

Cover photos and pictures

Featured on the front and back covers of this report are lively snapshots of Nidec employees' jolly-looking children and pictures drawn by them, capturing their happy little moments of harmonious contact with nature.

The Nidec Group envisions a sustainable future where a harmonious balance between nature and human activities safeguards the interests of children and generations beyond.

Nidec
All for dreams

CSR Report 2018

Contributing to the world
by making products that
spin and move

NIDEC CORPORATION
338 Kuzetonosiro-cho, Minami-ku,
Kyoto 601-8205, Japan
<https://www.nidec.com/en-Global/>

Please send inquiries to:
Investor Relations &
CSR Promotion Department
Email: csr@nidec.com
Tel: +81-75-935-6550 Fax: +81-75-935-6141



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NIDEC CORPORATION

Staying Competitive as a Socially Desirable Business Even 100 Years from Now



Electric motors power just about every present-day spinning/moving key mechanism to make our lives easier, more convenient and comfortable. In the meantime, however, they could have a significant impact on the global environment due to their large power consumption, which, some estimate, comprises approximately half of all the power generated in the world.

Over the years, Nidec has contributed to reducing global power consumption and CO₂ emissions through the energy efficiency of its motors and related products as the world's leading comprehensive motor manufacturer.

Going forward, we will continue to make a difference by opening up a whole new level of efficiency, enabled through tighter integration of our industry-leading motor-drive expertise with advanced controllability and connectivity. Slowly yet constantly, we are on course to evolve into a "global comprehensive electromechanical device manufacturer" capable of bringing solutions to every global issue a step closer with a century-scale sustainability perspective on social needs.

Our company is currently on the verge of riding a great wave of technological innovation in four areas: "vehicle electrification," "widespread use of robots," "home appliances driven by brushless DC motors" and "manpower-saving in agriculture and logistics." Strong expectations are placed on these areas as promising growing markets that contribute to the resolution of various global issues, including CO₂ emissions, traffic accidents, and population aging. Hopefully, elemental technologies we have cultivated thus far will serve as a gateway to viable solutions to these sustainability challenges posed by ever-changing environmental and social dynamics.

Aiming to become a global excellent company that enjoys continuous growth and development, we will actively support the Sustainable Development Goals (SDGs) set by the United Nations as global goals toward 2030. Sticking to the company's business attitude of "Do what's expected, as expected, from a higher perspective before anyone else until it is completed," we will work to meet the expectations of everyone who supports us.

Shigenobu Nagamori
Founder, Chairman and CEO

Hiroyuki Yoshimoto
President and COO

Mission Statement

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

WE SUPPORT



The Nidec Group Creates the Value Demanded by Society

Since its foundation in 1973, Nidec has been providing the world with indispensable products to improve the quality of people's lives, while developing industries as the world's leading comprehensive motor manufacturer. At the same time, we have achieved dramatic growth, both through organic growth and by expanding our fields of business using active M&A as a driver. Today, Nidec offers a wide variety of motors ranging from micro-size to super-large, as well as application products and services in IT, office automation, home appliances, automobiles, commercial and industrial systems, environment and energy, and many other businesses. In striving to be a world-leading company, Nidec will continue to take up challenges.



<Business sites>

Europe, Middle East & Africa
91 Group companies
12,917 employees

Japan
31 Group companies
9,209 employees

North America
24 Group companies
4,199 employees

Asia & Oceania
146 Group companies
73,215 employees

Central & South America
19 Group companies
8,014 employees

311 Group companies
107,554 employees
as of March 31, 2018

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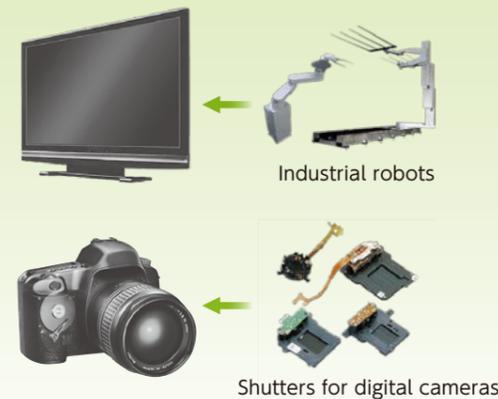
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Nidec Products Spinning and Moving in Our Daily Lives

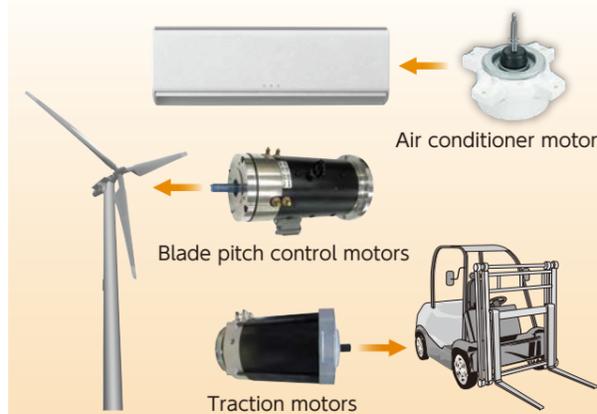


Other products

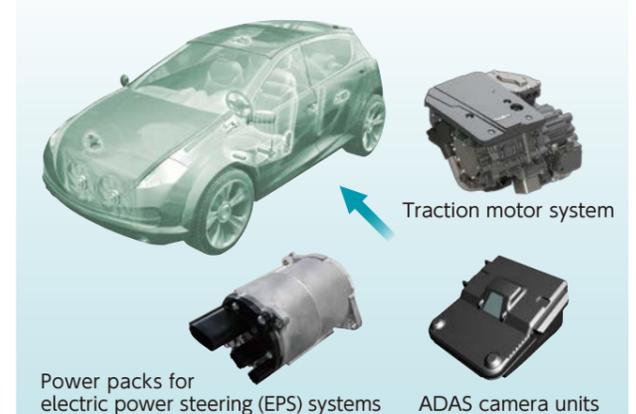
Machinery, equipment, electronic and optical components, etc.



Small precision motors



Appliance, commercial, and industrial products



Automotive products

Contributing to the World by Making Products That Spin and Move



From Our CSR Officer

The Nidec Group aims to achieve its net sales target of two trillion yen in FY 2020 and 10 trillion yen in FY 2030. We recognize again that with the expansion of our business, we should assume greater corporate social responsibility. Globally, the Sustainable Development Goals (SDGs) were adopted by the United Nations in September 2015 with the aim of realizing a sustainable society. In December of the same year, the Paris Agreement, which aims to achieve a significant reduction in greenhouse gas emissions to combat climate change, was also adopted. Thus, the international community has drastically changed its direction toward creating a sustainable society, where our future generations in 100 years' time can live comfortably in a safe environment, free from the harmful effects of our current lives. As a member of the global community, the Nidec Group, which has approximately 100,000 employees across the world and supplies motors for every product, should fulfill its social responsibility. That is exactly why we need to be actively engaged in activities toward achieving the SDGs and in efforts to reduce environmental burdens based on the Paris Agreement. With this in mind, we will conduct business activities through which individual employees can support the future development of society, considering what they can do through their work toward these goals.

Akira Sato
Executive Vice President and CFO

What Shapes Our CSR

Since its foundation in 1973, Nidec has been engaged in business with the following mission statement as the basis of its business management: "Contribute to the development of society and the welfare of the general public around the world by supplying the highest quality products with our sincere and enthusiastic dedication to the trinity of technology, expertise, and modern science," and "Promote the prosperity of our society, our company, and all of our employees."

In 2008, we established three basic management creeds and the CSR Charter. The basic management creed states three principles: "Employment stability based on sustainable business growth," "Available supply of the highest quality, indispensable, and widely desired products for the common good of all," and "Pursuit of the top leader position in each of the company's chosen paths."

We will implement the following three actions according to the spirits of the mission statement and the three basic management creeds: 1) social contribution through business activities, 2) sincere business management, and 3) social contribution through non-business activities.

Through these actions, we hope to contribute to creating a society where people can live comfortably even 100 years from now, and to stay competitive as a socially desirable business even at that time.



Achieving the SDGs

The "Transforming Our World: 2030 Agenda for Sustainable Development" adopted by the United Nations General Assembly in September 2015 sets out 17 goals (Sustainable Development Goals: SDGs) as important guidelines for the international community to eliminate poverty and realize a sustainable society. The Nidec Group supports the United Nations' initiative to create

a sustainable society. We are also part of the United Nations Global Compact, which sets forth 10 principles related to issues including human rights, labor, the environment, and anti-corruption, and have committed ourselves to contributing to realizing the SDGs.



Driving a Decarbonized Society

Facing the threat of climate change, the international community has chosen to achieve a decarbonized society in the Paris Agreement. The Nidec Group helps accelerate the decarbonization of the global energy system by developing module systems that incorporate high-performance motors and related products and providing power management solutions that support the spread of renewable energy.



Source: Intergovernmental Panel on Climate Change (IPCC) 5th Assessment Report

What Changed after the Paris Agreement

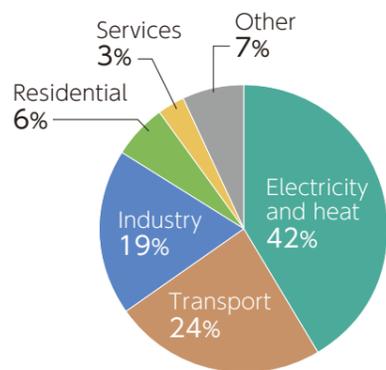
The Paris Agreement was adopted in December 2015 at the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21) and entered into force in November 2016. It aims to limit the rise in global average temperatures to well below 2°C on pre-industrial averages, with efforts to limit warming to 1.5°C. To this end, it is required to achieve net-zero carbon emissions in the second half of this century by balancing human-caused greenhouse gas emissions with greenhouse gases absorbed by plants.

This decarbonizing movement will fundamentally steer the future course of global socioeconomic activities. It will be required to dramatically reduce CO₂ emissions from energy use and expand non-fossil fuel-based energy sources. In the SDGs, Goal 7 for energy and Goal 13 for climate action have been established to promote the decarbonization of the global energy system.

Toward a Society Independent of Fossil Fuels

According to the International Energy Agency (IEA), power generation and heat supply account for the largest portion of global CO₂ emissions (42%), followed by vehicles and other transportation (24%). An improvement in energy use efficiency and a switchover from fossil fuels, which have been the mainstream fuels for power generation, to renewable sources will promote the decarbonization of the global energy system.

CO₂ emissions from fuel combustion in 2015:
32.3 billion tons



Source: "CO₂ Emissions from Fuel Combustion 2017," International Energy Agency (IEA)

Power System That Promotes the Spread of Renewable Energy

The IEA reports that the CO₂ emission rate is the highest when electricity is generated. To achieve the decarbonization of the global energy system, it is essential to switch from thermal power generation to power generation from renewable energy sources, including sunlight, wind power and water power.

However, renewable energy has not yet fully been spread. One of the factors is that it cannot provide stable power generation. For instance, since electric power generation from solar and wind energy fluctuates significantly depending on the climate and weather conditions of the moment, the power generation is often insufficient or excessive according to the circumstances.

Nidec ASI S.p.A., which has developed power system technologies for over 100 years, is comprehensively engaged in generating, storing, transmitting and distributing renewable energy. It provides system solutions to stably supply low-cost power even to distant areas, including isolated islands and remote rural areas.

Serving as a core element of the solutions is microgrid technology, which enables optimal power management by integrating various electric generators, such as solar and wind generators, with storage batteries.

Nidec ASI has an advantage in battery energy storage systems



Battery Energy Storage System (BESS)



Power conversion system essential for BESS

(BESSs), which play an important role in microgrid technology development.

The use of BESSs allows for a reliable supply of power through the temporary storage of surplus power and the release of stored electricity at times of power shortage. We have implemented projects aimed at building large-scale BESSs in the UK and Germany and on the French island of Corsica. The total global energy capacity of these systems exceeded 500 MWh during 2017. An energy capacity of 500 MWh is considered to be able to cover the annual power consumption of approximately 100,000 households.

Improving Energy Efficiency with the Use of High-performance Motors

In terms of the consumption of generated power, approximately 50% of global power consumption is said to be attributed to motors. Accordingly, the Nidec Group also focuses on reducing the power consumption of motors.

For motors for industrial use, we have been supplying IE3-level motors (premium efficiency) since 2014 to support the energy conservation of production facilities, such as carrier machines and air blowers. According to a provisional calculation by the Japan Electrical Manufacturers' Association in 2015, if the majority of industrial motors (IE1) used in Japan are replaced entirely by IE3-level motors, power consumption of as much as approximately 15,000,000 MWh can be reduced annually. Furthermore, we have developed higher-performance IE4- and IE5-level motors.

For motors for consumer use, it is important to improve the energy efficiency of air conditioners and air-conditioning equipment with large power consumption. Our brushless DC motors for inverter air conditioners, one of the Nidec Group's flagship products, can realize optimal control of systems. We supply air conditioner manufacturers with high-efficiency motors modularized with blowing motors and inverter circuits. We also provide brushless DC motors for a wide range of applications, including refrigerators, washing machines, cooking appliances and AV equipment, to improve the energy efficiency of the entire indoor space.

Motors That Support Vehicle Electrification

Transportation accounts for the second largest share, 24% of overall CO₂ emissions, right after power generation. The majority of these CO₂ emissions is attributed to vehicles fueled by gasoline or diesel. Vehicles are currently in the midst of a once-in-a-century technological innovation, in the transition from engine-driven to motor-driven vehicles. With the effectuation of the Paris Agreement, there has been a movement to tighten CO₂ emission regulations and ban the use of gasoline-fueled vehicles in various countries, in which a direction toward vehicle electrification has been established.

The Nidec Group provides high-efficiency motors for all vehicle systems with the basic functions of driving, turning and stopping. These systems include a traction system, which generates the driving force necessary for the motion of the vehicle, an electric power steering (EPS) device, which assists the operation of the steering wheel, and a brake system.

In April 2018, we launched a traction motor system, the "E-Axle," developed for electric vehicles (EVs) and plug-in hybrid vehicles (PHEVs). Featuring excellent performance as a motor system as well as reduced size and weight due to a uniquely developed new cooling system, this traction motor system has contributed to the realization of high-efficiency and fuel-efficient vehicles.



Traction motor system (E-Axle)

Realizing Zero Traffic Accidents

It is a universal desire and goal to eliminate road traffic accidents, which take the lives of many people every year. The technologies and products of the Nidec Group have played an important role in improving driving support functions and enhancing vehicle braking performance. We hope that our technologies and products will contribute to realizing zero traffic accidents in the future.



Reducing Road Traffic Accidents as a Global Goal

According to the Global Status Report on Road Safety 2015 released by the World Health Organization (WHO), the number of global road traffic deaths reached 1.25 million in 2013. Taking this issue seriously, member countries of the United Nations have determined to attain Target 3.6 "By 2020, halve the number of global deaths and injuries from road traffic accidents" in Goal 3 (Ensure healthy lives and promote well-being for all at all ages) of the SDGs.

Approx.
1.25
million people

Global road traffic deaths
(WHO statistics, 2013)

Developing an Advanced Driver Assistance System and Spreading Autonomous Driving

Accelerating R&D toward Sophisticated Driving Support Functions

Every year, there is an increasing number of vehicles equipped with functions that help drivers drive safely, including a lane-keeping support function, an inter-vehicle distance control function, and an automatic emergency brake function.

The further development of the advanced driver assistance system (ADAS) will lead to reduced involvement of drivers in driving, helping the realization of completely autonomous driving. Since traffic accidents are attributable largely to human errors, the realization of autonomous driving is expected to significantly reduce traffic accidents.

Critical technical requirements for an autonomous car include collecting sensory information, determining appropriate navigation paths, detecting road obstacles, and adjusting speed and steering

according to traffic conditions. Ultimately, the design of autonomous cars needs to be considered not only in terms in-car hardware and software systems but also in the context of the future intelligent transportation systems.

The Nidec Group provides motors, motor controllers, and sensors, which play a key function in ADAS. The roles we can play in all this would not be small. We hope to open up the gateway to such new challenges by advancing our technical capabilities in sensing devices and recognition algorithms that enables autonomous cars to safely take over the driver's detection and decision tasks. Making use of every technology, we will accelerate research and development toward the realization of collision-free vehicles.



Supporting the Evolution of Brakes

Brake Systems That Ensure the Safety of Electric Vehicles

With the electrification of vehicles, braking operations, which play a pivotal role in safe driving, are in the process of changing so that they will be controlled by an electronic control unit. A new mechanism allows for the highly accurate perception of a driver's actions and highly precise motor control, thereby being able to shorten the distance traveled from when the driver applies the brakes to when the vehicle stops and improving the security of driving.

The Nidec Group develops and supplies such next-generation brake systems as part of its efforts of focusing on the development of automotive motors. In accordance with technical trends in brake-by-wire systems, which use electrical signals to rapidly control brake force, we also promote the development of motors for electric brake boosters. We will work to enhance the safety standards of future vehicles by providing products with high performance and reliability.



Electronic control unit (ECU) for electric and hybrid vehicles' braking systems





Supporting an Aging Society

New social tools, including personal mobility devices, drones, power assist suits, and communication robots, support an aging society through functions such as “carrying,” “moving,” “assisting,” and “communicating.” The Nidec Group supplies brushless DC motors and related products to provide support so that these tools can function more effectively.

Aging Global Population

The proportion of those aged 65 or over to the total global population (population aging rate) increased from 5.1% in 1950 to 8.3% in 2015. It is expected to rise to 18.1% in 2060. Population aging is also forecast to progress rapidly in emerging and developing countries as well as already aging developed countries.

Addressing such an unprecedented change requires future-oriented efforts through society-wide cooperation, as recommended by Goal 11 (Make cities and human settlements inclusive, safe, resilient and sustainable) of the SDGs.

Source: Annual Report on the Aging Society: 2017, Cabinet Office of Japan

18.1%

Expected rate of global population aging in 2060

8.3%

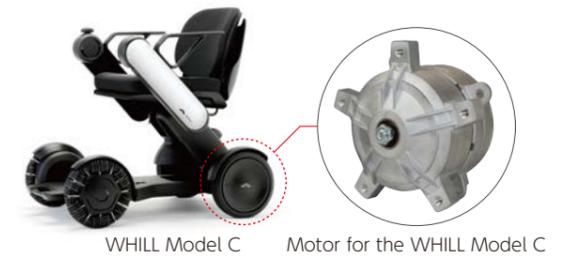
Global population aging rate in 2015

Removing Constraints on Transportation

Personal Mobility and Industrial Drones (for Logistics)

In an aging society, there will be an increasing number of elderly people with various problems in their daily lives. For instance, it is said that there were 7.0 to 8.5 million people in Japan who had difficulty going shopping to buy food and other daily living necessities as of 2010, and the number of such people is expected to increase significantly.*

As a means of transportation for elderly people, high expectations are placed on personal mobility devices. WHILL, Inc., which has proposed electric wheelchairs as new “vehicles” that make our daily lives more comfortable and enjoyable, has launched its new model the “WHILL Model C,” in which a brushless DC motor jointly developed by Nidec and the said company is used. In addition to going to shopping facilities to buy what is needed, it is an effective way to have what people need delivered to their homes. Drones with rapidly growing applications are expected to serve as a means responsible for last-mile logistics operations. The Nidec Group has supplied motors for industrial drones since 2017. Having succeeded in the development of motors for all-weather drones due to the improvement of waterproof, dustproof, and



WHILL Model C Motor for the WHILL Model C



Drone Motor for a drone

heat radiation abilities and motors combined with a control unit and a propeller, we contribute to enhancing the performance of drones.

* Source: “2017 Fact-finding Survey on Measures for People with Limited Access to Shopping Facilities,” Ministry of Internal Affairs and Communications of Japan

VOICE Helping to make the lives of electric wheelchair users more convenient and comfortable through cooperation with WHILL, Inc.

WHILL, Inc. has seen it as problematic that the basic functionality of wheelchairs has not evolved as compared to mobile phones, and has acted with the vision of opening a new market of wheelchairs for those who hesitate to go out due to psychological pressure. Concurring with the company’s problem consciousness and vision, we decided to jointly conduct the development of a motor for a WHILL Model C wheelchair. Since we realized that wheelchairs have a direct impact on the quality of life of wheelchair users, we were determined to seriously work on the development of the motor, with the company’s pride at stake. Making use of motor technologies that we have cultivated through the manufacture of motors for electric bicycles, we worked to develop a higher-performance motor for a WHILL Model C wheelchair. We found the joint development with WHILL, Inc. interesting because we were able to work together as companions with the same goal, irrespective of our relationship of supplier and buyer. We will continue to provide society with motors useful for the lives of people in the future.



Takanobu Hayashi
Small Precision Motor & Solutions Business Unit Sales Division 2 Sales Department 2 Nidec Corporation

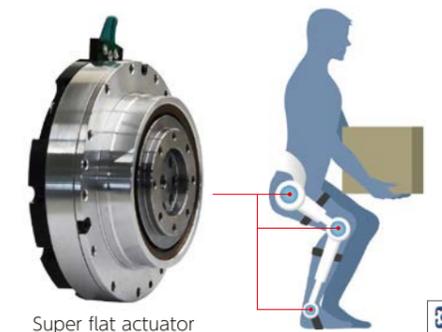
Reducing Human Workload

Power Assist Suits and Industrial Drones (for Agriculture)

In association with the aging of the population, the younger generation, which is smaller than the older generation, will have to support many elderly people. Accordingly, it is required to reduce human workload in a wide range of areas, including nursing care, manufacturing, logistics, and farm work.

Wearable power assist suits, which expand and assist human functions by using electric power, such as an electric actuator (driving gear) and an artificial muscle, have been becoming popular in Japan as an effective tool to address the needs of an aging society. Since 2017, the Nidec Group has been providing power assist suit manufacturers with super flat actuators, in which a motor is combined with a flat, compact reduction gear, the “Flexwave.” Our actuators are used, in particular, in joint areas as thin, lightweight and compact drive units, significantly improving the wearing feel of power assist suits.

Industrial drones are also highly expected to serve as a means of



Super flat actuator

Won the Grand Prize in the Top Manufacturing Parts Awards hosted by the Monodzukuri Nippon Conference and the Nikkan Kogyo Shimibun, Ltd. in 2017

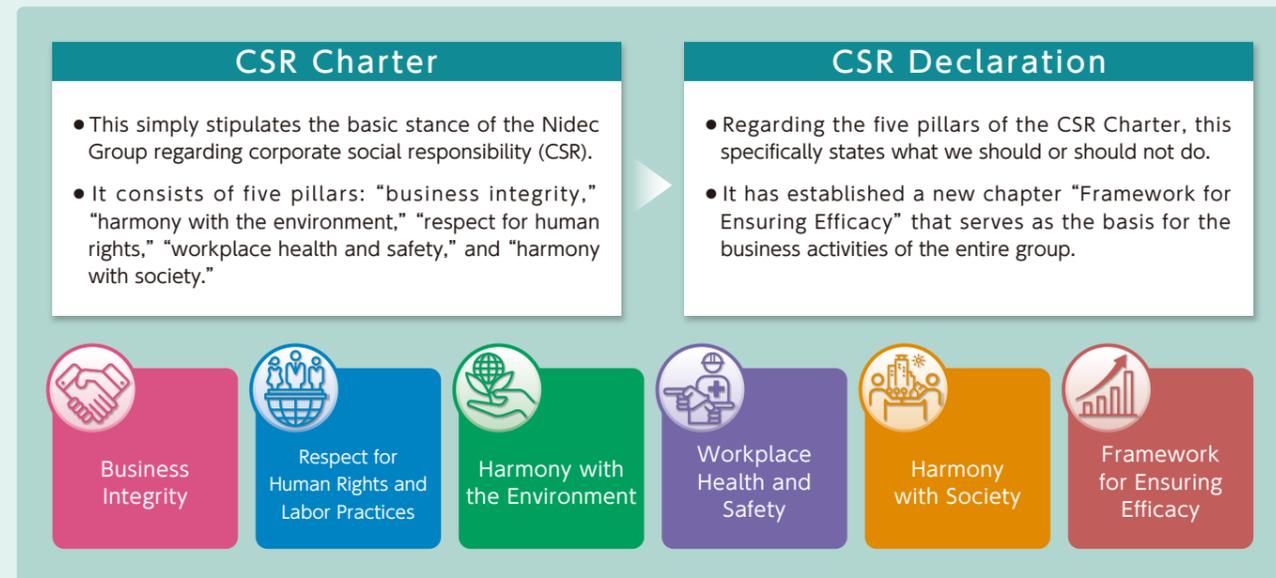


promoting the efficiency of pesticide spraying and growth management. Nidec and Yamaha Motor Co., Ltd. have jointly developed compact, lightweight, and high-power motors used to spin the propeller of a YMR-08 industrial multi-rotor drone, which was launched by the said company in 2018. We will work to further expand the possibilities of drones.

Our Commitment to CSR

In 2008, the Nidec Group established the CSR Charter, which stipulates the company's basic stance regarding its involvement with society, based on the United Nations Global Compact and the Code of Conduct of the Responsible Business Alliance (RBA) (former Electronic Industry Citizenship Coalition: EICC).^{*} In 2018, we formulated the CSR Declaration as more specific guidelines available globally. As a complement to the CSR Charter,

the CSR Declaration comprehensively prescribes appropriate courses of action to be followed in our business operations from the perspective of social responsibility. By weaving a shared value approach into the fabric of our workplace and supply chains, we will breathe life into the Declaration.



^{*} Responsible Business Alliance (RBA) (former Electronic Industry Citizenship Coalition: EICC): The RBA, renamed from the EICC in October 2017, is an organization established with the aim of resolving social, environmental and ethical issues in supply chains. The RBA Code of Conduct established referencing internationally recognized norms and standards focuses on the following aspects: respect for human rights, improvement of the working environment, assurance of safety and health, environmental conservation, establishment of corporate ethics, and improvement of management systems.

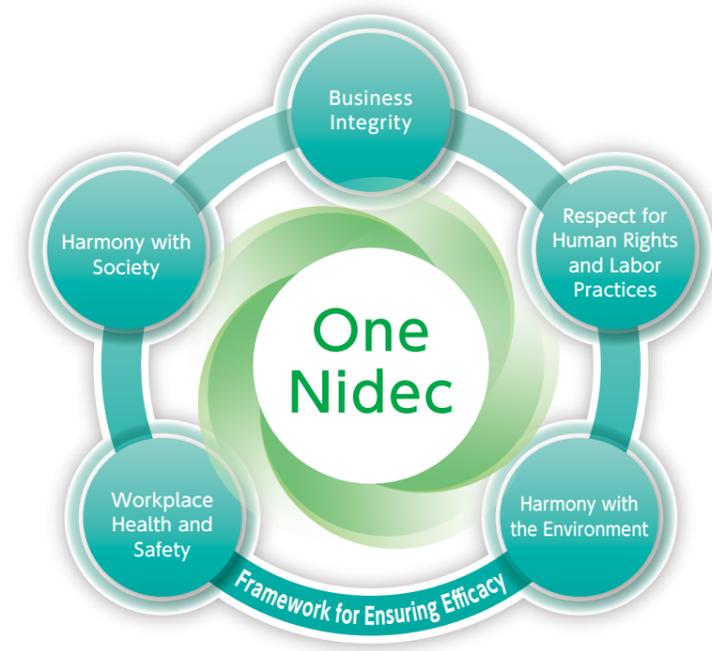
Better Meet Your Expectations — Key motivation for the CSR Declaration —

In today's circumstances where business is conducted globally transcending national borders, an important issue is how global companies deal with social wisdom and practices that vary depending on the country or region. In many developing countries, sufficient education and legal systems regarding human rights, work ethics, health and safety, and environmental conservation have not been established. The traditional "when in Rome" approach can often be misleading in light of the internationally accepted ethical standards. Since our foundation in 1973, we have been operating in various countries to provide mission-critical products to global customers with a global workforce increasing to more than 100,000 people today. Now our products find ways into the fabric of people's lives. The Nidec Group, which seeks to continuously expand its business globally, has found it necessary to redefine our ethical choices made in our daily course of action from an international perspective. The Nidec Group, which seeks to continuously expand its business globally, has found it necessary to review its standards

regarding what to choose in business from an international perspective. The Nidec Group places importance on the following elements: business integrity, respect for human rights and labor practices, harmony with the environment, workplace health and safety, and harmony with society. We believe that valuing and complying strictly with all of these elements will offer reassurance to our stakeholders, and that such reassurance will build their confidence in our company. As a manufacturer engaged in global business, we need to gain and maintain the trust of our customers, supply chains, employees, shareholders, and all people living in any locations we operate. This may sound too obvious to mention, but it takes a conscious effort and a strong commitment by each of us to make it happen. Trust is fragile. It takes many years to build but only seconds to diminish. The loss of trust not only causes financial loss, but also jeopardizes the continuation of our business itself. The CSR Declaration serves as a guideline for following universal rules of global business and respecting individual values.

Toward the Realization of the CSR Declaration

All employees respect each other's value and move in one direction toward a single goal. — This is what we aim at based on the "One Nidec" policy. The realization of the CSR Declaration leads to that of the "One Nidec" policy.





Business Integrity

The Nidec Group is committed to conducting its business operations with integrity, fairness and transparency, and will comply with the applicable legal, regulatory, ethical and social requirements of the countries and regions in which it conducts business.

Objective

The Nidec Group will establish a corporate culture where whenever employees face a situation that forces them to choose between compliance and pursuit of profits, they prioritize compliance without hesitation.

Fully Engaging in Honest, Fair and Transparent Business Activities in Any Situation

Action Publication of the Nidec Compliance Handbook

In April 2018, the Japanese version of the Nidec Compliance Handbook was published. This handbook provides employees with a practical guide to the Nidec Group Compliance Code of Conduct (Seven Compliance Principles). Here, the term "compliance" refers not only to legal compliance, but also to compliance with the requirements of society. The underlying value is simple: Be faithful. This handbook serves as a guide for proper business conduct, covering a wide-ranging compliance issues, from specific examples of non-compliance to whistle-blowing hotlines that enables an early detection of non-compliance and offer advise to employees faced with difficult moral decision.



Japanese version of the Nidec Compliance Handbook distributed to all employees of group companies in Japan



Respect for Human Rights and Labor Practices

It is essential for the Nidec Group to have a solid foundation to ensure that human rights are respected and that all individuals can fulfil their capabilities in the workplace. The Nidec Group addresses the increasing diversity of human rights issues through commitment to existing international guidelines on human rights.

Objective

The Nidec Group will create a work environment in which the human rights of all employees are protected, and that allows them to work without undue worries, free from discrimination due to race, skin color, age, gender, sexual orientation or religion.

Protecting Human Rights and Respecting Diversity

Action Becoming a company that enables all employees to demonstrate their strengths, respects individual diversity and changes work styles as need be

The Nidec Group has revamped its work rules to ensure a work environment free from any form of discrimination, where employees respect each other's personalities. In October 2016, for instance, we expanded the definition of marriage to include one eligible for special leave and allowance as well as de facto marriages and same-sex marriages.

Taking the cue from the voice of employees, in April 2017, Nidec Corporation introduced alternative work styles that allow employees to work from home, choose when to start and end work within agreed limits, and take annual leave by the hour. We believe injecting greater flexibility to workplace will also be conducive to an increase in productivity. In the following year, we also introduced a spouse relocation leave.



Harmony with the Environment

The Nidec Group is working to minimize its adverse effects on the community, the environment and natural resources. We not only comply with new environmental regulations and market demands, but also provide new environmentally conscious products and solutions in a timely manner.

Objective

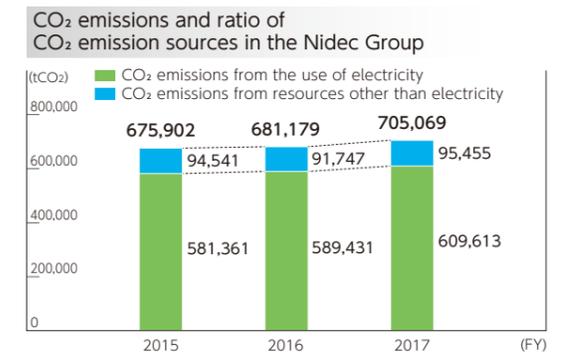
Nidec Group pursues a pathway to decarbonization, given the fact that more than half of global electricity generated today derives from fossil fuels, including petroleum and coal.

Continuously Improving the Efficiency of Energy and Resources

Action From low carbon to zero carbon

In 2015, the Paris Agreement, which aims to reduce greenhouse gas emissions, was adopted. Since approximately 40% of CO₂ emissions, which account for a majority of greenhouse gas emissions, are attributed to power generation from fossil fuels, the Nidec Group provides energy-saving motors with low power consumption worldwide as an effort toward meeting the aim of the Paris Agreement.

In the mean time, electricity makes up approximately 86% of all energy sources we consume in the course of our daily business operation. We are seeking to conduct business independent of fossil fuel-derived power. The big picture is decarbonizing our operation across the board, part of which has already been spearheaded by our major European factories. Now our Asian factories are poised to follow suit.



Workplace Health and Safety

The Nidec Group is committed to ensuring occupational health and safety. We take reasonable care so that our employees are not assigned unsafe work, in compliance with the Industrial Safety and Health Act and our own safety guidelines. We also emphasize ongoing worker input and education, which are essential in identifying and resolving health and safety issues in the workplace.

Objective

The Nidec Group will create a safe and comfortable work environment with no threat to the health of employees.

Safeguarding the Health and Safety of Employees

Action CSR audits based on the RBA standards

In Asia, where more than 70% of our employees are concentrated, we regularly conduct CSR audits based on the RBA standards at our 21 major production plants in Asia in partnership with an independent certification services. Our FY 2017 program covered 12 plants in China, Vietnam and other Asian countries. The audit checklist in the Occupational Health and Safety category cuts across a total of eight areas, including: emergency preparedness, occupational injury and illness, and machine safeguarding.

Improvement areas

- Emergency evacuation signs
- Personal protective equipment
- Regular medical check-ups for employees engaged in physically demanding tasks



Harmony with Society

The Nidec Group realizes that its social responsibility includes embracing and supporting a wide variety of interests in local communities around the world where it conducts business.

Objective The Nidec Group will stimulate sustainability in areas where it conducts business and work to develop the next generation of people through business operations.

Paying Close Attention to Issues in Local Communities to Prosper with Them

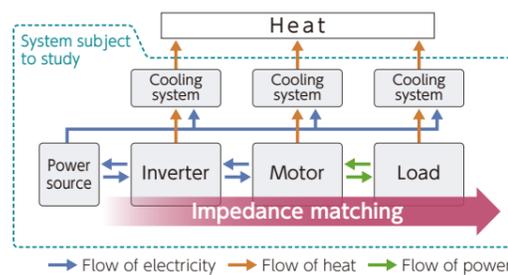
Action Establishing the sponsored course “Advanced Electric Machinery Engineering for Sustaining Global Environment” at Kyoto University

In April 2017, we established a sponsored course at Kyoto University. In this course, we will conduct the research to explore the control theory of high-efficiency motors based on the information of IoT devices for five years, with a desire to convey the attractiveness of research on motors to next generations. Through the course, we will seek to establish a new academic field aimed at improving overall system performance including that of motors and associated components in the future.

Meanwhile, we have held regular information exchange meetings with Kyoto University and have strengthened the mutual relationship between researchers of Nidec and Kyoto University for one year.

We will continue to pursue the collaboration with Kyoto University, and hope to develop innovative theories that contribute to realizing a sustainable society.

How to pursue overall equipment performance in a motor system



- In the case of the driving part of an electric vehicle, pursue the maximum performance of the entire system from the battery (power source) to the tires (load), rather than maximization of the electric efficiency of the motor alone.
- **Impedance matching:** Impedance refers to a quantity representing the resistance to the flow of current in an AC circuit. Impedance matching is to set the output impedance of a signal source equal to the input impedance of the load in order to eliminate power loss as much as possible.



Framework for Ensuring Efficacy

The Nidec Group establishes a management system designed to ensure that the CSR Declaration be put into action. We continuously raise the level of our efforts to implement the Declaration under the management's commitment, employees' participation and cooperation with supply chains.

Objective The Nidec Group will build a system that realizes all of our commitments stated in the CSR Declaration in cooperation with our business partners.

Craft a Viable Framework That Puts the CSR Declaration into Practice

Action Revising the Nidec Group Supply Chain CSR Guidebook to achieve CSR procurement on a group-wide basis

In February 2018, we revised the Nidec Group Supply Chain CSR Guidebook published in 2008. This guidebook summarizes the basic concept of social responsibility that we should fulfill with our business partners, and what should be implemented. We made this revision in accordance with social changes and changes in the RBA Code of Conduct and various other guidelines, and at the same time published the guidebook on our website. We also extended the scope of the guideline to include business partners of Nidec and its group companies.

We continue to aim to achieve sustainable growth, further strengthening the social confidence that we have built up with our business partners, and creating harmony between cultural diversity and international business rules across the whole supply chain.



Employees attend a meeting at Shiga Technical Center



Ms. Nana Takagi of the Nidec Sankyo's Speed Skating Team serving as a one-day police chief
Encouraging safety in the local community



Commended for reducing greenhouse gas emissions
Working to reduce environmental burdens through business operations



Blood donation
Starting with what we can do



Providing disaster relief
Donating supplies to an earthquake-affected area



Conducting volunteer activities at a welfare facility
Cheering up elderly people



Establishing an endowed course at the university
Promoting the development of engineers



Holding an employee sports event
Enhancing the unity of employees through sports



Planting mangroves
Contributing to environmental conservation through tree planting



Donating toys to children in need
Bringing smiles to children



Environmental class for elementary school students
Teaching children the fun of crafting



Conducting a river cleanup activity
Providing a safe and beautiful environment

SDGs & My Vision

Here's what Nidec employees think they can do individually via work to achieve the Sustainable Development Goals (SDGs) that UN member nations adopted to achieve in 2030:



U.S.
Nidec Americas Holding Corporation
Jessica Harrison
My role at Nidec is benefits administration. I ensure that all eligible employees know their medical options when it comes to healthcare. Each year, I set up on-site flu vaccinations and health screenings for employees and their dependents. By taking preventative actions, employees protect themselves against the flu and possible health complications.



U.S.
Kato Engineering Inc.
Joshua Lorenz
In our research and development efforts at Nidec, we are working toward the goal of producing more efficient and more affordable machines for usage in the production of electricity all around the globe. Using ever-advancing computer modeling and simulation tools, we aim to design and produce machines that are both efficient and affordable.



U.S.
Nidec Automotive Motor Americas, LLC
Brian Robert
In the automotive industry in sales, our goal is to find new customer applications and/or new technologies that are innovative and simultaneously fit the organization's manufacturing strategy. This approach will enable our group to foster innovation while achieving fiscal growth—allowing for investment in research and development for future advancement in product offering. Bringing advanced competitive technological products to the automotive industry will ensure long term, sustainable growth.

U.S.
SV Probe, Inc.
Chris De Vera
In my role as an account manager, I am mindful of the impact our products and manufacturing processes can have on the environment. By developing innovative products that utilize reusable components and hardware, we are saving not only material resources but ensuring better efficiency and less waste due to an improved manufacturing process. Cost reductions often go hand-in-hand with sustainability efforts, and I am proud that we are able to pass on these environmental benefits and cost savings to our customers.

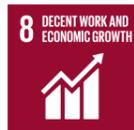


China
Nidec Shimpo (Zhejiang) Corporation
Ailin Cao
As a person in charge of quality control, I place emphasis on eliminating waste in production activities. Actively going around the plant, I am facilitating the improvement of productivity and the effective use of resources. I will continue to work to reduce environmental burdens by increasing energy efficiency in equipment and promoting material reuse.



The Philippines
Nidec Subic Philippines Corporation
Carlos Tolentino
My job is to promote quality and productivity improvement. The reduction of rejected parts leads directly to less material and energy consumption. Productivity improvement also promotes the reduction of overtime work, which enables employees to spend quality time with their family members. My dream is to make my company an ideal workplace for employees and an ideal supplier for customers.

Japan
Tokyo Maruzen Industry Co., Ltd.
Azusa Iwai
Working at the Quality Assurance Department, my goal is to ensure the safety of products. Although electrical contact parts produced by our company are very small parts, which are used in the power buttons of energy-saving home appliances and electric vehicles, they play a very important role because a defect in even just one part can lead to a failure when the power source is switched on. I will continue to conduct thorough product tests to produce safe products in order to contribute to future generations of society.



China
Nidec Motor (Qingdao) Corporation
Shelly Wang
As a member of the manufacturing department, my goal is to reduce all kinds of waste in the production process and improve production efficiency. To this end, it is important not only to reduce waste of materials, energy and work time, but also to create an environment that enables all employees to reach their potentials. An efficient and comfortable work environment makes it possible to manufacture higher-quality products. I will work with my team with enthusiasm and make persistent efforts to build a better work environment.



Taiwan
Nidec Sankyo Taiwan Corporation
Chenfeng Cheng
As a person in charge of profit management, I aim to ensure a healthy cash conversion cycle. I also seek to improve operational efficiency by promoting work practice reform and to create a workplace environment that allows employees to work with security by establishing an appropriate personnel assessment system and securing human resources.

U.S.
Nidec Vamco Corporation
Dina Hieber
My goal as a general manager is to create an efficient and clean workspace, while keeping our staff up to date with the latest energy efficient technologies and tools. I believe that not only should the staff use environmentally friendly equipment, but they should also properly understand the importance of doing so. I would like to pass on such an environmentally friendly spirit to future generations to contribute to realizing a sustainable society.



Mexico
Merkle-Korff de Mexico S.A. de C.V.
Rocio Gonzalez
My goal in Nidec is to help preserve the environment. At work, if we make a thorough separation between waste, including paper, plastic and chemical waste, this will help minimize waste generation, thereby reducing the negative impact on the environment. To promote recycling and reuse, it is important for employees to understand how to separate waste correctly and properly.



India
Nidec India Private Limited
Kanna Pathak
Gasoline- and diesel-fueled vehicles are a major source of air pollution and global warming, posing adverse effects on human health. In India, where OEM for electric vehicles is currently advancing, the provision of our high-efficiency motors for electric vehicles will make a significant contribution to reducing climate change effects. While working at Nidec, I want to strengthen the sales of high-efficiency motors for electric vehicles to contribute to our customers and society.



Thailand
Nidec Shibaura Electronics (Thailand) Co., Ltd.
Surada Pholmakharn
Our company produces electric motors for air-conditioners and washing machines. My responsibility as a member of the sales department is to sell these motors mainly to Japanese customers in Thailand. Whenever we develop a new model, we fully examine its environmental burden in cooperation with our research and development team. We will continue to provide customers with better and environmentally friendly products.



Cambodia
SC Wado Component (Cambodia) Co., Ltd.
Hue Sopheara
My vision is to promote employment through collaboration with local technical universities. I believe that this will lead to job creation in the local community and the future development of the company. By working to achieve my vision, I aim to concurrently contribute to the development of the local community and the sustainable growth of the company.

SDGs on Which the Nidec Group Places a Special Focus

SDGs	Focused Target	Main Approach
 《Goal 3》 Ensure healthy lives and promote well-being for all at all ages	3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents	Improving the sophistication of the advanced driver assistance system (ADAS) and contributing to autonomous driving See P9~10
 《Goal 7》 Ensure access to affordable, reliable, sustainable and modern energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 7.3 By 2030, double the global rate of improvement in energy efficiency	Providing motor products and solutions that lead to dramatic energy saving and renewable energy systems available for a wide range of applications See P7~8 Continuously increasing resource efficiency See P16
 《Goal 9》 Build resilient infrastructure, promote sustainable industrialization and foster innovation	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	Promoting R&D for products and solutions, using results in the area of innovative technologies, including IoT and AI See P17
 《Goal 11》 Make cities inclusive, safe, resilient and sustainable	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	Developing robotics-related technologies that make everyone's life more comfortable and implementing them in society See P11~12
 《Goal 12》 Ensure sustainable consumption and production patterns	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Preventing product failure, improving productivity, and thoroughly promoting recycling, reuse and waste separation See P20
 《Goal 13》 Take urgent action to combat climate change and its impacts	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Providing products and solutions that facilitate the improvement of energy efficiency and the spread of renewable energy, and realizing energy saving and CO ₂ emission reduction in overall business operations including supply chain management See P7~8, P16

Corporate Profile

Company name	NIDEC CORPORATION	Address	338 Kuzetonoshiro-cho, Minami-ku, Kyoto 601-8205, Japan
Brand name		Founded	July 23, 1973
Representative	Shigenobu Nagamori Founder, Chairman and CEO Hiroyuki Yoshimoto President and COO	Paid-in capital	JPY87.78 billion (as of March 31, 2018)
		Total shares issued	298,142,234 (as of March 31, 2018)
		Stock listings	First Section, Tokyo Stock Exchange

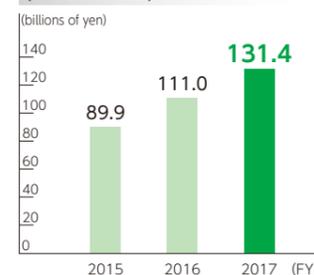
Sales (Consolidated)



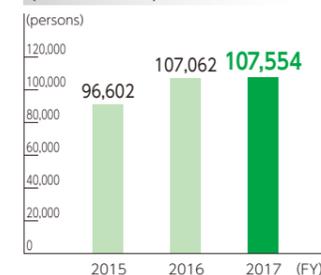
Operating Income (Consolidated)



Current Net Income (Consolidated)



Number of Employees (Consolidated)



About the CSR Report 2018

Editorial Policy

It is the Nidec Group's important business management issue to fulfill its corporate social responsibility (CSR), and incorporate sustainable development into its business activities. In fulfilling our CSR, dialogue, cooperation, and collaboration with our group's stakeholders (mainly customers, supply chain partners, local communities, employees, shareholders, and the global environment) are essential. It is in contribution to this effort that we have been issuing this report, a compilation of the Nidec Group's CSR policies and philosophies, action results, and issues, every year since 2004. In addition to this report, which is a digest of our CSR-related information, please read the CSR page of our corporate website for more details.

Scope of Report

Our CSR Report 2018 focuses mainly on the headquarters, domestic and overseas R&D facilities, and production sites of Nidec Corporation, Nidec Sankyo Corporation, Nidec Techno Motor Corporation, Nidec Tosok Corporation, Nidec-Shimpo Corporation, Nidec Copal Electronics Corporation, Nidec Elesys Corporation, Nidec Copal Corporation, Nidec Servo Corporation, Nidec-Read Corporation, Nidec Seimitsu Corporation, Nidec Machinery Corporation, and Nidec Global Service Corporation.

Reporting Guidelines

Environmental Reporting Guidelines 2012, Ministry of the Environment of Japan
GRI Sustainability Reporting Standard

Reporting Period

With a main focus on the company's activities during FY 2017 (April 2017-March 2018), this report includes activities ongoing from the past as well as information on the latest activities.

Publication

December 2018 (Previous edition: September 2017; Next edition: Scheduled for October 2019)

Publishing Office

Investor Relations & CSR Promotion Department, Nidec Corporation

Editor's Note

As a result of having actively engaged in M&A activity since its foundation, the Nidec Group now has more than 100,000 employees across the world. In this fiscal year as well, we are distributing Japanese, English and Chinese versions of this CSR Report to all of our employees, so that each of over 100,000 employees with their different languages, cultures and values will become aware of the "One Nidec" policy. I hope that this CSR Report will act as a trigger for all Nidec employees to fulfill their social responsibilities in order to help achieve the Sustainable Development Goals (SDGs) and realize a sustainable society.



Masahiro Nagayasu
General Manager, Investor Relations & CSR Promotion Department

Online Information Disclosure <https://www.nidec.com/en-Global/sustainability/>

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

