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Corporate Governance Report

Last updated: July 8, 2020

Nidec Corporation

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<https://www.nidec.com/en/>

I. Basic Views on corporate governance, capital structure, corporate profile, and other basic information

1. Basic views

Nidec Group pursues continuous enhancement of corporate management in the manner consistent with its mission statement, three principles of Nidec's operations, and its qualitative objects of achieving "high business growth," "high profits," and "high shareholder value." In this context, Nidec codified its corporate governance policies in May 2006 to reinforce the group's overall corporate governance activities and to communicate its commitment and responsibilities to stakeholders.

Corporate governance policy

1. Principle

The Nidec Group Corporate Governance Policy aims for sustainable enhancement of corporate value focusing on "high business growth," "high profits," "high shareholder value" based on ethical integrity and social trust. To this end, Nidec pursues sound, efficient and transparent business management through ceaseless improvement in

internal controls and information disclosure.

2. Stakeholder engagement

Sustainable enhancement of corporate value builds upon harmonious relations with stakeholders. Our definition of stakeholders extends broadly and includes not only its shareholders, customers, suppliers, individual employees, but even the communities and the environment that can be directly or indirectly affected by the Nidec Group's objectives and actions. As a business seeking growth through fulfillment of social responsibility and sustainable corporate value development for its stakeholders, Nidec Group will continue to increase our focus on products and activities that are green and socially desirable. This concept constitutes a common thread running through its entire business activities, most notably reflected in its engagement in the brushless DC motor technology, which provides excellence in energy efficiency, operating life and noiselessness for IT and audiovisual devices, automobiles, home appliances and industrial machinery. Nidec Group contributes to the progress of society and reduction of load on the earth's environment by developing and supplying products that are environmentally friendly and required by society, and through a range of business activities related to the above. Nidec Group believes that all this helps ensure sustainable growth in its company value.

3. Business execution and management oversight

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 directors (non-executive directors), who are dedicated to monitoring managerial decisions from an objective perspective and further improving management transparency for all stakeholders.

The Audit and Supervisory Committee audits directors' execution of business and receives reports from accounting auditors.

The Executive Management Meeting and the Executive Management Meeting with Senior Vice Presidents and Above (Jomu-kai) compose the Group's business execution mechanism and discuss specific operational issues. The Executive Management Meeting (Keiei-kaigi) 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. The Executive Management Meeting with Senior Vice Presidents and Above (Jomu-kai), the consultative body to the Chairman and Chief Executive Officer, is held and convened by President and Chief Operating Officer on a weekly basis to discuss operational directions, plans, and other important considerations in the execution of business.

With a view to improving management efficiency, the Group has adopted an executive officer system and a site-oriented business management system. The executive officer system delegates part of the Board responsibilities to executive officers, thereby allowing the Board of Directors to focus on more proactive, in-depth discussions on the Group's strategic directions and enables executive officers to accelerate the execution of business. In the meantime, the site-oriented business management system makes clear the locus of respective managerial responsibilities and contributes to the maintenance and improvement of a viable internal control system.

4. Internal control

The Group commits itself to the enhancement of its management soundness and transparency by specifying risk management responsibilities and maintaining compliance capabilities generally required for listed companies in Japan. The Group conforms to its internal control policies compiled as "Nidec Policy Manual." Through the auditing activities of the Corporate Administration & Internal Audit Department, a specialized oversight division, the Group regulates its internal controls over financial reporting and evaluates their effectiveness in the manner consistent with the Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act. In addition, the Compliance Committee, Risk Management Committee, Information Security Management Committee and CSR Committee, all operating under the direct supervision of the Board of Directors, are dedicated to the creation of a strong internal control environment for the Group. Each Committee has its subordinate body, named the Compliance Office, the Risk Management Office, Information Security Management Office and the IR & CSR Promotion Department, respectively.

5. Information disclosure

The Group ensures strict adherence to its Disclosure Policy and conducts fair, timely and proper disclosure of information in order to offer appropriate accountability and transparency to shareholders and relevant stakeholders. Each disclosure item is

carefully reviewed by the Disclosure Committee with respect to materiality, legality and adequacy of disclosure. In the meantime, shareholder opinions and viewpoints are constantly fed back to the management through day-to-day investor relations activities.

6. Subsidiary governance

Unified under the same management principles, each company of the Group operates in compliance with Nidec's internal control system. The members of the management team at each Nidec subsidiary, including those sent from Nidec, undertake substantial discussions in managerial decision-making with a significant involvement of outside members of the Audit and Supervisory Board and experts to ensure that specific circumstances in each company are rationally considered and that each company's independency is appropriately assured.

<Reasons for non-compliance with certain principles of Japan's Corporate Governance Code>

Nidec complies with all of the principles set forth in the Corporate Governance Code.

<Disclosure based on the principles of the Japan's Corporate Governance Code>

<Principle 1.4 Cross-Shareholdings>

1. Basic policy for cross-shareholdings

Nidec holds shares in the companies that Nidec has relationships with in terms of trading and cooperation in its business or other areas when it judges the shareholding contributes to the company's corporate value expansion through stabilizing its business for a mid to long-term perspectives by maintaining and strengthening the relationship with them. Nidec assesses its cross-held shares individually at the Board of Directors every year on not only qualitative aspect such as purposes of the shareholding, but also, on quantitative aspect such as benefits that can be brought through the shareholding from the perspective of economic rationality. According to the results of the assessment, Nidec intends to reduce the number of shares held if the cross-held shares would make insignificant benefits.

2. Policy for exercising voting rights for cross-shareholdings

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 executing 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: if the proposals suit the purposes of holding the shares that are to maintain and strengthen the trade and cooperation relationships through mid- to long-term investment, and particularly, the circumstances that might lead to assassinating shareholders value by reformatting organizations including asset transfer and mergers. Regarding proposals that are considered law violation and antisocial behaviors, Nidec opposes under any conditions.

<Principle 1.7 Related party transactions>

When any member of the Board of Directors launches a business transaction with a stock company on behalf of either him-/herself or a third party, or when a family member, etc. of any member of the Board of Directors engages in business with Nidec, Nidec refers the matter to the Board of Directors in accordance with Board of Director's regulations to confirm whether or not the matter goes against Nidec's interest. Likewise, Nidec applies a designated procedure when any member of the Board of Directors launches a business transaction with a related party of an executive officer or a major shareholder.

<Principle 2.6 Roles of corporate pension funds as asset owners>

Nidec dispatches appropriate personnel from the Human Resources Department for a stable management of corporate pension funds. With regard to the management of the pension funds, Nidec monitors depositaries periodically. Nidec reviews the status, basic policy and soundness of asset management through the personnel allocated by Nidec to the board of representatives. Nidec allocates personnel who has expertise in finance, accounting and human resource management to the board of representatives.

<Principle 3.1 Full disclosure>

- (i) Please refer to Nidec's webpage:
<https://www.nidec.com/en/corporate/about/philosophy/>
- (ii) Please refer to Nidec's webpage:
<https://www.nidec.com/en/ir/management/governance/>
- (iii) Nidec abolished directors' retirement allowance system on December 31, 2004.

Remuneration paid to the members of the Board of Directors for the year ended March 31, 2020 is as follows:

Directors (excluding outside directors)

Number of recipients: 6

Total remuneration: 253 million yen

(fixed compensation: 231 million yen, performance-linked share-based remuneration: 22 million yen)

Audit & Supervisory Board (excluding outside members)

Number of recipients: 2

Total remuneration: 36 million yen

Outside directors

Number of recipients: 6

Total remuneration: 32 million yen

The above-mentioned amounts include an outside member of the Audit and Supervisory Board who retired during the fiscal year ended March 31, 2020.

The information regarding remuneration is disclosed in the securities reports and business reports. These reports are posted on Nidec's website.

<https://www.nidec.com/en/ir/library/reports/>

<Disclosure of policy on determining remuneration amount and its calculation method>

Remuneration for directors are determined linked with Nidec's performance. The total amounts of remuneration for the members of the Board of Directors who are not Audit and Supervisory Committee Members and the members of the Board of Directors who are Audit and Supervisory Committee Members are set within maximum limit of ¥1,000 million (including ¥100 million for outside directors) and ¥100 million per year, respectively, both of which were determined at the 47th shareholders' meeting held on June 17, 2020. In addition, Nidec adopted a performance-linked and share-based incentive plan which determines the remunerations for its board members, executive officers and employees who have the equivalent positions based on Nidec's short- and mid- term performance. This plan does not apply to the members of the Board of Directors who are Audit and Supervisory Committee Members and outside directors.

- (iv) The Board of Directors are composed of directors with integrity, knowledge, capability, ample experiences and ethics. Nidec selects nominees for the Board of Directors to be resolved at shareholders' meeting every year, considering both boards' diversity as well as nominees' genders, ages, nationality and skills.

- (v) The reasons for appointment and dismissal of the members of the Board of Directors are stated in the convocation for shareholders' meeting. Please refer to Nidec's notice of convocation for the shareholders' meeting at the following webpage:
<https://www.nidec.com/en/ir/event/meeting/>

<Supplementary Principle 4.1.1>

<https://www.nidec.com/en/ir/management/governance/>

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 directors (non-executive directors), who are dedicated to monitoring managerial decisions from an objective perspective and further improving management transparency for all stakeholders.

The Executive Management Meeting (keiei-kaigi) and the Executive Management Meeting with Senior Vice Presidents and Above (Jomu-kai) compose the Group's business execution mechanism and discuss specific operational issues. The 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. The Managing Directors' Meeting, the consultative body to the Chairman and Chief Executive Officer, is held and convened by President and Chief Operating Officer on a weekly basis to discuss operational directions, plans, and other important considerations in the execution of business.

With a view to improving management efficiency, the Group has adopted an executive officer system and a site-oriented business management system. The executive officer system delegates part of the Board responsibilities to executive officers, thereby allowing the Board of Directors to focus on more proactive, in-depth discussions on the Group's strategic directions and enables executive officers to accelerate the execution of business.

In the meantime, the site-oriented business management system makes clear the locus of respective managerial responsibilities and contributes to the maintenance and improvement of a viable internal control system. The Board of Directors resolves the following matters stipulated in the Board of Directors' regulations: 1) matters designated by law, 2) important matters on operation, 3) matters on accounting and human resources, 4) matters stipulated on the Articles of incorporation, etc.

<Principle 4.8 Effective use of independent directors>

<Principle 4.9 Independence standards and qualification for independent directors>

The members of the Board of Directors has highly independent outside members who have no particular relationships with Nidec, which enhances the function of supervising the company's business management, the transparency and the objectivity of the management. Currently five such outside directors make material management decisions and oversee the Group's business operations as a whole based on their extensive experience and deep insight from an objective and neutral perspective. The current outside directors were appointed as they met the independence requirements of Tokyo Stock Exchange, had no capital, personal or business relationships with Nidec from the past to the present, and had no conflicts of interests with the general shareholders.

<Supplementary Principle 4.11.1>

Nidec's Board of Directors comprises nine members, including five outside members. All the nine members are individually selected with a good balance, based on their knowledge, experience, and qualification in a diversity of areas, as well as on Nidec's businesses, business environment, etc. The members include those with broad experience of working overseas and women to secure diversity in internationality, gender, etc. Going forward, when selecting candidates to the Board of Directors, Nidec will continue to take into account, among others, the balance of the knowledge, experience, and qualification of the Board of Directors as a whole, and the number of its members based on its diversity in gender, career, etc. and on Nidec's business scale.

<Supplementary principle 4.11.2>

With regard to the status of concurrent positions of directors including outside directors, Nidec discloses the information on reference materials of the convocation for Regular General Meeting of Shareholders every year. Please refer to the convocation for Regular General Meeting of Shareholders.

<https://www.nidec.com/en/ir/event/meeting/>

<Supplementary principle 4.11.3>

Annually, Nidec sends out questionnaires to all directors including outside directors, on the efficacy of the meetings held by the Board of Directors, which discusses, analyzes, and assesses the results of the questionnaires. In the year ended March 31, 2020, Nidec confirmed that its Board of Directors functions properly based on the comments that the composition, frequency, length, quality of information, and explanation of the meetings of the Board of Directors are proper, that the meetings of the Boards of Directors on the whole function sufficiently, and that the ways to discuss issues and to manage the meetings of the Board of Directors are improving. Nidec will continue to discuss measures to launch based on the results of questionnaires to constantly improve the meetings of the Boards of Directors.

<Supplementary principle 4.14.2>

Nidec encourages the Board members including outside directors and executive officers to understand its management principle and corporate culture by continually providing them with information regarding the management environment and through trainings by experts from inside or outside of the company when necessary.

<Supplementary principle 5.1 Policy for constructive dialogue with shareholders>

Nidec formulates a corporate governance policy as the principle for promoting constructive dialogue with shareholders, and discloses it on its website. Nidec's IR activities include assigning IR duties to a member of Board of Directors and holding Investor Relations Department responsible to liaise extensively with related departments such as Sales, Administrative, those of its group companies, etc. Also, Nidec formulated Disclosure Policy and internal regulations regarding banning insider trading for all Nidec Group that stipulate information disclosure methods and procedure for fair, timely and appropriate disclosure. Nidec discloses its internal control structure regarding timely disclosure on its website. For details of IR activities, please refer to III. 2. IR Activities.

Corporate Governance Policy

<https://www.nidec.com/en/corporate/about/cg/governance/>

Disclosure Policy

<https://www.nidec.com/en/ir/management/disclosure/>

2. Capital structure

Foreign shareholding ratio	More than 30%
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<Major shareholders>

Shareholders	Number of Shares Owned (shares)	Holding Ratio (%)
Shigenobu Nagamori	24,736,866	8.29
The Master Trust Bank of Japan, Ltd. (trust account)	18,754,900	6.29
Japan Trustee Services Bank, Ltd. (trust account)	13,805,700	4.63
The Bank of Kyoto, Ltd.	12,399,214	4.15
S.N. Kosan LLC	10,122,870	3.39
MUFG Bank, Ltd.	7,425,902	2.49
JP MORGAN CHASE BANK 385632	7,403,738	2.48
SSBTC CLIENT OMNIBUS ACCOUNT	6,998,277	2.34
Nippon Life Insurance Company	6,579,748	2.20
Meiji Yasuda Life Insurance Company	6,402,086	2.14

Controlling shareholders (except for parent company)	None
Parent company	None

Supplementary information

On April 16, 2018, Mitsubishi UFJ Financial Group, Inc. filed an amendment to the major shareholding status report that is open to public stating that its group companies held the following shares of Nidec as of April 9, 2018. However, Nidec has not been able to confirm the number of shares possessed by them at the time when they exercised their voting rights, therefore, the above-mentioned principal shareholders are based on the record of shareholders. The content of amendment to the major shareholder status report is as follows:

<Shareholder's name (number of shareholdings, ratio to number of shares issued)>

MUFG Bank, Ltd. (7,425,902 shares, 2.49%)

Mitsubishi UFJ Trust Banking Corporation (8,035,374 shares, 2.70%)

Mitsubishi UFJ Kokusai Asset Management Co., Ltd. (1,426,100 shares, 0.48%)

Total: (16,887,376 shares, 5.66%)

On March 19, 2020, Sumitomo Mitsui Trust Bank, Limited filed an amendment to the major shareholding status report that is open to public stating that its group companies held the following shares of Nidec as of March 13, 2020. However, Nidec has not been able to confirm the number of shares possessed by them at the time when they exercised their voting rights, therefore, the above-mentioned major shareholders are based on the record of shareholders. The content of amendment to the major shareholder status report is as follows:

<Shareholder's name (number of shareholdings, ratio to total number of shares issued)>

Sumitomo Mitsui Trust Bank, Limited (3,505,800 shares, 1.18%)

Sumitomo Mitsui Trust Asset Management Co., Ltd. (7,754,743 shares, 2.60%)

Nikko Asset Management Co., Ltd. (3,197,200 shares, 1.07%)

Total: (14,457,743 shares, 4.85%)

On April 7, 2020, Capital Research and Management Company filed an amendment to the major shareholding status report that is open to public stating that its group companies held the following shares of Nidec as of March 31, 2020. However, Nidec has not been able to confirm the number of shares possessed by them at the time when they exercised their voting rights, therefore, the above-mentioned principal shareholders are based on the record of shareholders. The content of amendment to the major shareholder status report is as follows:

<Shareholder's name (number of shareholdings, ratio to total number of shares issued)>

Capital Research and Management Company (18,482,435 shares, 6.20%)

Capital international Inc. (1,485,710 shares, 0.50%)

Capital International K.K. (2,453,800 shares, 0.82%)

Capital International Sarl (329,668 shares, 0.11%)

Total: (22,751,613 shares, 7.63%)

3. Corporate profile

Listed stock market and market section	Tokyo Stock Exchange, First Section
Fiscal year end	March 31
Type of business	Electric appliances
Number of employees (consolidated) as of the previous fiscal year-end	More than 1,000
Net sales (consolidated) in the previous fiscal year	More than ¥1 trillion
Number of consolidated subsidiaries as of the previous fiscal year-end	More than 300

4. Policies on measures to protect minority shareholders in conducting transactions with controlling shareholder

None

5. Other special circumstances that may have material impact on corporate governance

None

II. Business management organization and other corporate governance systems regarding decision-making, execution of business, and oversight in management

1. Organizational composition and operation

Organizational form	Company with an Audit and Supervisory Committee
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<Directors>

Maximum number of directors stipulated in the Articles of Incorporation	20
Term of office of directors stipulated in the Articles of Incorporation	1 year
Chairperson of the Board	CEO
Number of directors	9
Appointment of outside directors	Appointed
Number of outside directors	5

Number of independent directors among outside directors	5
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Outside directors' relationship with the Nidec (1)

Name	Attribute	Relationship with Nidec										
		a	b	c	d	e	f	g	h	i	j	k
Teiichi Sato	Other											
Osamu Shimizu	Scholar											
Takeshi Nakane	Other											
Aya Yamada	Scholar									○		
Takako Sakai	Scholar											

Categories for “Relationships with Nidec”

“○” when the director presently falls or has recently fallen under the category

“△” when the director fell under the category in the past

“●” when a close relative of the director presently falls or has recently fallen under the category

“▲” when a close relative of the director fell under the category in the past

- a. Executive of Nidec or its subsidiaries
- b. Non-executive director or executive of a parent company of Nidec
- c. Executive of a fellow subsidiary company of Nidec
- d. Party whose major client or supplier is Nidec or an executive thereof
- e. Major client or supplier of Nidec or an executive thereof
- f. Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from Nidec besides compensation as a director/Audit & Supervisory Board member
- g. Major shareholder of Nidec (or an executive of said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of Nidec (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between Nidec and which outside directors/Audit & Supervisory Board members are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from Nidec (the director himself/herself only)
- k. Others

Outside directors' relationships with Nidec (2)

Teiichi Sato

Designation as an independent director: Applicable

Supplementary information on corresponding items: Mr. Teiichi Sato is deemed as independent director based on the Tokyo Stock Exchange regulations.

Reasons for appointment:

Mr. Sato has held prominent posts at the Ministry of Education, Culture, Sports, Science and Technology of Japan, the Japan Society for the Promotion of Science and other organizations. He will provide Nidec with advice on its overall business matters with his high level of expertise which will further enhance the company's corporate governance function.

Mr. Sato is deemed to be adequately independent since he meets 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 Mr. Sato and the ordinary shareholders and designated him as an independent director.

Osamu Shimizu

Designation as an independent director: Applicable

Supplementary information on corresponding items: Mr. Osamu Shimizu is deemed as independent director based on the Tokyo Stock Exchange regulations.

Reasons for appointment:

Mr. Shimizu has held prominent posts at the Ministry of Finance of Japan and other organizations. Nidec will strengthen its corporate governance functions through his advice on its overall business matters based on his high-level expertise.

Mr. Shimizu is deemed to be adequately independent since he meets the requirements for independent directors in accordance with the regulations of the Tokyo Stock Exchange. Nidec judged that there were no potential conflicts of interest between Mr. Shimizu and the ordinary shareholders and designated him as an independent director.

Takeshi Nakane

Designation as an Audit and Supervisory Committee Member and an independent director: Applicable

Supplementary information on corresponding items: Mr. Takeshi Nakane is deemed as independent director based on the Tokyo Stock Exchange regulations.

Reasons for appointment:

Mr. Nakane has held prominent posts at the Ministry of Foreign Affairs of Japan and other organizations. Nidec will strengthen its decision-making and the audit and supervisory functions of the Board of Directors through his advice on its overall business matters based on his abundant experience and expertise from an independent position.

Mr. Nakane is deemed to be adequately independent since he meets the requirements for independent directors in accordance with the regulations of the Tokyo Stock Exchange. Nidec judged that there were no potential conflicts of interest between Mr. Nakane and the ordinary shareholders and designated him as a member of the Board of Directors who is an Audit and Supervisory Committee Member.

Aya Yamada

Designation as an Audit and Supervisory Committee Member and an independent director: Applicable

Supplementary information on corresponding items: Ms. Aya Yamada is deemed as independent director based on the Tokyo Stock Exchange regulations.

Reasons for appointment:

Ms. Yamada currently works as a professor of Graduate School of Law, Kyoto University. Nidec believes it can strengthen its decision-making and the audit and supervisory functions of the Board of Directors through her advice based on high-level expertise as a university professor from an independent position.

To promote education and research, Nidec donates money to an endowed course “Advance Electrical Equipment to Realize a Friendly Global Environment,” held by Kyoto University Graduate School of Engineering. The amounts of the donation, *i.e.*, 1.3 million yen in fiscal 2016 (compared to the total amount of the donation to the university during the same fiscal year, 4,756 million yen), 49 million yen in fiscal 2017 (compared to 4,848 million yen), 45 million yen in fiscal 2018 (compared to 5,163 million yen), and 39 million yen in fiscal 2019, is insignificant compared to the total amount of donation

to the university. In addition, given that Ms. Yamada's department is not the one to which Nidec made its donations, and that Ms. Yamada is not in a position to represent the university, Nidec believes that there is no direct interest between Nidec and Ms. Yamada, and therefore that there is no problem with her independency.

Takako Sakai

Designation as an Audit and Supervisory Committee Member and an independent director: Applicable

Supplementary information on corresponding items: Ms. Takako Sakai is deemed as independent director based on the Tokyo Stock Exchange regulations.

Reasons for appointment:

Ms. Sakai currently works as a professor of Graduate School of Economics, Osaka Prefecture University. Nidec believes it can strengthen its decision-making and the audit and supervisory functions of the Board of Directors through her advice based on high-level expertise as a university professor from an independent position.

Ms. Sakai is deemed to be adequately independent since she meets the requirements for independent directors in accordance with the regulations of the Tokyo Stock Exchange. Nidec judged that there were no potential conflicts of interest between Ms. Sakai and the ordinary shareholders and designated him as a member of the Board of Directors who is an Audit and Supervisory Committee Member.

<Audit and Supervisory Committee>

	Total committee members	Full-time members	Internal directors	Outside directors	Chairperson
Audit and Supervisory Committee	5	2	2	3	Internal director
Directors and/or staff to support the Audit and Supervisory Committee	Appointed				

Matters related to the independence of such directors and/or employees from executive directors

Nidec regards the Corporate Administration & Internal Audit Department as a group of employees to assist the duties of the Audit and Supervisory Committee. The Corporate Administration & Internal Audit Department audits matters that the Audit and Supervisory Committee request to be audited, and reports the audit results to the Audit and Supervisory Committee. During such an audit, to secure the Corporate Administration & Internal Audit Department's independency from executive directors, support is provided for performing the audit if ordered or requested by the Audit and Supervisory Committee. The executive directors pose no improper restrictions on such reports.

Cooperation between the Audit and Supervisory Committee, accounting auditor, and the internal audit department

(1) Cooperation between the Audit and Supervisory Committee and accounting auditors

In addition to quarterly meetings between the Audit and Supervisory Committee and the accounting auditors, two to three meetings are held annually when necessary. In these meetings, the Audit and Supervisory Committee members and accounting auditors exchange opinions on audit results, audit systems, audit plans and audit implementation status.

(2) Cooperation between the Audit and Supervisory Committee and the internal audit department

The Corporate Administration & Internal Audit Department, Nidec's internal audit department, regularly submits a report to the Audit and Supervisory Committee in a meeting, where the Audit and Supervisory Committee is informed of the results of the Nidec Group's internal audits. In addition, the Audit and Supervisory Committee, as necessary, exchanges opinions, shares information, and holds onsite audits with the Corporate Administration & Internal Audit Department.

Voluntary establishment of committee(s) corresponding to a nominating committee or remuneration committee	Not established
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<Independent directors >

Number of independent directors	5
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Other matters related to independent directors

None

<Incentives>

Incentive policies for directors	Adoption of performance-linked and share-based incentive plan
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Supplementary information

Supplementary information is included in “Disclosure of policy on determining remuneration amounts and calculation methods” which is indicated below.

Recipients of stock options	
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Supplementary information

None

<Director remuneration>

Disclosure of directors' remuneration	No disclosure on directors' remuneration individually
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Supplementary information

Nidec abolished its retirement benefits system for directors on December 31, 2004. The remuneration amounts Nidec paid for the directors in fiscal year ended March 31, 2020 are shown below. The securities reports and business reports that contain information regarding remuneration amounts are posted on Nidec's website.

(<https://www.nidec.com/en/ir/library/reports>)

Directors (excluding outside directors)

Number of recipients: 6

Total remuneration: 253 million yen

(fixed compensation: 231 million yen, performance-linked share-based remuneration: 22 million yen)

Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)

Number of recipients: 2

Total remuneration: 36 million yen

Outside officers

Number of recipients: 6

Total remuneration: 32 million yen

The above-mentioned amounts include an outside member of the Audit and Supervisory Board who retired during the fiscal year ended March 31, 2020.

Policy on determining remuneration amounts and calculation methods	Established
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Disclosure of policy on determining remuneration amounts and calculation methods

Remuneration for directors are determined linked with Nidec's performance. The total amounts of remuneration for the members of the Board of Directors who are not Audit and Supervisory Committee Members and the members of the Board of Directors who are Audit and Supervisory Committee Members are set within maximum limit of ¥1,000 million (including ¥100 million for outside directors) and ¥100 million per year, respectively, both of which were determined at the 47th shareholders' meeting held on June 17, 2020. In addition, Nidec adopted a performance-linked and share-based incentive plan which determines the remunerations for its board members, executive officers and employees who have the equivalent positions based on Nidec's short- and mid- term performance. This plan does not apply to outside directors.

<Support system for outside directors >

The General Affairs Department that acts as the secretariat for the Board of Directors supports the outside 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 the directors with the financial information and information materials related to the proposals for the meetings and

accounting information a day before the meetings are held. In addition, assistance is provided by the Corporate Administration & Internal Audit Department, Nidec's internal audit department, to outside 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 bills 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. In addition, as necessary, various information is reported and provided by full-time Audit and Supervisory Committee Members and executive officers to outside directors who are Audit and Supervisory Committee Members.

Outside members of the Board of Directors and the Audit and Supervisory Committee have informal meetings where they are provided various kinds of information by the executive officers. They also visit the field sites of subsidiaries.

2. Matters regarding functions of business execution, auditing, oversight, nomination, and remuneration decisions: overview of current corporate governance system

Nidec transitioned to a “company with an Audit and Supervisory Committee” through a resolution at the 47th Annual General Meeting of Shareholders held on June 17, 2020. Nidec's Board of Directors consists of nine directors including four internal directors and five outside directors. Two outside directors are female. The Audit and Supervisory Committee consists of five members including two internal members and three outside members. Two outside members are female.

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 directors (non-executive directors), who are dedicated to monitoring managerial decisions from an objective perspective and further improving management transparency for all stakeholders.

The Audit and Supervisory Committee audits directors' execution of business and receives reports from accounting auditors.

The Management Meeting and the Managing Directors' Meeting compose the Group's business execution mechanism and discuss specific operational issues. The 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. The Managing Directors' Meeting, the consultative body to the Chairman and Chief Executive Officer, is held and convened by President and Chief Operating Officer on a weekly basis to discuss operational directions, plans, and other important considerations in the execution of business.

With a view to improving management efficiency, the Group has adopted an executive officer system and a site-oriented business management system. The executive officer system delegates part of the Board responsibilities to executive officers, thereby allowing the Board of Directors to focus on more proactive, in-depth discussions on the Group's strategic directions and enables executive officers to accelerate the execution of business. In the meantime, the site-oriented business management system makes clear the locus of respective managerial responsibilities and contributes to the maintenance and improvement of a viable internal control system.

To clarify the management responsibility, the terms of office of both members of the Board of Directors who are not Audit and Supervisory Committee Members and executive officers are set to one year. With regard to the remunerations for directors, Nidec abolished the directors' retirement benefits systems in December 2004 to make the remuneration more strongly linked to the company's performance. Nidec adopted in the fiscal year ended March 31, 2018 a performance-linked and share-based incentive plan for directors (excluding members of the Board of Directors who are Audit and Supervisory Committee Members and outside directors), executive officers and employees who have the equivalent positions. This plan aims to enhance the directors' motivation for achieving the company's performance goals, and contributing to sustainable expansion of the corporate value through their possession of the company's shares.

The members of the Board of Directors have highly independent outside members who have no particular relationships with Nidec, which enhances the function of supervising the company's business management, and improves the transparency and the objectivity of the management. Such outside directors make material management decisions and oversee Nidec's business operations as a whole based on their extensive experience and

deep insight from an objective and neutral perspective. Nidec elects outside directors by reference to the rules for Independent Executives defined by the Tokyo Stock Exchange. They are highly independent members who have no personal, capital, trading or other conflicts of interest with Nidec in the past and the present, and possess no conflict of interest with ordinary shareholders. In light of their independent status, Nidec appoints all outside directors as independent directors. These members strengthen the audit and supervisory functions of Nidec to improve its management’s transparency and objectivity.

Nidec strives to strengthen the auditing and supervising functions to the management through the coordination between the Board of Directors composed of four internal directors who have a thorough knowledge on the company’s business and five outside directors, the Audit and Supervisory Committee whose composition ratio of outside member is over 50%, and the Corporate Administration & Internal Audit Department, the company’s internal auditing department.

3. Reasons for adoption of current corporate governance system

Please refer to the above-mentioned “overview of current corporate governance system.”

III. Implementation of measures for shareholders and other stakeholders

1. Measures to vitalize the General Meeting of Shareholders and enable smooth exercise of voting rights

	Supplementary information
Early notification of Regular General Meeting of Shareholders	In 2020, Nidec dispatched the Notice for the 47 th Regular General Meeting of Shareholders held on June 17, 2020, on May 29, eighteen days before the meeting was held.
Scheduling shareholders’ meetings avoiding the peak day	Nidec scheduled the Regular General Meeting of Shareholders on off-peak days when meetings of many other companies are not concentrated. In the past three

	years, Nidec held shareholder meetings on June 17, 2020, June 18, 2019 and June 20, 2018.
Electronic exercise of voting rights	A system for executing voting rights through the electromagnetic methods and cellular phone have been in place since 2004 and 2005, respectively.
Participation in electronic voting platform	Nidec participated in Electronic Voting Platform operated by ICJ, Inc. for institutional investors.
Providing convocation notice in English	Nidec prepares an English translation of the full text of its notice for Regular General Meeting of Shareholders, and posts it on its website along with the notice in Japanese.
Other	<p>At the Regular General Meeting of Shareholders, Nidec explains the previous year's operation results by using business report to help shareholders better understand the company.</p> <p>The Chairman of the Board and CEO, and the President and COO answer all the questions raised by the participating shareholders, and the Q&A session continues until no questions are left. In addition, Nidec opens the shareholders' meeting to the media to enhance transparency.</p> <p>The voting results with the number of votes at the shareholders' meeting are posted on Nidec's website.</p>

2. IR Activities

	Supplementary information	Explanation by CEO
Preparation and publication of disclosure policy	<p>Nidec publishes its disclosure policy on its following IR website in both Japanese and English.</p> <p>Japanese: https://www.nidec.com/jp/ir/management/disclosure</p> <p>English: https://www.nidec.com/en/ir/management/disclosure/</p>	
Regular briefings for retail investors	<p>Nidec held 49 briefing sessions for retail investors in fiscal year ended March 31, 2020. At one briefing session out of the 49 briefing sessions, Chairman of the Board and CEO explained the company's business and answered questions raised by the investors. For the investors who wish to join the briefing sessions, the company posts notice on its website.</p>	Yes
Regular briefings for analysts and institutional investors	<p>On the days when quarterly earnings results are announced, Nidec holds earnings results briefings for analysts, institutional investors, and the media in Tokyo. The Chairman and CEO, the President and COO, and First Senior Vice President and Chief Performance Officer (CPO) deliver an overview of the earnings results and explains the company's business strategies. Nidec also holds explanatory meetings on its technologies, and tours in its facilities for analysts, institutional investors and the media.</p>	Yes

Regular briefings for overseas investors	On the days when quarterly earnings results are announced, Nidec conducts conference calls for institutional investors overseas. First Senior Vice President and Chief Performance Officer (CPO) delivers an overview of the earnings results and answers investors' questions. Also, the Chairman of the Board and CEO or the President and COO visits institutional investors in the US and Europe each once a year and explains the company's business and strategies. Nidec has IR offices in New York and the Netherlands, and the resident officers often visit investors and conduct briefings locally.	Yes
Posting of IR materials on website	<p>The following IR materials are posted on the company's website. Items (a) through (g) are available in both Japanese and English.</p> <ul style="list-style-type: none"> (a) Consolidated financial statements (b) Earnings results briefing presentation materials (c) Recorded audio of the results briefing including Q&A session (d) Convocation notice for shareholders meeting and notice of resolutions (e) Important news releases including timely disclosures (f) Securities report (g) Corporate governance report (h) Presentation materials used for briefing sessions for retail investors 	

	(i) Half-year reports for retail investors	
Establishment of department in charge of IR	Department in charge of IR activities is IR & CSR Promotion Department. The executive officer in charge of IR activities is Mr. Akira Sato, First Senior Vice President and Chief Performance Officer (CPO). The head of IR is Mr. Masahiro Nagayasu, General Manager of IR & CSR Promotion Department. IR team is composed of 10 employees including resident officers in New York and the Netherlands.	
Other	As part of the strategy to increase the number of retail investors, Nidec constantly holds explanatory meetings for securities companies' sales representatives. The company held 52 meetings in fiscal year ended March 31, 2020.	

3. Measures to ensure due respect for stakeholders

	Supplementary information
Stipulation of internal rules for respecting the position of stakeholders	The company clarifies its basic stance for serving its stakeholders including society and its employees in Nidec's mission statement. Also, the company stipulates the stance for the relationships with stakeholders in the company's Corporate Governance Policy as follows: Sustainable enhancement of corporate value builds upon harmonious relations with stakeholders. Our definition of stakeholders extends broadly and includes not only our shareholders, customers, suppliers, individual employees, but even the communities and the environment that can be directly or indirectly affected by the Group's objectives and actions. As a business seeking growth through fulfillment of social responsibility and sustainable

	<p>corporate value development for our stakeholders, we will continue to increase our focus on products and activities that are green and socially desirable. This concept constitutes a common thread running through our entire business activities, most notably reflected in our engagement in the brushless DC motor technology, which provides excellence in energy efficiency, operating life and noiselessness for IT and audiovisual devices, automobiles, home appliances and industrial machinery. Nidec Group contributes to the progress of society and reduction of load on the earth's environment by developing and supplying products that are environmentally friendly and required by society, and through a range of business activities related to the above. We believe that all this helps ensure sustainable growth in our company value.</p>
<p>Implementation of environmental activities, CSR activities etc.</p>	<p>Nidec established CSR Charter, and organized CSR Committee under the direct supervision of the Board of Directors. Nidec conducts CSR activities with the IR & CSR Promotion Department which is the secretariat office for the CSR Committee, and is exclusively engaged in CSR activities. Details of the CSR activities can be viewed in its CSR Report, published every year since 2004, or CSR Information on Nidec's website. https://www.nidec.com/en/sustainability/</p>
<p>Development of policies on information provision to stakeholders</p>	<p>Nidec established Disclosure Policy and publishes it on its website. In the policy, the company stipulates that it engages in fair disclosure for the stakeholders and discloses critical information that is not subject to either fair disclosure or timely disclosure requirements but potentially affect investment decisions. Also, Nidec clarifies its policy in the CSR Charter as follows: "We strive to achieve fair and transparent disclosure of information through dialogue with stakeholders, including shareholders, customers, business partners, and employees, to earn and retain the trust of society."</p>

IV. Matters related to the internal control system

1. Basic views on the internal control system and the progress of system development

Nidec has in place the following system to secure proper business operations in accordance with Company Act and bylaws for execution thereof.

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

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

(i) Nidec has established "Nidec Group Compliance Regulations" to put in place the basic notions, the organization and operational methods for compliance throughout the Nidec Group, and established a compliance system and promote total awareness of this system by properly executing business operations based on laws and regulations, and by continuously checking and improving the process of executing such business operations.

(ii) Nidec has a Compliance Committee under its Board of Directors, establishes basic compliance policies, and monitors its group companies' compliance status.

(iii) Nidec establishes specific compliance-related action guidelines, i.e., "the Nidec Group Compliance Code of Conduct," and ensures that all Nidec group companies' officers and employees understand and act on them.

(iv) As part of its compliance promotion activity, Nidec holds compliance seminars for individual Nidec companies, formulates and uses Nidec Compliance Handbook to help raise their officers' and employees' awareness on compliance.

(v) To spread compliance throughout Nidec group companies, Nidec has in place a group-wide internal reporting system, "Nidec Global Compliance Hotline," to encourage its

group companies' employees to make reports and point out problems regarding violations of laws and regulations, and internal rules, and to protect whistleblowers of such problems.

(vi) To promote the aforementioned activity, Nidec's Compliance Office works with Nidec Group's regional compliance officers in the Americas, China, Europe and Southeast Asia to secure compliance in individual Nidec companies, forming a global compliance system.

(vii) To address compliance violations, Nidec tries to prevent their recurrence by performing investigations and resolving issues based on reports, notifications, etc., made to its Compliance Office or internal point of contact for such notifications. Nidec deliberates compliance violations in a meeting of an internal disciplinary committee and the Board of Directors to decide on penalties among the compliance violation matters that need to be penalized.

(viii) To exercise its corporate governance Nidec Group-wide, Nidec has its head office departments provide the entire Nidec group with internal control system-related instructions and support, and manage and audit Nidec group companies to ensure legal, proper, and efficient business operations.

(ix) The internal audit departments of Nidec and its subsidiaries conduct internal audits on individual Nidec group companies to provide them with instruction, support, and advice for better business operations.

2. System for the storage and management of information regarding the execution of duties by directors

Nidec organizes and stores documents regarding the execution of duties by the members of its Board of Directors and executive officers for a certain number of years based on "Document Regulations," and the members of the company's Audit and Supervisory Committee may view those documents at any time.

3. Regulations and systems related to risk management of Nidec and its subsidiaries

(i) Nidec established "Risk Management Regulations" to have in place a Nidec Group-wide risk management system, as well as a Risk Management Committee and Risk

Management Office. Risk Management Committee, supervised by the company's Board of Directors, decides its risk management policies each fiscal year, while the company's individual department's general managers and Nidec companies work under the committee to make and implement the annual plan in order to encourage thorough risk management, response, and reporting. Risk Management Office supports such actions and collects information on those actions' statuses, while Corporate Administration & Internal Audit Department audits Nidec group companies on the design of their risk management systems.

(ii) In addition to "Risk Management Regulations," which are intended to manage daily risks, the company adopts Nidec Group-wide "Crisis Management Regulations" to prepare for a situation in which a risk is actualized and must be handled.

(iii) The company formulates basic policy, management systems and operation method regarding Nidec group-wide information security to manage Nidec Group's information security risk. Nidec established the Information Security Basic Regulations to secure Nidec group's information assets which are important management assets for business activity as well as to assure proper use of the information assets.

(iv) The company has established the Information Security Committee under the supervision of the Board of Directors, and formulated basic policy regarding information security. The company monitors and supervises the implementation and process of information security measures.

(v) Information Security Management Office supports the execution of the related measures and responds to accidents and issues related to information security. The Corporate Administration & Internal Audit Department conducts information security auditing, supervises and supports the implementation of the related measures.

4. System to ensure an efficient execution of duties by Nidec's and its subsidiaries' Board of Directors

(i) As the basis of the "system to ensure an efficient execution of duties by Nidec's and its subsidiaries' Board of Directors," Nidec adopts an executive officer system to empower its executive officers with authorities to execute business operations. Nidec's Board of Directors makes decisions on material matters concerning the company's business

policies, management strategies, etc., appoints and dismisses executive officers, and supervises the execution of business operations.

(ii) Nidec group establishes a mid-term business plan to realize its long-term vision that was set as a specific numerical and qualitative target, uses it as the basis of its annual business plans. When making the mid-term business plan, the company identifies, deliberates and makes decisions based on analysis of the feasibility of accomplishing the mid-term goals, the compatibility with the long-term vision, and the issues and risks that must be overcome to successfully achieve the plan. Nidec regularly reviews and rolls the plan based on changes in the market and the status of progress against the plan.

(iii) Nidec and its group companies have in place “Approval Request (Ringi) Regulations,” which covers matters that require approval requests and approval request procedures, to define clearly the authorities to make judgments and decision on business operations and to improve business management efficiency and transparency.

(iv) Nidec and its group companies hold a risk management meeting daily to promptly report and share material information, and the minutes of the meeting is sent to each department general manager every day for daily business operations, while, as necessary such important issues are discussed widely and shared among participants in the Executive Management Meeting with Senior Vice Presidents and Above (Jomu-kai) and the Executive Management Meeting (Keiei-kaigi).

5. Matters concerning reports to Nidec regarding the execution of duties by Nidec’s subsidiaries’ directors

(i) The members of the Board of Directors and executive officers of Nidec serve as members of the Board of Directors and executive officers of Nidec group companies concurrently, attend their Executive Management Meetings (Keiei-kaigi), hold a Nidec Group-wide CEO Conference quarterly, and take other actions to efficiently share policies and information, and communicate instructions and requests within Nidec Group.

(ii) The administrative departments responsible for individual Nidec group companies’ business operations work to improve collaboration with those companies, and request them to submit reports, documents, etc. as necessary to understand their management status accurately.

6. Matters related to employees who support the members of the Audit and Supervisory Committee and such employees' independence from the directors who are not Audit and Supervisory Committee Members, and ensuring the effectiveness of instructions to such employees.

(i) In accordance with the Audit and Supervisory Committee's requests, the Corporate Administration & Internal Audit Department audits matters that the members of Audit and Supervisory Committee request to be audited, and reports the audit's results to the Audit and Supervisory Committee.

(ii) During such an audit, support is provided for performing the audit if ordered or requested by the members of the Audit and Supervisory Committee. Members of the Board of Directors who are not Audit and Supervisory Committee Members or executive officers of the company pose no improper restrictions on such reports.

7. System for a member of the Board of Directors, an employee of Nidec Group and a member of the Audit & Supervisory Board of the Nidec subsidiaries, or someone who has received a report from any of these people, to report to the company's Audit and Supervisory Committee, and to protect whistleblowers.

(i) The members of the Board of Directors, executive officers and employees of Nidec promptly report to the Audit and Supervisory Committee, in addition to statutory matters, matters that materially affect the entire Nidec Group, the progress of internal audit, the status of whistle blowing based on the internal whistle blowing system, and subjects reported by whistle blowing. The method for reporting is based on the decision made following discussion between members of the the Board of Directors who are not Audit and Supervisory Committee Members and executive officers, and the Audit and Supervisory Committee.

(ii) Nidec's Corporate Administration & Internal Audit Department holds a meeting to report matters to Nidec's members of the Audit and Supervisory Committee on a regular basis and reports the internal audit results at Nidec group companies.

(iii) Nidec's Compliance Office reports the status of whistle blowing by Nidec Group's officers and employees to the members of Nidec's Audit and Supervisory Committee on

a regular basis.

(iv) Nidec Group protects whistleblowers so that they will not be affected negatively after whistle blowing based on the Nidec Group-wide internal whistle blowing system, Nidec Global Compliance Hotline.

8. Matters concerning the policy for handling advanced payments of the cost incurred due to the execution of duties by the members of Nidec's Audit and Supervisory Committee, or for handling procedures for reimbursement, and for handling the cost or liability incurred due to the execution of any other duties by the members of the company's Audit and Supervisory Committee.

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

9. Other systems to ensure an effective audit by the members of the Audit and Supervisory Committee

(i) The members of the Audit and Supervisory Committee exchange their opinions with the Company's executives.

(ii) The members of the Audit and Supervisory Committee prepare each month's activities in an audit report and submit it to the company's Board of Directors.

(iii) The members of the Audit and Supervisory Committee visit individual Nidec group companies' field site to conduct audits on operations.

2. Basic views on excluding organized crime and the progress of system development

Nidec clearly states in its CSR Charter that the company engages in sincere business activities and stipulates in its CSR Regulations its policy of having absolutely no

association with organized crime and other criminal elements that pose a threat to public order and safety. Also, the company established a procedure manual for dealing with organized crimes. With these materials, Nidec has a firm system to exclude organized crimes in a resolute manner. Specifically, the company has been executing the measures below for excluding organized crimes:

- (1) Nidec puts in the General Affair Department a person in charge that is responsible for dealing with inappropriate requests from organized crimes and other criminal elements.
- (2) Nidec participates in Kyoto's corporate defense measure council and collects information regarding organized crimes in close cooperation with the other participants. Also, the company receives instructions from the external expert organizations such as police department and the Kyoto Center for the Elimination of Boryokudan.
- (3) The person in charge in the company participates in citizen's meetings for eliminating Boryokudan and Kyoto's corporate defense measure council where the person in charge receives trainings. He/she then informs Nidec's employees of necessary information in a timely manner and alert the employees.

V. Other

1. Adoption of anti-takeover measures

Adoption of anti-takeover measures	Not adopted
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Supplementary information

Nidec has not adopted any anti-takeover measures.

2. Other matters concerning the corporate governance systems

1. Basic policy for timely disclosure

Nidec's Disclosure Policy stipulates its basic policy for timely disclosures as follows:

In order to provide shareholders and investors with a common ground for corporate value assessment, and thereby enhance managerial accountability and transparency, Nidec seeks to ensure timely and fair disclosure of relevant corporate information. All employees and board members of Nidec (and its subsidiaries) are committed to strict compliance with Disclosure Policy.

2. Internal system for information disclosure

Nidec stipulates specific disclosure methods and procedure in its disclosure procedure management regulations and internal regulations for preventing insider trading for all Nidec group companies based on the above-mentioned basic policy in order to conduct fair and appropriate disclosure in a timely manner. Nidec's information disclosure system based on these regulations is as follows:

- (1) When there is an important decision that is believed to be the type of information that should be disclosed timely, or when there is a fact of the same type, the president and the department leaders of the business base who have obtained the information immediately report it to the information management officer (the officer in charge of supervising Nidec's Public Relations & Advertising Department).
- (2) The information disclosure committee headed by Nidec's Vice Chairman deliberates whether or not the information needs to be disclosed timely, when to disclose the information, how to disclose it, and the information management officer makes the final decision.
- (3) The information management secretariat (Nidec's Public Relations & Advertising Department) discloses the information based on a comprehensive information management to secure fair disclosure of information and prevent insider trading. Subsidiary-related information that should be disclosed timely is disclosed by the subsidiary's department in charge based on instructions by Nidec's Public Relations & Advertising Department.

