



CSR Report 2015



NIDEC CORPORATION

Taking on Challenges

Looking Ahead 100 Years to Evolve into a Truly Indispensable Business



Dear valued stakeholders.

In FY2014, the Nidec Group's consolidated annual net sales exceeded ¥1 trillion for the first time in its history. What started out as a tiny, barn-like backyard factory in 1973 has come a long way to become the world's leading provider of motor-drive solutions with unmatched technical breadth, depth, and scale. Looking back now on the path that has led us here today, I must say that words cannot adequately express the depth of my appreciation and gratitude to all the people who have provided us with valuable input and support to make it all possible.

Addressing global challenges through socially responsible products and services

We still have a long way to go. Reaching our ambitious, long-sought-after revenue target was certainly a major milestone for us. However, in the big picture of what is expected of an internationally operating company, it is just a stepping stone along the path toward greater global challenges ahead. Environmental problems are growing ever more complex and larger in scale. Climate change and global warming have already been felt across the globe, making the reduction of CO₂ emissions as pressing as never before. Moreover, people in countries prone to persistent power shortage are in desperate need of a stable electric supply and solutions that enable better electricity management. Meanwhile, if we turn our eyes to more familiar yet immediate social issues, we are seeing road fatalities rising at an alarming pace as the number of cars on the road increases worldwide, particularly in developing countries. By bringing together the best of our technology and expertise, we believe that there are many ways we can help tackle these global challenges.

People-technology interface is the key

In today's highly interconnected global economy, problems often go beyond the scope of any one region or country; so too do our opportunities to solve them. This in turn points to the need for many capable leaders to manage a diverse workforce, who can unite operations in far-flung regions into a coherent business by handling complex interplay between multiple areas of operations. The Nidec Global Business School slated to open in FY2016 is designed to give shape to this thought by developing training programs for our future business leaders in the making.

At the same time, we are stepping up our focus on developing new technologies and fine-tuning them to match the changing social and environmental demands. This is only made possible through an effective combination of basic technologies that will unlock new levels of flexibility and adaptability to unknown future needs. Our Research and Development Center in Japan, working in tandem with its overseas branches in Singapore and Taiwan, is poised to open up new horizons in forward-looking research and technology development activities.

Optimizing costs is just as important. Without a competitive cost structure, any product or service, no matter how much social and environmental values it demonstrates, may fall short of making a business sustainable in the true sense of the word. In the world of manufacturing, the quality of production technology is the key factor determining cost competitiveness. We are taking a tangible step forward in this direction with a plan to establish a production engineering center in Japan by the end of FY2015, whose aim is to explore innovative and cost-effective production techniques that ensure the best fit with the evolving manufacturing landscape.

As history indicates, companies that survive and thrive are the ones that truly understand and meet social demands of the times. Taking this opportunity, we would like to express our renewed commitment to socially responsible business growth continuing over the next 100 years and beyond.

June 2015

Chairman of the Board,
President & Chief Executive Officer

Resident A Chief Executive Officer

**Resident A Chief Executi

Shigenobu Nagamori

Corporate Aim and Three Basic Management Creeds

Since its foundation in 1973, Nidec, with its focus on the world and contributing to society, has been using its Corporate Aim as the basis of its business management. In addition, we introduced Three Basic Management Creeds to the entire Nidec Group in 2008 with the aim of becoming the world's leading company.

Corporate Aim

The aim of Nidec Corporation is to contribute to the development of our society and welfare of the general public all over the world by supplying them with the highest quality products with our sincere and enthusiastic dedication to the trinity of technology, skillfulness and modern science, and thus to promote the prosperity of our society, our company, and all our employees.

Three Basic

Management Creeds

Action Principles

The "Three Challenges" have been held up as action principles for all employees together with the Intelligent Hard Working "Corporate Aim" since the establishment of Nidec Corporation. The Do it now, Do it without fail, path to a leading global company starts with the "Three Challenges.

- Three Challenges

Passion, Enthusiasm and Tenacity

Do it until it's completed

Corporate Slogan

On April 1, 2007, the Nidec Group established the corporate slogan "All for dreams" and the corresponding corporate statement. The Nidec Group pledges to all stakeholders that we will contribute to the building of a comforting society friendly to all its inhabitants.

Visler -

We begin with dreams Dreams drive our motivation Dreams are our future.

The world's dreams, people's dreams, our dreams. Our passion creates ideas that make our dreams alive Technology and products that were only dreams become reality.

All for dreams

Dreams challenge and the Nidec-Group will continue to meet the challenge.

For the world's and people's tomorrows, The world's first, the world's best technologies and products, We will continue our part in creating a better society.

The Nidec logo is a registered trademark or a trademark of Nidec Corporation in Japan, the United States and/or certain other countries. All for dreams logo is a trademark of Nidec Corporation in Japan and a trademark in the United States and/or certain other

Nidec's Corporate Social Responsibility

Nidec's CSR activities include business activities to faithfully produce products and create technologies that contribute to society, and activities as a member of local communities for the future of those communities. With products that spin and move, it is Nidec's aim to support our society for an affluent and prosperous future.



From Our CSR Officer

We seek to achieve our full potential as a responsible business—in terms of both sustainable growth and stable employment—by providing socially and environmentally innovative solutions to the many challenges facing the world. With global sales having exceeded ¥1 trillion for the first time in FY2014, we have renewed our determination to embrace new dimensions of social responsibility required of a business truly worthy of being called "indispensable" over the next 100 years and beyond.

Our commitment is threefold:

Responsible Products

As an internationally operating manufacturer, we have a fundamental responsibility to address global issues by incorporating environmental and social attributes into our products and services. We are committed to making a difference in three realms of global challenges: reducing the world's CO₂ emissions, solving the power shortage across the world, and working toward zero traffic accidents.

Responsible Operation

We are committed to conducting business operations based on integrity and respect for a harmonious balance between our business interests and our obligation to society and the environment. To ensure strict compliance with international rules and corporate governance guidelines, we will continue to make a concerted, good faith effort to enhance our internal controls and compliance assessments. In parallel to these initiatives, we will remain focused on the improvement of our management quality, for which we recently set a course by dividing our global operations into five regional management domains: Japan, China, Asia, the Americas, and Europe (extended to include the Middle East and Africa).

Responsible Citizenship

We are committed to being a good corporate citizen and a valued member of society through consistent initiatives outside our fundamental business functions, including educational support for local communities (environmental workshops at elementary schools using electric motors as a learning tool) and biodiversity conservation (forest improvement and planting).

Nidec Group has been accelerating its global business expansion both organically and through acquisitions, and today it operates in 33 countries with a highly diverse workforce. How our core values will be developed going forward depends increasingly on the breadth and depth of our employees' understanding of their individual roles, their involvement in the change process, and a viable framework firmly in place to support them. From a fresh perspective, we have set about addressing ESG (environmental, social, and governance issues) with particular emphasis on the

implementation of CSR education and creation of an environment that gives rise to groundbreaking innovations.

Nidec Group understands that CSR requires a long-term commitment. We would like to thank all our stakeholders for your interest, support, faith and encouragement and look forward to reporting our ongoing progress in this important area.

CSR cooperation with affiliated compan



First Senior Vice President Masuo Yoshimatsu

Mid-Term CSR Vision

	Mid-Term CS	R	Vision	Fiscal Year	2010	2011	2012	2013	2014	2015	2016	
	Change of business structure	Þ	Reform of structure	operationa l	Business s	ite system	Business unit	system (encomp	passing busines	s sites)		
	Social requirements	Þ	Expansion manageme		50% of bu	siness scope	70% of busine	ess scope	80	% of business s	cope	
	Biodiversity	Þ	Conservati critical eco		Policy esta	blishment	Continuous co	onservation activ	rities (tree planti	ng, etc.)		
	Environmental		Suctainal	Sustainable use of water resources	Reduction	of waste water	per product unit					
	burden							Reuse of was	te water			
Roadmap for Expansion of CSR Management System												
	000.11				Enhanceme	ent of CSR mana	gement at wholly	-owned subsidia				

1 Expansion of CSR Management Scope

The concept of CSR shows its true value only if it is practiced across the entire company. In recent years, the business scope of Nidec has been growing rapidly on a global scale due to M&A activities and other factors. Consequently, the number of business sites that need to be managed based on CSR has also increased. Our goal is to raise awareness of CSR at all companies of the Nidec Group and expand the CSR management scope.

2 Conservation of Critical Ecosystems

To enable the continued utilization of biological resources, it is necessary to manage our business in a way that maintains species diversity while making efforts to conserve principal species. Nidec has been continuously promoting conservation activities, such as mangrove reforestation in tropical areas, and will do so on an even greater scale in the future.

3 Sustainable Use of Water Resources

Water is the most valuable resource and it is indispensable for human life and industry. However, discounting seawater, icebergs, and glaciers, the quantity of usable water amounts to just 1% of the world's total water resources. As a manufacturing company that uses large quantities of water for washing of components and other processes, we are strengthening our efforts to conserve water resources through reducing water intake and use and introducing various recycling methods.

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Nidec's Growth

Since its foundation in 1973, Nidec has been providing the world with indispensable same time, we have achieved dramatic growth, both through autonomous growth as well as application products and services in IT, office automation, home

1988

Listed on stock exchanges

Founded by four people, challenge of becoming No. 1 begins

Nidec starts in this prefabricated hut, with dreams of becoming the world's top company.

Sales Operating Income



2001

Listed on the New York Stock Exchange

both name and reality.

2003

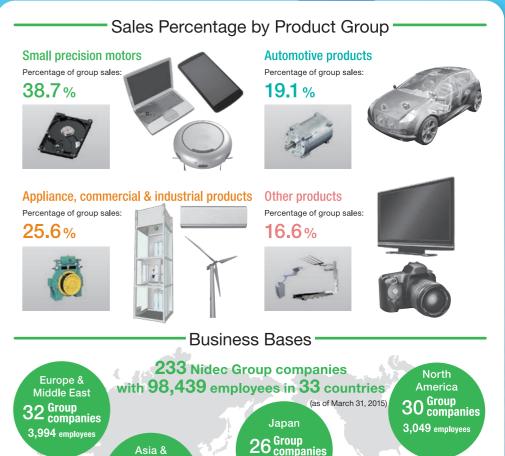


30th anniversary of founding, new headquarters building Central Technical Laboratory is established to bring together engineers.

Nidec becomes world's No. 1 general motor manufacturer.

Nidec takes its first step as a globally active growth company in

FY2014



Oceania 129 Group 77.382 empl

8,097 employees Central and

South America 16 Group 5,917 employ

1973 1979

1973

1980

1984

Axial fan business moves into full swing

15 years after its founding, Nidec is

listed on the Second Section of the

Osaka Securities Exchange, and on

the Tokyo Stock Exchange.

1990

development

Start of automotive motor

1995

2000

1998

Appliance and commercial motor business shifts into high gear

With the purchase of Shibaura Engineering Works' motor business, Nidec begins full-scale production of Aiming to break into the automobile industry, Nidec starts development of electrically

2010 2014



Entry into photovoltaic and wind power generation

Nidec purchases Ansaldo Sistemi Industriali S.p.A., and enters the energy production field, aiming to produce next-generation energy.

New Mid-Term Strategic Plan, "Vision 2020"

Stronger focus on growth areas

Nidec aims to achieve 2 trillion yen in sales in FY2020 by focusing on expanding two priority businesses: automotive products and appliance, commercial, and industrial products.

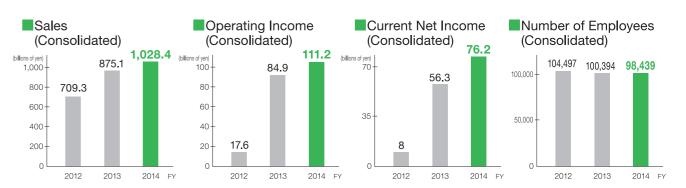


2020

Company Profile

Production begins of spindle motors for hard disk drives (HDDs)

Name	NIDEC CORPORATION	Founded	July 23, 1973	
Brand name	Nidec	Paid-in capital	JPY77,071 million (as of March 31, 2015)	
Representative	Shigenobu Nagamori (Chairman of the Board, President & CEO)	Total shares issued	294,108,416 (as of March 31, 2015)	
Address	338 Tonoshiro-cho, Kuze, Minami-ku, Kyoto-shi 601-8205 Japan	Stock listings	First Section, Tokyo Stock Exchange New York Stock Exchange	



05

Taking on Challenges

Looking Ahead 100 Years to Evolve into a Truly **Indispensable Business**

indispensable company even 100 years from now. by solving social issues and contributing to social development through its business activities. This section features the challenges the Nidec Group faces, as the world's No.1 motor manufacturer, helping to solve the problems confronting the world via its products and technologies.

Challenges

- 1. Reducing the World's CO2 **Emissions**
- 2. Solving Power Shortage Across the World
- 3. Working Toward Zero **Traffic Accidents**





Reducing engine load through electrically assisted power steering (EPS), dual clutch transmission (DCT) and no engine idling



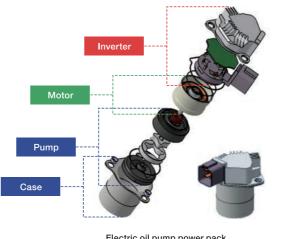
EPS and DCT

Reducing automobile CO₂ emissions involves reducing engine load as much as possible in order to consume less fuel. This requirement is motivating many of the world's automobile manufacturers to adopt EPS. This is because replacing conventional hydraulic power steering systems with EPS can improve fuel efficiency by approximately 5%. Another growing trend, primarily among European automobile manufacturers, is the use of fuel-efficient DCT. The Nidec Group helps improve automobile fuel efficiency and reduce CO₂ emissions by offering motors for such EPS and DCT systems.



No engine idling

Car manufacturers are developing vehicles equipped with features to eliminate engine idling. "No engine idling" means shutting off the engine of a vehicle when it is parked, stopped, or waiting at a stoplight, and this reduces CO₂ emissions significantly. At the same time, some systems must continue to operate even when the engine is shut off, such as the oil pump used to boost the transmission's oil pressure and the water pump used to keep the engine cool. Therefore, eliminating idling requires electric pumps to ensure the needed oil pressure and water flow rate. The Nidec Group provides the electric pumps (EOPs and EWPs) that are crucial for eliminating engine idling.



Nidec Elesys Nidec Corporation Nidec Tosok/Nidec GPM

Strengthening technology through M&A: German company with superior pump technology

Global

CO₂ emissions

in 2012

Approx.

31.7 billion

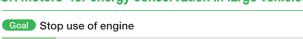
ansportatior

In February 2015, a German automotive pump manufacturer* (current name: Nidec GPM) joined the Nidec Group. Nidec GPM is a water and oil pump supplier for major European automobile manufacturers, and by combining our Group's motor technology with their pump technology, we have further strengthened our electric pump manufacturing technology.

*Geräte- und Pumpenbau GmbH Dr. Eugen Schmidt

joins the Nidec Group

SR motors* for energy conservation in large vehicles



Drive engine

SR motors are used to drive a growing range of construction equipment (excavators, etc.), large vehicles for mining, and agricultural and other large industrial vehicles. The SR motor, with its high energy efficiency, can minimize electricity loss. Construction equipment, agricultural machinery, and similar types of equipment which operate hydraulically, are equipped with engines to boost hydraulic pressure. These vehicles use SR motors for vehicle drive, and the motors operate with electricity generated by the engine, CO₂ emissions can be reduced by not using engines to drive these vehicles.





Working to reduce India's power consumption in collaboration with the Indian Government

Nidec is helping reduce power consumption in India by locally producing power-saving motors. When India's Prime Minister Narendra Modi visited Japan in August 2014, Mr. Shigenobu Nagamori, Nidec Corporation's Chairman of the Board, President & CEO, was the only representative of a private company to have a private meeting, and the two also met in February of the following year when Mr. Nagamori visited India. On both of these occasions, Prime Minister Modi and Mr. Nagamori discussed the importance of the efficient use of electricity, and agreed that improving motor efficiency is crucial. In April 2015, Nidec completed a factory in Neemrana Industrial Area in Rajasthan State to help replace low-efficiency motors currently used in India with Nidec's high-efficiency motors. The current plan is to construct a total of five production bases all across India to expand production in the future.



Mr. Nagamori (left) and Prime Minister Modi of India at their first private meeting

Disseminating high-efficiency motors to reduce power consumption

Due to India's high economic growth rate and rapidly increasing population, demand for motors is quickly rising, particularly in the appliance, commercial and industrial fields. At present, India is mainly using old, power-consuming AC motors, and their performance is

Ceiling Fans Ordinary ceiling fan 70 - 90 W

Approximately 20% of the power consumed by Indian households is attributable to ceiling fans, and thus replacing them with Nidec's high-efficiency fans would dramatically reduce power consumption. For this reason, Nidec has developed a new ceiling fan that operates using a brushless DC motor, Although we are a component manufacturer, we will make the final product ourselves, and mass production will begin in FY2015. Nidec ceiling fans can reduce power consumption to less than 50% of that of conventional ceiling fans used in India, and it is expected that this has the potential to save 3% of India's total power consumption.*

unstable due to fluctuations in the supplied voltage. Nidec aims to disseminate its highly energy-saving brushless DC motors, which maintain performance even when there is a drop in voltage.

Air Conditioner Motors

Inverter air conditioner

air conditione

Currently in India, less than 10% of all households are equipped with household air conditioners, and of those more than 90% are still using power-inefficient non-inverter air conditioners. Inverter air

conditioners equipped with energy-saving motors are believed to reduce power consumption by approximately 30% compared with non-inverter air conditioners. Since air conditioners are expected to be used in more and more households as the standard of living in India rises, it will be essential to minimize the accompanying increase in power consumption. Nidec will produce brushless DC motors-an essential component of inverter air conditioners—in India to help control the country's power consumption increase.



Contributing to India's economic and industrial development through conservation and production of energy.

As India develops economically, its power consumption is expected to increase rapidly. I see this clearly because I live in the country. While further improvement in energy conservation is unlikely in developed countries where a large amount of energy has already been saved, a lot of room for improvement still exists in India. Here, even small-scale improvements will have effects many times larger in the future, and thus we are scrambling to disseminate energy-saving motors.

India's power shortage has adverse effects on agricultural production as well. For example, irrigation pumps can be used efficiently if more power is available, and this will enable more land to be cultivated, and used more effectively. For this reason, we are currently considering whether it is possible to use irrigation pumps—employing Nidec's high-efficiency motors and power-storage technology—which generate their own power.

In our daily work, we always keep in mind our mission of reducing power consumption to aid the further development of India's economy and industry.



Manager of Nidec Group's business operations in India
Managing Director and CEO of Nidec India Private Limited

Katsuhiko Takano

Nidec estimate based on the reduction in annual power consumption assuming all ceiling fans in use in India are replaced by Nidec fans as of FY2021.

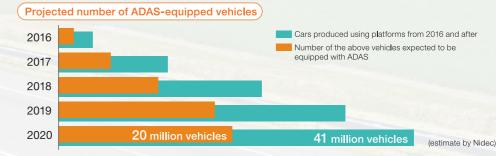
Working Toward Zero Traffic Accidents

Contributing to safety with crash-free vehicles



A growing number of vehicles are now equipped with advanced driver assistance systems (ADAS)

Eliminating fatalities and injuries from traffic accidents is surely the ultimate desire shared by all who live in a car-dependent society. Automobile manufacturers have long been working on occupant protection measures, focusing primarily on injury-mitigation features such as seatbelts and airbags that are intended to absorb the impact of a crash. Now, a dramatic change is about to take place. With the rapid advancement of ADAS, it may become possible not only to mitigate harm caused by a car crash but also to prevent the occurrence of road accidents after all. One well-known ADAS function is automatic emergency braking, which performs braking operation on behalf of the driver. This function was selected in 2014 for an internationally influential new car safety assessment program in the EU and Japan (NCAP*), and is now installed in many commercially-available vehicles. ADAS is becoming a more and more common feature in a wide range of vehicles and an important purchase consideration among consumers.



* NCAP (New Car Assessment Program): A system in which a public institution tests, assesses and publicly discloses results on the safety performance of a commercially-available vehicle.

Improving automobile safety with basic technologies to support advanced driver assistance systems (ADAS)

ADAS functions include automatic emergency braking (which engages the brake on behalf of the driver), lane keeping systems (which keep the vehicle in lane), and adaptive cruise control (which automatically maintain the proper distance from the vehicle ahead). These ADAS functions are supported by four essential technologies, namely sensors, control units (artificial intelligence), motor controllers, and motors. For example, in lane keeping, camera sensors recognize car lanes, the control unit issues instructions to control the steering wheel, and upon receiving these instructions, the motor controller instructs the steering motor to turn the steering wheel. The Nidec Group is helping to advance three of the four essential technologies for ADAS—sensors, motor controllers, and motors.

Typical ADAS functions

Automatic emergency braking

Radar and cameras detect obstacles such as the vehicle ahead and notify the driver with an alarm. The vehicle applies the brake automatically if the driver does not, thereby mitigating the impact of a crash. This function is very effective in preventing crashes.



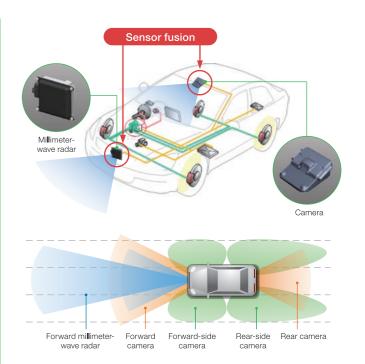
Lane keeping

Cameras capture lane marking to the left and right of the vehicle, and the system controls steering to prevent deviation. The vehicle is kept in the center of the lane.



Development of high-performance "sensor fusion"

The field of sensor technology is essential to ADAS, and in this area Nidec has developed the concept of "sensor fusion"-i.e., combining the merits of both millimeter-wave radar and cameras. Laser radar, millimeter-wave radar, and cameras are the main types of automotive sensors. and each has advantages and disadvantages. Millimeter-wave radar has a long range, and is not affected by the weather or time of day. Cameras, on the other hand, have a short range, but can recognize objects based on their appearance, e.g., identifying an obstacle as a vehicle or a human. Nidec's millimeter-wave radar is the most compact of its kind in the world. It can be installed in many different ways, and has performance high enough to detect an obstacle up to 200-300 m ahead of the vehicle. Nidec's combination camera-sensor fusion maintains high detection performance even under poor weather conditions or at night. With these products and technologies, Nidec will make a major contribution to improving automobile safety.



11



China

I want to think of **Nider** as my home, and cherish it by ensuring its business is operating smoothly.

My Challenge

I interact with my coworkers like family to work hard as a

Wana Xiupina

Nidec Kaiyu Auto Electric (Jiangsu) Co., Ltd.



■ Italy

My dream is to support management in making key decisions by providing relevant information.

I'm trying to make the information collection process more effective across all the countries

Massimo Dassano Nidec ASI S.p.A.



My dream is for my coemployees to enjoy work and holidays with their family.

My Challenge

I'm trying to improve operation efficiency.

Alex Calera

Nidec Philippines Corporation



Japan

My Dream

I want to contribute to the company by being a professional in general affairs and human esources.

My Challenge

've been working hard to create a good environment by putting to work my qualifications as an industrial counselor

Tomoe Fujimagari Nidec Elesys Corporation



Mexico

I would like to foster best-in-class suppliers, with a focus on superior quality, cost, delivery, speed and service, to keep hoisting Nider to be the "world's No. 1" in the global automotive industry.

My Challenge

I am relentlessly seeking to achieve cost and quality improvements with current suppliers and liaising with my colleagues worldwide to identify promising future strategic partners.

Sébastien de Nardi

Nidec Automotive Motor Mexicana S.A. de C.V.

Singapore

My dream is to make Nine products provide a futuristic view of the world.

My Challenge

I'm working hard to solve unsolved problems innovatively.

Emmanuel Daphne

Nidec Research and Development Center, Singapore



Our Dreams and Challenges

Many Hands, One Mind

💌 Vietnam

Making **Nider** Seimitsu motors the best-selling in the world is my dream.

I've been working hard to make high-quality auto machinery for the greater benefit of society.

Võ Văn Phung

Nidec Seimitsu Vietnam Corporation

Germany

My Dream

My dream is to make Niner worldwide well known for its excellent, fuel-saving and environment-

My Challenge

protecting products.

Combine our expert knowledge to the utmost benefit of our customers

Claudia Luther Nidec GPM GmbH



China

I want to design perfect, defect-free, top-class brushless DC motors for home appliance products.

I am working hard to grasp trends in home appliance products, and improve my skills in designing new

Hu Qingtao Nidec (Dongguan) Limited



Indonesia

My dream is to make Niner achieve further growth and success.

My Challenge

I've been working hard for best productivity and lowest rejection rates

Lilis Komalasari

ams

Pt. Higashifuii Indonesia

₩U.K.

I would like to see Nider SR technology becoming a significant player in the growth of the Nider Corporation.

My Challenge

design skills to develop SR technology.

Nidec SR Drives Manufacturing Ltd



conglomerate with around 100,000 employees working in countries and regions throughout the world-sharing the same principles and aims, and working to achieve their dreams.



I'd like to make everyone aware about how we can make major steps forwards for our future environment and health by using Nider low-consumption eco-friendly mortors.

My Challenge

I'm trying to promote the right **Vide** products into the market. Jan van Dijkhuizen Nidec Europe B.V.

South Korea

I want to make Nider the largest and best corporate group in the world.

My Challenge

I'm working to develop new applications and products by sharing the world's finest technological capabilities.

Choi Jae Hyoung SCD Co., Ltd.



Cambodia

Colombia

My dream is to study the International Financial Reporting

through my work.

Standards (IFRS) to work not only in

Colombia but in other countries too.

I'm learning about the IFRS, while brushing up on my English skills

Diana Cano Nidec Motor Columbia SAS

I would like to create new technologies that bring prosperity and affluence to families, communities and society, and contribute to the world.

I'm working to create a good

environment and comfort with cost **Bunlong Ton**

SC Wado Component (Cambodia) Co., Ltd.



Japan

My Challenge

I want to deliver robots-

and useful in daily life—to

homes all over the world.

I constantly watch trends in

new technologies, and try to

strategies and product ideas.

Shiga Technical Center, Nidec Corporation

develop technological

Shinji Takemoto

operating with **Nider** motors

India

My Dream

To sustain learning and rapid advancement of sales at Nidec India and make it the top branch in the whole group is my dream.

My Challenge

I've been working to achieve the highest sales revenue with the least expense and the maximum satisfaction of the customer.

Avin Gureia Nidec India Private Limited



U.S.A

China

Building a united, focused and

energetic production team for Niller is my dream.

I'm trying to combine daily work with interest and influence the

team with my passion. I believe

My Dream

My Challenge

For Nidec Minster to be the number one press manufacturer in the world.

My Challenge

I'm trying to enable procurement of the best materials to ensure a quality product.

Beth Dickman

Nidec Minster Corporation



Nidec's ESG

CSR consists of three main commitments with regards to the relationship between a company and its stakeholders: "E (environment)" shows commitment to the global environment, the foundation for human existence; "S (society)" is the commitment to the various stakeholders who make up society; and "G (corporate governance)" refers to the commitment to a system through which a company is able to meet the demands of its stakeholders.

This chapter explains Nidec's basic principles and actions with regard to its "ESG."



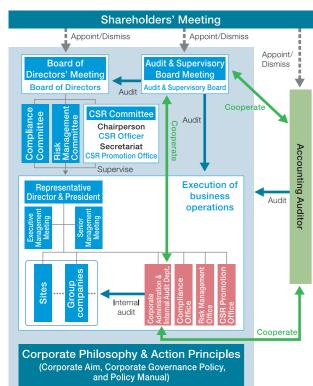
Nidec's ESG

G

Corporate Governance

The Nidec Group aims to further strengthen its business capabilities and management system to achieve sustainable improvement of its corporate value.

In May 2006, we established our Corporate Governance Policy to clarify our stance and help promote shareholder and stakeholder understanding.



For more on corporate governance, visit:

http://www.nidec.com/en-Global/corporate/about/cg/governance/

Business Execution and Supervision

Nidec has an Audit & Supervisory Board in place. The company's Board of Directors makes decisions on important matters concerning business management, and supervises business execution. The Board of Directors has independent members from outside the company to enhance its management supervisory functions, and make Nidec's business activities more transparent and visible from the outside.

Additionally, to clarify management responsibilities, the terms of members of the Board of Directors and vice presidents are for a one year period, and their remuneration is determined based on the company's business performance.

The Audit & Supervisory Board, assuming responsibilities comparable to those of the U.S. Audit Committee, conducts accounting audits and oversees the directors' execution of duties.

Internal Control

Nidec, as a company listed on the Tokyo Stock Exchange, works to meet the requirements of applicable Japanese laws and regulations. As a company listed on the New York Stock Exchange, Nidec also aims to fulfill the requirements of the U.S. Sarbanes-Oxley Act of 2002, in order to improve the company's soundness and transparency. Our Corporate Administration & Internal Audit Department maintains and improves the effectiveness of the Nidec Group's internal controls.

In addition, under the oversight of the Board of Directors, our Compliance Office, Risk Management Office, and CSR Promotion Office provide leadership as the secretariats of the Compliance Committee, Risk Management Committee, and CSR Committee, respectively, and improve the Nidec Group's management capabilities.

Establishing a Five-Region Global Management System

Nidec has strengthened its management system by dividing the world into five regions: Japan, China, Asia, the Americas, and Europe (including the Middle East and Africa).

We have already established regional management companies in China, the Americas, and Europe, and are planning to establish one in Asia.

We are building regional systems for each of Nidec's CSR management activities—management auditing, compliance management, risk management, and CSR management—including maintaining ties with each region's management company.



Management Auditing

Nidec performs internal auditing of each Group company, and provides guidance and support on how to establish an internal control system.

In order to implement three key actions—improving audit quality at the global level, introducing and firmly establishing a lean, quick PDCA cycle, and horizontally deploying improvements throughout the world—Nidec has established a five-region management system (with regional headquarters in Japan; Shanghai, China; Singapore; Milan, Italy; and St. Louis, US) since 2013. We are working closely with local communities to discover problems early, report issues promptly, and firmly establish improvement measures.

CSR Management

Nidec is committed to improving the range and quality of its management in areas such as human rights, labor, ethics, health and safety, and social contribution. In FY2014, Nidec established regional liaison organizations in the Americas and other regions. This was done to achieve one of the targets of Nidec's Mid-Term CSR Vision (which will be brought to a conclusion on March 31, 2016), namely, "expanding CSR management scope to 80% or more of our fields of business."

Also, in order to raise the level of management to international standards, the entire Nidec Group is introducing a management system incorporating third-party audits based on the EICC (Electronic Industry Code of Conduct).*

Management Areas under the CSR Management System



*EICC (Electronic Industry Code of Conduct): A code of conduct established by the electronic industry for business activities throughout the entire supply chain

Compliance Management

Nidec has a compliance hotline that all Nidec employees can use to report compliance issues. This system aims to identify compliance issues that arise at Nidec's companies and offices worldwide.

To address large-scale issues such as cartels and compliance with the FCPA (US Foreign Corrupt Practices Act), the Compliance Office of Nidec's Head Office works together with each company/office in the five-region management system, holding compliance seminars in each region to train employees.



Compliance seminar in Japan

Risk Management

Nidec has risk management officers in its Group companies and other business offices around the world, and operates a risk management system that takes into account each region's characteristics. One of our major risk management activities is the establishment of BCPs (Business Continuity Plans) to ensure we can fulfill our responsibility of supplying products to customers.

Starting with companies and offices in China and Asia in 2014, Nidec has been holding BCP simulation drills throughout the world.





BCP training in China

BCP training in the Philippines

Nidec's ESG

Environment

Nidec regards its customers, supply chain partners, local communities, employees, shareholders, and the environment itself as important stakeholders. Nidec makes it a management priority to meet all stakeholder expectations through communications with respective parties.



Environmental Relations

Nidec's CSR philosophy on environmental relations

To enhance its Environmental Philosophy, Nidec adopted an Environmental Policy and Biodiversity

Guidelines, and we contribute to minimizing our environmental burden and conserving biological diversity by providing highly environmentally friendly products and conducting eco-friendly business management.



We realize that the perpetual protection of the global nvironmental environment is an important issue common to all mankind, and aim to minimize environmental burden through environmentally friendly business activities to carry out our social responsibilities.



Environmental action in FY2014 Start of full-scale photovoltaic generation in Pinghu, China



Wang Yu Manufacturing Department I Nidec (Zhejiang) Corporation

Nidec Group companies in the city of Pinghu, China are working to introduce photovoltaic power generation. Generation has already been started at Nidec (Zhejiang) Corporation and Nidec Shibaura (Zhejiang) Co., Ltd., and three more companies are planning to introduce photovoltaic generation within this year.

Full-scale photovoltaic generation at Nidec (Zhejiang) Corporation started in February 2015. The roofs of our phase-1 plant, machining, and welfare buildings are covered with solar panels, occupying an area of about 12,000 m². Monthly power generation is 165,000 kWh, or approximately 10% of the power needed

We will continue to work and grow together with other Group companies while contributing to our local communities.

Environmental Management Promotion System -

Promotion of ISO 14001

Our environmental management system draws on the methods and procedures of ISO 14001, an internationally accepted standard. Many of our core operations have been certified ISO 14001 compliant. We have also set up an Environmental Management (EM) Committee to decide the overall direction of our environmental conservation activities and implement further improvements. The EM Committee consists of the CSR Officer, who acts as committee chairman, and the persons responsible for environmental management at each site, as EM Committee members. Its task is to relay and implement environment-related information at all business sites, such as substances subject to environmental restrictions, legal and regulatory trends and developments, etc., shared by the EM Committee members.

ISO 14001 Auditing

At each business site, an internal and external audit is

conducted at least once per year. The results of the audits indicate our great challenge: To understand the burden that our business puts on the environment more precisely and minimize this burden as much as possible by adapting the environmental management system to the rapid changes of the business environment that come with the extension of our business area.

Response to Environmental Emergencies and Compliance with Related Laws and Regulations

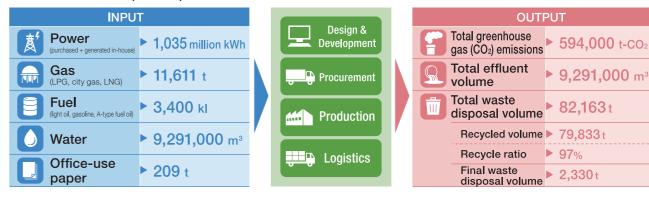
Throughout FY2014, no environmental accident requiring an emergency response occurred at any of our domestic or overseas business sites. There was a case where a fuel oil leak occurred at one business site in Japan, but this was reported to the administrative authorities in charge, and properly handled. An investigation confirmed that there was no leakage outside the site. There were no violations of laws and regulations at overseas business sites.

Environmental Performance

Overall Picture of Environmental Burden

A major part of greenhouse gas emissions generated by our business activities is derived from electricity and fuel consumption; therefore, the key element in reducing our greenhouse gas emissions is to improve energy use efficiency at production sites.

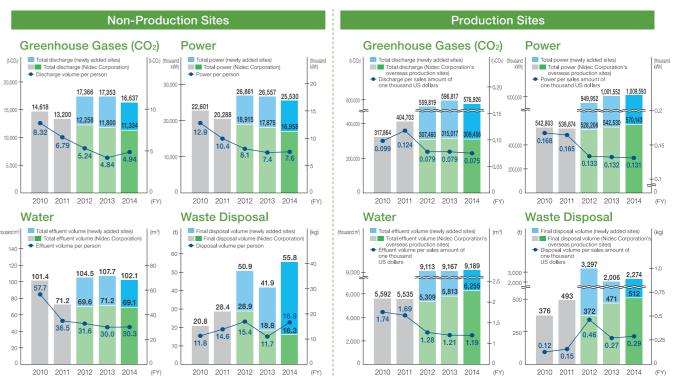
Material Balance (FY2014)



Fourth Mid-Term Environmental Conservation Plan and Results

Nidec has established three-year mid-term environmental conservation plans since FY2004, and has achieved a certain degree of success. Since FY2013, we have been working based on the fourth mid-term environmental conservation plan. For the four areas for reducing environmental impact (out of the total of seven areas covered by the plan), business sites are categorized into non-production and production sites, and the goal is to reduce the three year average by 3%, on an intensity basis, from the base year FY2012 levels. The number of companies covered by the fourth mid-term environmental conservation plan has increased significantly. This is because Nidec Group subsidiaries (headquartered in Japan) which were incorporated into the Group via M&A were added to the plan together with Group companies covered in the past three mid-term environmental conservation plans.

For more about the fourth mid-term environmental conservation plan, visit: 🖵 http://www.nidec.com/en-Grobal/sustainability/environment/management/kpi/



Change in Number of Sites

	FY2010	FY2011	FY2012	FY2013	FY2014
Non-production sites	4	4	12	14	14
Production sites	13	13	61	65	63

To make base year comparisons, the fourth mid-term environmental conservation plan covers Nidec Group companies that were part of the Group as of the base year FY2012.

Nidec's ESG

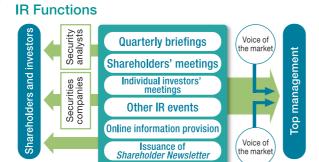


Shareholder Relations

Nidec's CSR philosophy on shareholder relations

Nidec wishes to achieve long-term high-level growth, profit, and stock prices to maximize the company's

shareholder value. Specifically, our company's top executives promote face-to-face communications with investors through IR consultations and presentations, fulfill their accountability responsibilities based on fair, timely, and proper information disclosure, and enhance the company's management transparency.





Teruaki Urago Public Relations, Advertising & IR Department Nidec Corporation

We have been engaged in an effort to communicate with individual shareholders since FY2008 as a key part of our IR activities. Though there were few opportunities for interaction in FY2008, now in FY2014, we traveled throughout Japan to meet investors returning to holding Japanese stocks for reasons such as the introduction of NISA. There is a growing interest in individual stocks, and last year I keenly felt the passion of individual investors. Nidec's shareholders nearly doubled between the end of FY2008, when there were approximately 28,000 shareholders, and the end of FY2014, when there were approximately 55,000. We will continue our dialogue to further extend the group of shareholders who support us.

Customer Relations

Nidec's **CSR** philosophy on customer relations

Nidec has established QCDSSS as the basis of its business activities, and all of its R&D, production, and sales departments work united to

improve customer satisfaction and build a relationship of trust. Our customers are located all over the world. To respond to their needs and demands quickly, we have launched a "made-in-the-market" strategy. based on which we develop, produce, and sell products in close proximity to our customers, by establishing business sites in various regions around the globe.

QCDSSS Requirements



Customer relations in FY2014 Work hours management through customer collaboration



Liu Xuefang General Affairs Department Nidec (Shaoguan) Limited

Nidec (Shaoguan) Limited, one of Nidec's subsidiaries manufacturing brushless DC motors in China, worked in tandem with Intel Corporation to create and keep effective work schedules. Based on the results of on-site audits using internationally recognized standards (the Electronic Industry Code of Conduct), the task team identified three primary drivers for overtime—a shortage of workers, seasonal employee turnover, and fluctuation of customer demand. To address these issues, we set strict working hours policies, improved production plan accuracy, increased factory automation, and communicated the importance of these policies and changes to employees and managers. The joint initiative produced extremely encouraging results, rewarding the Shaoguan factory with enhanced productivity, increased worker satisfaction, and improved retention rates.

Nidec's **CSR** philosophy on partner relations

Basic Procurement Policy:

Nidec aims to constantly grow and leap forward based on good quality, cost,

delivery, speed, and service. Nidec treats all companies in the world on a level playing field, and purchases materials and components based on fair evaluations.

CSR-Based Procurement:

Nidec has launched actions to share its CSR stance with supply chain partners.



Supply chain partner relations in FY2014 Promotion of CSR



Kamon Traiboon Corporate HR Department Nidec Electronics (Thailand) Co., Ltd.

Since FY 2013, Nidec Electronics (Thailand) Co., Ltd. has been conducting on-site CSR audits at its supply chain partners' factories based on the EICC (Electronic Industry Code of Conduct). These audits covered 37 partners in FY2013, and 31 partners in FY2014.

We have a system in place so we can share our CSR philosophy with our supply chain partners at any time. We also obtain CSR-related information and requests from our customers, and share them with our supply chain partners.

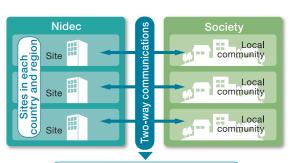
We believe that the five articles in the Nidec Group's CSR Charter improve our customers' satisfaction with our products and services, and help our supply chain partners to succeed. Going forward, we plan to continue deepening our ties with our partners, and promoting CSR procurement.

Local Community Relations

Nidec's CSR philosophy on local community relations

We respect the culture and customs of each country and region in which we operate, and our business activities are

launched based on our CSR Charter, which includes "maintain good relations with society." Each of our sites has an office to enable two-way communications with the local community, and engages in social contribution activities to address current and future issues.



Activities rooted in the local region

Local community relations in FY2014 Participating in a charity event in Ho Chi Minh City, Vietnam



Diem Thuy rces & Genera**l** Affairs Nidec Copal (Vietnam) Co., Ltd.

In February 2015, Nidec Copal (Vietnam) Co., Ltd participated in a charity event with a local NPO,* at a temple in a suburb of Ho Chi Minh City. There, we provided food and clothes to orphans living at the temple and senior citizens living alone nearby. They were also given support to have medical checkups.

Thanks to the large donation from the company and the employees, we enjoyed a meal with the children and the senior citizens after the checkups, in order to encourage them to be more positive in life.

Charity actions are not only for charity organizations but for anyone, any company. We will continue our contributions so that we can share happiness with people of the local community.



*NPO: Non-profit organization. Generally a private group that conducts civic activities to benefit the public rather than make a profit.

Support self-development

On-the-iob training



Employee Relations

Nidec's CSR philosophy on employee relations

In the course of developing a pool of challenge-seeking, globally competent human resources, and based on its

three challenges, i.e. "Passion, Enthusiasm and Tenacity," "Intelligent Hard Working," and "Do it now, Do it without fail, Do it until it's completed," Nidec is cultivating a diversity-rich work environment that brings out the best in every individual

Respect diversity Nurture a corporate culture that respects diversity Create comfortable workplace Promote diversity Train employees Employees are our Off-the-iob training (group-oriented training)

Employee relations in FY2014 Establishing the "Nidec Way"



Hirofumi lizuka Planning Departmen Production Engineering Center Nidec Corporation

In January 2015, the Nidec Group established the "Nidec Way" as a code of conduct for all Nidec Group employees.

Hire globally

The Nidec Group has grown larger through M&A, and is now operating in more than 30 countries as it starts the second phase of its growth. Against this backdrop, the Nidec Way is needed for Nidec to be a global company that will continue to grow 100 years from now and beyond.

Individual employees are the driving force of any business organization. However, as an organization grows larger, it becomes more difficult for its increasingly diverse employees to move in a single direction. The Nidec Way establishes a sequence of three elements-Core Belief, Mindset, and Action—so that Nidec employees can easily understand the Nidec Way and move in the same direction by following the given sequence.

We first established an in-house cross-organizational project team, and learned the fundamental business philosophies of Mr. Shigenobu Nagamori, the Group's founder. Then we initiated discussions on the Nidec Way, and collected information on companies throughout the world known for their excellence. During this process we realized the universality of the "aspiration and tenacity" philosophy, which is the core driver of our Group's growth, and reconfirmed once again how excellent this philosophy is. We successfully integrated this philosophy into the Nidec Way as part of its "Action" element. Let us frequently share the Nidec Way among ourselves as we move forward, ensuring our Group's continuing "growth over the next 100 years and beyond."

About the CSR Report 2015

Editorial Policy

Nidec CSR Report has been published annually since 2004 to facilitate stakeholder understanding of the company's CSR stance. Nidec, which regards its customers, supply chain partners, local communities, employees, shareholders, and the global environment itself as important stakeholders, places importance on fulfilling its social responsibilities as a global company that engages in motor and other businesses, and on meeting all stakeholder expectations. Considering our CSR Report 2015 as a digest version of the social and environmental information on our website, we try to present in this report the progress of our CSR activities clearly to further deepen communications with our stakeholders and expand the circle of CSR activities.

Scope of Report

Our CSR Report 2015 mainly focuses on the CSR activities of the headquarters, domestic and overseas R&D facilities, and production sites of Nidec Corporation, Nidec Sankyo Corporation, Nidec Techno Motor Corporation, Nidec Copal Electronics Corporation, Nidec Elesys Corporation, Nidec-Shimpo Corporation, Nidec Tosok Corporation, Nidec-Read Corporation Nidec Servo Corporation Nidec Conal Corporation Nidec Seimitsu Corporation, Nidec Global Service Corporation, and Nidec Machinery Corporation.

Reporting Guidelines

- Environmental Reporting Guidelines 2012, Ministry of the Environment of Japan
- Sustainability Reporting Guidelines 2006 (Third Edition)

Reporting Period

With a main focus on the company's activities during FY2014 (April 2014 - March 2015), this report includes activities ongoing from the past as well as information on latest activities.

Publication

June 2015 (Previous edition: June 2014; Next edition: scheduled for June 2016)

Publishing Office and Department

CSR Promotion Office and Public Relations, Advertising & IR Dept., Nidec Corporation

Online Information Disclosure

Find more detailed, timely information about Nidec's CSR and environmental activities on our website.



http://www.nidec.com/en-Global/sustainability/

Nidec Group's CSR Philosophy and Policy

CSR Charter

With a keen awareness of our responsibilities as a part of society, Nidec Group pursues the common good by offering globally welcomed products and technologies. Nidec's ultimate objective as a socially responsible business entity is to ensure sustainable growth that generates stable employment. All Nidec directors and employees are required to perform their duties in a sincere and transparent manner with full respect for the spirit of this charter and the importance of corporate social responsibility (CSR).

1 Work sincerely and honestly

- We acknowledge the importance of compliance with the laws, regulations, and social requirements of the countries in which we operate, and strive to fulfill our responsibilities based on international standards in a spirit of sincerity and honesty.
- 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.
- In order to enhance the safety, quality, and reliability of our products, we strive to engage in fair business transactions based on transparent and free competition in harmonious cooperation with business partners.

2 Coexist harmoniously with the environment

• We recognize that perpetual conservation of the global environment is an issue of common concern for all humanity and we thereby commit ourselves to reduce our environmental burden through environmentally conscious business activities.

3 Respect human rights

We strive to achieve a work environment based on mutual respect for individuality and human rights and free from abusive labor practices, such as forced and child labor,

4 Ensure occupational safety and hygiene

 Based on cooperation between our management and employees, we strive to ensure workplace safety and good health to establish a work environment that brings out the best in each individual.

5 Maintain good relations with society

- We recognize that sustainable corporate growth can only be achieved on a foundation of good relationships and co-prosperity with society.
- We respect the cultures and customs of the countries and regions in which we operate and strive to participate in social contribution activities for the benefit of local communities

Our CSR Charter was established based on the ten principles of the UN Global Compact*1 and the Electronic Industry Code of Conduct (EICC).*2 In addition, as bylaws for the CSR Charter, we have established CSR Regulations, which include human rights- and labor-related provisions such as guaranteeing the freedom to establish labor unions and engage in collective bargaining.

- *1 Ten principles of the UN Global Compact: Basic corporate citizenship principles advocated by then-UN Secretary-General Kofi Annan in 1999. Currently there are ten principles concerning human rights, labor, the environment, and anti-corruption.
- *2 Electronic Industry Code of Conduct (EICC): A code of conduct drawn up by the electronic industry for business activities covering the whole supply chain. The EICC Code of Conduct consists of rules on labor, health and safety, the environment, management systems, and ethics.



We realize that the perpetual protection of the global environment is an important issue common to all mankind, and aim to minimize environmental burden through environmentally friendly business activities to carry out our social responsibilities.

Environmental Policy

We conduct our business activities in accordance with the foregoing Environmental Philosophy to minimize our effects on the environment. Under the slogan "Take the first step in passing on the beauty of the Earth to future generations," we set the following guidelines to promote environment-conscious business operations.

- 1 Place a strong focus on "environmental friendliness," "efficiency improvement," and "waste reduction/recycling" in the design development and production of motors and related components.
- 2 Recognize the environmental aspects of our products and operations and implement appropriate pollution-prevention practices for the maintenance and sustainable improvement of our environmental
- Ensure compliance with applicable environmental regulations and other agreed-upon requirements.
- 4 Set specific environmental objectives and periodically review the effectiveness and adequacy of the environmental management
- 5 Identify all the tasks required to meet the objectives of the environmental management system and provide each task in the form of documented manuals, rules and procedures. The Environmental Policy is communicated to all company personnel and accompanied with appropriate training programs for implementation team members.
- 6 This Environmental Policy must be disclosed to third parties upon

*The above Environmental Policy forms the basis of Nidec's subsidiary-specific (or business unit-specific) environmental policy making.

Biodiversity Guidelines

As residents of Earth, we all derive immeasurable benefits from the bounty of ecosystems with abundant living species. Respecting and living in harmony with diverse life forms is the common issue for the entire human race. Based on our environmental vision and principles, we have the following action guidelines for addressing biodiversity conservation.

- 1 Recognize the importance of biodiversity conservation and build an appropriate implementation framework.
- Consistently assess and reduce our effects on biodiversity.
- Contribute to global ecosystem protection by supplying environment-friendly products.
- 4 Encourage green supply chain initiatives towards biodiversity conservation.
- 5 Enhance communication with stakeholders (e.g. shareholders, customers, suppliers, local community, employees, etc.) regarding our approach towards biodiversity conservation.
- 6 Disclose these Biodiversity Guidelines to third parties upon request.