, press machines, control device, measuring, ceramic art equipment, and others.
NIDEC TECHNOMOTOR CORPORATION https://www.nidec.com/en/nidec-technomotor/	Development, manufacture and sales of small and medium-sized motors for HVAC, home appliances and industrial machinery, electric tools, motor-based equipment and others
NIDEC MOBILITY CORPORATION https://www.nidec.com/en/nidec-mobility/	Marketing, development, manufacture and sales of automotive electric components
NIDEC COMPONENTS CORPORATION https://www.nidec-components.com/e/	Development, manufacture and sales of electronic circuit parts, pressure sensors, actuators, potentiometers, and encoders
NIDEC POWERTRAIN SYSTEMS CORPORATION https://www.nidec.com/en/nidec-powertrainsystems/	Development, manufacture and sales of automobile parts and measuring instruments
NIDEC PRECISION CORPORATION https://www.nidec.com/en/nidec-precision/	Development, manufacture and sales of optical devices, electronic devices, precision parts and dies, image devices, FA and industrial devices
NIDEC MACHINETOOL CORPORATION https://www.nidec.com/en/nidec-machinetool/	(1) Design, manufacture, sales and consulting services associated with machine tools, cutting tools, and other related products. (2) Installation, technical guidance, and after-sales services related to the above products.
NIDEC ELESYS CORPORATION https://www.nidec.com/en/nidec-elesys/	Development, manufacture and sales of automotive inverters and electronic control devices for automotive bodies
NIDEC ADVANCED MOTOR CORPORATION https://www.nidec.com/en/nidec-advancedmotor/	Development, manufacture and sales of small precision motors, fans, blowers, sensors and motor application products for industrial and commercial use
NIDEC OKK CORPORATION https://www.nidec.com/jp/nidec-okk/	(1) Design, manufacturing, and sale of machine tools (machining centers, NC milling machines, general-purpose milling machines, and specialized machine tools) (2) Installing, and providing technical Support and customer support for, the above products.
NIDEC GLOBAL SERVICE CORPORATION https://www.nidec.com/jp/nidec-globalservice/	Various insurance agency operations, real estate service, vending machine business, sales of various goods, operation of company stores, staffing agencies, hotel business, beverage sales, etc.
NIDEC MACHINERY CORPORATION https://www.nidec.com/en/nidec-machinery/	Design, manufacture, sales and technical support of various automatic machines, FA equipment, measuring and testing equipment
NIDEC MOTORS & ACTUATORS (GERMANY) GmbH http://www.nidec-ma.com/	Development, manufacture and sales of automotive motors (for engine cooling, ABS, steering column adjustment, seat adjustment, power windows, air suspension compressors, sunroof, and trunk opening and closing)
NIDEC ELECTRIC MOTOR SERBIA d.o.o. Novi Sad https://www.nidec.com/en/corporate/network/group/nidec-electric-motor-serbia/	Preparation for the factory manufacturing automotive motors and related products
NIDEC GPM GmbH http://www.nidec-gpm.com/	R&D and manufacturing of water pumps, oil pumps and modules for the automotive industry; wide range of OEM customers (passenger cars and commercial vehicles)
NIDEC MOTOR CORPORATION https://acim.nidec.com/motors/	R&D, manufacturing, and sales of industrial, commercial and appliance motors, and control equipment
NIDEC GLOBAL APPLIANCE EUROPE SRL https://www.nidec.com/en/corporate/network/group/nidec-global-appliance-europe/	R&D, manufacturing and sales of motors for home appliances (washing machines, dryer machines, and dishwashers)
NIDEC ASI S.p.A. https://www.nidec-industrial.com/	R&D, manufacturing and sales of mid- to large-sized industrial motors, power generators, and low- to mid-voltage drives as well as development of industrial system and automation systems in the metal and power generation (regenerated energy) fields
Nidec Leroy-Somer Holding http://www.leroy-somer.com/	R&D, manufacturing and sale of alternators, electric motors, geared motors, variable speed drives, automation solutions and service offers for industry
NIDEC CONTROL TECHNIQUES LIMITED http://www.controltechniques.com/	R&D, manufacturing, and sales of AC and DC variable speed drives, servos and power conversion technologies for commercial and industrial applications
NIDEC GLOBAL APPLIANCE COMPRESSORES E SOLUCOES EM REFRIGERACAO LTDA https://www.embraco.com	Engineering and manufacturing of household and commercial (merchandisers, food retail & service, medical and special applications) refrigeration compressors and condensing units
NIDEC CHAUN-CHOUNG TECHNOLOGY CORP. http://www.ccic.com.tw/index.php	Development, manufacture and sales of thermal management devices

* This table lists a selection of major group companies.

Company Profile

(As of March 31, 2023)

Trade name	NIDEC CORPORATION*
Founded	July 23, 1973
Location of Head Office	338 Kuzetonoshiro-cho, Minami-ku, Kyoto
Capital	JPY 87,784 million
Fiscal year end	March 31
Employees	Nidec Corporation: 2,176 Consolidated: 106,592
Business sites in Japan	Head Office, Tokyo Office, Central Technical Laboratory, Shiga Technical Center, Nagano Technical Center, Nidec Research and Development Center, and Nidec Center for Industrial Science
Corporate website	https://www.nidec.com/en/

* On April 1, 2023, the Company's Japanese name was changed from Nippon Densan Kabushikigaisha to Nidec Kabushikigaisha.

Stock Information

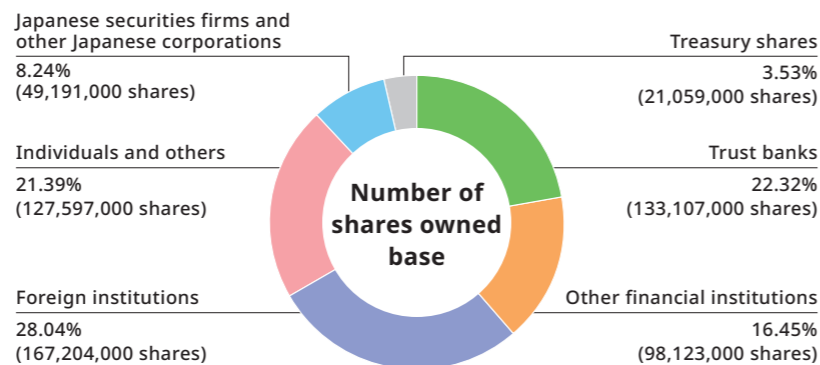
(As of March 31, 2023)

Share status

Number of shares outstanding 596,284,468

Number of shareholders 159,838

Shareholder mix



* Figures less than one thousand in the number of shares owned are rounded off.

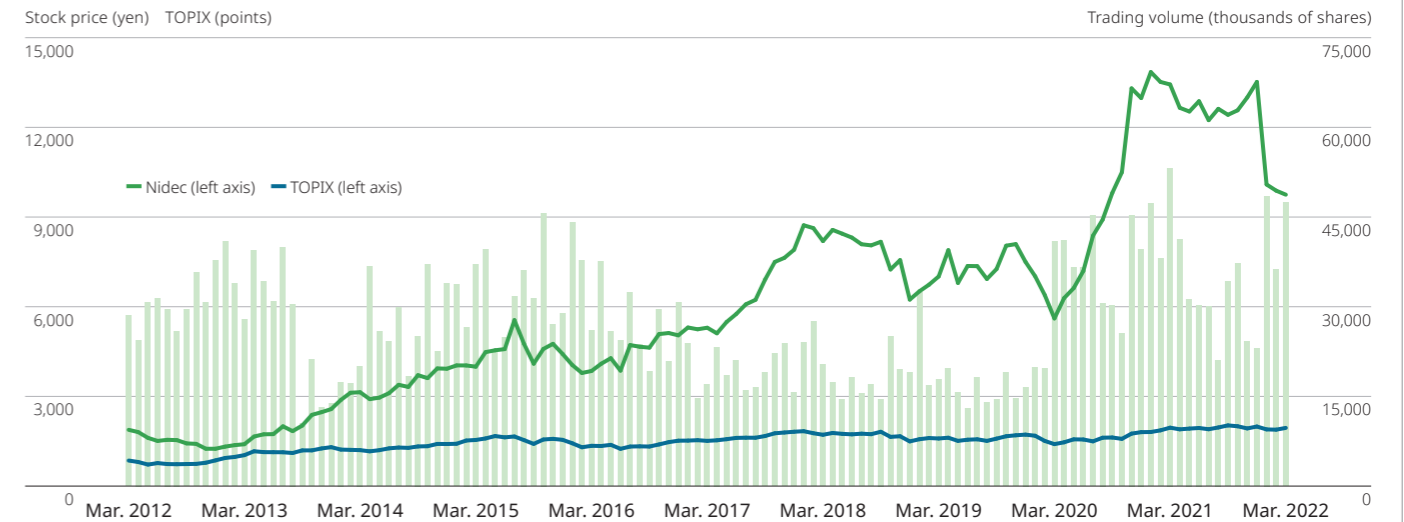
Principal shareholders

Name	Number of shares owned (thousands)	Holding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	84,576	14.70
Shigenobu Nagamori	49,473	8.60
Custody Bank of Japan, Ltd. (trust account)	29,980	5.21
The Bank of Kyoto, Ltd.	24,798	4.31
S.N. Kosan, LLC.	20,245	3.51
MUFG Bank, Ltd.	14,851	2.58
THE BANK OF NEW YORK MELLON 140042	14,105	2.45
Nippon Life Insurance Company	13,159	2.28
Meiji Yasuda Life Insurance Company	12,804	2.22
SSBTC CLIENT OMNIBUS ACCOUNT	9,605	1.66

*1 Figures less than one thousand in the number of shares owned are rounded off.

*2 The Company's holding of 21,059,236 treasury stock is excluded from the above major shareholders. The shareholding ratio was calculated excluding treasury stock. Treasury stock do not include shares of the Company held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust, but include a total of 3,531 fractional shares arising from the exchange of shares with NIDEC OKK CORPORATION with an effective date of March 1, 2023.

Historical stock prices and trading volume



*1 Adjusted based on the 2-for-1 split implemented as of April 1, 2014 and April 1, 2020. Stock prices are expressed assuming that the stock split occurred in March 2012.

*2 Figures for Nidec's stock price and trading volume are those on the First Section of Osaka Securities Exchange for on and before July 15, 2013, and those on the First Section of Tokyo Stock Exchange for on and after July 16, 2013. From April 1, 2022, the First Section of the Tokyo Stock Exchange was reorganized into Prime Market.

External Evaluation

(As of September 1, 2023)

Inclusion in ESG indexes

FTSE4Good Index Series

Since 2018, Nidec has been included in the FTSE4Good Index Series, designed to measure the performance of companies demonstrating excellent environmental, social and governance (ESG) practices.



FTSE4Good

FTSE Blossom Japan Sector Relative Index

Since 2022, in addition to ESG evaluation, Nidec has been included in the FTSE Blossom Japan Sector Relative Index, an index to evaluate the management stance of companies with respect to climate change risks and opportunities.



FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Index

Since 2018, Nidec has been included in the FTSE Blossom Japan Index, an index that reflects the performance of Japanese companies demonstrating excellent ESG practices.



FTSE Blossom Japan

MSCI Japan Empowering Women (WIN)

Since 2017, Nidec has been part of the MSCI Japan Empowering Women (WIN) index, which includes companies selected out of the top 700 brands in market capitalization ranking (the MSCI Japan IMI Top 700 Index) based on their gender-related diversity (women's active participation in the workforce) in each industry.



* The inclusion of Nidec Corporation in any MSCI index and the use of MSCI logos, trademarks, service marks or index names herein do not constitute a sponsorship, recommendation or advertising of Nidec Corporation by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

Morningstar Japan ex-REIT Gender Diversity Tilt Index

Since 2023, Nidec has been included in the Morningstar Japan ex-REIT Gender Diversity Tilt Index, an index that focuses on companies whose gender diversity policies are embedded in their corporate culture and companies committed to equal opportunities for their employees regardless of gender.

Awards and commendations

Nadeshiko Brand

Nidec was selected as a Nadeshiko Brand in FY2021 by the Japan Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE).



ESG-themed brand

In the first "ESG brands" selection in 2012 at the Tokyo Stock Exchange, which identifies themed brands for individual investors based on specific themes and indexes, Nidec was selected as an ESG-themed brand.

Receiving three-star "eruboshi" status

In 2018, Nidec received a three-star rating (highest level) of "eruboshi" status granted by the Minister of Health, Labour and Welfare to companies that have made excellent efforts related to the promotion of women's participation and advancement in the workplace.



Evaluation of IR activities

Gomez IR Site Ranking 2022 Silver Award

Nidec received a Silver Award in the overall "Gomez IR Site Ranking 2022" published by Morningstar Japan K.K. In the electrical equipment industry ranking, Nidec was ranked 12th.

Nikko IR All Japanese Listed Companies' Website Ranking

Nidec's website was selected as a grade AAA site in the annual survey of all Japanese listed companies' websites conducted by Nikko Investor Relations Co., Ltd. in FY2022.

Daiwa IR Internet IR Commendation Award 2022

Nidec received the Commendation Award in the "Internet IR Award 2022" by Daiwa Investor Relations Co., Ltd.

Award for Excellence in Corporate Disclosure

In 2022, Nidec was ranked 10th in the Electric/Precision section in 2022 Awards for Excellence in Corporate Disclosure, sponsored by the Securities Analysts Association of Japan.

Rating information

Rating agency	Announced	Target	Long-term Rating	Short-term Rating
Japan Credit Rating Agency, Ltd. (JCR)	December 2022	Issuer	AA	—
Rating and Investment Information, Inc. (R&I)	December 2022	Issuer	AA-	a-1+
Moody's	May 2023	Issuer	A3	—